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TO SECSTATE WASHDC 8173

INFO AMEMBASSY DACCA 5022 AMEMBASSY ISLAMABAD 8645 AMEMBASSY MOSCOW 2213 AMEMBASSY TEHRAN 2191

Jest March

SECTION 1 OF 2 NEW DELHI 13056

LIMDIS E.O. 11652: GDS TAGS: PFOR IN PK

SUBJECT: US-INDIA RELATIONS: IMPACT OF MILITARY SALES TO PAKISTAN

1. DURING THE COURSE OF CONVERSATIONS BETWEEN THE FOREIGN SECRETARY AND THE DCM ON THE MORNING OF SEPTEMBER 1, BETWEEN THE FOREIGN SECRETARY AND SENATE FOREIGN RELATIONS STAFFOEL MANTEL IN THE AFTERNOON, AND BETWEEN THE DCH AND TEJA, SEPTEMBER 2, SEVERAL REFERENCES WERE MADE TO US-INDIA RELATIONS AND MILITARY SALES TO PAKISTAN. THESE REMARKS ON MILITARY SALES WERE NOTEWORTHY FOR THEIR RESIDENT ALTHOUGH A CLEAR MESSAGE CAME THROUGH THAT US MINITARY SATES BEYOND A CERTAIN BOINT WOULD HAVE A SIGNIFICANT. IMPACT ON US-INDIA RELATIONS. A THEME WHICH WAS PARALLELED BOTH IN RESTRAINT AND IN THE CAUTION FOR THE FUTURE IN ALMOST STAFFDEL MANTEL S CONVERSATIONS IN DELHI.

2. MEHTA'S CONVERSATION WITH THE DCM PRIMARILY RELATED TO THE COLOMBO CONFERENCE. HE DIGRESSED REGARDING INDIA'S PROBLEMS WITH BANGLADESH AND PAKISTAN IN WAYS WHICH, PARTICULARLY IN LIGHT DE SUCCEEDING CONVERSATIONS, BECAME RELEVANT TO US-INDIA RELATIONS. AFTER DESCRIBING THE STATUS OF INDIA'S PROBLEMS WITH BANGLADESH, MEHTA SAID THAT WHILE HE DID NOT WISH TO SPEAK OFFICIALLY. HE VERY MUCH HOPED THAT SOMETHING MIGHT BE DONE TO

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DEMONSTRATE THAT THE US DOES NOT REJOICE IN THE DIFFICULTIES BETWEEN BANGLADESH AND INDIA. THE DCM REPLIED, OF COURSE, THAT EXCEPT FOR ECONOMIC MATTERS THE US HAD REFRAINED FROM US INVOLVEMENT IN BANGLADESH'S AFFAIRS. WE REPORT THIS TO INDICATE THAT MEHTA, WHOM WE BELIEVE IS SEEKING TO IMPROVE RELATIONS WITH THE US, STILL BELIEVES HE NEEDS HELP IN DEMONSTRATING US BONA FIDES IN BANGLADESH.

3. SHIFTING TO PAKISTAN, MEHTA SPECULATED ABOUT PAKISTAN'S MOVITES IN REGARD TO RECENT STATEMENTS CONCERNING KASHMIR. HE WONDERED IF THEY WERE MADE FOR PUBLIC CONSUMPTION OR IF THEY REPRESENTED SOMETHING MORE SERIOUS. IN ANY EVENT, HE SAID, ALTHOUGH INDIA HAS SO FAR REFRAINED FROM ANY COMMENT, IT CANNOT DO SO INDEFINITELY. (DELHI IS A BIT NERVOUS ABOUT ITS SOMEWHAT SHAKY POLITICAL RELATIONS WITH SHEIKH ABDULLAH AT PRESENT AND MAY BE PARTICULARLY SENSITIVE TO BHUTTO'S COMMENTS ABOUT KASHMIR IN THESE CIRCUMSTANCES.) THEN MEHTA ASKED RHETORICALLY IF SOME METHOD MIGHT NOT BE FOUND BY WHICH THE ANXIETIES OF THE SUBCONTINENT COULD BE ASSUAGED.

