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TELEGRAM

PAGE 01 STATE 101888 COPY 1 OF 15 COPIES

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APPROVED BY S:THE SECRETARY
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FM SECSTATE WASHDC
TO ANEMBASSY NEW DELHI IMMEDIATE

STATE 101888

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E.O. 11652: GDS

TAGS: PFDR, IND, US

SUBJECT: U.S. RESPONSE TO INDIAN CRITICISM

REF: NEW DELHI 5606

FOR SAXBE FROM THE SECRETARY

I. I AGREE COMPLETELY WITH YOUR VIEW THAT FURTHER REPRESENTATIONS TO THE INDIANS SHOULD BE COUPLED WITH ACTIONS,

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PAGE 02 STATE 101808

TELEGRAM

SHOULD UNJUSTIFIED PUBLIC CRITICISM BY SEVERAL INDIAN LEADERS CONTINUE. IT WAS NOT OUR INTENTION TO ALLOW THE INDIANS TO CONTINUE PUBLIC SNIPING AT US WITH ONLY A VERBAL RESPONSE.

2. YOUR EARLIER REPRESENTATIONS, OUR OWN SESSIONS WITH THE INDIAN EMBASSY, AND YOUR INTERVIEWS WITH THE NEW YORK TIMES AND TIMES OF INDIA HAVE MADE CLEAR TO GOI OUR UNHAPPINESS ABOUT STATE OF AFFAIRS. THE UPCOMING SESSION WITH CHAVAN IS ESSENTIAL NEXT STEP, FIRMLY WARNING GOI THAT WE HAVE DRAWN THE LINE AND INTEND TO RESPOND SHOULD THERE BE NO ABATMENT IN INDIAN PUBLIC CRITICISMS.

3. AS YOUR MESSAGE STATES, THERE ARE A NUMBER OF TACTICAL WAYS OF APPROACHING CHAVAN. UNDER PRESENT CIRCUMSTANCES,

I BELIEVE SOUNDTEST APPROACH IS THAT YOU STRONGLY PROTEST RECENT UNACCEPTABLE INDIAN STATEMENTS, AND MAKE CLEAR THAT IF THIS TYPE OF CRITICISM CONTINUES, IT WOULD BE DIFFICULT FOR US TO MAINTAIN EXISTING BILATERAL PROGRAMS AND TO CONSIDER INITIATION OF OTHER ACTIVITIES WHICH WE HAVE DISCUSSED WITH THE INDIANS. GOI SHOULD BE UNDER NO ILLUSION THAT WE ARE BLUFFING. AT THE SAME TIME, I DO NOT WANT TO TIE OUR HANDS IN ADVANCE AND LIMIT OUR FLEXIBILITY BEFORE WE KNOW WHETHER THE INDIANS ARE WILLING TO HEED OUR WARNING.

4. WHEN YOU SEE CHAVAN, I WOULD LIKE YOU TO MAKE THE FOLLOWING POINTS STRESSING, OF COURSE, THAT YOU ARE SPEAKING UNDER PERSONAL INSTRUCTION FROM ME:

A. FUNDAMENTAL PREMISE OF MATURE RELATIONSHIP U.S. AND INDIA ARE SUPPOSEDLY SEEKING IS MUTUAL RESTRAINT IN PUBLIC CRITICISM AND WILLINGNESS TO USE GOVERNMENT-TO-GOVERNMENT CHANNELS TO SORT OUT PROBLEMS RATHER THAN RESORTING TO PUBLIC NAME-CALLING. U.S. CAN APPRECIATE INDIAN CONCERN REGARDING LIFTING OF ARMS EMBARGO. EVEN IF WE DID NOT AGREE WITH INDIAN VIEWPOINT, WE RECOGNIZE GENUINE PUBLIC SENTIMENT THAT EXISTS IN INDIA ON THIS ISSUE. WHILE STRONG, OFFICIAL GOI REACTION (AS OPPOSED TO AMBASSADOR KAUL'S INTEMPERATE OUTBURST) WAS NOT SUCH AS TO RENDER IT

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Department of State TELEGRAM

PAGE 03 STATE 101888

INDIA STILL TO CONTINUE MUTUAL EFFORT FOR IMPROVED INDO-AMERICAN RELATIONS. MY LETTER OF FEBRUARY 28 AND MORE RECENTLY SECRETARY SIMON DURING HIS VISIT TO INDIA MADE CLEAR U.S. REMAINS INTERESTED IN MORE CONSTRUCTIVE RELATIONSHIP.

