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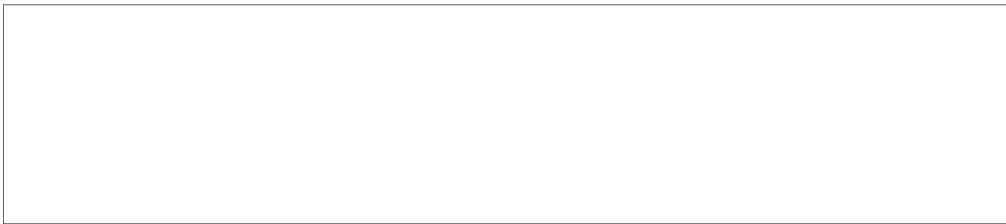
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BEIJING PASS CODEL HATCH

E.O. 12356: DECL: OADR

TAGS: OREP

SUBJECT: CODEL HATCH: ISSUES PAPER

REF: STATE 00264

1. SECRET - ENTIRE TEXT

2. THE FOLLOWING IS THE TEXT OF THE BACKGROUND PAPER
REQUESTED BY CODEL HATCH.

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BACKGROUND

YOURS WILL BE THE FIRST HIGH LEVEL GROUP OF U.S. VISITORS SINCE THE LIFTING OF MARTIAL LAW ON DECEMBER 30, 1985. IN ADDITION TO THE PRESIDENCY, MOHAMMED ZIA-AL-HAQ HAS RETAINED THE POSITION OF CHIEF OF STAFF OF THE ARMY. HOWEVER, HE IS MAKING A CONSCIOUS EFFORT TO PROJECT PRIME MINISTER JUNEJO AS CHIEF EXECUTIVE OFFICER OF THE COUNTRY. WHILE, ULTIMATELY, THE MAJOR DOMESTIC AND FOREIGN POLICY DECISIONS WILL BE MADE BY ZIA, IT APPEARS DAY-TO-DAY MANAGEMENT WILL BE IN THE HANDS OF THE PRIME MINISTER AND HIS CABINET.

THE PARLIAMENT (MAJLIS-E-SHOORA) HAS JUST COMPLETED A FIVE DAY DEBATE OF FOREIGN POLICY. THE GOVERNMENT WON WIDE ENDORSEMENT OF ITS POLICIES INCLUDING ON AFGHANISTAN, BUT THERE WAS A GREAT DEAL OF EMPHASIS GIVEN, INCLUDING BY THE GOVERNMENT, TO THE NEED FOR PAKISTAN TO ASSURE THAT THE POLICIES IT FOLLOWS ARE NON-ALIGNED, ISLAMIC, AND TRULY IN THE INTERESTS OF PAKISTAN. FOREIGN MINISTER YAQUB KHAN WENT OUT OF HIS WAY TO EMPHASIZE THAT, ESPECIALLY ON AFGHANISTAN, PAKISTAN'S POLICIES ARE NOT THE CREATURES OF AMERICA, BUT ARE, AND WILL REMAIN PAKISTAN'S. HE REITERATED THAT AT NO TIME HAS THE U.S. SOUGHT TO PRESSURE PAKISTAN ON AFGHANISTAN, AND THAT THERE WERE NO STRINGS ATTACHED TO THE 1981 AID PACKAGE, OTHER THAN U.S. INTEREST IN SEEING A SECURE AND STABLE PAKISTAN, WHICH

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HE CALLED "QUID" ENOUGH.

WE DO NOT EXPECT THE NEW GOVERNMENT TO MAKE ANY MAJOR DEPARTURES IN PAKISTANI FOREIGN POLICY, BUT THE MINISTERS' PRIORITIES ARE GENERALLY KEYED TO DOMESTIC ISSUES. THEY HAVE VERY LITTLE FOREIGN POLICY EXPERIENCE, EXCEPT FOR THE FOREIGN MINISTER AND FINANCE MINISTER. THE PM IS A CAUTIOUS INDIVIDUAL, WHO APPEARS NOT TO BE INTO THE NUANCES OF FOREIGN POLICY. HIS ACTIONS ON SEVERAL ISSUES OF INTEREST TO THE U.S. (INCLUDING PUBLICIZING CROSS BORDER HUMANITARIAN AID TO AFGHANISTAN) SUGGEST THAT HE WILL BE SLOW TO ADOPT BOLD NEW DEPARTURES, ESPECIALLY THOSE THAT COULD POSE RISKS TO PAKISTAN, EITHER DIPLOMATIC OR MILITARY (IN THE CASE OF THE SOVIET UNION).

