THE WHITE HOUSE WASHINGTON

August 29, 1989

NATIONAL SECURITY DIRECTIVE 20

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE

THE SECRETARY OF THE TREASURY

THE SECRETARY OF DEFENSE

THE ATTORNEY GENERAL

THE SECRETARY OF COMMERCE

THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND

BUDGET

THE ASSISTANT TO THE PRESIDENT FOR NATIONAL

SECURITY AFFAIRS

THE DIRECTOR OF CENTRAL INTELLIGENCE

THE CHAIRMAN, JOINT CHIEFS OF STAFF

THE DIRECTOR, UNITED STATES ARMS CONTROL AND

DISARMAMENT AGENCY

THE DIRECTOR, UNITED STATES INFORMATION AGENCY

SUBJECT:

U.S. Policy Toward South Asia

U.S. OBJECTIVES

The key U.S. interest in South Asia is regional stability as a bulwark against Soviet influence and expansion, and as a condition necessary for economic, social and political development. Major U.S. objectives include promoting restraint in relations between India and Pakistan and between India and the other states of the region, reducing the influence of the Soviet Union in the region, preventing the proliferation of nuclear and chemical weapons and ballistic missiles, and stemming the flow of narcotics from the region. Other U.S. goals in South Asia reflect general worldwide objectives: promotion of human rights, representative institutions, promotion of U.S. foreign trade, and economic development. (2)

U.S. POLICY

South Asian Region: Our policy will continue to give priority to relations with Pakistan, while seeking opportunities for a gradual expansion of ties with India. (8)

Pakistan's continued cooperation is vital for the achievement of U.S. objectives in Afghanistan. The U.S. security relationship with Pakistan should be sustained as a disincentive

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for Pakistan to build nuclear weapons and should give it the self-confidence to pursue normalization of relations with India. In tandem with continued assistance, the United States should insist on a policy of nuclear restraint by the Government of Pakistan. (8)

The United States will continue to provide economic and security assistance to Pakistan at levels as close as possible to those pledged in the current six-year agreement. To help develop a strong U.S.-Pakistan relationship after FY 93, the Departments of State and Defense will seek to broaden the basis of the relationship and enhance elements other than security assistance. U.S. support for Pakistan will include initiatives to strengthen the country's nascent democratic institutions, encourage economic reform and development, and discourage narcotics production and export.

<u>India</u>: The United States should continue to encourage improvement in bilateral relations. However, the United States should also continue to make clear our support for the sovereignty and independence of the smaller states in South Asia and criticize those Indian actions that pose a threat to the well-being of the region's smaller states.

Reaffirming technology as an important element in Indo-U.S. relations, the United States should continue to reduce India's economic and technological dependence on the USSR through expanded economic and trade relations with India as the most important part of our relationship, striving to increase U.S. sales in India. The United States will continue limited bilateral assistance, support effective multilateral bank lending for India, and maintain an ongoing program of science and technology exchanges. We will continue to encourage GOI reduction of trade and industrial barriers and barriers to investment. (2)

The United States will continue to approve dual use technology cases consistent with global U.S. policy on nuclear and missile proliferation technology, subject to special safeguards on the most sensitive items and a GOI commitment to guard against diversion and to respect U.S. end-use requirements. The Department of Defense should seek a more influential relationship with the Indian Armed Forces and the Indian defense establishment through expanded ship visits, high-level exchanges and other interactions. The United States will follow a selective policy of providing military equipment for projects and mission areas in which we have agreed to cooperate. More sophisticated technology that would significantly enhance Indian military power projection, fuel regional arms races, or otherwise have a destabilizing effect on the region should be denied.

<u>Indo-Pakistan Relations</u>: The U.S. Government will use diplomatic channels and high-level meetings to encourage direct contacts and confidence-building measures. We will continue to urge both

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countries to restrain their nuclear and missile programs and to pursue further agreements to curb nuclear proliferation. (%)

Smaller Nations: The United States will continue to take measures designed to assure the smaller South Asian countries of our continuing support for their independence and economic development. Policy tools include continued bilateral and multilateral economic aid and high-level meetings. The United States will support the South Asian Association for Regional Cooperation (SAARC) as a forum for improved multilateral and bilateral ties within the area. (©)

Soviet Influence: The United States should encourage restraint in Soviet arms transfers to India, particularly in regard to advanced weaponry; and forestall Soviet interference in the internal affairs of Pakistan. The United States will continue to press the Soviets to encourage nuclear non-proliferation efforts in their relations with India. (8)

Chinese Role: Pakistan will continue to see a close relationship with China as a counterweight against India. The United States will support the continuation of this relationship, and encourage Sino-Indian efforts to improve their relations. We will work to keep China's practices in the missile sales area within the scope of the missile technology control regime and seek to prevent transfers of missile and nuclear technology to Pakistan. (8)

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