P. RECENT WAVE OF PUBLIC CRITICISM OF USG BY INDIAN LEADERS, WHICH WE NEITHER UNDERSTAND NOR APPRECIATE, MAKES US WONDER IF GHI STILL DESIRES BETTER RELATIONS WITH U.S. FOLLOWING STATEMENTS PRODUCE THIS VIEW:

OTE -- IN AN APRIL 13 SPEECH IN NORTHERN INDIA, MRS. GANDHI SAID SHE REJECTED OPPOSITION DEMANDS FOR LIFTING THE EMERGENCY BECAUSE OF "INTENSIVE WAR PREPARATIONS ... MADE ALL AROUND US BY SOME COUNTRIES WHICH WERE ALSO STOCKPILING WEAPONS" AND A "NEW THREAT" WHICH HAD APPEARED ALONG INDIA'S VAST COASTLINE.

-- ON APRIL 14, WHEN ASKED BY THE PRESS WHAT SEA THREAT SHE HAD IN MIND, SHE RESPONDED, "I THINK IT IS OBVIOUS WHICH SEA POWER I MEANT. THIS IS FOR YOU TO MAKE OUT."

-- ALSO ON APRIL 14, MRS. GANDHI DEFENDED THE STATE OF EMERGENCY IN PARLIAMENT IN THE SAME TERMS, DESCRIBING THE "FEVERISH MILITARY BUILDUP IN AND AROUND OUR REGION," AND REITERATED THAT THIS INCLUDED A THREAT TO INDIA'S EXTENSIVE SEA COAST AS WELL AS HER LAND FRONTIER. "MAYBE IF INDIA WAS AGAIN ATTACKED FROM THE NORTH, OTHERS MAY COME TO HELP THE AGGRESSOR FROM THE SEA."

-- OTHER SPEAKERS HAVE TAKEN UP THE CRY: SWARAN SINGH, SPEAKING APRIL 12 AT LUCKNOW, SAID THAT U.S. ARMS WOULD WEAKEN PAKISTAN AND MAKE IT A COCKPIT OF INTERNATIONAL INTRIGUE AS WELL AS TRIGGER AN ARMS RACE IN THE SUB-CONTINENT ... PAKISTAN HAD BECOME BELLICIOUS WITH A SUPPLY OF ARMS BY THE U.S., AND THE ARMS BUILDUP IN THE INDIAN OCEAN AND DIEGO GARCIA HAD INCREASED.

-- CONGRESS PARTY PRESIDENT BARODAH, TALKING IN LUCKNOW APRIL 11, SAID THAT THE U.S. HAD BECOME A THREAT TO WORLD PEACE AND A DANGER TO THE PROGRESS OF DEVELOPING AFRO-

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Department of State TELEGRAM

PAGE 04 STATE 101888

ASIAN COUNTRIES AND THAT IT WAS BUILDING BARRIERS AND INTRIGUING AGAINST THE SOVEREIGNTY AND PROGRESS OF ASIAN NATIONS.

-- APRIL 18 THE DEPUTY MINISTER FOR HOME AFFAIRS TOLD PARLIAMENT THAT THE "THREAT TO OUR BORDERS IS NOT ONLY ALONG THE LAND FRONTIER BUT ALSO ALONG OUR EXTENSIVE SEA COAST.

-- WE NOTE WITH REGRET THAT OFFICIAL INDIAN COMMENTS ON INDOCHINA DEVELOPMENTS, SUCH AS THE APRIL 30 STATEMENT IN PARLIAMENT, SHOWED LIMITED INCLINATION TO TAKE INTO ACCOUNT AMERICAN SENSITIVITIES. END QTE.

