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Department of State

TELEGRAM

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ACTION: NEA-08

INFO: OCT-01 SS-20 AID-12 USIE-00 NSC-10 NSCE-00 CIAE-00

INR-07 SSO-00 RSR-01 RSC-01 /060 W 092431

P: 060730Z APR 71
FM: AMCONSUL DACCA
TO: SECSTATE WASHDC PRIORITY 3124
AMEMBASSY ISLAMABAD
INFO: AMCONSUL KARACHI
AMCONSUL LAHORE

C: O N F I D E N T I A L DACCA 1138
LIMDIS
SUBJ: DISSENT FROM U.S. POLICY TOWARD EAST PAKISTAN

JOINT STATEVAID/USIS MESSAGE

I AM AWARE OF THE TASK FORCE PROPOSALS ON "OPENESS" IN THE FOREIGN SERVICE, AND WITH THE CONVICTION THAT U.S. POLICY RELATED TO RECENT DEVELOPMENTS IN EAST PAKISTAN SERVES NEITHER OUR MORAL INTERESTS, BROADLY DEFINED, NOR OUR NATIONAL INTERESTS, NARROWLY DEFINED, NUMEROUS OFFICERS OF AMCONGEN DACCA, USAID DACCA AND USIS DACCA CONSIDER IT THEIR DUTY TO REGISTER STRONG DISSENT WITH FUNDAMENTAL ASPECTS OF THIS POLICY. OUR GOVERNMENT HAS FAILED TO DENOUNCE THE SUPPRESSION OF DEMOCRACY. OUR GOVERNMENT HAS FAILED TO DENOUNCE ATROCITIES. OUR GOVERNMENT HAS FAILED TO TAKE FORCEFUL MEASURES TO PROTECT ITS CITIZENS WHILE AT THE SAME TIME BENDING OVER BACKWARDS TO PLACATE THE WEST PAK DOMINATED GOVERNMENT AND TO LESSEN LIKELY AND DESERVEDLY NEGATIVE INTERNATIONAL PUBLIC RELATIONS IMPACT AGAINST THEM. OUR GOVERNMENT HAS EVIDENCED WHAT MANY WILL CONSIDER MORAL BANKRUPTCY, IRONICALLY AT A TIME WHEN THE USSR SENT PRESIDENT YAHYA A MESSAGE DEFENDING DEMOCRACY, COMDEMNING ARREST OF LEADER OF DEMOCRATICALLY ELECTED MAJORITY PARTY (INCIDENTALLY PRO-WEST) AND CALLING FOR END TO REPRESSIVE MEASURES AND BLOODSHED. IN OUR MOST RECENT POLICY PAPER FOR PAKISTAN, OUR INTERESTS IN PAKISTAN WERE DEFINED AS PRIMARILY HUMANI.

Area 1138
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TARIAN, RATHER THAN STRATEGIC. BUT WE HAVE CHOSEN NOT TO INTERVENE, EVEN MORALLY, ON THE GROUNDS THAT THE AWAMI CONFLICT, IN WHICH UNFORTUNATELY THE OVERWORKED TERM GENOCIDE IS APPLICABLE, IS PURELY INTERNAL MATTER OF A SOVERIGN STATE. PRIVATE AMERICANS HAVE EXPRESSED DISGUST. WE AS PROFESSIONAL PUBLIC SERVANTS EXPRESS OUR DISSENT WITH CURRENT POLICY AND FERVENTLY HOPE THAT OUR TRUE AND LASTING INTERESTS HERE CAN BE DEFINED AND OUR POLICIES REDIRECTED IN ORDER TO SALVAGE OUR NATION'S POSITION AS A MORAL LEADER OF THE FREE WORLD.

2. OUR SPECIFIC AREAS OF DISSENT, AS WELL AS OUR POLICY PROPOSALS, WILL FOLLOW BY SEPTEL.

3. SIGNED:

BRIAN BELL
ROBERT L. BOURQUEIN
W. SCOTT BUTCHER
ERIC GRIFFELI
ZACHARY M. HAHN
JAKE HARSHBARGER
ROBERT A. JACKSON
LAWRENCE KOEGELI
JOSEPH A. MALPELI
WILLARD D. MCCLEARY
DESAIX MYERS
JOHN L. NESVIG
WILLIAM GRANT PARRI
ROBERT CARCE
RICHARD L. SIMPSON
ROBERT C. SIMPSON
RICHARD E. SUTTOR
WAYNE A. SWEDENGURG
RICHARD L. WILSON
SHANNON W. WILSON

4. I SUPPORT THE RIGHT OF THE ABOVE NAMED OFFICERS TO VOICE THEIR DISSENT. BECAUSE THEY ATTACH URGENCY TO THEIR EXPRESSION OF DISSENT AND BECAUSE WE ARE WITHOUT ANY MEANS OF COMMUNICATION OTHER THAN TELEGRAPHIC, I AUTHORIZE THE USE OF A TELEGRAM FOR THIS PURPOSE.

