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Approved by S: Mr. Acams 2/19/75 ·



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Memorandum of Conversation

DATE: January 27, 1975

SUBJECT:

Meeting with Ambassador-designate Saxbe

PARTICIPANTS:

The Secretary

Ambassador-designate Saxbe

Assistant Secretary for Near Eastern and South a South and South a

Affairs Alfred L. Atherton, Jr. Country Director for India Dennis Kux Cat. C - Cartion and sustody

DATE/TIME/PLACE: January 27, 1975, 3:00 P.M. NODIS REVIEW

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The session opened with an exchange of pleasantries and mention of a discussion earlier in the day whether the next NATO meeting would be held in London.

Saxbe: I have had a chance to spend some time today with Moynihan.

Secretary: Yes, I was with him when he saw the President. you read any of his cables?

Saxbe: No, I haven't.

Secretary: Roy, please give him a selection of Moynihaniana.

I had lunch last week with Ambassador Kaul. His attitude was interesting. He said the \$50 million in aid we were offering was so small they might turn it down. He also complained we were only offering 250,000 tons of wheat under PL 480 Title I.

Secretary: If they don't want our aid, we won't push it on them. We won't bargain with them to take aid.

Saxbe: What about arms to Pakistan?

Secretary: There is something rather nuts about this issue. Indians can get arms from the Russians. They have their own industry. And the Pakistanis don't have this.

NEA/INS:DKux:ei (Drafting Office and Officer)

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Saxbe: It seems illogical for us to get in the middle of a regional dispute. If the President plans to come out, arms to Pakistan will blow him out of the water.

Secretary: We have not made a decision. I am slightly leaning toward a small arms sale to Pakistan.

Saxbe: Might as well make it a big one. Why do we want to back into a regional confrontation?

Secretary: All Ambassadors to India say arms to Pakistan will undermine our position. That's part of their job. What do you think, Roy?

Atherton: We think there will be an Indian reaction. Possibly Chavan will postpone his visit. It could well freeze the Joint Commission.

Saxbe: It would also make me pretty unpopular in India.

Secretary: I'll be the unpopular guy. I have been through that before.

Saxbe: But what do we get out of this in the long run? We should keep out of a regional hassle.

Secretary: No one is telling us to stay out of economic aid which the Indians can convert to arms from the Soviet Union. The Pakistanis are not in as good a position.

Saxbe: Yes, but the Pakistanis get arms from China and from France.

Secretary: France puts them at the end of the list and China doesn't have much.

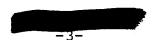
Saxbe: Pakistan's real protection comes from Iran and the OPEC Countries. She has close ties with other Muslim countries and there is not much India can do about this. I think with India's dependence on Iran and its hopes with the Arabs, it will be careful. This gives Pakistan a special position. Do you have any special instructions for me?

Secretary: When are you leaving?

Saxbe: I will be around until after Bhutto leaves. I am planning to leave about February 15 and arrive February 21 or 22.



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Secretary: Forgetting about arms, which is not yet decided and on which we may not make a decision for a month or so after Bhutto comes -

I thought he was assuming we would be.

Secretary: Why did we schedule Bhutto in early February?

Atherton: It just came out that way. On the trip you talked of early in the year.

Secretary: That means until April.

Saxbe: Does the Bangladesh coup change anything?

Secretary: Things are going exactly as predicted. I never thought

Bangladesh would be a democracy. Did you?

I never thought it would amount to anything. I toured the entire country last year and things were in a mess.

Secretary: During the Bangladesh war, I called the place a basket case and this was in the press.

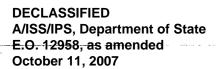
About India, we have improved relations. We are eager to continue this process. We don't want too high a visibility which might upset the Chinese who loathe the Indians, but we are anxious for steady improvement. The President may go later in the year. I don't think we should pay anything for that. Don't let Tikki Kaul tell us that this or that move would cloud the visit.

We are interested in India. It is a democracy. It is the largest underdeveloped country. We want to help them in their development, but we don't want to be blackmailed by them. I would like to put emphasis behind the Joint Commission. In fact, our relations with them have been progressing along quite well. We don't expect them to support us all the time on international issues.

But we don't expect them to kick us in the ass either. Saxbe: told that to Kaul the other day. Congress is mad at India. Now the big papers are questioning India because of their PLO stand. From what I gather, they are also losing support among their university They are using up their good will.

Secretary: I hope you will make that clear in India.

Saxbe: Moynihan had some interesting comments on their nuclear test. He says it was disastrous for them. If the Paks also go nuclear, then there is again military parity between the two and India loses its advantage.



Secretary: Yes, that is true. The major thing is that we recognize India as a great power. We want good relations. We see no basic conflict of interest. We have no desire to upset the balance of power in the subcontinent. But they have to show respect for our concerns and in fact their record lately has not been too bad.

I would like the Indians to realize that we are not using China against them, but I don't want to promote better Sino-Indian relations in a way that makes the Chinese nervous. This is not particularly in our interest. Be especially careful what you say on this. The Chinese do not believe in such a thing as uninstructed Ambassadors. It is almost certainly true that if the Chinese attacked we would support India, but we don't want the Chinese to think we are dumping them for the Indians. If you are asked by the Indians about their relations with China, say that we have absolutely no objection to an improvement. But I would avoid getting into this in public.

Roy, are there other issues to be covered?

Atherton: The nuclear question.

Secretary: When I talked of this in Delhi, Mrs. Gandhi said they would not accept bilateral controls, but would possibly participate with multilateral controls. We have given her a paper with our ideas. We passed this through her Secretary P.N. Dhar. He is apparently a good man. We would like to find out what their response is.

I also like Chavan although he is not very eloquent.

Saxbe: His experience in dealing with us is not bad.

Secretary: Yes, Chavan is all right. The major thing for an American Ambassador in India is to be sympathetic but strong. We are committed to improving relations, but our experience is that every once in a while you will get clobbered.

Saxbe: I like the people very much.

Secretary: That is a real asset. You know they asked for you.

Saxbe: I also like the food.

Secretary: That is a terrific asset if you like their food. I can't even stand the smell of it.



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