ISSUES TO RAISE:

RETURN TO DEMOCRACY

-- CONGRATULATE VARIOUS OFFICIALS ON THE RETURN TO CIVILIAN RULE. WE SEE REPRESENTATIVE GOVERNMENT AS THE BEST GUARANTOR OF A NATION'S SECURITY AND THE BEST MEANS TO ASSURE POPULAR SUPPORT FOR GOVERNMENT POLICIES.

NARCOTICS

WE HAVE NO DOUBT THE PRIME MINISTER SEES NARCOTICS AS A SIGNIFICANT SOCIAL AND POLITICAL EVIL BUT HE HAS NOT YET INDICATED WHAT PRIORITY HE WILL PLACE ON COUNTERING THE PROBLEM. HOWEVER, IN THE NWFP THIS YEAR, THERE HAS BEEN CONSIDERABLE GRUMBLING IN THE AREAS WHERE POPPIES PREVIOUSLY WERE GROWN, AND IT IS A HOT POLITICAL ISSUE FOR THE NWFP GOVERNMENT. SINCE THE FORMER GOVERNOR, FAZLE HAQ, DOMINATED ALL ASPECTS OF FRONTIER LIFE, THERE WAS LITTLE PUBLIC BACKPEDDLING ON THE NARCOTICS ISSUE -- NOR WAS THERE AS MUCH MOVEMENT FORWARD AS WE WOULD HAVE LIKED. WE DO NOT YET KNOW WHAT PRIORITY THE NEW CIVILIAN GOVERNOR, ABDUL GAFOOR HOTI (OR CHIEF MINISTER ARBAB JEHANGIR) WILL PLACE ON NARCOTICS. HOTI HAD A POOR REPUTATION AS AN ADMINISTRATOR IN HIS PREVIOUS INCARNATION AS RAILWAYS MINISTER. THE SWITCH-OVER FROM MILITARY COURTS TO CIVILIAN COURTS CONSTITUTES

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ANOTHER POTENTIALLY WEAK POINT IN THE ENFORCEMENT EFFORTS.

-- FLAG U.S. CONCERN THAT OPIUM PRODUCTION CONTINUE TO BE REDUCED AND THAT GREATER EFFORTS BE MADE TO DEAL WITH TRAFFICKERS.

-- ENQUIRE HOW THE CIVIL ADMINISTRATION INTENDS TO PROCEED ON THE NARCOTICS ISSUE.

U.S. BUDGETARY STRINGENCY

THE GOP IS JUST BEGINNING TO FOCUS ON WHAT GRAMM-RUDMAN-HOLLINGS WILL MEAN FOR MILITARY AND ECONOMIC ASSISTANCE FOR PAKISTAN. THEY RECOGNIZE THE U.S. HAS A SERIOUS BUDGETARY CRISIS, BUT HAVE THOUGHT PAKISTAN

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A TOO IMPORTANT U.S. SECURITY OBJECTIVE TO BE AFFECTED. WHILE CONGRESS EARMARKED FY 1986 AID TO PAKISTAN IN THE CR, IT APPEARS AID IN 1986, NOT TO MENTION 1987, COULD BE CUT BACK FROM THE LEVELS AGREED IN THE FIVE YEAR COOPERATION AGREEMENT (DOLS 700 MILLION ANNUALLY).

MORE IMPORTANT WILL BE THE IMPACT ON WHAT WE CAN DO FOR A FOLLOW-ON PROGRAM. THE PRESIDENT LAST FALL PROMISED ZIA WE WOULD PROPOSE TO CONGRESS A MULTI-YEAR PROGRAM. THE PAKS)PENING NEGOTIATING GAMBIT CALLED FOR A DOUBLING OF U.S. AID (TO DOLS 6.5 BILLION FOR FIVE YEARS). WE SEE LITTLE PROSPECT OF DOING ANY BETTER THAN THE FIRST FIVE YEARS (DOLS 3.2 BILLION), ALTHOUGH WE WOULD LIKE TO BE ABLE TO IMPROVE CONCESSIONALITY. THE NEW CIVILIAN GOVERNMENT IS BOUND TO VIEW OUR AID PROPOSALS AS ONE INDICATOR OF OUR SINCERITY VIS A VIS PAKISTAN -- THE PM HIMSELF SUGGESTED LAST FALL TO AMBASSADOR HINTON THAT THE USG MUST DO MATERIALLY BETTER FOR HIS CIVILIAN GOVERNMENT, GIVEN WHAT IT DID FOR THE PREVIOUS MILITARY GOVERNMENT.