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5. I BELIEVE THE VIEWS OF THESE OFFICERS, WHO ARE AMONG THE FINEST US OFFICIALS IN EAST PAKISTAN, ARE ECHOED BY THE VAST MAJORITY OF THE AMERICAN COMMUNITY, BOTH OFFICIAL AND UNOFFICIAL. I ALSO SUBSCRIBE TO THESE VIEWS BUT I DO NOT THINK IT APPROPRIATE FOR ME TO SIGN THEIR STATEMENT AS LONG AS I AM PRINCIPAL OFFICER AT THIS POST.

6. MY SUPPORT OF THEIR STAND TAKES ON ANOTHER DIMENSION. AS I HOPE TO DEVELOP IN FURTHER REPORTING, I BELIEVE THE MOST LIKELY EVENTUAL OUTCOME OF THE STRUGGLE UNDERWAY IN EAST PAKISTAN IS A BENGALI VICTORY AND THE CONSEQUENT ESTABLISHMENT OF AN INDEPENDENT BANGLA DESH. AT THE MOMENT WE POSSESS THE GOOD WILL OF THE AWAMI LEAGUE. WE WOULD BE FOOLISH TO FORFEIT THIS ASSET BY PURSUING A RIGID POLICY OF ONE-SIDED SUPPORT TO THE LIKELY LOSER.

GPH:3
BLOOD

NOTE BY OC/T: LIMDIS CAPTION ADDED PER S/S-O, MR. PASSAGE, 4/6/71.

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DEPARTMENT OF STATE

Washington, D.C. 20520

BS/R FILES

Attention *Mrs Mullett*
Keep this folder together.

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7105336

April 6, 1971

✓
CRAIG BAXTER ET AL

The Honorable
William P. Rogers
Secretary of State
Washington, D. C.

Dear Mr. Secretary:

The undersigned officers, all of whom have specialized in South Asian affairs for the major portion of their service, wish to associate themselves with the views expressed in Dacca 1138 (copy attached) and to urge that the United States Government take immediate steps to meet the objections raised in paragraph one of the telegram.

Sincerely yours,

Craig Baxter

Craig Baxter NEA/PAF

A. Peter Burleigh

A. Peter Burleigh NEA/INC

Townsend S. Swayze

Townsend S. Swayze AID/NESA

Joel M. Woldman

Joel M. Woldman NEA/PAF

Anthony C. E. Quinton

Anthony C. E. Quinton NEA/INC

Howard B. Schaffer

Howard B. Schaffer NEA/EX

Douglas M. Cochran

Douglas M. Cochran INR/RNA

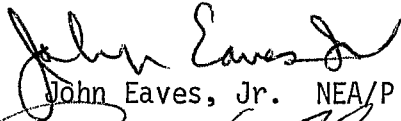
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BY S/S: CMC

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John Eaves, Jr. NEA/P



Robert A. Flaten, NEA/PAF

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DRAFTED BY S/P: CALLEGROE

APPROVED BY S/P: JROGUE

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INFO ALL EUROPEAN DIPLOMATIC POSTS

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DISSENT CHANNEL

FOLLOWING RPT BOMN 6717 DTD 3/26/87 SENT
STATE
OTE LIMITED OFFICIAL USE BOMN 6717

DISSENT CHANNEL

F. O. 12065: W/A

TAGS

SUBJECT: DISSENT CHANNEL MESSAGE: SANCTIONS AND THE
ATLANTIC ALLIANCE

1. LIMITED OFFICIAL USE - ENTIRE TEXT.

2. THIS MESSAGE TRANSMITS A DISSENT CHANNEL VIEWPOINT
OF [REDACTED] THE
DRAFTER DOES NOT WISH TO RESTRICT DISTRIBUTION OF THIS
MESSAGE, AND SUGGESTS DISTRIBUTION TO USHATO, US EUROPEAN
EMBASSIES, ACPA, AND USIS.

3. SUMMARY: THE NET EFFECT OF US SANCTIONS AFTER AFGHAN-
ISTAN AND POLAND IS THE LOSS OF BILLIONS OF DOLLARS OF
US/SOVIET TRADE TO OTHERS AND AN ACrimonious DEBATE IN
THE UNITED STATES ON RELATIONS WITH EUROPE. SANCTIONS AS
A MEANS OF LIMITING - OR AT LEAST NOT ADDING TO - SOVIET
ABILITY TO COMMIT AGGRESSION IS CONSISTENT WITH OUR STRA-
TEGIC INTERESTS AND SHOULD BE VIGOROUSLY PURSUED. THE
POLICY FAILED TO DATE BECAUSE:

-- WE DID NOT MAKE IT CLEAR TO OURSELVES AND OTHERS WHAT
SANCTIONS ARE SUPPOSED TO ACCOMPLISH;

-- WE MISREAD EUROPEAN MOTIVES IN UNDERMINING US/AFGHAN-
ISTAN SANCTIONS AND BUILDING THE GAS PIPELINE;

-- WE EXECUTED SANCTIONS POLICY IN A WEAK, INCONSISTENT,
AND UNTIMELY MANNER.