C. WITH REGARD TO CHARGE THAT U.S. ARMS SUPPLIES TO PAKISTAN ARE CREATING TENSION IN SUBCONTINENT, INTEMPERATE INDIAN STATEMENTS COULD BECOME SELF-FULFILLING PROPHECY. IN FACT, PAKISTANIS HAVE MADE NO REQUEST SO FAR FOR ARMS FROM U.S. AND WE INTEND TO REVIEW ALL REQUESTS CAREFULLY IN LIGHT OF OUR PUBLICLY ANNOUNCED POLICY GUIDELINES. ON OTHER HAND, WE ARE AWARE THAT GOI AND USSR ARE IN PROCESS OF CONCLUDING MAJOR ARMS ARRANGEMENT.

D. WITH REGARD TO ALLEGATIONS ABOUT "SEA THREATS" TO INDIA, WE WOULD LIKE TO KNOW WHAT GOI HAS IN MIND. WE HAVE REPEATEDLY MADE CLEAR THAT U.S. NAVAL ACTIVITIES IN INDIAN OCEAN ARE NOT DIRECTED AGAINST SOUTH ASIA. IN LIGHT OF OUR STATEMENTS AND LIMITED CHARACTER OF FACILITIES WE PLAN AT DIEGO GARCIA, WE CONSIDER INDIAN STATEMENTS IRRESPONSIBLE, TO SAY THE LEAST.

E. IN KEEPING WITH PREMISE OF MORE MATURE RELATIONS, U.S. HAS REFRAINED FROM PUBLIC CRITICISM OF INDIA, UNLIKE MOST OF OUR ALLIES AND IN FACE OF SHARP CONGRESSIONAL CRITICISM, U.S. DID NOT PUBLICLY CRITICIZE INDIAN NUCLEAR EXPLOSION. INDEED, I "WELCOMED" GOI POLICY STATEMENT NOT TO DEVELOP NUCLEAR WEAPONS DURING MY VISIT TO DELHI. SIMILARLY, U.S. HAS REFRAINED FROM COMMENTING OVER INDIAN ABSORPTION OF SIKKIM. WE APPRECIATE INDIAN SENSITIVITY ON THIS SCORE AND DID NOT WISH TO FURTHER DAMAGE INDIA'S PUBLIC IMAGE IN U.S. WE FIND SIMILAR RESTRAINT ABSENT

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Department of State **TELEGRAM**

PAGE 05 STATE 101888

ON INDIAN SIDE.

F. HIGHEST LEVELS OF USG WANT GOI CLEARLY TO UNDERSTAND THAT RELATIONS CANNOT BE A ONE-WAY STREET. CONTINUED LACK OF RESTRAINT IN PUBLIC STATEMENTS BY INDIAN LEADERS REGARDING U.S. WILL INEVITABLY TRIGGER A DOWNWARD SPIRAL IN RELATIONS. WE WOULD LIKE TO AVOID THIS, BUT DECISION IS UP TO INDIA. IF UNWARRANTED ATTACKS DO NOT CEASE, U.S. WILL FIND IT DIFFICULT TO JUSTIFY TO AMERICAN CONGRESS AND PUBLIC CONTINUATION OF VARIOUS BILATERAL PROGRAMS NOW IN TRAIN AND OTHER ACTIVITIES WE HAVE TOLD INDIANS WE ARE WILLING TO INITIATE.

G. BEGIN FY77 I HAVE REVIEWED YOUR IDEAS AND OUR OPTIONS AND HAVE DECIDED THAT WE SHOULD ADOPT A SCALE OF RESPONSES AS OUTLINED BELOW. OUR ACTIONS WILL BE CALIBRATED TO REFLECT INDIAN BEHAVIOR AFTER YOUR SESSION WITH CHAVAN. IF THE INDIANS FAIL TO GET MESSAGE, WE WILL TAKE FOLLOWING STEPS:

A. WITHDRAW OUR OFFER TO CONSIDER A RESUMPTION OF DEVELOPMENT LENDING. WE ARE REQUESTING DOLS. 75 MILLION IN FY 76 AID CONGRESSIONAL PRESENTATION FOR INDIAN DL. WITHDRAWAL OF THIS OFFER AND REPROGRAMMING THESE FUNDS WOULD BE THE FIRST COUNTERMEASURE.

