

DECLASSIFIED
E.O. 12958, Sec. 3.4

DECLASSIFIED
PA/HO, Department of State
E.O. 12958, as amended
June 9, 2005

DEF 12-5 PAK

NNQ 969024
By *STV/SW* Date *3/4/98*



Department of State

TELEGRAM

~~SECRET~~ 978

PAGE 01 ISLAMA 01291 121123Z

19
ACTION SS-45

INFO OCT-01 NSCE-00 /046 W

081033

R 120755Z FEB 71
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC 6906

~~SECRET~~ ISLAMABAD 1291

~~EXDIS~~

FOR ASSISTANT SECRETARY SISCO AND WHITE HOUSE FOR DR. KISSINGER
FROM THE AMBASSADOR

SUBJ: ARMS FOR PAKISTAN - FINANCIAL ASPECTS

REF: STATE 020428

1. I WOULD BE LESS THAN CANDID IF I DID NOT EXPRESS MY DISAPPOINTMENT REGARDING THE INFORMATION CONVEYED IN THE REFERENCED TELEGRAM AND MY CONCERN FOR ITS IMPLICATIONS. AS MUCH AS I REGRET IT, IT IS MY FEELING THAT THE EFFORT TO EFFECT AN EXCEPTION TO OUR 1967 POLICY, WHICH EFFORT WAS UNDERTAKEN IN US SELF-INTEREST, IS TURNING OUT TO BE AN EXERCISE IN FUTILITY.

2. ALL AND SUNDRY ARE AWARE OF THE TENSIONS AND STRESSES WHICH EXISTED IN US-PAK RELATIONS WHEN I PRESENTED MY CREDENTIALS ABOUT A YEAR AND A HALF AGO. THE OFFICIAL GOP POSTURE WAS CRITICALLY COOL AND A LARGE SEGMENT OF THE PAK PRESS WAS OPENLY ANTAGONISTIC. TODAY THERE IS A MARKED DIFFERENCE IN US-PAK RELATIONS, PARTICULARLY IN THE HIGHER ECHELONS OF GOP OFFICIALDOM. IT IS PATENT THAT, TO A MAJOR EXTENT, THE REASON FOR THIS CHANGE STEMS DIRECTLY FROM THE LIMITED ARMS OFFER TO PAKISTAN AND HENCE REQUIRES NO AMPLIFICATION; THAT THIS IMPROVED CLIMATE IS SUBJECT TO A PRECIPITOUS REVERSAL IS EQUALLY OBVIOUS.

3. I MUST RECALL THAT PRES. YAHYA HIMSELF HAS EMPHASIZED FROM THE VERY BEGINNING PAKISTAN'S WEAK FINANCIAL POSITION

~~SECRET~~

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY

EXDIS
EXDIS
EXDIS
EXDIS
EXDIS

1
4
98 Islamabad 1291
2-12-71

REPRODUCED AT THE NATIONAL ARCHIVES

NND 969024
By ST/VSW Date 3/4/98



Department of State

TELEGRAM

REPRODUCED AT THE NATIONAL ARCHIVES

EXDIS
EXDIS
EXDIS
EXDIS
EXDIS

~~SECRET~~

PAGE 02 ISLAMA 01291 121123Z

AND ITS NEED FOR SOME ACCOMMODATION SO THAT IT CAN BENEFIT FROM PRESIDENT NIXON'S ONE-TIME ARMS SALE OFFER. AS YAHYA TOLD ME IN OUR MEETING ON JUNE 20 LAST YEAR WHEN I FIRST INFORMED HIM OF PRS. NIXON'S DECISION, "PAKISTAN IS BROKE AND EVERYONE KNOWS IT -- YOU BETTER THAN ANYONE ELSE." VARIOUS MESSAGES FROM THIS EMBASSY SINCE THAT TIME HAVE REPEATED THE CONCERN OF THE GOP LEADERSHIP ON THIS QUESTION. YAHYA HAS RAISED THE MATTER WITH ME ON MOST OCCASIONS WHEN WE HAVE MET. HE HAS STRESSED THAT THE GOP WOULD FACE A VERY DIFFICULT SITUATION IF IT TURNS OUT THAT PAKISTAN IS UNABLE TO PAY FOR THE EQUIPMENT WHICH THE USG HAS OFFERED TO SELL. WE ARE NOW CLOSE TO THAT POINT.

4. WASHINGTON'S EFFORT TO EASE PAKISTAN'S DISAPPOINTMENT AND FINANCIAL BURDEN IN THE CREDIT TURNDOWN, BY OFFERING \$13 MILLION IN FMS CREDIT THIS YEAR AND PROMISING SYMPATHETIC CONSIDERATION ON FMS CREDIT FOR FY 72, IS APPRECIATED BY ME. I FEAR, HOWEVER, THAT BENEFIT TO PAKISTAN THROUGH THIS ROUTE HAS BEEN OVERESTIMATED. GOP HAS THUS FAR MADE PURCHASES THIS FISCAL YEAR TOTALING \$4.6 MILLION WHICH WOULD QUALIFY FOR FMS CREDIT. SOLE MAJOR ITEM IS ONE C-130 AIRCRAFT WHICH COST \$3.7 MILLION. ELEMENTS OF PAK MILITARY HAVE EXPRESSED INTEREST IN VARIOUS ADDITIONAL PURCHASES OF NON-LETHAL EQUIPMENT WHICH COULD CONCEIVABLY USE UP ALL OF \$13 MILLION FMS CREDIT THIS YEAR. SUCH ADDITIONAL EQUIPMENT COULD INCLUDE ANOTHER C-130 AIRCRAFT, 10 T 37 AIRCRAFT, COUPLE OF HELICOPTERS AND SOME JEEPS. I WISH STRESS, HOWEVER, THAT THESE ADDITIONAL PURCHASES ARE UNCERTAIN, AND UNLESS WE SHOULD WISH TO PRESS GOP TO "BUY UP" THERE WILL BE A SHORTFALL IN UTILIZATION OF THE \$13 MILLION EARMARKED FOR THIS YEAR. SIMILAR SITUATION MAY WELL APPLY NEXT YEAR. AS EMBASSY HAS PREVIOUSLY REPORTED, GOP INTEREST IN PROCURING US EQUIPMENT CENTERS AT THIS TIME ON OUR ONE-TIME EXCEPTIONAL OFFER.

5. I HAVE ONE LAST SUGGESTION TO OFFER BEFORE I THROW IN THE TOWEL. IT IS A MATTER OF INTERPRETATION. SOMEONE SOMEWHERE ALONG THE LINE, SOMETIME BACK, DECIDED THAT AN APC WAS A LETHAL WEAPON. AN APC CAN BE THE MOUNT FOR A GUN OR RECOILESS RIFLE, BUT SO CAN A JEEP. AN APC CAN CARRY ARMED TROOPS, BUT SO CAN A SCHOOL BUS. AN APC CAN BE USED IN COMBAT, BUT SO CAN A BULLDOZER. I STRONGLY URGE AND SOONEST THAT THE LETHAL DESIGNATION BE REMOVED FROM THIS

~~SECRET~~

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY

