



DEPARTMENT OF STATE

Washington, D.C. 20520

#5

July 8, 1982

~~CONFIDENTIAL~~
MEMORANDUM

TO: NEA - Ambassador Nicholas Veliotis
FROM: S/P - Paul D. Wolfowitz
SUBJECT: Indira Gandhi Visit

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Authority: EO 13526
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Date:

JAN 27 2016

We have reviewed the Issues and Objectives paper prepared by NEA for the Gandhi visit and believe that it is broad enough to cover the range of subjects that should arise. We look forward to seeing the specifics that are worked up in the background papers and talking points. In the meanwhile, there are some suggestions that I would like to raise about the visit.

Our objectives in India are by and large negative: we want to prevent a downturn in Indo-Pak relations, closer Indian alignment with the Soviets, and further development of nuclear weapons. Nonetheless, achievement of these objectives will be very important to us, particularly in view of the possibility of major changes in Asian strategic relationships (e.g., a Sino-Soviet rapprochement) in the near future. India must contemplate a quite different set of relationships between itself and its Chinese, Soviet and Pakistani neighbors. All of these trends present possibilities of improved Indo-U.S. ties as do Indian moves towards more openness to foreign enterprise and greater encouragement of the private sector. While we cannot expect concrete or dramatic results out of the visit, we can hope to favorably influence the foreign policy debate on relations with the U.S. now taking place within the Indian leadership.

Beyond the kinds of points ably set forth in the NEA paper, we might advance these objectives by having the President:

-- Respond to the feeler that L.K. Jha put out in his conversation with Harry Barnes by reaffirming that we would not only oppose any attempt to change the status of Kashmir by force, but also that we see this as a problem to be solved by India and Pakistan without any outside involvement.

-- Provide a strong reassurance that we are providing weapons to Pakistan solely for use against a Soviet/Afghan threat and that we would consider their aggressive use against India a breach of the terms of sale. (The Indians seem to want such an assurance; it is better given orally than in a letter.)

Department of Energy Declassification Review	
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-- Address the question of the Pakistani nuclear program, to inform Mrs. Gandhi, to an appropriate extent, of the steps that we are taking to keep Pakistan from attaining an explosive capability and to seek to dispel suspicions she might have that we are in any way cooperating in the Pakistani program or condone the involvement of any other party.

-- Make clear U.S. opposition to unauthorized reprocessing of U.S.-origin fuel from Tarspur both to try to ward off such action and to protect our flank with those in Congress who will charge that ambiguity and reliance on our part contributed to such a move.

-- Reconsider the idea of proposing an Indo-Pak nuclear testing moratorium or, at least, the initiation of a dialogue aimed toward that goal. The time will never be perfect, but Mrs. Gandhi is reportedly eager to have a successful visit and may be looking for ways to make a new departure. Both India and Pakistan have at least some short-term interest in preserving the nuclear status quo. Even if the effort fails, we could claim some credit in the arms control arena and on the Hill for having tried; and it is difficult to see how failure could result in anything worse than a return to the position we are in today.

-- Talk frankly to Mrs. Gandhi about our approach to Pakistan and its government -- i.e., that we are not seeking to support any particular regime there; rather, that we are concentrating on very specific areas of cooperation that are in the interest of Pakistan as a nation, as well as being in our own interest. In view of Mrs. Gandhi's dislike of Zia and her unwillingness to be involved with him in any way, the President might want to suggest that this would be a sensible way for India to approach Pakistan. If India and the United States decide to wait for an ideal government to emerge in Pakistan, too many opportunities will slip away.

Economic elements of the Indo-U.S. relationship also deserve special attention. A Presidential meeting presents us with the opportunity to put impetus behind bilateral issues that have gotten stalled and, even more important, sort out our own priorities. We are usually pretty good at telling the President what a visitor wants from us; less good at working up a list of specifics that we want. You might want to convene an interagency working group involving a broad range of

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agencies that deal with India (Defense, Treasury, Commerce, STR et al.) to review the specifics of our relationship. This would permit us to focus on areas where we would like to see other parts of the government be more forthcoming on Indian requests (trade and military sales perhaps, if there are outstanding issues there) and work up a list of areas where we would like greater Indian concessions or cooperation.

The most pressing issue for India will no doubt be lending from the IFIs. With declining contributions and the advent of China as a potential IDA borrower, India's prospects are not good. The American role in the IFIs will almost certainly come up, as your paper notes. It is not going to be easy to "convince India that cooperation with us...will benefit its interests" unless we have something useful to say about the lending problem. We should devote maximum effort between now and the visit to see whether we cannot offer India some concrete concession in the IFIs.

At the same time, we are running a bilateral assistance program that has no political payoff, is of marginal importance to the Indian economy, consumes a large part of our aid resources, and is really not compatible with the kind of mature relationship that we and the Indians keep saying we want to have with each other. In addition, the program is something of a time bomb. Sooner or later the Indians may do something that will provoke a Congressional cut-off and the political costs will far outweigh any gains that we might have made. Current foreign assistance resource constraints only add to the urgency of the problem. I would like to see us explore the possibility of trading the aid program off against a more forthcoming role in the IFIs. Naturally, any suggestion along these lines would have to be cast not as a U.S. decision to drop the aid program, but as a question whether India would not prefer to exchange it for something in the multilateral arena.

I assume that you will be working with PM to determine whether there are military supply matters (e.g., KC-130s) that could be moved forward in the context of the visit (not least of all in terms of budging the Pentagon). Progress on military supply is not only an important "mundane" matter, but also plays back significantly into the broader policy context.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
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