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Summary:
Discussion with the Soviet Foreign Ministry on the direction of India’s foreign policy. Topics covered include Indian opposition to the Nuclear Non-Proliferation Treaty; India’s position on the escalating tensions between Egypt and Israel; the possible establishment of a new Asian regional economic bloc; and the recent decision by the United States to eliminate military aid to both India and Pakistan. Soviet policy towards India and Pakistan is also discussed, including the possibility of providing military supplies to Pakistan.

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In the Soviet Foreign Ministry, the general view of the Indian political situation is that Indira Gandhi and the leadership of the Congress Party have somewhat overcome the state of shock that was caused by the electoral setbacks, in several respects they managed to feel out the weak points of the opposition, and started to become more active in the fields of both domestic and foreign policy.

During a conversation which one of our officials had on 2nd of this month at the South Asian Department of the Soviet Foreign Ministry, he inquired principally about the views which our comrades held about the current course of Indian foreign policy.

The Soviet side told him the following:

The Nuclear Non-Proliferation Treaty. They are of the opinion that India laid an extremely great emphasis on its diplomacy in general, and a few prominent leaders of Indian foreign policy in those countries which India particularly wanted to inform, made great efforts to explain India’s standpoint on the non-proliferation treaty, and at the same time sought to achieve agreement that the Soviet Union and the United States should provide – jointly or separately – guarantees to India against a possible nuclear attack. It is known that this Indian effort has not been supported by any of the Great Powers.

Also known are the Indian arguments raised against the non-proliferation treaty, which partly refer to the Chinese threat from a concrete Indian perspective and partly, in the general spirit of the objections which a substantial part of the non-nuclear countries raise against the treaty, emphasize that the treaty, while it perpetuates the present status quo with regard to the possession of nuclear weapons, deprives those countries which currently do not have nuclear weapons of the opportunity to use atomic energy for peaceful purposes. In this respect, the Soviet side notes that India intends to make political capital in the Third World out of this standpoint, which brings the so-called common problems of several Third World countries to the forefront, and, in a certain sense, take a step to regain India’s former role.

It is also known that the Indian standpoint on the non-proliferation treaty has undergone gradual radicalization, and in the very recent days Foreign Minister [M.C.] Chagla categorically stated in a speech he made in the parliament that India would not join the non-proliferation treaty, at least not in its present form. The Soviet side is not yet wholly familiar with the Foreign Minister’s arguments, but on their part – [though] not as a final evaluation – they note that their impression is that the basic reason for this evolution in the Indian standpoint is an Indian effort to enable the country to develop its own atomic weapons and which is increasingly taking shape due to pressure from the right. According to the information available to our comrades, there are no technical obstacles to
that step, the Indian nuclear industry has already reached such a stage of
development that if a decision is made to develop atomic weapons, India will be
actually able to manufacture one within 10 to 11 months.

Of course, it would be premature to evaluate what consequences it would have
for Asian and even world politics if India obtains atomic weapons. However, it is
obvious that through the development of the atomic bomb, the Indian
reactionary forces are likely to set the aim that India, once it militarily and
politically becomes one of the nuclear powers, should leave the present course
of non-alignment, and take further steps to achieve its chauvinist and
expansionist objectives by allying itself with one of the nuclear powers.
Obviously, Indian reaction will find such an ally precisely in the United States.

There has not been any new element in the Indian statements on the
Vietnamese question. Interestingly, however, India was compelled to adopt a far
more positive standpoint on the current Middle Eastern crisis than the one it
takes on the situation in Southeast Asia. What is the reason for that? The Soviet
side is of the opinion that in several respects, the development of the Middle
Eastern situation hits India harder than the situation in Vietnam, and this is what
compels [India] to support the rightful demands of the Arab countries against the
aggressive Israeli efforts, in spite of the fact that it has a relatively good
relationship with Israel, and presumably it also would like to avoid any serious
disagreement with the leading imperialist powers on issues of world politics. At
the same time, however, calls for sanity and moderation are characteristic of the
Indian standpoint, and over here [in Moscow] they think that if the Middle
Eastern crisis continues or even aggravates, this aspect of the Indian attitude
will come increasingly to the forefront. Concerning the motives of the Indian
standpoint, they emphasize primarily that for India, it is economically vital to
prevent the occurrence of a war or a similar situation, a considerable tension, in
the Middle East. Namely, this would naturally lead to the closing of the Suez
Canal, by which India would be deprived of American food aid – which would be
an intolerable development for Indira Gandhi and her government in the present
situation when there is already famine in several states, and in general, a
substantial part of the country's foreign trade would be paralyzed. Politically,
India cannot afford to confront the Arab countries, which constitute a not
insignificant part of the Third World countries, and India must pay particular
attention to preserving the Nasser-Tito-Indira Gandhi triangle as much as
possible, and to its traditional standpoint on the Middle Eastern situation which
was represented already by Nehru.

The latest visit of Foreign Minister Chagla in several Southeast Asian countries
threw light on the newest effort of Indian foreign policy which sets the
establishment of a wider Asian regional economic bloc as a nearer or more
distant aim. It is also known that such efforts are made not only by India but, for
instance, Indonesia also makes such initiatives. The Soviet side is of the opinion
that it has not been thought out yet which form this bloc should take and which countries might participate in it, but they note that in the long run, India is likely to have the creation of an economic bloc reaching from Pakistan to Japan in mind. According to the ideas of its designers, this should ultimately become a closed association akin to the Common Market, and the establishment of such an association would be in the interest of those leading Asian states which would be its members, and also of those imperialist countries which would grant credits to the countries participating in the association. [It would be in the interest] of the latter not only because this would create more favorable opportunities for economically influencing these countries and isolating them, for instance, from the expansion of Chinese influence but also because this bloc should ultimately assume a military dimension, to a lesser or greater extent.

