

By SDT/VSU Date 7/21/88
NND 969046

Department of State

TELEGRAM



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IN ADDITION TO FOREIGN MINISTER, INDIAN AMBASSADOR TO U.S. L.K. JHA, PRINCIPAL SECRETARY TO PRIME MINISTER HAKSAR, FOREIGN SECRETARY T.N. KAUL, SECRETARY FINANCE I.G. PATEL, AND MENON AND ARORA OF AMERICAS DIVISION MEA, ALSO PRESENT.

2. AFTER EXTENDING "VERY HEARTY WELCOME" TO SECRETARY AND AFTER EXPRESSING HAPPINESS AT HIS VISIT, FOREIGN MINISTER SAID HE WOULD BE HAPPIER STILL IF RELATIONS BETWEEN OUR TWO COUNTRIES COULD BE BROUGHT BACK TO THE STAGE AT WHICH THEY BEGAN. SECRETARY RESPONDED BY EXPRESSING APPRECIATION AND EXPLAINED THAT HE HAD COME AT PRESIDENT'S REQUEST WITH NO PRECEPT FOR DISCUSSIONS EXCEPT IN A GENERAL WAY. HE WAS PREPARED TO GIVE DETAILS ABOUT PRESIDENT'S VISITS TO PEKING AND MOSCOW, TO TALK ABOUT CHANGES IN THE IMF, AND INTERNATIONAL ECONOMIC AND TRADE MATTERS, AS WELL AS THE U.S. DOMESTIC ECONOMIC SITUATION. FINALLY HE WAS PREPARED TO TALK ABOUT RELATIONS BETWEEN U.S. AND INDIA. HE SOUGHT INDIAN VIEWS ON FUTURE OF RELATIONS IN SOUTH ASIAN AREA.

3. AT FOREIGN MINISTER'S INVITATION SECRETARY CONNALLY PROCEEDED TO DESCRIBE MOST SIGNIFICANT ASPECTS OF PRESIDENT'S VISITS TO PEKING AND MOSCOW, REVIEWED INTERNATIONAL MONETARY DEVELOPMENTS, GROWTH OF PROTECTIONISM IN INTERNATIONAL TRADE, AND REVIEWED U.S. DOMESTIC ECONOMIC SITUATION IN SIMILAR TERMS TO PRESENTATIONS HE HAS MADE DURING HIS PREVIOUS VISITS.

4. FOREIGN MINISTER RESPONDED BY WELCOMING RELAXATION OF TENSIONS BETWEEN U.S. AND CHINA BUT EXPRESSED CONCERN ALLEGEDLY FROM SOME US ALLIES THAT RESULT MIGHT BE TO UPSET STABILIZING FORCES IN ASIAN CONTEXT. HE ALSO ALLUDED TO INDIAN DISLIKE OF REFERENCE TO KASHMIR IN SHANGHI COMMUNIQUE BUT ADDED THAT STATE DEPARTMENT HAD CLARIFIED THAT THIS REFERENCE MADE AT CHINESE INITIATIVE AND DID NOT REPRESENT ANY CHANGE IN US POSITION.

5. WITH REGARD PRESIDENT'S MOSCOW VISIT GOI HAD OFFICIALLY BEEN INFORMED BY U.S. AND ALSO HEARD FROM SOVIETS. APPRECIATED THAT RESULTS WERE PRODUCT OF LONG NEGOTIATIONS AND TO EXTENT AGREEMENTS FORMALIZED GOI REGARDED IT AS POSITIVE DEVELOPMENT. FOREIGN MINISTER SAID AGREEMENT ON SALT WELCOME THOUGH HE FELT THIS REPRESENTED STRENGTHENING OF "NUCLEAR CLUB" WHICH WAS ONLY LIMITED GAIN FOR WORLD AS A WHOLE SINCE IT WAS

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NOT SEEN AS REAL LIMITATION ON EXISTING ARMAMENTS. HE ADDED THAT PRC AND FRANCE DON'T ACCEPT "MOST OF DISCIPLINES" THAT OTHERS IN NUCLEAR CLUB HAVE ACCEPTED. THIS LACUNA REQUIRED RESOLUTION IF WORLD TO BE SAVED FROM NUCLEAR DEVASTATION.

