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THE WHITE HOUSE
WASHINGTON

July 23, 1984

National Security
Study Directive 3-84

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U.S. Relations with India and Pakistan (S)

It has been the policy of this Administration to foster closer ties with India while at the same time improving our relations with Pakistan and China. We have encouraged Indo-Pakistani normalization because of its importance to the stability of the region. Continued Soviet occupation of Afghanistan and on-going resistance by the Mujahadeen have increased our stake in Pakistan. Additionally, Pakistani ties to Persian Gulf security require its territorial integrity and security. Similarly, a strong India, stripped of its democratic values and closely aligned with the Soviet Union would have very serious consequences for Western interests in Southwest Asia, the Indian Ocean and Southeast Asia. A weakened India, torn by ethnic and religious crises and economic weakness, would almost certainly lead to serious instability throughout the entire subcontinent with potentially far-reaching consequences. (S) U

For the past three-and-a-half years we have attempted to smooth over some of the more serious obstacles in U.S.-India relations while accepting the reality that the long standing military relationship between India and the Soviet Union is unlikely to be ended any time soon. We have also worked to strengthen the relationship with Pakistan. The Vice President's recent visit to the subcontinent as well as indications we have had since the visit suggest that India wishes to further improve relations while Pakistan would like to sustain the ties beyond 1986, when our current aid agreement expires. Additionally, Indo-Pakistani normalization, which we have encouraged, is moving forward. We need to find ways of sustaining the improving relations because the costs of a reversal are high: possibility of another war at a higher level of violence; dismemberment of Pakistan; end of effective opposition to the Soviet occupation of Afghanistan; and a decisive outflanking of the PRC. For these reasons, we need to review our current policy and prepare a structured agenda for the next twelve months. (S) U

The State Department should take the lead in convening an inter-agency group to recommend practical steps we may take in the next six months to improve relations with India and Pakistan. The following issues should be addressed: (S) U

- o Economic. We should review our international economic policy to see if we can make practical recommendations to be more supportive, particularly toward some of the proposals made by India. (S) U

3

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By J. Saunders, National Security Council

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- o Military. We should review our security assistance to Pakistan and the progress of the memorandum of understanding with India on the transfer of sensitive technology with the expectation that we can soon agree on language which could permit its implementation. (S) U
- o In light of the guidance laid down in NSDD-99 on U.S. Strategy in Southwest Asia, we should review ways we can pursue more actively our military relations with India and Pakistan and increase the number of military exchanges. (S) U
- o Political. We should review ways in which we can help sustain Pakistan's Afghan policy. (S) U
- o Diplomatic. We should review ways in which we can work more closely with India to bring about a resolution to the war in Afghanistan and the Iran-Iraq conflict. (S) U
- o We should explore ways in which we can further encourage closer ties with India, Pakistan and China and their relations with each other. (S) U

A paper for SIG review with recommendations should be ready by August 10, 1984. The SIG should present agreed interagency positions to be formulated into a NSDD no later than August 31, 1984. (S) U

Kenneth V. ...

5-9

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