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

DECLASSIFIED
E.O. 12958, Sec. 3.4
NND 969039
By _____ Date 3/14/13

POL India-US

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Department of State TELEGRAM

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NODIS REVIEW
Cat. A - Caption removed; transferred to O/FADRC
Cat. B - Transferred to O/FADRC with additional access controlled by S/S
Cat. C - Caption and custody retained by S/S
Reviewed by: Ambassador W. Witman, II
Date: 1975

CONTROL: 7171Q
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ACTION COPY

R 271705Z APR 72
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 7338
BT
~~S E C R E T~~ NEW DELHI 5254

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SUBJECT NEXT STEPS IN INDO-US RELATIONS

1. NOW THAT WE HAVE MOVED TOWARD REGULARIZATION OF OUR RELATIONS WITH BANGLADESH AND PAKISTAN, I PRESUME DEPARTMENT AND WHITE HOUSE ARE GIVING THOUGHT TO INDO-US RELATIONS.

2. AS I SEE IT, WE PRESENTLY SEEM TO BE CAUGHT IN VICIOUS CIRCLE OF ACTIONS AND COUNTERACTIONS WHICH ARE LEADING TO CONTINUED DOWNWARD SPIRAL IN OUR BILATERAL RELATIONS. AS DEPARTMENT IS AWARE, THESE BILATERAL RELATIONS ARE THE WORST THEY HAVE EVER BEEN.

3. VICIOUS CIRCLE MOST RECENTLY EXEMPLIFIED BY PRIME MINISTER'S UNBALANCED AND BIASED VIEW OF VIETNAM CONFLICT WHICH WAS ENUNCIATED BEFORE COMMUNIST TRADE UNION FORUM (NEW DELHI 5097) AND INABILITY OR UNWILLINGNESS OF GOI TO RECOGNIZE REALITIES IN SEA. I CAN WELL IMAGINE THAT ANY DISPOSITION IN WASHINGTON TO MOVE IN DIRECTION OF IMPROVING OUR RELATIONSHIPS HAS BEEN SET BACK BY PRIME MINISTER'S STATEMENTS AND BY RECENT STATEMENTS IN AND OUTSIDE OF PARLIAMENT OF FOREIGN MINISTER AND OTHER MEMBERS OF PARLIAMENT, AS WELL AS POISONOUS TONE OF INDIAN PRESS.

4. THESE STATEMENTS IN TURN ARE REFLECTION OF GOI DISAPPOINTMENT OVER US ACTIONS OF RECENT PAST AND UNCERTAINTY REGARDING OUR FUTURE INTENTIONS, AND UNCERTAINTY WHICH WE MAY CONSIDER IT TO BE IN OUR PRESENT INTEREST TO MAINTAIN.

5. IN THE PRESENT STATE OF LIMBO AND DRIFT WE WHOULD RECOGNIZE THAT OUR BILATERAL RELATIONS WILL PROBABLY DETERIORATE EVEN FURTHER.

6. I HAVE NO DOUBT OVER THE LONG RUN THAT WASHINGTON DESIRES TO SEE AN IMPROVEMENT IN INDO-US RELATIONS BUT IT MAY WELL BE THAT IT IS WASHINGTON'S VIEW THAT WE SHOULD TAKE NO OVERT STEP AT THIS TIME TO SEEK IMPROVEMENT.

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7. ON THE OTHER HAND, IF THERE IS INDEED A DESIRE TO SEE AN EARLY IMPROVEMENT IN OUR BILATERAL RELATIONSHIPS, WE MUST FIND SOME WAY TO BREAK OUT OF THE VICIOUS CIRCLE WE ARE NOW IN. IT WOULD BE HELPFUL TO ME TO KNOW HOW DEPARTMENT LOOKS AT CURRENT SITUATION. NATURALLY BEFORE I LEAVE I WOULD BE HAPPY TO PLAY A PERSONAL ROLE IN THE ATTEMPT TO IMPROVE RELATIONS, BUT I RECOGNIZE THAT IS DISTINCTLY A SECONDARY CONSIDERATION.

8. IN MY VIEW, NOW THAT WE HAVE RECOGNIZED BANGLADESH, THE TWO ISSUES OF PRINCIPAL CONCERN TO THE GOI ARE OUR ARMS SUPPLY POLICY AND AID. OF THESE OUR ARMS SUPPLY POLICY IS OVER-RIDING AS IT IS SEEN AS AN INDICATION OF OUR ATTITUDE TOWARD THE SUB-CONTINENT AS A WHOLE. THERE REMAINS CONCERN THAT BY AGAIN ENCOURAGING PAKISTAN WE MAY IN EFFECT SABOTAGE A MEANINGFUL AND, IN INDIAN EYES, REASONABLE INDO-PAK SETTLEMENT. OUR POSTURE ON THIS ISSUE TO DATE SEEMS TO BE DESIGNED TO KEEP THE INDIANS GUESSING WHICH, FROM A GLOBAL POLICY VIEWPOINT, MAY BE THE WISE COURSE. WE STRESS THAT WE HAVE QTE NO PRESENT INTENTION UNQTE TO RESUME ARMS SUPPLY TO PAKISTAN. IF INDEED THERE IS A DESIRE ON OUR PART TO SEE AN IMPROVEMENT IN OUR BILATERAL RELATIONS, I BELIEVE IT IS IN OUR INTEREST TO ALTER THIS FORMULATION IN A DIRECTION WHICH WILL GIVE THE INDIANS SOME ASSURANCE THAT OUR LONG-TERM INTENTIONS IN THE SUBCONTINENT DO NOT IN FACT, AS I BELIEVE TO BE THE CASE, RUN COUNTER TO INDIAN INTERESTS.

9. ON THE AID SIDE, AS DEPARTMENT IS AWARE, I CONTINUE TO FEEL UNCOMFORTABLE THAT WE HAVE PLACED OURSELVES IN A POSITION WHERE WE ARE FAILING TO LIVE UP TO AN EXPLICIT AGREEMENT. OUR CONTINUED FAILURE TO RELEASE THE 87 MILLION DOLLARS OF NON-PROJECT LOAN FUNDS TROUBLES ME ALTHOUGH I FULLY APPRECIATE THE PROVOCATIVE STATEMENTS OF INDIAN LEADERS WHICH ARE INFURIATING. OUR ACTION IS VIEWED HERE AS BEING POLITICALLY PUNITIVE. REGARDLESS OF WHETHER OR NOT WE WISH TO SEE AN IMPROVEMENT IN INDO-US RELATIONS AT THIS TIME, I AGAIN RECOMMEND THAT WE RELEASE THESE FUNDS SO THAT THE SLATE WILL BE WIPED CLEAN. BEYOND THAT, WHAT WE DO IN TERMS OF BILATERAL AID CAN BE DECIDED ON THE BASIS OF INDIAN POSITIONS WHICH HAVE YET TO BE TAKEN AND SUCH RESPONSE THERETO AS WE DECIDE IS APPROPRIATE.

10. I WOULD MUCH APPRECIATE DEPARTMENT'S COMMENTS ON FOREGOING.
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