THE DIFFERENCES WE HAVE WITH THE EUROPEANS OVER SANCTIONS
GO TO THE HEART OF THE ALLIANCE RELATIONSHIP AND REFLECT
LONG-TERM DIVERGENCIES OF GEOPOLITICAL INTERESTS. EXPECT-
ING EUROPEANS TO SACRIFICE PERCEIVED POLITICAL AND ECONOMIC
BENEFITS FOR AN ABSTRACT ALLIANCE UTILITY IS UNREALISTIC,
AS IS AMPLY PROVED BY THEIR BEHAVIOR AFTER AFGHANISTAN AND
POLAND. TO THE EXTENT THAT EUROPEAN AND AMERICAN STRA-
TEGIC INTERESTS DIVERGE, THE US MUST BE PREPARED TO DEVISE
AND NEGOTIATE APPROPRIATE TRADE-OFFS. IN ATTEMPTING TO
PAPER OVER DISCREPANCIES IN ALLIANCE RELATIONSHIPS, THE
DEPARTMENT RISKS HAVING EUROPEAN POLICY PREEMPTED BY THE
CONGRESS THROUGH ANOTHER HANSFELD AMENDMENT. END SUMMARY.

4. WHY WE NEED SANCTIONS: SYMBOL OR SUBSTANCE --

THE UNITED STATES WEAKENED AND CONFUSED ITS SANCTIONS
POLICY AT THE OUTSET BY MIXING SYMBOLIC AND PUNITIVE
MEASURES WITH GENUINE STRATEGIC CONCERNS. IF OUR PURPOSE
IN REACTING TO THE SOVIET INVASION OF AFGHANISTAN IN
DECEMBER 1979 WAS TO SIGNAL DISPLEASURE ONLY, THEN IT
WAS CORRECT AND COMPLETELY SUCCESSFUL TO WORK WITHIN THE
UN GENERAL ASSEMBLY, WHICH PRODUCED AN EXEMPLARY CONDEMN-
ATION SUPPORTED BY A LARGE MAJORITY. WHERE US POLICY
GOT OFF TRACK WAS THE UNBUE EMPHASIS PLACED IN NATO ON
THE OLYMPIC BOYCOTT AND OTHER SYMBOLIC ACTS, WHICH
ALLOWED OUR NATO PARTNERS TO DIVERT ATTENTION FROM THE
CENTRAL MATTERS OF RAISING DEFENSE EXPENDITURES AND
LIMITING STRATEGICALLY OBJECTIONABLE TRADE. NATO IS NOT
A WORLD FORUM BUT A DEFENSE ALLIANCE; AND TO THE EXTENT
IT DOES NOT REACT SUBSTANTIALLY TO SOVIET PROVOCATION,
IT MERELY NULLIFIES ITS OWN SYMBOLIC ACTS.

5. WHAT SHOULD BE UNDERSCORED WITH NATO ALLIES ON
SANCTIONS IS THAT INCREASED ACCESS TO WESTERN TECHNOLOGY
AND CREDITS HAS DEMONSTRATEDLY ADDED TO THE CAPABILITY OF
THE SOVIETS AND THEIR PROXIES TO COMMIT AGGRESSION.
BILLIONS OF DOLLARS IN CHEAP CREDITS AND MOUNTAINS OF
WESTERN TECHNOLOGY PROVIDED THE EAST BLOC DURING THE SO-
CALLED DEFENSE PERIOD HAVE INCREASED RATHER THAN MODERATED
SOVIET EXPANSIONIST APPETITES. THE CASE WAS MADE ABSO-
LUTELY CLEAR BY THE USE DURING THE AFGHANISTAN INVASION
OF HAMA RIVER PLAIN HEAVY VEHICLES, MANUFACTURED WITH THE
LATEST WESTERN EQUIPMENT PURCHASED THROUGH SUBSIDIZED
CREDITS. THE ARGUMENT IS NOT THAT SANCTIONS ARE NEEDED
TO REINFORCE OTHER SIGNALS OF DISPLEASURE, OR THAT SUCH
MEASURES WOULD RESULT IN A SOVIET WITHDRAWAL FROM AFGHAN-
ISTAN. BLUNTLY STATED, IT IS THAT THE UNITED STATES
FOUGHT TWO MAJOR WARS TO STOP SOVIET-BACKED AGGRESSION
IN THE THIRD WORLD, AND IT IS UNACCEPTABLE FOR ALLIES TO
CONTINUE PRACTICES THAT MAKE SIMILAR WARS FOR THE UNITED
STATES MORE LIKELY AND COSTLY. IT IS ESTABLISHING THAT
TWO YEARS AFTER AFGHANISTAN, AND A WEALTH OF INFORMATION
ON HOW WESTERN TRADE IN STRATEGIC AREAS STRENGTHENS THE
SOVIETS, THE UNITED STATES HAS STILL NOT MADE ITS CASE
FOR SANCTIONS CLEAR TO PUBLICS ON BOTH SIDES OF THE
ATLANTIC. MOREOVER, WE SEEM TO BE REPEATING THE SAME
MISTAKES AFTER THE MILITARY TAKEOVER IN POLAND.