-- ASSURE OFFICIALS THAT, IRRESPECTIVE OF OUR FIRM RESOLVE TO BACK PAKISTAN AND TO HELP IT MAINTAIN ITS SOVEREIGN INDEPENDENCE, THERE ARE LIMITS ON THE RESOURCES THAT WE CAN MAKE AVAILABLE. THE U.S. BUDGET CRISIS IS REAL.

-- WE BELIEVE A STRONG U.S. ECONOMY CONTRIBUTES TO WORLD STABILITY AND DEVELOPMENT.

NUCLEAR PROLIFERATION

THIS IS A CRITICAL AREA OF DIFFERENCE BETWEEN THE U.S. AND PAKISTAN. WHILE WE AGREE THAT A REGIONAL SETTLEMENT IS THE BEST SOLUTION TO THIS REGIONAL PROBLEM, WE CANNOT IGNORE DEVELOPMENTS IN PAKISTAN.

-- ASSURE THE PRESIDENT THAT WE SUPPORT HIS PROPOSALS TO INDIA FOR A REGIONAL SETTLEMENT, BUT ENSURE HE UNDERSTANDS THAT ANY UNILATERAL ACQUISITION OF A NUCLEAR DEVISE IN PAKISTAN WOULD HAVE A CATASTROPHIC IMPACT ON U.S. PAK RELATIONS.

AFGHANISTAN

DESPITE STEPPED UP ACTIVITIES BY BOTH THE SOVIETS AND MUJAHIDIN, THE WAR AT THE END OF 1985 REMAINED STALEMATED, THE SOVIETS WERE FORCED TO TAKE ON AN INCREASING BURDEN OF THE FIGHTING FROM THE DRA AND CASUALTIES WERE UP FOR BOTH THE SOVIETS AND MUJAHIDIN.

THE IMPORTANT DEVELOPMENTS AT THE END OF 1985 WERE NOT ON THE BATTLEFIELD:

O THE GOP GOT THREE MORE VOTES ON ITS OMNIBUS RESOLUTION ON AFGHANISTAN (A TOTAL OF 122), AND FOR THE FIRST TIME THE UNGA ACCEPTED A DAMNING REPORT BY THE UN SPECIAL RAPPORTEUR (PROF. ERMACORA), IN WHICH ERMACORA CATALOGUED A VARIETY OF HUMAN RIGHTS ABUSES BY THE SOVIETS IN AFGHANISTAN.

O AT THE GENEVA SUMMIT, PRESIDENT REAGAN HIT HARD ON THE NEED FOR A POLITICAL SOLUTION TO THE WAR, AND GORBACHEV APPARENTLY AGREED A NEGOTIATED SETTLEMENT IS PREFERABLE. THAT ASSURANCE DID NOT NECESSARILY

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TRANSLATE INTO ANYTHING CONCRETE AT THE GENEVA VI PROXIMITY TALKS BETWEEN PAKISTAN AND KABUL (TALKS CHAIRED BY THE UN). HOWEVER, ACCORDING TO THE GOP, THERE WAS SOME INCHING FORWARD, AND THE SOVIETS (THOUGH NOT DIRECT PARTICIPANTS) SEEMED TO BE PLAYING A POSITIVE ROLE -- MORE SO THAN THE DRA. THE PAKS HOPE THERE WILL BE MORE MOVEMENT WHEN TALKS RESUME (LATE JANUARY/FEBRUARY), AND ARE COUNTING ON SECRETARY SHULTZ TO SOFTEN THE SOVIETS FURTHER WHEN NEXT HE MEETS SHEVARDNADZE.

O THE LEADERSHIP OF THE AFGHAN POLITICAL ALLIANCE SET UP IN MAY 1985 HAS TRANSFERRED SUCCESSFULLY A THIRD TIME -- TO MODERATE SYED GILANI. GULBADDIN DURING HIS TENURESHIP LAID DOWN A NUMBER OF MARKERS, INCLUDING GOAL OF HAVING THE ALLIANCE TAKE THE DRA'S SEAT IN THE OIC AND UN.

