

Confidential Filing

Visit of the Pakistan Foreign Minister,
Agha Shari

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PAKISTAN

June 1980.

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TO PRIORITY ISLAMABAD

TEL NUMBER 595 OF 19 JUNE

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AGHA SHAHI'S VISIT TO LONDON

1. ARCHER GAVE A BRIEFING ON FOLLOWING LINES TO REPRESENTATIVES OF COMMUNITY NATIONS AND GREECE TODAY ON AGHA SHAHI'S TALKS WITH THE SECRETARY OF STATE AND THE PRIME MINISTER.

2. AGHA SHAHI HAD SPOKEN AT BOTH THESE MEETINGS ABOUT THE BACKGROUND TO THE ESTABLISHMENT OF THE COMMITTEE OF THREE BY THE ISLAMIC CONFERENCE. HABIB CHATTY, THE SECRETARY GENERAL OF THE ISLAMIC CONFERENCE, HAD APPROACHED THE SOVIET AMBASSADOR IN PARIS WHOM HE KNEW AND WHOM THE COMMITTEE THOUGHT WOULD BE A SUITABLE INTERMEDIARY WITH THE SOVIET LEADERS. HE HAD EXPLAINED THE PROPOSAL FOR A THREE-MAN COMMITTEE AND THE INITIAL SOVIET RESPONSE HAD BEEN THAT THE IDEA OF A COMMITTEE WAS A GOOD ONE IF THE BASIS OF ITS WORK WOULD BE THE AFGHAN 14 MAY PROPOSALS. THE SOVIET COMMENT HAD BEEN THAT (I) IT WAS NOT APPROPRIATE FOR THE COMMITTEE TO MEET WITH INSURGENTS: (II) THEY SHOULD SEE REPRESENTATIVES OF THE BABRAK KARMAL GOVERNMENT: (III) IN THE LIGHT OF THESE DISCUSSIONS THE SOVIET UNION WOULD CONSIDER SEEING THE COMMITTEE IN MOSCOW: (IV) THE BASIS FOR THE COMMITTEE'S WORK SHOULD BE REALITIES: (V) THERE WAS NO PROSPECT OF ANY SETTLEMENT IGNORING THE GOVERNMENT IN KABUL AN NOT ATTEMPT SHOULD BE MADE TO REACH AGREEMENT BEHIND THEIR BACKS: (VI) FOREIGN INTERFERENCE MUST CEASE: (VII) THE ACHIEVEMENTS OF THE AFGHAN REVOLUTION MUST BE IRREVERSIBLE. CHATTY HAD REPLIED THAT HE AGREED DISCUSSIONS MUST TAKE ACCOUNT OF REALITIES. THESE WERE (I) THE SOVIET MILITARY OCCUPATION WAS CONTRARY TO INTERNATIONAL LAW: (II) BABRAK KARMAL WAS CLEARLY NOT ACCEPTABLE TO THE PEOPLE OF AFGHANISTAN WHO WERE IN ACTIVE REBELLION: (III) NO PEACE WAS POSSIBLE IN AFGHANISTAN WITHOUT COOPERATION OF THE INSURGENTS: (IV) THE ISLAMIC CONFERENCE HAD ENJOINED THE COMMITTEE NOT TO RECOGNISE THE KARMAL GOVERNMENT. CHATTY ASKED WHETHER THE SOVIET GOVERNMENT WOULD SEE THE COMMITTEE. THE COMMITTEE HAD RECEIVED NO FORMAL ANSWER TO THIS FROM THE RUSSIANS BUT CRITICAL ARTICLES HAD APPEARED IN PRAVDA.

3. IN THERAN ON 4-6 JUNE THE COMMITTEE OF THREE HAD AGREED TO ESTABLISH CONTACT WITH REPRESENTATIVES OF THE BABRAK GOVERNMENT AND THE AFGHAN RESISTANCE FIGHTERS. BUT THE COMMITTEE DID NOT

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/THINK

THINK IT LIKELY THAT THE KARMAL GOVERNMENT WOULD ACCEPT THE INVITATION. THEY WOULD GO AHEAD WITH A MEETING IN GENEVA ON 20 JUNE EVEN IF ONLY THE RESISTANCE WERE REPRESENTED. THE CONDITIONS BEING LAID DOWN BY THE SOVIET GOVERNMENT FOR A WITHDRAWAL FROM AFGHANISTAN SEEMED IMPOSSIBLE TO MEET. THE POSITION OF A NUMBER OF TRIBES ACROSS THE BORDER BETWEEN PAKISTAN AND AFGHANISTAN MEANT THAT THE SOVIET REQUIREMENT FOR AN END TO 'INTERFERENCE' WAS UNREALISTIC. IN THE CIRCUMSTANCES IT WAS NOT EASY TO ENVISAGE A FORMULA WHICH WOULD LEAD TO A SOVIET WITHDRAWAL.