EUROPEANS CAN BE JUDGED BY THEIR ACTIONS AFTER THE US/
AFGHANISTAN SANCTIONS:

-- NOTWITHSTANDING PUBLIC PLEDGES BY CHANCELLOR SCHMIDT
AND PRESIDENT GISCARD NOT TO SUBSTITUTE FOR US BUSINESS
LOST THROUGH SANCTIONS, THE GERMANS AND FRENCH PROMPTLY
SIGNED UP THE TWO MAJOR INDUSTRIAL PROJECTS THE US HAD
FOREGONE: A STEEL PLANT AND AN ALUMINUM MILL OF APPROX-
IMATELY ONE BILLION DOLLARS TOTAL VALUE;

-- THE EUROPEAN COMMUNITY QUADRUPLED ITS GRAIN SALES TO
THE SOVIETS IN 1980 TO TWO MILLION TONS, THEREBY JOINING
WITH AUSTRALIA, CANADA, AND ARGENTINA AS MAJOR UNDER-
CUTTERS OF THE US GRAIN EMBARGO;

-- TOTAL EUROPEAN TRADE WITH THE SOVIETS CONTINUED TO
RISE. WEST GERMAN BILATERAL TRADE, FOR INSTANCE, ROSE
FROM 14 BILLION DM IN 1979 TO 15.35 BILLION DM IN 1980.

7. WHILE THIS WAS HAPPENING, THE US SEEMS TO HAVE TAKEN
THE VIEW THAT IT WAS EUROPEAN WEAKNESS OR OPPORTUNISM
THAT PROMPTED UNDERMINING OF US SANCTIONS; AND, IN ANY
EVENT, IT WAS MORE IMPORTANT TO PRESERVE THE FACADE OF
ALLIANCE UNITY THAN OUSIBLE OVER TRADE. NO PROMINENT
AMERICAN OFFICIAL WENT ON RECORD THAT SUCH BEHAVIOR WAS

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UNACCEPTABLE, MUCH LESS WARR OF A POSSIBLE US REACTION. EUROPEAN LEADERS VISITING WASHINGTON WERE PERMITTED TO BLANDLY CLAIM WITHOUT CONTRADICTION THAT THEY WERE NOT PURSUING BUSINESS AS USUAL WITH THE SOVIETS WHILE PUBLISHED STATISTICS SHOWED THE REVERSE. US HOPES WERE FOCUSED ON THE NATO PLEDGE TO RAISE REAL DEFENCE SPENDING BY THREE PER CENT AND TO EXPAND COCON STRATEGIC CONTROLS THROUGH THE SO-CALLED HUNDRED MILLION DOLLAR PROPOSAL. THE EUROPEANS WERE SOON TO SHRUG BOTH ISSUES OFF, LEAVING THE US NOTHING TO SHOW FOR ITS LABORS AND FOREBEARANCE. THEY DREW THE APPROPRIATE CONCLUSIONS FROM THE SPONGY US POSTURE, AND THE STAGE WAS SET FOR POLAND AND THE GAS PIPELINE.

8. THE CASE OF WEST GERMANY AND THE GAS PIPELINE IS A PARTICULARLY REVEALING INSTANCE OF HOW US POLICY HAS BEEN MISDIRECTED. IN MARCH 1980 - JUST FOUR MONTHS AFTER THE AFGHANISTAN INVASION - THE GERMAN CABINET TOOK THE KEY DECISION TO ALLOW UP TO 30 PER CENT OF DOMESTIC GAS USE TO BE OF SOVIET ORIGIN.