6. SWARAN SINGH COMMENTED APPROVINGLY THAT MORE AFFLUENT OF THE WORLD DEVELOPING GREATER UNDERSTANDING. UNFORTUNATELY SITUATION IN ASIA CONTINUED TO BE SOURCE OF CONCERN. GOI HAD FEELING MOSCOW VISIT IMPLIED FREEZE AS FAR AS WEST ASIA (MIDDLE EAST) CONCERNED. REGARDING VIETNAM HE WELCOMED LATEST POSSIBILITY OF RESUMPTION OF TALKS.

7. WITH REGARD INTERNATIONAL MONETARY SITUATION HE SAID GOI "WATCHED WITH SOME ANXIETY" AS SITUATION DEVELOPED. NOW THAT STERLING WAS IN TROUBLE THEY HAD OTHER ANXIETIES. "THEY BROADLY ACCEPTED" THAT THE INTERNATIONAL MONETARY SYSTEM SHOULD INVOLVE DEVELOPING COUNTRIES. THE DEVELOPMENT OF PROTECTIONIST ATTITUDES AMONG DEVELOPED COUNTRIES WAS A MATTER OF EVEN GREATER ANXIETY TO THE DEVELOPING WORLD SINCE LATTER DEPENDENT ON DEVELOPED COUNTRIES TO CARRY ON THEIR ECONOMIC DEVELOPMENT. INDIAN EXPERIENCE HAD BEEN THAT COST OF DEVELOPMENT BECAME HIGHER AND HIGHER IN DEVELOPING COUNTRIES IN TERMS OF REAL EFFORT. ADVANCEMENTS IN SCIENCE AND TECHNOLOGY WERE NOT EQUALLY SHARED BETWEEN DEVELOPED AND DEVELOPING COUNTRIES. THIS HE SAID WAS "NOT CONDUCTIVE TO PEACE AND GOOD WILL IN THE WORLD". PATTERN OF ECONOMIC RELATIONS WOULD HAVE TO EVOLVE IN A SUITABLE CLIMATE WHERE COST OF DEVELOPMENT WOULD NOT BECOME "UNCONSCIONABLE".

8. SECRETARY CONNALLY SAID WE WOULD WELCOME ANY SPECIFIC SUGGESTIONS REGARDING STRUCTURING OF INTERNATIONAL MONETARY SYSTEM. U.S. HAD CONTRIBUTED DOLS 150 BILLION TO ECONOMIC DEVELOPMENTS OF REST OF THE WORLD IN PAST QUARTER CENTURY. FOREIGN MINISTER CLAIMED AMERICAN FRIENDS HAD TOLD HIM THAT US SPENT BILLIONS TO DESTROY OTHERS AND THEN BILLIONS TO BUILD THEM BACK UP AGAIN. SECRETARY CONFIRMED THAT IN WORLD WARS I AND II WE HAD INDEED PARTICIPATED IN DESTRUCTION OF TYRANNY AND DESPOTISM. US HAD NO TERRITORIAL CLAIMS ON ANYONE AND NO DESIRE TO HAVE A PREDOMINANT INFLUENCE IN ANY PART OF SOUTH ASIA. HE THEN ALLUDED TO PRESS SPECULATION THAT MASSIVE US ASSISTANCE TO BANGLADESH INTENDED TO PULL BANGLADESH AWAY FROM INDIA. SECRETARY COMMENTED THAT IF WE HADN'T PROVIDED SUCH RELIEF

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DECLASSIFIED
E.O. 12958, Sec. 3.4

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ASSISTANCE WE WOULD HAVE BEEN ACCUSED OF NOT DOING OUR SHARE.
FOREIGN MINISTER REJOINED THAT BANGLADESH HAD TREMENDOUS
PROBLEMS AND THAT GOI WELCOMED RELIEF AND REHABILITATION
ASSISTANCE FROM ANY SOURCE.