4. THE PRIME MINISTER SAID THAT THE ESTABLISHMENT OF THE COMMITTEE OF THREE HAD BEEN AN ADMIRABLE INITIATIVE. THE ISLAMIC CONFERENCE HAD DONE WELL TO SUSTAIN POLITICAL PRESSURE ON THE SOVIET UNION. SHE ASKED FOR AGHA SHAH'S VIEWS ON WHAT SORT OF GOVERNMENT THE AFGHANS WOULD CHOOSE IF FREE TO DO SO. HE REPLIED THAT THERE WAS SOME SIGN THAT THE AFGHANS WERE COOPERATING MORE CLOSELY. THE MAJOR GROUPS HAD AGREED ON REPRESENTATION IN THE IRANIAN DELEGATION AT THE CONFERENCE, AND AT BOTH ISLAMIC CONFERENCES THE AFGHANS HAD PRODUCED A SINGLE SPOKESMAN. BY AGREEING TO MEET LEADERS OF THE RESISTANCE, THE COMMITTEE OF THREE WERE CONFERRING POLITICAL STATUS ON THEM. THE BABRAK KARMAL REGIME WOULD COLLAPSE AS SOON AS SOVIET TROOPS DEPARTED. HE HAD MADE IT PLAIN TO THE RUSSIANS THAT HE AND HIS COLLEAGUES HAD NO INTEREST IN PROMOTING A GOVERNMENT HOSTILE TO THE SOVIET UNION. AT THE SAME TIME IT WAS CLEAR THAT NO PURPOSE WOULD BE SERVED BY INSTALLING ANOTHER PUPPET REGIME. HE FELT THAT THERE WAS NO SHORTAGE OF CANDIDATES OF GOOD STANDING WHO WOULD COMMAND WIDE RESPECT AMONGST THE AFGHANS.

5. ASKED ABOUT THE ABILITY OF THE AFGHANS TO CONTINUE THE FIGHT AGAINST THE SOVIET TROOPS, HE THOUGHT THAT PRESS REPORTS MIGHT BE OVER-EMPHASISING THE GROWTH IN THE INSURGENCY BUT THAT THERE WAS A MODICUM OF TRUTH IN THE REPORTS. THE INSURGENCY HAD KEPT GROWING FOR SIX MONTHS AGAINST ALL EXPECTATIONS. THE WILL TO GO ON WAS THERE BUT THE AFGHANS WERE SUFFERING GREAT HARDSHIP AND FOUND IT DIFFICULT TO COPE WITH THE M24 HELICOPTER. THEY NEEDED ANTI-HELICOPTER MISSILES. HOWEVER, THE PAKISTANIS WERE CLEARLY WORRIED THAT INCREASING SUCCESS BY THE INSURGENTS WOULD INCREASE THE DANGER OF REACTION BY THE RUSSIANS AGAINST PAKISTAN. AGHA SHAH EXPRESSED CONCERN ABOUT INDIAN ATTITUDES AND IN PARTICULAR ABOUT THE RECENT US DOLLARS 1.6M DEFENCE AGREEMENT WITH THE SOVIET UNION. HE MADE THE POINT THAT IF THIS WAS ASSESSED ON THE BASIS OF COST OF SUPPLY FROM ELSEWHERE THE TRUE VALUE WOULD BE MORE LIKE US DOLLARS 8M OR US DOLLARS 10M. HE WAS CRITICAL OF THE INDIAN LINE ON AFGHANISTAN AND THE ROLE THAT INDIA WAS PLAYING IN THE NON-ALIGNED MOVEMENT.

6. THE SECRETARY OF STATE HAD ASKED WHAT WOULD HAPPEN IF THE COMMITTEE OF THREE MADE NO PROGRESS. AGHA SHAHI MENTIONED THE UN. HE FELT THAT THE ISLAMIC COUNTRIES SHOULD TAKE THE LEAD

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IN ANY MOVE TO INSCRIBE AFGHANISTAN ON THE AGENDA FOR THE UNGA. HE DOUBTED WHETHER ANYTHING POSITIVE WOULD RESULT FROM EFFORTS TO CONVENE A MEETING OF THE NON-ALIGNED MOVEMENT ON AFGHANISTAN. THE RUSSIANS WERE INTIMIDATING NON-ALIGNED COUNTRIES AND INDIVIDUALS AND THE CUBANS AND OTHERS WOULD SUCCESSFULLY CONFUSE ISSUES AT ANY MEETING.

7. THE BRITISH SIDE HAD EXPLAINED THE IMPORTANCE THAT WE ATTACH TO MAXIMUM PUBLICITY FOR EVENTS IN AFGHANISTAN. AGHA SHAH APPEARED GRATIFIED AT THE COVERAGE NOW BEING ACHIEVED IN THE WESTERN PRESS.

