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E.O. 12065 RDS 6/19/99 (BENSON, LUCY W.)				
TAGS: MNUC, PARM, TECH				
SUBJECT: SOUTH ASIA NUCLEAR PROBLEM: EXPLORATORY DISCUSSION WITH THE PRC				
REFS: (A) STATE 132029; (B) STATE 142384 SECRET				
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1. (S-ENTIRE TEXT).				
	2. IN AN EFFORT TO SEEK A REGIONAL SOLUTION TO THE			

PAKISTANI NUCLEAR PROBLEM, WE HAVE DISCUSSED THIS SUBJECT WITH THE PRC ON SEVERAL OCCASIONS MOST RECENTLY ON MAY 31 DURING A MEETING BETWEEN DEPUTY SECRETARY CHRISTOPHER AND AMBASSADOR CHAI (REF B).

<b>DEPT OF STATE APPEAL</b>	S REVIEW PANEL (ARP)
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Exemptions	
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DO NOT THINK IT DESIRABLE TO SUGGEST A TLATELALCO TYPE APPROACH TO PRC AT THIS TIME. OUR APPROACH IS TO REITERATE TO CHINESE OUR CONCERNS, BRING THEM UP TO DATE ON WHAT WE ARE DOING AND ASK IF THEY HAVE ANY SUGGESTIONS ON HOW BEST TO DEAL WITH PROBLEM. REQUEST AMBASSADOR OR DCM TO SEEK APPOINTMENT WITH APPROPRIATE PRC OFFICIALS AND DISCUSS

SOUTH ASIA NUCLEAR PROBLEM DRAWING UPON FOLLOWING TALKING POINTS.

-- WE ARE INCREASINGLY CONCERNED ABOUT PAKISTAN'S NUCLEAR EXPLOSIVE PROGRAM AND THE PROSPECT THAT THIS MAY LEAD TO A NUCLEAR ARMS RACE IN THE SUBCONTINENT.  $\P$ 

-- DEPUTY SECRETARY CHRISTOPHER AND ASSISTANT SECRETARY SAUNDERS IN SEPARATE MEETINGS RECENTLY BRIEFED AMBASSADOR CHAI IN SOME DETAIL

-- PAKISTAN'S SECURITY WOULD NOT BE IMPROVED BY POSSESSING A NUCLEAR WEAPON GIVEN INDIA'S SUPERIOR TECHNICAL, SECRET

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INDUSTRIAL AND NUCLEAR INFRASTRUCTURE, AS WELL AS ITS CONVENTIONAL MILITARY SUP:RI;RITY.

- -- WE BELIEVE THE CONSEQUENCES OF A CONTINUED PAKISTANI PROGRAM MAY BE VERY SERIOUS. A PAKISTANI NUCLEAR TEST WOULD RAISE IMMEDIATE AND MAJOR POLICY PROBLEMS, NOT ONLY FOR THE US BUT FOR MANY OTHER NATIONS AS WELL, WHICH COULD ONLY FURTHER COMPLICATE THE POLITICAL AND STRATEGIC SITUATION IN SOUTH ASIA. INDIA COULD WELL RESUME ITS NUCLEAR EXPLOSIVE PROGRAM AND IMPROVE ITS DELIVERY CAPABILITY. THE END RESULT COULD BE TWO MORE NUCLEAR WEAPONS STATES IN ASIA AND THE REAL POSSIBILITY THAT A FUTURE CONFLICT BETWEEN PAKISTAN AND INDIA WOULD BE FOUGHT
- -- A SOUTH ASIAN NUCLEAR ARMS RACE DEVELOPMENT COULD INCREASE REGIONAL INSTABILITY AND THIS WOULD ONLY BENEFIT THE SOVIET UNION.
- -- WE BELIEVE THE BEST HOPE OF SOLVING THIS PROBLEM IS FOR INDIA AND PAKISTAN (AND PERHAPS OTHER SOUTH ASIAN COUNTRIES) TO ADOPT SOME ARRANGEMENT INVOLVING MUTUAL RESTRAINT IN THEIR NUCLEAR PROGRAMS AND ACCEPTABLE VERIFICATION. WE ARE HAVING DISCUSSIONS WITH BOTH THE GOVERNMENT OF PAKISTAN AND THE GOVERNMENT OF INDIA TO SEE IF ANY COMPROMISE SOLUTION IS POSSIBLE.



-- AS THE PRC IS AWARE, WE HAVE IMPRESSED UPON THE INDIANS OUR VIEW THAT A SOLUTION TO THE PAKISTAN NUCLEAR PROBLEM IS UNWIKELY WITHOUT INDIAN PARTICIPATION. WE BELIEVE SOME SORT OF A REGIONAL ARRANGEMENT OFFERS THE BEST HOPE. WE HAVE FURTHER SUGGESTED THAT PERHAPS AN INDO-PAK JOINT COMMITMENT NOT TO USE OR DEVELOP NUCLEAR



WEAPONS COULD BE THE FIRST STEP IN THIS DIRECTION. SENIOR INDIAN LEADERS HAVE REJECTED THIS SUGGESTION AS WELL AS THE CONCEPT OF A NUCLEAR FREE ZONE. SECRET

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-- AMBASSADOR HUMMEL AND OUR CHARGE IN ISLAMABAD HAVE HAD AT WHICH THE NUCLEAR SEVERAL MEETINGS WITH ISSUE WAS DISCUSSED IN DETAIL. ON APRIL 21 WE PROPOSED AN INTERIM ARRANGEMENT UNDER WHICH PAKISTAN WOULD AGREE TO LIMIT ITS URANIUM ENRICHMENT ACTIVITIES TO A RESEARCH SCALE PROGRAM AND CONSISTENT WITH ITS TRILATERAL AGREEMENT WITH FRANCE AND THE IAEA WOULD ACCEPT SAFEGUARDS ON ALL REPROCESSING ACTIVITY IN RETURN FOR A RESUMPTION OF US ECONOMIC ASSISTANCE, AND THE POSSIBILITY OF GAINING SOME RECIPROCAL RESPONSE FROM THE INDIANS.

