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October 11, 1984

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MEMORANDUM FOR THE HONORABLE GEORGE BUSH
The Vice President

THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

THE HONORABLE DAVID A. STOCKMAN
Director of the Office of
Management and Budget

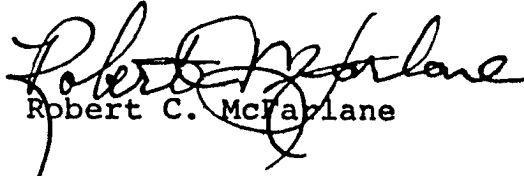
THE HONORABLE WILLIAM CASEY
Director of Central Intelligence

THE HONORABLE M. PETER McPHERSON
Administrator of the Agency for
International Development

SUBJECT: U.S. Policy Towards India and Pakistan (S)

The President has approved the attached National Security
Decision Directive on U.S. Policy Towards India and Pakistan.
(S)

FOR THE PRESIDENT:


Robert C. McFarlane

Attachment
NSDD-147

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*National Security
Decision Directive 147*U.S. Policy Towards India and Pakistan (S)Assessment

The Soviet expansionary thrust into Afghanistan and the collapse of the Shah in Iran have heightened the strategic significance of the South Asian region for U.S. global interests. Enhanced U.S. relations with India and Pakistan, coupled with a gradual Sino-Indian rapprochement, would weaken Soviet influence in the Subcontinent and undermine Moscow's subjugation of Afghanistan. Conversely, severe internal instability in Pakistan or India, or another Indo-Pakistani conflict, would have serious adverse consequences for Western interests, strengthen Moscow's grip on Afghanistan, challenge Pakistan's viability, and provide new opportunities for Soviet expansionism in South and Southwest Asia. (S)

This Administration has bolstered Pakistan's capability to resist growing Soviet pressures while supporting Afghan freedom fighters. Our aid gives Pakistan a sense of security and an incentive to forego a nuclear weapons program. Stronger U.S.-Pakistani relations contribute to U.S. objectives in the Persian Gulf region, where Pakistan maintains close security and political ties. Problems continue, however, in other areas -- particularly nuclear policy, human rights, and textiles. (S)

We have enjoyed some success in improving relations with India beginning with the 1981 Cancun Summit. Mrs. Gandhi visited the U.S. Vice-President Bush and Secretary Shultz visited India. Bilateral economic, scientific, technological, and cultural links are slowly expanding, and the groundwork is being laid for widened technology transfer, including new arms sales. Serious differences persist regarding U.S. arms sales to Pakistan, India's unsafeguarded nuclear program, U.S. policy on Indian access to Multilateral Development Banks, provisions for transfer of U.S. technology and textile imports. (S)

Historic Indo-Pakistani animosity and the opportunity it affords the Soviet Union constitute the main obstacle to our objectives in South Asia. Pakistan's weapons supply relationship with the U.S. and its continued nuclear explosives development program are viewed in New Delhi as threatening to India's vital interests. Pakistan suspects and fears Indo-Soviet collusion, believing that New Delhi and Moscow could maneuver in tandem to weaken or even

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destroy Pakistan. Since Moscow's invasion of Afghanistan, Pakistan and India have sought at various times and with varying success to construct a normalization dialogue. Indo-Pakistani relations could dip over the upcoming months as election campaigns in both countries get underway. Mrs. Gandhi could also implicate the U.S. in her increasing domestic problems. We cannot exclude the possibility of an Indian preemptive strike on Pakistani nuclear facilities which would probably lead to an all-out Indo-Pak war. (S)

U.S. Objectives

- Provide support to Pakistan necessary to maintain active Pakistani involvement in our Afghan policy and to help ensure the stability of a key partner in South and Southwest Asia. (S)
- Persuade Pakistan and India to accept non-proliferation measures. (C)
- Encourage Indo-Pakistani normalization. (U)
- Weaken Soviet influence in South Asia. (S)
- Demonstrate to India that it can and should widen its strategic options, through improved relations with the U.S. and China. (S)
- Assist economic development in both India and Pakistan. (U)

U.S. Actions (regional)

- Consider a high-level visit to India and Pakistan in 1985. Arrange continuing cabinet-level meetings and visits as well as visits by Congressional and senior U.S. Defense and Military officials. (C)
- Coordinate with the British, Saudis, Chinese and others to reduce Indo-Pakistani tensions. (C)
- Attempt to assure that future U.S. actions constructively affect Indo-Pakistan relations. (C)

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- Prepare for SPG approval a more active and far-reaching public diplomacy strategy for improving foreign and domestic understanding of and support for U.S. policy in South Asia and Afghanistan. (C)

Pakistan

- Work to discourage Pakistan's movement toward a nuclear explosives capability and to encourage acceptance of safeguards. This must be backed with substantial U.S. security assistance if it is to be meaningful. (S)
- Continue our dialogue with Pakistan regarding its military equipment needs. Initiate bilateral discussions about ongoing, substantial U.S. economic/security assistance for beyond FY87. (C)
- Prepare a program to drive home to Congress Pakistan's vital role in our Afghanistan policy. In our consultations with the Pakistanis, we should discuss more effective ways of expanding our support to the Afghans, draw international attention to the Afghan issue, coordinate a public diplomacy effort in connection with the fifth anniversary of the Soviet invasion, and work together to ensure appropriate aid levels for the refugees. (S)
- Plan contingency steps to be taken in the event of an Indian preemptive strike on the Pakistani nuclear facilities or a general Indo-Pak war. (S)
- Continue our dialogue with China based on our common interest in deterring internal pressures on Pakistan while simultaneously encouraging normalization in South Asia. (C)

India

- Take advantage of Mrs. Gandhi's presence in the U.S. for the inauguration of the Festival of India in June, 1985, to arrange appropriate high-level meetings in Washington. (C)
- In our information programs and high-level meetings, raise the level of Indian apprehensions about the long-term Soviet threats to the Subcontinent. (S)

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- Seek to conclude at an early date a Memorandum of Understanding on technology transfer. To facilitate this process, an inter-agency policy level negotiations team will travel to New Delhi in November to discuss the MOU and major pending export cases. (S)
- To reduce India's military supply and economic dependence on the USSR, examine the potential of a more cooperative technology transfer and arm sales procedure for India, consistent with both our regional security interests and the imperative of protecting against diversion of U.S. technology. (S)
- Utilizing the ACEP under Commerce chairmanship, establish clear guidelines aimed at facilitating the consideration of future export license applications for India. In this connection, deal expeditiously with unresolved munitions control and Commerce export license applications, which have been subject to delay. (C)
- Demonstrate our support for India's economic development by minimizing further decline in U.S. aid to India. (C)
- Encourage the inclusion of non-proliferation in the Indo-Pak security dialogue. (S)

Ronald Reagan

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