UNDER GERMAN LEADERSHIP, A EUROPEAN CONSORTIUM OF GAS COMPANIES EVENTUALLY PUT TOGETHER A PACKAGE WHICH WILL PROVIDE WESTERN EUROPE WITH 40 BILLION CUBIC METERS OF SOVIET GAS PER YEAR, ASSURE 15 BILLION DOLLARS OF EUROPEAN EQUIPMENT SALES AND DOUBLE SOVIET HARD CURRENCY EARNING IN THE COMING DECADE - THE BIGGEST EAST/WEST DEAL IN HISTORY. WHEN THE SIZE AND NATURE OF THE DEAL EVENTUALLY BECAME KNOWN TO THE US, CONCERN WAS EXPRESSED ABOUT THE THREAT OF SOVIET ENERGY BLACKMAIL. THE GERMANS MADE THE FOLLOWING POINTS IN RESPONSE:

-- GERMANY NEEDS THE GAS, AND NO OTHER SOURCE IS AVAILABLE;

-- THIRTY PER CENT SOVIET GAS PRESENTS NO BLACKMAIL-PROBLEM SINCE IT WOULD LARGELY BE USED IN INDUSTRIES AND UTILITIES THAT COULD EASILY SWITCH TO ALTERNATIVE FUELS;

-- THE MATTER IS NOT A GERMAN GOVERNMENT CONCERN SINCE IT IS A PURELY COMMERCIAL DEAL WITH NO OFFICIAL SUBSIDIES INVOLVED.

ALL OF THE ABOVE SUBSEQUENTLY PROVED TO BE FALSE, ALTHOUGH THERE IS NO EVIDENCE THE US EVER SET THE RECORD STRAIGHT. TO THE EXTENT THE GERMAN GOVERNMENT MADE ANY PROJECTIONS OF FUTURE GAS REQUIREMENTS, THEY WERE BASED ON A CONTINUATION OF A 10-15 PER CENT PER YEAR INCREASE IN GAS CONSUMPTION EXPERIENCED IN THE 70'S, WHEN GAS WAS CONSIDERABLY CHEAPER THAN ANY ALTERNATIVE FUEL. HOWEVER, GAS CONSUMPTION IN GERMANY DROPPED SHARPLY IN 1980 AND 1981 - PARTICULARLY IN INDUSTRIAL USE; AS THE STEEP RISE IN GAS PRICES MADE RESIDUAL FUEL OIL AND COAL CHEAPER ALTERNATIVES. GAS COMPANIES, THUS, AT PRESENT HAVE DIFFICULTY IN MARKETING THE GAS VOLUMES THEY HAVE UNDER CONTRACT, AND HOW THEY WILL DISPOSE OF THE ADDITIONAL 10.3 BILLION CUBIC METERS PER YEAR OF SIBERIAN GAS THAT WILL COME ON STREAM IN THE MID-80'S IS NOT EASILY ANSWERED. THE ONLY LIKELY OUTLET IS THE HOME-HEATING MARKET, ALTHOUGH EVEN HERE NUMEROUS COMMUNITIES ARE COMPLAINING ABOUT EXCESSIVE COSTS. THE PROBABLE OUTCOME IS THAT THE 30 PER CENT LIMIT WILL BE

GOVERNMENT TO SUBSIDIZE GAS SALES. AS TO THE GERMAN GOVERNMENT CLAIM THAT THERE WOULD BE NO SUBSIDIES ON EQUIPMENT SALES, THIS HAS ALREADY BEEN FLATLY CONTRADICTED BY ISSUANCE LAST YEAR OF SEVERAL BILLION DM LOW INTEREST

CREDITS (AKA PLAFOND B) TO GERMAN MANUFACTURERS, IN ADDITION TO GOVERNMENT-BACKED CREDIT GUARANTEES FOR ALL PIPELINE EXPORTS. THUS, THE WORST CASE SCENARIO FOR GERMAN ENERGY DEPENDENCY HAS EMERGED AS THE MOST LIKELY: WELL OVER 30 PER CENT RELIANCE ON SOVIET GAS, CONCENTRATED IN THE HOME-HEATING SECTOR, AND ALL BOUGHT WITH TAXPAYERS' MONEY.

9. WHY, DESPITE THESE CIRCUMSTANCES, DO THE GERMANS SO TENACIOUSLY CLING TO THE PIPELINE EVEN AFTER POLAND AND MOUNTING US DOMESTIC CRITICISM? IT IS NOT MERELY A QUESTION OF SHORT-TERM JOB CREATION, SINCE THE GOVERNMENT IF IT WERE SO MINDED COULD EXPAND THE DISTRICT HEATING, NUCLEAR AND COAL SECTORS TO ABSORB AT LEAST AN EQUIVALENT NUMBER OF WORKERS TO COVER THE SAME ALLEGED ENERGY NEED. THE KEY FACTOR IS THE POLITICAL DIMENSION, RELATED TO GERMAN CONCERNS THAT SOVIET HARD CURRENCY EARNINGS - AND HENCE EAST/WEST TRADE - WOULD DRY UP WITH THE EXPECTED LOSS OF SOVIET OIL EXPORT CAPABILITY IN THE MID-80'S. TO THE GERMANS, THE EXISTENCE OF SIGNIFICANT TRADE WITH THE EAST IS A MEANS TO KEEP THE SOVIETS QUIETSCENT AS REGARDS WESTERN EUROPE, AND PERMIT FURTHER HAMEVERING ROOM WITH THE GERMAN DEMOCRATIC REPUBLIC. THE UNITED STATES FAILED TO SEE THAT THE GAS PIPELINE WAS NOT PRIMARILY AN ENERGY SUPPLY OR ECONOMIC MATTER TO THE GERMANS. WHEN THE US FINALLY BECAME ORGANIZED ENOUGH TO SEND A DELEGATION TO GERMANY IN LATE 1981 TO TRY TO STOP THE PIPELINE, ITS SOLE ARGUMENT THAT THERE ARE SUFFICIENT NON-SOVIET GAS SOURCES AVAILABLE TO MEET ALLEGED NEEDS NATURALLY FELL ON DEAF EARS.