B. PUT INTO SLOW MOTION JOINT COMMISSION ACTIVITIES OF INTEREST TO INDIANS, SUCH AS DOUBLE TAXATION TREATY, 1977 ART EXHIBIT, AND PROPOSED NEW SCIENCE AND TECHNOLOGY PROGRAMS.

C. FORMAL SUSPENSION OF U.S. PARTICIPATION IN JOINT COMMISSION.

D. CANCELLATION OR INDEFINITE POSTPONEMENT OF PRESIDENT FORD'S PROPOSED VISIT TO INDIA.

E. ELIMINATION OF INDIA FROM TITLE I PL-480 PROGRAM (ALTHOUGH THIS STEP WOULD CREATE COMPLICATIONS IN OTHER RESPECTS)

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Department of State TELEGRAM

PAGE 06 STATE 101898

BECAUSE TITLE I PROGRAM HAS PROVIDED GROUNDS TO ARGUE WITH OTHER WORLD BANK CONSORTIUM MEMBERS THAT WE NEED NOT OFFER DEBT RELIEF THIS YEAR.)

6. YOU MENTIONED NASA/GOI EDUCATIONAL TV EXPERIMENT WHICH GOES OPERATIONAL THIS SUMMER. THIS IS CULMINATION OF NEARLY A DECADE OF INDO-US COOPERATIVE EFFORT WHICH CONTINUED EVEN DURING NADIR OF RELATIONS IN 1971-2. PRECIPITATE ACTION TO CANCEL THIS EXPERIMENT NOW JUST MONTHS BEFORE SATELLITE IS SHIPPED OVER INDIA WOULD NOT REALLY HURT GOI (EXPERIMENT INVOLVES ONLY 2000 OF 200,000 INDIAN VILLAGES), BUT COULD RESULT IN CONSIDERABLE DOMESTIC CRITICISM OF ADMINISTRATION. NASA WOULD ALSO HAVE TROUBLE IN FINDING MEANINGFUL ALTERNATE USES WITH SUCH SHORT LEAD TIME.

7. WE HAVE OPTION OF RESPONDING IN KIND TO INDIAN RHETORIC. I AM RELUCTANT TO DO SO BECAUSE CORE OF OUR COMPLAINT ABOUT INDIANS IS THAT THEY ARE INDULGING IN PUBLIC POLEMICS RATHER THAN TRYING TO SORT OUT DIFFERENCES IN PRIVATE. IN THIS CONTEXT, I BELIEVE WE HAVE ALREADY SAID ENOUGH IN PUBLIC AND WOULD LIKE YOU TO HOLD OFF, FOR TIME BEING AT LEAST, ADDITIONAL PRESS INTERVIEWS, STANDING FOR NOW ON YOUR NEW YORK TIMES INTERVIEW WHICH WE CONSIDERED RIGHT ON THE MARK. I WANT OUR RESPONSE TO BE ACTIONS NOT WORDS. END FYI

8. IN APPROACHING THIS PROBLEM, IT REMAINS OUR INTENTION TO MOVE WITHIN FRAMEWORK OF OUR CURRENT SOUTH ASIA POLICY, WHICH EMPHASIZES OUR DESIRE FOR REGIONAL STABILITY AND PEACE. WITHIN THIS POLICY, WE SEEK STEADIER AND MORE NATURE BILATERAL RELATIONS WITH INDIA, IF THEY CAN BE ACHIEVED, AND WE CONTINUE TO SUPPORT THE SIMLA PROCESS OF INDO-PAKISTAN RECONCILIATION AS CONTRIBUTING TO OUR BASIC REGIONAL OBJECTIVE. WE CONTINUE TO BELIEVE THIS OBJECTIVE OF REGIONAL PEACE AND STABILITY BEST SERVES US INTERESTS AND THOSE OF AREA. TO SOME DEGREE, HOWEVER, OUR ABILITY TO SUSTAIN THIS POLICY IS AFFECTED BY OUR BILATERAL RELATIONS WITH INDIA, AND GOI SHOULD UNDERSTAND THIS. KISSING

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