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4. MEHTA TOOK WIS ANALYSIS OF THE PAKISTAN PROBLEM SOMEWHAT FARTHER WHEN SPEAKING TO MANTEL HE DESCRIBED THE REMARKABLE ACHIEVEMENTS OF THE RECENT AGREEMENT WITH PAKISTAN AND ITS RAPID IMPLEMENTATION BUT AGAIN DESCRIBED RECENT STATEMENTS IN PAKISTAN ABOUT KASHMIRE WHICH HE SAID RAISED QUESTIONS ABOUT PROSPECTS OF THE EUTURE. IT WAS AT THIS POINT THAT HE MADE HIS DNEY CONNENT ON US MILLIARY SALES TO PAKISTAN HE SAED THAT THE SALE DE SOME DEEENSLYE WEAPON SUCH AS THE A-7-GOULD START THE CYCLE OF INDIA-PAKISTAN ACTUBRY AND REACTIONS COING AGAIN. AND WOULD HAVE WROLLTICAL SIGNIFICANCE " BY THE LATTER, HE MEANT IT WOULD BE CONSIDERED BY THE PAKISTANIS (AS ALSO THE INDIANS) AS INDICATING THEY HAD THE POLITICAL SUPPORT OF THE US. IT WOULD, MEHTA SAID, DAMAGE BOTH INDIA PARISTANT RELATIONS AND INDIA-US RELATIONS. IT SEEMS TO US SIGNIFICANT THAT, DESPITE THE FACT THAT MANTEL STARTED THE CONVERSATION BY DESCRIBING HIS SPECIFIC INTEREST IN THE MILITARY SALESPROGRAM, MEHTA OFFERED ONLY THIS SINGLE COMMENT ON US SALES.

5. THE NEXT DAY TEJA WAS SOMEWHAT MORE SPECIFIC REGARDING US MILITARY SALES BUT STILL RESTRAINED. IF US ARMS SUPPLY TO PAKISTAN IS OF SUFFICIENT QUANTITY TO HAVE "POLITICAL IMPACT", HE SAID, IT

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WILL CAUSE CONCERNS IN INDIA. HE MENTIONED SPECIFICALLY A-75 OR TANKS. HE RECOGNIZED, HOWEVER, THAT THE US HAD GONE SLOW IN SALES IN RECENT YEARS: HE ALSO NOTED THAT SO FAR THE US WAS DEFERING ARMS ONLY FOR CASH SALE. TAJE ALSO MENTIONED THE RE-EMERGENCE OF KASHMIR ISSUE IN PAKISTAN, MAKING CLEAR THAT HIS CONCERN ABOUT THE POLITICAL IMPACT DF US ARMS SALES RELATED TO SUCH THINGS AS PAKITANAS ATTITUDE TOWARD NEGOTIATIONS WITH INDIA. THE DCM EXPLAINED THAT US SALES HAD INDEED BEEN MODEST AND SAID THAT MANY PEOPLE QUESTIONED WHY INDIA WAS CONCERNED ABOUT US SALES WHEN IT HAD SUCH EXTENSIVE FOREIGN SOURCES ITSELF AND WAS CLEARLY MILITARILY SUPERIOR. TEJA DID NOT PRESS THE ISSUE PERHAPS BECAUSE, AS HE HAD PREVIOUSLY TOLD MANTEL, THE GDI DID NOT WISH TO MAKE US-PAKISTAN RELATIONS THE PRINCIPAL DETERMINANT OF US-INDIA RELATIONS.