10. REDRESSING ALLIANCE INEQUITIES --

THE SANCTIONS ISSUE ILLUSTRATES AND DEFINES FUNDAMENTAL CHANGES THAT HAVE OCCURRED IN THE ATLANTIC ALLIANCE, PARTICULARLY IN THE LAST DECADE. THE UNILATERAL US NUCLEAR GUARANTEE - THE GLUE THAT ONCE HELD THE ALLIANCE FIRMLY TOGETHER - IS NOW VIEWED BY MOST EUROPEANS AS ONLY A PARTIAL ANSWER TO THEIR SECURITY NEEDS; AND TO GROWING NUMBERS, IT IS LESS OF A DEFENCE THAN A THREAT OF NUCLEAR HOLOCAUST. THE SECURITY POSTURE OF EUROPE NOW CONSISTS OF A BALANCE BETWEEN COMMITMENT TO NATO AND ACCOMMODATION TO SOVIET INTERESTS, MOST IMPORTANTLY EXPRESSED IN TERMS OF TRADE AND CREDIT ARRANGEMENTS. THERE ARE VARIATIONS AMONG NATO ALLIES ON THE EMPHASIS OF THIS BALANCE; IN THE KEY CASE OF WEST GERMANY, THE DEFENCE BUDGET ALMOST EXACTLY MATCHES ITS VOLUME OF EAST/WEST TRADE.

11. IN THE PAST DECADE, THE THREAT OF AN OUTRIGHT SOVIET INVASION OF WESTERN EUROPE HAS CONTINUALLY RECEDED, WHILE SOVIET APPETITE FOR ADVENTURISM IN THE THIRD WORLD HAS MARKEDLY INCREASED. TO A SIGNIFICANT DEGREE, EUROPEAN PERCEPTIONS OF SOVIET/AMERICAN COMPETITION IN THE THIRD WORLD ARE COLORED BY THE NEED TO JUSTIFY EUROPE'S INTERMEDIARY POSITION. IT IS NOT A COINCIDENCE THAT EUROPEAN INDIGNATION OVER ALLEGED AMERICAN-BACKED ATROCITIES IN EL SALVADOR REACHED A PEAK SHORTLY AFTER THE INVASION OF AFGHANISTAN. ANOTHER SUCH PEAK HAS ALSO OCCURRED FOLLOWING THE MILITARY TAKEOVER IN POLAND. "EUROPE NEEDS EL SALVADOR AS THE MORAL EQUIVALENT OF AFGHANISTAN," ADMITS SOME OF THE FRANKER EUROPEANS. WHILE, OF COURSE, THE LEFTISTS LEAD THE CHARGE, THE POLICIES OF MOST EUROPEAN GOVERNMENTS REFLECT THE PREVAILING ATTITUDE. IN THE CARIBBEAN, THE EUROPEANS HAVE WITHDRAWN AMBASSADORS AND AID PROGRAMS FOR EL SALVADOR, AND REFUSED TO SEND OFFICIAL ELECTION OBSERVERS TO THAT COUNTRY, WHILE AT THE SAME TIME THEY SUPPLY POLITICAL AND ECONOMIC SUPPORT TO NICARAGUA AND, AT LEAST IN THE CASE OF FRANCE, MILITARY

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ASSISTANCE AS WELL. AND WHILE INSISTING WITH A HIGH MORAL TONE THAT THE UNITED STATES IS ATTEMPTING TO FORCE A MILITARY SOLUTION ON THE BASIC ECONOMIC PROBLEMS OF THE REGION, THE EUROPEAN COMMUNITY DUMPS SUBSIDIZED SUGAR ON THE WORLD MARKET AND, THEREBY, MAKES ECONOMIC RECOVERY FOR MANY OF THE NATIONS OF THE CARIBBEAN EXTREMELY DIFFICULT. IT IS, OF COURSE, NOT ONLY IN THE CARIBBEAN BUT IN MANY OTHER AREAS IN THE WORLD WHERE EUROPEANS COUNTERMARCH THE AIMS OF RADICAL AND ANTI-AMERICAN FORCES - FROM ENCOURAGEMENT OF PLO INTRANSIGENCE TO CONTINUED TRADE, INCLUDING MILITARY ITEMS, TO QADDAFI. EVEN IN THE MUCH TOUTED CASE OF THE IRAQIAN SANCTIONS, A CLOSE READING OF THE TRADE STATISTICS WILL REVEAL THE TRUE NATURE OF ALLEGED EUROPEAN SOLIDARITY WITH THE UNITED STATES. WEST GERMAN FIRMS, FOR INSTANCE,

DURING THE IRAN EMBARGO.