-- AS THE PRC IS AWARE, OUR LEGISLATION AND OUR POLICIES PREVENT US FROM PROVIDING SIGNIFICANT ECONOMIC ASSISTANCE TO PAKISTAN AS LONG AS IT IS CONDUCTING A NUCLEAR EXPLOSIVE PROGRAM. WE WOULD LIKE TO BE MORE SUPPORTIVE OF PAKISTAN PARTICULARLY GIVEN THE SOVIET INTRUSION INTO AFGHANISTAN AND THE HIGHLY UNSTABLE SITUATION IN IRAN. WE HAVE OFFERED TO MAKE A SERIOUS DEMARCHE TO THE SOVIET UNION ON BEHALF OF PAKISTAN REMINDING THE USSR OF THE 1959 US-PAK BILATERAL AGREEMENT

-- WHILE OUR SUSPENSION OF AID AND THE PUBLICITY IT HAS BEEN GIVEN HAVE DISTRESSED THE PAKISTANIS. WE HAVE BEEN ABLE TO CONTINUE A DIALOGUE WITH THEM ON THE BROAD RANGE OF OUR RELATIONS, INCLUDING THE NUCLEAR PROGRAM.

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-- WE WOULD ALSO WELCOME ANY CHINESE SUGGESTIONS AS 10 HOW THIS PROBLEM SHOULD BE APPROACHED. IS A REGIONAL SOLUTION A WORTHWHILE APPROACH AND CAN IT BE ACHIEVED?

4. (NEW SUBJECT) - DURING DISCUSSION OF SOUTH ASIA IN THE DEPT.

AMBASSADOR WOODCOCK ASKED FOR ADDITIONAL BACKGROUND MATERIAL ON RECENT EFFORTS OF THE DESAI GOVERNMENT TO PUT SOME DISTANCE BETWEEN ITSELF AND THE SOVIET UNION. THE FOLLOWING POINTS MAY BE USED AS APPROPRIATE:

- -- THE DESAI GOVERNMENT HAS SYSTEMATICALLY SOUGHT TO DIVERSIFY ARMS PURCHASES TO AVOID OVER-DEPENDENCE ON THE USSR. THE JAGUAR CONTRACT WITH THE UK IS THE MOST OBVIOUS CASE, BUT INDIA HAS ALSO BOUGHT MORE EQUIPMENT FROM THE US IN THE PAST YEAR.
- -- THE GOI TURNED-DOWN A SOVIET OFFER TO PROVIDE INDIA WITH THE LARGEST NUCLEAR POWER PLANT IN ASIA.
- -- INDIA THUS FAR HAS REFUSED TO ACCEPT A SOVIET OFFER TO REPLACE THE US AS A SUPPLIER OF FUEL FOR THE TARAPUR ATOMIC REACTORS.
- -- THE GOI HAS EXPRESSED CONCERN TO US AND OTHERS ABOUT INCREASED SOVIET INVOLVEMENT IN AFGHANISTAN, INCLUDING A STATEMENT THAT AFGHANISTAN IS INDIA'S FIRST LINE OF DEFENSE.

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- -- INDIA WAS ANNOYED AT SOVIET ATTEMPTS IN MOSCOW IN 1978 AND NEW DELHI IN 1979 TO TURN OFF SINO-INDIAN RAPPROCHE-MENT.
- -- DURING DESAI'S RECENT VISIT TO MOSCOW HE AGAIN RESISTED SOVIET PRESSURE TO RECOGNIZE THE HENG SAMRIN REGIME AS WELL AS SOVIET ATTEMPTS TO GET HIM TO CRITICIZE CHINA OR



THAT HE SEES NO SPECIAL RELATIONSHIP BETWEEN THE SOVIET UNION AND THE NAM



-- DESAI WHILE IN MOSCOW APPARENTLY DID NOT GO ALONG WITH SOVIET SUGGESTIONS THAT INDIA PUT PRESSURE ON PAKISTAN WITH RESPECT TO AFGHANISTAN AND DESAI'S CALL FOR NON-INTERFERENCE IN AFHGANISTAN APPEARS TO BE DIRECTED AS MUCH AT THE SOVIET UNION AS AT PAKISTAN.

-- COULD POINT OUT THE CLOSE RELATIONSHIP ESTABLISHED YOU ALSO COULD POINT OUT THE CLOSE RELATIONSHIP ESTABLISHED BETWEEN PRESIDENT CARTER AND PRIME MINISTER DESAI, AND THE ATTITUDES OF FOREIGN MINISTER VAJPAYEE AND FOREIGN SECRETARY MEHTA, NEITHER OR WHOM IS KNOWN FOR BEING PRO-SOVIET, AS INDICATIONS THAT IN OUR BELIEF INDIA IS IN FACT PURSUING A POLICY OF GENUINE NON-ALIGNMENT AND THAT SOVIET INFLUENCE IN INDIA HAS DECLINED AS A RESULT. WHILE THE ABOVE DESCRIBES SITUATION AT PRESENT IT MAY CHANGE IN EVENT OF A NUCLEAR ARMS RACE BETWEEN PAKISTAN SECRET

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AND INDIA. VANCE

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\*\*\* Current Handling Restrictions \*\*\* n/a \*\*\* Current Classification \*\*\* SECRET