6. THESE DISCUSSIONS LEAD US TO SEVERAL TENTATIVE CONCLUSIONS. FIRST, IT IS OBVIOUS THAT THERE ARE THOSE HIGH IN THE GOI WHO CONTINUE TO BELIEVE THAT THE US IS OPERATING AGAINST INDIA'S INTEREST IN BOTH BANGLADESH AND PAKISTAN; AND THERE ARE THOSE, SUCH ASSTHESFOREIGN SECRETARY, WHO WOULD LIKESTO BE ABLE TO PROVE THEM WRONG. SECOND, IT SEEMS CLEAR THAT TACTICALLY AT LEAST. THE GOL HAS BEEN HANDLING THE ARMS ISSUE QUITE DIFFERENTLY FROM IN THE PAST. LI HAS NOT COMPLAINED ABOUT MODEST SALES
AND, INDEED, HAS NOT YET MADE AN ISSUE WITH US IN DEVELOPMENT OF STATES WILLIAM NOW BEFORE THE SENATE COMMITTEE: IHIRD, IT IS CHEAR, HOWEVER, THAT THE GOL SEES A LIMIN TO ITS RESTRAINT AND THE A-Z EXCEEDS THAT MILES WAS END BY THE MEA the case - not PLANNING JOIN SECR. VARY LDAMODARANT THAT INDIA DIDENTIFICATION OF THE PROPERTY OF THE PROPERT Manager Car Can 151 151 151 TO VINNE IN LANGUAGE VEZIO SEEMS TO BE A MUCH MURE VAGUELY DEFINED LIMIT WHICH IS THAT QUANTITY OF ARMS SALES HHIGH THE INDIANS SEE AS AFFECTING PAKISTAN'S STANCE REGARDING INDIA. IN THIS REGARD INDIAN OFFICIALS HAVE MADE IT CLEAR THAT OTHER FACTORS SUCH AS TIMING AND THE STATE OF US-INDIA RELATIONS WOULD HAVE AN EFFECT ON THEIR REACTION TO US ARMS SALES & IF US-INDIA RELATIONS WERE WARM AND A US ARMS SALE TO PAKISTAN

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WAS NOT MADE AT A TIME OF INDIA-PAKISTAN DIFFICULTY,

INDIA MIGHT NOT BE CONCERNED ABOUT IT.

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7. WE DON'T WANT TO EXAGGERATE THE IMPORTANCE OF THIS DIALOGUE WHICH IN SOME REGARD RESEMBLES THAT WHICH HAS TAKEN PLACE OVER THE YEARS AND WHICH WE OFTEN WOULD PREFER TO FORGET. WE DID NOTE, HOWEVER, A TOUCH OF RESTRAINT AND A SUSPICION OF A SLIGHTLY MORE TOLERANT ATTITUDE THROUGHOUT MANTEL'S NUMEROUS MEETINGS IN DELHI. THIS MAY REPRESENT CHANGE, OR BETTER TACTIOS. OR SIMPLY THE VIEWS OF INTELLIGENT INDIANS DURING RATIONAL MOMENTS.

8. WE WERE PARTICULARLY STRUCK BY THE RELAXED INDIAN ATTITUDE TOWARD US ARMS SALES TO TRANS SEVERAL SENIOR MEA OFFICIALS (THOSE RESPONSIBLE FOR PLANNING, SOVIET AFFAIRS, AND EVEN PAKISTAN) AND THE DIRECTOR OF THE INSTITUTE FOR DEF STUDIES AND ANALYSIS ROLD MANTEL THAT WHILE THEY DID NOT NECESSARILY AGREE WITH IRAN'S EEARS WHICH ENGENDERED ITS ARMS PURCHASES, NEITHER WERE THEY CONCERNED. ABOUT IRAN AS A STRATEGIC RIVAL IN THE EUTURE OR AS A POTENTIAL ARMS SUPPLIER TO PAKISTAN. THE MEA JOINT SECRETARY FOR SOVIET AFFAIRS REMARKED THAT THE RUSSIANS HAD REPEATEDLY URGED THE DANGER OF THE ARMS BUILDUP IN IRAN TO INDIA IN COVERSATIONS WITH GOI OFFICIALS AND HAD BEEN POLITELY TOLD THAT THE INDIANS WERE NOT CONCERNED SINCE THEIR RELATIONS WITH IRAN WERE NOW EXCEELENT. EVEN ASSUMING AN ELEMENT OF DISINGENUOUSNESSP YUTHIS ARGUMENT, IT

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IS AT LEAST EVIDENT THAT INDIA IS NOT PREPARED TO EXPRESS ANY COMPLAINT ABOUT IRANIAN PURCHASES TO THE US OR IRAN ITSELF. SALES TO SAUDI ARABIA, ON THEHOD OTHER HAND, WERE P OTENTIALLY RISKIER FOR INDIA -OFFICIALS TOLD MANTEL -- SINCE THE SAUDIS MIGHT WELL
RASHLY COMMIT THEIR RESOURCES TO PAKISTANI ASSISTANCE. SAXBE BT

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