12. ALL OF THE FOREGOING DOES NOT SIGNIFY THE ATLANTIC ALLIANCE HAS OUTLIVED ITS USEFULNESS. IT IS UNQUESTIONABLY IN US INTEREST THAT WESTERN EUROPE BE PRESERVED FROM SOVIET DOMINATION, AND UNDOUBTEDLY A LARGE MAJORITY WOULD PREFER THEIR PRESENT DEMOCRACY AND PROSPERITY TO THE MORAL AND PHYSICAL PENURY OF COMMUNISM. HOWEVER, THE US MUST RADICALLY REETHINK THE PLACE OF THE ALLIANCE IN ITS PRIORITIES, AND WHAT THE PROPER POLITICAL, ECONOMIC, AND PUBLIC RELATIONS POSTURE OF THE UNITED STATES TOWARD THE EUROPEANS SHOULD BE, GIVEN PRESENT TRENDS IN EUROPE AND THE LIKELY CHALLENGES FACING THE UNITED STATES IN THE COMING DECADE.

13. IN REVIEWING HISTORY OF THE POLAND AND AFGHANISTAN SANCTIONS, IT HAS BECOME CLEAR THAT THE UNITED STATES CANNOT RELY ALONE ON APPEALS TO CONSCIENCE OR ALLIANCE SOLIDARITY TO INFLUENCE EUROPEAN BEHAVIOR. EXCEPT FOR INCONSEQUENTIAL SYMBOLISM, THE EUROPEANS HAVE GONE STRAIGHT AHEAD IN PURSUING THEIR POLITICAL AND ECONOMIC INTERESTS WITH THE SOVIETS AS IF AFGHANISTAN AND POLAND NEVER HAPPENED. THE FAILURE OF THE BUCKLEY MISSION ON FINANCING, THE RASHISK MISSION ON THE GAS PIPELINE, THE NATO CONSULTATIONS ON POLISH SANCTIONS, AND NUMEROUS OTHER US INITIATIVES ON COCON AND THE LIKE IN THE YEARS SINCE AFGHANISTAN CAN BE TRACED TO THE LACK OF ANY CLEARLY DEFINED US POSITION IN THE EVENT OF EUROPEAN INTRANSIGENCE.

14. IT IS BEYOND THE SCOPE OF THIS PAPER TO DETAIL A NEW EUROPEAN POLICY, BUT RATHER TO STIMULATE US POLICY-MAKERS TO THINKING IN NEW WAYS ABOUT EUROPE AND, IN PARTICULAR, INTRODUCING THE HERETOFORE LACKING ELEMENT OF TRADE-OFFS AND LEVERAGE. AMERICAN POLICY CAN NO LONGER BE BASED ON THE ASSUMPTION OF PERFECTLY ALIGNED ALLIED INTERESTS EXCEPT IN THE INCREASINGLY REMOTE CASE OF A DIRECT SOVIET ATTACK ON WESTERN EUROPE. THE US MUST NOW TAKE INTO ACCOUNT THAT IN MANY--PERHAPS THE MAJORITY--CRUCIAL ISSUES IN THE COMING DECADE, EUROPEAN AND AMERICAN INTERESTS WILL CLASH, AND THAT US LEVERAGE SHOULD BE APPLIED TO LIMIT THE DAMAGE THE EUROPEANS CAN INFLICT. AMONG THE MANY URGENT QUESTIONS THAT NEED TO BE VIEWED IN THIS LIGHT ARE:

COMMITMENT TO EUROPEAN DEFENSE -- NATO WAS FOUNDED WHEN WESTERN EUROPEAN GNP WAS HALF THAT OF THE US. WESTERN EUROPEAN GNP IS NOW 25 PER CENT GREATER THAN THAT OF THE US, AND ALMOST TRIPLE THAT OF THE SOVIET UNION. UNDER PRESENT CIRCUMSTANCES, IS THE US THIRTY-TWO BILLION DOLLAR PER YEAR US CONTRIBUTION TO EUROPEAN DEFENSE STILL JUSTIFIED? SHOULD THE AMOUNT AND NATURE OF THE US CONTRIBUTION

BE SUBJECT TO ANNUAL REVIEW AND BE DIRECTLY LINKED TO EUROPEAN RESTRAINT IN STRATEGIC TRADE WITH THE SOVIETS, AND IN OTHER AREAS OF US INTEREST?