9. SECRETARY ADDED US HAD NO SPHERE OF INFLUENCE AND
PROCEEDED TO COMPLIMENT FOREIGN MINISTER ON SUCCESS OF SIMLA
SUMMIT, WHICH HE SAID WAS "VERY MUCH TO YOUR CREDIT".
NO ONE OTHER THAN THE TWO COUNTRIES CONCERNED COULD HAVE DONE IT.
THE US WANTED ALL COUNTRIES TO PURSUE THEIR OWN COURSE IN
THEIR OWN WAY. INDIA HAD A RICH EXPERIENCE IN THE DEMOCRATIC

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11. SWARAN SINGH SAID THEY RESPECTED PRESIDENT BHUTTO AS "DEMOCRATICALLY ELECTED LEADER" IN WEST PAKISTAN AND THEY ATTACHED GREAT IMPORTANCE TO THE STABILIZATION OF DEMOCRACY IN BOTH PAKISTAN AND BANGLADESH. US COULD MAKE CONTRIBUTION TO THIS PROCESS.

12. FOREIGN MINISTER SAID THAT ANY SUPPORT TO PAKISTAN IN A MILITARY SENSE WOULD NOT BE A FACTOR FOR PEACE. THIS HAD BEEN TRIED AND HAD RESULTED IN CONFLICT. IT HAD NOT HELPED EITHER INDIA OR PAKISTAN. THIS WAS AN AREA WHERE INDIAN POSITION WAS DEPENDENT TO LARGE EXTENT ON THE ATTITUDE OF OTHER COUNTRIES. IF MILITARY ASSISTANCE EXTENDED BY US, IT WOULD RETARD PEACE AND COULD DEFLECT PAKISTAN FROM NEW COURSE ON WHICH BOTH COUNTRIES NOW EMBARKED.

13. SECRETARY INTERJECTED TO REMIND FOREIGN MINISTER THAT US HAD STOPPED SUPPLYING MILITARY EQUIPMENT TO PAKISTAN IN 1965 "AND WERE CERTAINLY NOT DOING SO NOW". HE CONTINUED THAT WE HAD TO BE FRANK IN ANALYZING THIS SITUATION. WHILE IT WAS TRUE PAKISTAN HAD RECEIVED ABOUT DOLS 130 MILLION WORTH OF MILITARY EQUIPMENT FROM CHINA, INDIA HAD RECEIVED APPROXIMATELY DOLS 700 MILLION OF EQUIPMENT FROM THE USSR. HOWEVER FOREIGN MINISTER'S POINT WAS WELL TAKEN. THERE WAS NO INTENT ON PART OF US TO CONTRIBUTE TO DISRUPTION. WE WANTED TO CONTRIBUTE TO THE PEACEFUL PROCESS IN THE AREA.

14. FOREIGN MINISTER SAID THAT GOI HAD HEARD MANY TIMES THAT THE US INTENDED TO BEGIN AN INDO-US DIALOGUE. HE ASKED IF THIS WERE A FACT OR MERELY A PHRASE. SECRETARY REJOINED THAT THE PRESIDENT DID NOT MERELY MOUTH PHRASES. THE PRESIDENT HAD SAID IN HIS REPORT TO THE CONGRESS THAT HE WAS INVITING "A SERIOUS DIALOGUE WITH INDIA" BUT THERE HAD BEEN NO RESPONSE. FOREIGN MINISTER SAID HE WOULD APPRECIATE BEING ENLIGHTENED ON THE CONTENT OF SUCH A DIALOGUE. SECRETARY CONNALLY REPLIED THAT WE WANTED TO IMPROVE THE RELATIONS BETWEEN OUR TWO COUNTRIES AND WE BELIEVED IT WAS IN THE MUTUAL INTEREST OF US BOTH TO DO SO. WE HAD INVITED DISCUSSIONS TO THIS END. HE HAD COME WITH NO TABLE OF CONTENTS BUT HE COULD ASSURE FOREIGN MINISTER WE DID NOT STAND ON CEREMONY.

15. SECRETARY CONTINUED THAT SO LONG AS FOREIGN MINISTER

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CASTIGATED US AS HE HAD DONE BEFORE INDIAN PARLIAMENT ON MAY 10, AND SO LONG AS PRIME MINISTER DID THE SAME IN VARIOUS EUROPEAN FORUMS THIS WAS NOT CONDUCTIVE TO THE ESTABLISHMENT OF A MEANINGFUL DIALOGUE.