Concerning American-Indian relations, the Soviet side says the following about the American decision to terminate military assistance to India and Pakistan: they think that the Indian campaign which followed the announcement of the American decision, and which sought to emphasize that the American decision had created more favorable conditions for Pakistan than for India, probably served only propaganda purposes. It is true, they say in the MID [Soviet Foreign Ministry], that the availability of spare parts for its American made arms has created a momentarily more favorable situation for Pakistan, because the latter – apart from the quantitatively insignificant Chinese assistance – received only American military aid. However, this constitutes only a momentary advantage for Pakistan. In the long run, the real situation is that while Pakistan has no defense industry whatsoever, India has created its own defense industry since 1962—that is, since the start of its conflict with China. In the MID, they say, among others, that concerning the [development] of the air force, India, for one thing, has the opportunity to reshape its civil aviation industry for military purposes; secondly, the Soviet Union also supplied a factory to produce MiG fighter planes; and thirdly, it is known that India, in cooperation with the UAR [United Arab Republic], is carrying out a program to produce fighter-bombers.

At the Indian desk of the MID, only a few remarks were made about the possible American motives for this decision. They suppose that apart from domestic reasons, the USA was of the opinion that this would render it possible to put pressure on both India and Pakistan. Concerning Pakistan, the termination of military aid may also have been a sort of “punishment” for the somewhat more independent foreign policy that [Pakistan] had pursued in recent times. Furthermore, it must be very burdensome for the USA to maintain the present level of its military presence in all those regions of the world where there are such opportunities, since it already faces serious challenges in places like Vietnam, the Middle East, and Korea. Finally, this step created an opportunity for American propaganda to attack the Soviet Union's policy in Asia, because now it wants to attack the Soviet Union, which appeared in Tashkent as a champion of facilitating mutual understanding between India and Pakistan, on
the grounds that it continues to supply arms to India, whereas the United States, which intends to lessen tension in this region of the world, has terminated military aid to India and Pakistan.

The Soviet side draws attention to the fact that in India, the attacks on the American decisions are initiated by the ultra-rightist circles. Over here, the view they hold about the effects which the Soviet arms supplies produce on India and the Indo-Pakistani relationship is that the [arms supplies] are by no means aimed at aggravating the conflict but rather at curbing it. The continuation of Soviet supplies enables the Soviet Union to exert a moderating influence on Indian policies, since the Indian military is dependent upon the continuity of supplies from the Soviet Union, and India's room for maneuver with regard to the aggravation of the conflict with Pakistan is presumably constrained by its fear of the prospect that these [supplies] might be halted at any time if some [Indian] step displeases the Soviet Union. Namely, over here they are of the opinion that India is unable, and will be unable for another decade, to obtain the spare parts and other facilities for the Soviet arms in case of a possible termination of Soviet supplies.

The Soviet side remarks that due to the termination of American military aid, Pakistan was of course compelled to look for new supply opportunities, and thus Pakistan naturally turned to certain Western countries as well as to Iran and Turkey, but also to the socialist countries. On several previous occasions we reported that Pakistan also approached the Soviet Union with requests for military aid. In May, during his visit here, Pakistani Foreign Minister [Syed Sharifuddin] Pirzada repeated this earlier Pakistani request. The Soviet side did not give Pirzada a final answer, but according to the information available to us, during the negotiations they made a statement that in principle they did not see any obstacle to providing military assistance to Pakistan. Concerning this issue, my impression is that the Soviet Union pursues the following plan: [the policy of] hinting to the possibility of providing military assistance to Pakistan but keeping it pending – in parallel with the continuous military assistance to India – is, under the present conditions, suitable for influencing both Pakistan and India to pursue certain policies which would be advantageous to the socialist countries. The fact that Pakistan greatly needs this assistance, and realistically expects that it can obtain it, will presumably reinforce those tendencies of its foreign policies which it knows that the Soviet Union considers positive. India, on its part, will be less inclined to take such steps which would constitute a break with its non-aligned policy and might induce the Soviet Union to start supplying arms to Pakistan. Of course, this is only a temporary opportunity for exerting influence, which keeps in mind the current political tendencies in Pakistan and India. Obviously, if the negative shift of Indian foreign policy gets accelerated, and Indian foreign policy undergoes a qualitative change, the Soviet Union might achieve the objective of exerting optimal influence on both countries by starting to supply arms to Pakistan. Our impression is that it also follows from the aforesaid [observations]
that the Soviet Union would presumably rather start supplying arms to Pakistan than terminate its [supplies] to India.

Finally, I would like to mention that over here they are of the opinion that there has not been any significant change in the Indo-Pakistani relationship. The exchange of letters between Chagla and Pirzada did not contain any new elements. On the border incidents which occurred not long before, they have formed the opinion that [the incidents] were of an accidental nature, and the fact that they were quickly settled was welcomed over here. They continue to emphasize that under the present conditions, they do not see any opportunity for progress in the Kashmiri question, because neither the Pakistani nor the Indian domestic political situation would render that possible. However, they suppose that the only possible solution is a compromise which would recognize the current ceasefire line in some form at a later date.

[signature]
(ambassador)