TECHNOLOGY TRANSFER -- THE EUROPEANS HAVE REPEATEDLY REFUSED TO CONSIDER EXPANSION OF STRATEGIC TRADE CONTROLS BEYOND PRESENT NARROW COCON DEFINITIONS, AND THEIR METHODS OF ENFORCING SUCH CONTROLS ARE AT BEST QUESTIONABLE. WEST GERMANY, FOR EXAMPLE, HAS YET TO PROSECUTE REPEATED COCON VIOLATORS, AND ITS TRADE WITH EAST GERMANY ENTIRELY ESCAPES COCON CONTROLS. SHOULD THE UNITED STATES AT THIS POINT CONSIDER IMPOSING TECHNOLOGY CONTROLS ON EXPORTS TO WESTERN EUROPE?

WHEAT SALES -- THE EUROPEANS ACCUSE THE US OF HYPOCRISY IN RESUMING WHEAT SALES WHILE CALLING FOR A STOP TO STRATEGIC INDUSTRIAL PROJECTS AND THE GAS PIPELINE. MANY AMERICANS SEEM TO AGREE, FORGETTING THAT EUROPE WAS ONE OF THE MAJOR UNDERCUTTERS OF THE AFGHANISTAN GRAIN EMBARGO. WILL UNILATERAL STOPPING OF WHEAT SALES AGAIN LEAD TO ANY DIFFERENT RESULT? SHOULD THE US DIRECT WHEAT EXPORTS TOWARD PENETRATING TRADITIONAL MARKETS OF EMBARGO UNDERCUTTERS WITH LONG-TERM BILATERAL CONTRACTS AT SUBVENTIONED PRICES, IF NECESSARY?

POLAND DEFAULT -- A POLISH DEFAULT WILL HIT THE EUROPEANS CONSIDERABLY HARDER THAN THE US. SHOULD THIS BE USED AS A BARGAINING CHIP TO RESTRAIN SUBSIDIZED EUROPEAN LOANS AND OFFICIAL GUARANTEES ON EXPORTS TO THE SOVIETS?

GAS PIPELINE -- SOME AMERICANS ARE NOW COUNSELING US ACQUIESCENCE TO THE GAS PIPELINE IN THE NAME OF SANCTITY OF INTERNATIONAL CONTRACTS. CAN THIS BE A SERIOUS ARGUMENT WHEN THE MAJOR BENEFACTOR IS A COUNTRY WHOSE AVOWED PURPOSE IS THE OVERTHROW OF THE PRESENT INTERNATIONAL TRADING SYSTEM? CAN THE UNITED STATES COUNTERMARCH THE TIMING OF SUCH MAJOR DEALS BASED TRANSPARENTLY ON THE

WITH US COMPETITORS SHORTLY BEFORE THE AFGHANISTAN INVASION, AND THE CONCLUSION OF THE PIPELINE CONTRACT WITH THE WEST GERMANS OCCURRED ONE MONTH BEFORE POLISH MILITARY CRACKDOWN. SHOULD THE US REAFFIRM ITS EXTRATERRITORIAL CONTROLS ON PIPELINE TECHNOLOGY, AND SHOULD WE REEXAMINE OTHER POINTS OF LEVERAGE SUCH AS US RIGHTS ON WEST GERMAN GAS SUPPLY?

CONSULTATIONS -- THE PRESENT DIFFICULTIES IN THE ALLIANCE HAVE BROUGHT A VERITABLE FLOOD OF EUROPEANS TO WASHINGTON. ARE INCREASED CONSULTATIONS, BY THEMSELVES, A WAY OF RESOLVING OR MERELY WASHING REAL DIFFERENCES BETWEEN THE UNITED STATES AND EUROPE, AND DELAYING THEIR RESOLUTION? WOULD A MORE RESERVED US POSTURE TOWARD CONSULTATIONS REDUCE THE TEMPTATION OF WESTERN EUROPEAN LEADERS TO POSE AS UNWANTED INTERMEDIARIES BETWEEN THE UNITED STATES AND THE SOVIETS?

PUBLIC RELATIONS -- DOES THE CONTINUAL INHONORING OF ALLIANCE UNITY AS PRACTICALLY ALL COSTS SERVE US INTERESTS IN EUROPE? WOULD, FOR EXAMPLE, FIVE OUT OF SIX WEST GERMANS STILL BELIEVE THE GAS PIPELINE IS A GOOD DEAL, IF THE UNITED STATES WOULD HAVE SPOKEN OUT EARLY AND CLEARLY ABOUT THE UNDERMINING OF AFGHANISTAN SANCTIONS, THE UNDERLYING MOTIVES OF THE WEST GERMAN GOVERNMENT IN PURSUING THE PIPELINE, AND THE POSSIBILITY OF A US REACTION. WOULD A DETAILED US PUBLICATION OF THE ECONOMIC IMPACT OF THE PRESENCE OF US FORCES IN GERMANY HAVE A SOBERING EFFECT?

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