16. FOREIGN MINISTER ASKED IF HE SHOULD TAKE IT THAT INDIAN ATTITUDE TOWARD VIETNAM HAD RETARDED DIALOGUE. HE SAID GOI HAD NEVER MADE A SECRET OF ITS VIEWS ON VIETNAM. THEIR BASIC STAND HAD CONSISTENTLY BEEN THAT WAR WOULD NOT SOLVE THE VIETNAM PROBLEM. THE WAR AND THE BOMBING MUST STOP. THERE HAD BEEN A STRONG REACTION TO THE MINING OF PORTS AND WATERWAYS. HE CLAIMED THAT THE GOVERNMENT REACTION HAD BEEN MUCH Milder THAN THE GENERAL FEELING IN THE COUNTRY AND AS A DEMOCRACY THE GOVERNMENT HAD TO RESPOND TO THE FEELINGS OF THE PEOPLE. THERE WAS A FEELING THAT NORTH VIETNAM WAS ENGAGED IN AN UNEQUAL FIGHT.

17. SECRETARY CONNALLY SAID THAT WE DID NOT ASK THAT THE GOI AGREE WITH OUR POLICIES. IT BOILED DOWN TO A "PURE QUESTION OF DEGREE". WE BOTH HAVE THE RIGHT TO DISAGREE WITH ONE ANOTHER. THE QUESTION WAS WHETHER WE DID IT "IN A TEMPERATE MANNER OR IN A VITRIOLIC MANNER". UNLESS WE HAD MUTUAL RESPECT WE WERE NOT GOING TO HAVE A DIALOGUE NOR WERE WE GOING TO HAVE FRIENDSHIP BETWEEN OUR TWO COUNTRIES.

18. THE FOREIGN MINISTER SAID HE AGREED THAT IT WAS IMPORTANT THAT OUR DISAGREEMENTS BE STATED. BANGLADESH HAD BEEN A SITUATION WHERE THE US COULD HAVE EXERTED ITS INFLUENCE TO RESTRAIN YAHYA KHAN. THE FOREIGN MINISTER THEN RECALLED THAT ON HIS RETURN FROM HIS SUCCESSFUL VISIT TO WASHINGTON IN JUNE 1971 HE WAS GREETED WITH PRESS REPORTS OF A SHIPMENT OF US ARMS TO PAKISTAN. AMBASSADOR KEATING INTERJECTED THAT THE SHIPMENT INCLUDED NO PLANES, GUNS OR AMMUNITION, RATHER IT WAS CARRYING SPARE PARTS.

19. FOREIGN SECRETARY KAUL SPOKE UP TO TELL THE SECRETARY THAT IN HIS OPINION THERE HAD NEVER BEEN A FOREIGN MINISTER OF INDIA WHO WAS MORE ANXIOUS TO BE FAIR IN HIS DEALINGS WITH OTHERS AND WHO WAS MORE ANXIOUS TO DEVELOP THE CLOSEST POSSIBLE RELATIONS WITH THE UNITED STATES. AMBASSADOR KEATING SAID HE HAD ALREADY SPOKEN OF THE FOREIGN MINISTER TO THE SECRETARY IN SIMILAR TERMS.

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20. THE FOREIGN SECRETARY THOUGHT THIS HAD BEEN A VERY USEFUL EXCHANGE AND HE APPRECIATED THE FRANKNESS WITH WHICH THE SECRETARY HAD TALKED. HE SAID THAT IF THE SECRETARY'S VISIT SUCCEEDED IN REVERSING THE PRESENT TREND IN OUR RELATIONS "WE WOULD WELCOME IT". THE SECRETARY REPLIED "SO WOULD WE".

21. COMMENT: WHILE DISCUSSION BECAME CLOSE TO BEING SHARP AT TIMES IT WAS NEVER ACRIMONIOUS. WE BELIEVE IN SUM THAT IT WAS A HEALTHY BEGINNING FOR THE SECRETARY'S VISIT AND HELPED TO CLEAR THE ATMOSPHERE AT LEAST TO SOME DEGREE.

22. DEPARTMENT REPEAT FURTHER AS DESIRED.
CONNALLY

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