O THE GOP HAS NOW COMPLETED ITS FOREIGN POLICY DEBATE, AND THE COUNTRY SEEMS FIRMLY, ALBEIT NERVOUSLY, SUPPORTIVE OF THE GOVERNMENT. THIS SHOULD HELP THE GOP WITH THE UN AND DRA ESPECIALLY, WHO MAY HAVE THOUGHT THE GOVERNMENT WOULD BE FORCED TO CAVE ON THE DIRECT TALKS ISSUE.

HAVING MADE GOTTEN OVER THE INITIAL HURDLE OF ESTABLISHING THE AFGHAN ALLIANCE, WE BELIEVE THERE ARE SEVERAL USEFUL STEPS THAT COULD BE TAKEN TO INCREASE THEIR VISIBILITY AND INTERNATIONAL EFFECTIVENESS. (NOTE: HOWEVER, THE GOP SEES PROGRESS IN THE GENEVA TALKS AND WILL WANT TO AVOID ANY IRREVOCABLE STEPS THAT COULD SET THAT PROCESS BACK, THEY ARE MOVING THE ALLIANCE FORWARD.) IT IS CLOSE TO COMPLETING PLANS FOR AN INFORMATION AGENCY WHOSE RESPONSIBILITY IT WOULD BE TO IMPROVE THE QUALITY AND QUANTITY OF CREDIBLE NEWS AVAILABLE FROM INSIDE AFGHANISTAN. WHILE THE AGENCY LIKELY WILL BE TIED IN SOME WAY TO THE ALLIANCE, THE GOP BELIEVES THE TIME IS NOT YET RIGHT FOR THE ALLIANCE TO OPEN "ALLIANCE" INFO OFFICES ABROAD. THE GOVERNMENT ALSO HAS A FULLY ELABORATED CONCEPT FOR ITS NEW AGENCY FOR COORDINATING CROSS BORDER AID, THOUGH THERE IS A HOLD ON ANNOUNCING THE DECISION, WE UNDERSTAND PUT IN PLACE BY THE PRIME MINISTER.

THE LIFTING OF MARTIAL LAW WILL RESULT IN GREATER TRANSPARENCY FOR POLICY IMPLEMENTATION. THE PM'S HESITATION ON FORMALIZING PWI IS LIKELY INDICATIVE OF THE CAUTION HE WILL SHOW ON PRESSURING THE SOVIETS IN TOO PUBLIC A WAY.

DURING YOUR MEETINGS YOU WILL WANT TO:

-- REITERATE OUR SUPPORT FOR PAKISTAN, AND ITS POLICY LEADERSHIP ON AFGHANISTAN. RECOGNIZE THEIR TRIUMPH AT THE UNGA.

-- REINFORCE OUR CONVICTION THAT THE ALLIANCE IS A MAJOR ACHIEVEMENT, AND SOLICIT VIEWS HOW BEST WE (THE U.S.) CAN ACT TO STRENGTHEN THE ALLIANCE;

-- GET PWI WORKING PUBLICLY, AND NOT ONLY WITH US BUT WITH THE EUROPEANS, THE JAPANESE, AND ANYONE ELSE WHO

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WOULD PROVIDE OVERT HUMANITARIAN AID; (NOTE: DON'T
BE SURPRISED IF THE PAKS MENTION THE FALL OFF OF
WESTERN DONOR SUPPORT FOR REFUGEES IN PAKISTAN --
THEIR CONCERN ABOUT THE 2.5 MILLION AFGHANS INSIDE
PAKISTAN DRAWFS THEIR CONCERN ABOUT THE CBA PROGRAM).

-- STRESS THAT, IN THE WEST, MORE NEEDS TO BE DONE TO
PUBLICIZE THE WAR. ON THE ONE HAND THAT MEANS A
CREDIBLE NEWS SERVICE PROVIDING QUALITY PRINT AND
PHOTOS. IT MEANS HAVING ALLIANCE REPRESENTATIVES
STATIONED IN KEY WORLD CAPITALS WITH A MANDATE TO GET
OUT THE AFGHAN STORY. IT ALSO MEANS BUILDING UP THE
HUMANITARIAN SIDE OF THE WAR, SINCE THIS IS WHAT WILL
MOST GALVANIZE WORLD OPINION AGAINST THE SOVIETS;

HINTON

END OF MESSAGE

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