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 CHARGE TO

**AmEmbassy KATHMANDU**

**POL-3 NON-ALIGN**

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**E.O. 11652 :** GDS  
**TAGS :** PFOR, NP, UN  
**SUBJECT :** NON-ALIGNED ACTIVITIES IN INTERNATIONAL ORGANIZATIONS: NEPAL

**ACTION :** SecState WASHDC

**INFO :** AmEmbassy NEW DELHI  
USUN  
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**[REDACTED] KATHMANDU 2549**

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**REF :** A. STATE 099106  
B. KATHMANDU 2099  
C. KATHMANDU 1388

1. **SUMMARY.** Non-alignment and association with Non-Aligned Conference Group (NACG) are fundamental elements of Nepal's foreign policy. As moderate and pragmatic member of NACG, Nepal uses its limited influence in direction of more balanced positions. GON is receptive to US views on many issues, particularly desirability of mitigating extremist tendencies in NACG. To the degree we can persuade GON that these ~~extremists~~ extremists are creating undesirable precedents or threatening effective operation of multilateral institutions, we may be able to influence it to

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| DRAFTED BY:<br><b>POL:FJTatu/DCM:ACEQuainton:etz</b> | DRAFTING DATE:<br><b>21June74</b> | TEL. EXT.:<br><b>25/6</b> | APPROVED BY:<br><b>Ambassador Cargo</b> |
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**[REDACTED]**  
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dissociate itself from particularly radical NACG positions, but Nepal will not wish to be isolated from mainstream of non-aligned thinking. In addition, on most issues where its two giant neighbors -- China and India -- are in agreement, Nepal considers its freedom of maneuver limited and will be cautious in taking positions which would antagonize either neighbor. END SUMMARY.

2. Although one of the more moderate and pragmatic of NACG members, Nepal has increasingly acceded publicly and in multilateral fora to extremist NACG positions and tactics. GON has also acquiesced in consensus approach to NACG decision-making and has expressed concern with extremist views only privately or as unacknowledged reservations within NACG meetings. Nepal is ambivalent in its attitudes towards NACG, which in name, if not substance, epitomizes Nepal's traditional and entrenched non-aligned foreign policy. It would feel isolated and somehow less non-aligned if it were not NACG participant. Through NACG association, where it is member of recently constituted Coordinating Bureau and four nation LDC team to negotiate on oil prices with Arabs, Nepal has gained international publicity, foreign and domestic prestige and close association with at least some like-minded states. At the same time, GON leadership is uneasy about extremist tactics as employed in NACG and some of the results produced, to the extent that it has apparently even considered pulling out (RefTel C).

3. We do not consider it likely that GON will, in fact, pull out of NACG. Indeed, presence of relatively moderate Nepal in NACG is

in our interests. The problem we face is one of how to reinforce ~~moderate~~ moderate tendencies in GON policy in face of cohesive tactics of more ~~moderate~~ radical third world countries and Nepal's concern for sensitivities of its two giant neighbors -- China and India. In the past, with the exception of Middle East issues, Nepal has been reluctant to take positions greatly at variance with those of her neighbors, or with non-aligned consensus, and we should not have unrealistic expectations of independent action by small, isolated, insecure state such as Nepal when third world issues are at stake.

4. We concur that steps outlined para four RefTel A are very much in order. From Kathmandu perspective we suggest major US effort to help the moderates of the NACG to identify issues where they have interests in common in the hope that a moderate group might eventually coalesce to challenge extremist control in NACG. In our tactics in dealing with the moderates we should make clear that we do not find non-alignment ~~objectionable~~ objectionable per se but that ~~it~~ <sup>lapse</sup> this is a ~~lapse~~ in congruity in applying the appellation of "non-aligned" to a grouping which is demonstrably led by committed extremists. In addition we should bear down hard with moderate members of NACG wherever we can convincingly demonstrate that precedents being created by NACG "strong-arm tactics" are harmful to specific third party interests. (For ~~example~~ example, many countries, ~~it~~ including Nepal, face serious threats from exile claimants to power; like Nepal Congress Party dissidents in India; and hence support for GRUNK or PRG is adverse to their ~~interests~~ interests.)

In addition we must prepare for ~~a~~ horse-trading at international conferences with groupings within the NACG. On basis of our recent discussions with GON on LOS, it appears that landlocked states like Nepal may be willing to go along with some points of strategic and economic importance to US ~~■~~ if they receive in return support on issues of key interest to landlocked countries. (RefTel KATHMANDU 2225).

5. We are less certain about ~~XXXXX~~ proposed trade-off between economic assistance and political support. It may be desirable as suggested paras 4c & e to adjust our positions on resource transfer to developing ~~XXXXXX~~ nations and to demonstrate greater flexibility in this area. Unfortunately, ~~XXX~~ most third world countries believe that accelerated resource transfer through international organizations is already their due, and they are unlikely to make compensating political gestures in return. ~~Atx~~ Attempts to bring about changes in <sup>also</sup> political posture on specific issue by withholding aid is ~~it~~ unlikely to be productive in ~~ix~~ increasingly nationalistic country such as Nepal. Indeed, direct USG pressure of this kind is more likely to antagonize GON than to induce greater flexibility on its part. Instead we would strongly recommend wherever possible that we ~~we~~ seek to mobilize other small Asian states behind particular issues of importance to us. Nepal can more easily be influenced by its neighbors and by other states in similar geopolitical situations than it can by external great powers.

6. In sum, problem of radicalization of non-aligned countries is

one which we can influence somewhat, but within ~~its~~ limits. The sense of solidarity among third world countries is growing. Nepal feeling insecure in its geopolitical situation, is unlikely to put much distance between itself and the non-aligned consensus unless it can be convinced that divergent position is clearly in its national ~~the~~ interest.

~~SECRET~~ CARGO

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SUBJECT TO GENERAL DECLASSIFICATION  
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~~SECRET~~ AUTOMATICALLY DOWNGRADED AT  
TWO YEAR INTERVALS AND DECLASSIFIED ON:  
JUNE 21, 1980.