8. THE SECRETARY OF STATE HAD ASKED ABOUT IRAN. AGHA SHAHI HAD SAID THAT CRITICISM OF THE AMERICANS AT THE ISLAMIC CONFERENCE HAD BEEN INEVITABLE. HE THOUGHT THAT BOTH BANI SADR AND QOTBZADEH WANTED TO RESOLVE THE HOSTAGE PROBLE, BUT THE PROBLEM WAS THAT THE IRANIAN PEOPLE DEMANDED SATISFACTION. THE RECENT TEHRAN CONFERENCE ON AMERICAN INTERVENTION MIGHT HAVE HELPED. HOWEVER, THE PEOPLE WERE INCLINED TO LINK THE AMERICANS WITH EVERY OTHER CONCEIVABLE ADVERSARY. THEY WERE ALLEGED TO BE .. BACKING ROYALISTS, EX -GENERALS AND TO BE IN LEAGUE WITH IRAQ.

9. THE SECRETARY OF STATE HAD STRESSED THE NEED TO RESOLVE THE HOSTAGES PROBLEM. THEREAFTER IT WOULD TAKE A WHILE TO ACHIEVE ANY RETURN TO NORMAL RELATIONS WITH THE UNITED STATES. BUT EUROPEAN GOVERNMENTS WERE IN A BETTER POSITION AND SHOULD BE ABLE TO PLAY A USEFUL ROLE.

10. AGHA SAHI HAD SAID THAT IT WAS A PITY THAT THE VENICE RESOLUTION HAD HAD TO INCLUDE A REFERENCE TO CAMP DAVID. THIS MADE IT IMPOSSIBLE FOR ISLAMIC GOVERNMENTS TO WELCOME THE EUROPEAN INITIATIVE. THE SECRETARY OF STATE HAD STRESSED THE INHIBITIONS ON AMERICAN POLICY IN AN ELECTION YEAR AND HAD EXPLAINED THE PURPOSE OF THE VENICE RESOLUTION.

11. FULL RECORD OF TALKS WITH AGHA SHAH FOLLOWS BY BAG.

CARRINGTON

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Pakistan: Jan 80: Military Aid

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10 DOWNING STREET

From the Private Secretary

17 June 1980

CALL BY THE FOREIGN MINISTER OF PAKISTAN

The Foreign Minister of Pakistan, Mr. Agha Shahi, called on the Prime Minister this afternoon. He was accompanied by the Pakistan Ambassador and by Mr. Riaz Pivacha. Mr. Blaker was also present.

After an exchange of courtesies, Mr. Agha Shahi described to the Prime Minister the background to the establishment of the Committee of Three by the Islamic Conference. He did so in terms very similar to those which he had used with the Foreign and Commonwealth Secretary earlier in the day. The Prime Minister said that the establishment of the Committee of Three had been an admirable initiative. The Soviet Government was sensitive to the pressure of world opinion. The Islamic Conference had done well to sustain this pressure, especially in the non-aligned movement. The conditions being laid down by the Soviet Government for a withdrawal from Afghanistan seemed impossible to meet. The position of a number of tribes across the border between Pakistan and Afghanistan meant that the Soviet requirement for an end to "interference" was unrealistic. In the circumstances it was not easy to envisage a formula which would lead to a Soviet withdrawal.

The Prime Minister asked Mr. Agha Shahi for his views on what sort of government the Afghans would choose if free to do so; whether they would ever learn to cooperate; and whether they would continue to resist the Russians. Mr. Agha Shahi said that there were some distinguished emigres, e.g. Dr. Yussuf, who might have a role to play. However, it was important not to focus too much attention on them for the moment. As regards the leaders of the Resistance, the Committee of Three were conferring political status on them by agreeing to meet them in Geneva. The Babrak Kamal regime would collapse as soon as the Soviet troops departed. Mr. Agha Shahi had made it plain to the Russians that he and his colleagues had no interest in promoting a government hostile to the Soviet Union. At the same time, it was clear that no purpose would be served by installing another puppet regime. If there was to be peace in Afghanistan, the

/new Prime Minister

new Prime Minister would have to be a man respected by the Afghans. Unfortunately, it looked as though the Soviet Government wished to prevent the Standing Committee from making progress. It seemed that they would prefer the Cubans or the Indians to be making the running.

As regards the ability of the Afghans to continue to fight against the Soviet troops, Mr. Agha Shahi said that they had kept the insurgency going for six months against all expectations. They had the will to go on doing so. However, they were suffering great hardship. The Soviet troops dominated the roads and were trying to starve the Afghan forces out of the hills. Moreover, the Afghans found it difficult to cope with the M24 helicopter. They needed anti-helicopter missiles. The Pakistan Government was being pressed to supply the Afghans with arms. However, Mr. Agha Shahi feared that if and when the insurgents succeeded in bringing down helicopters in large numbers, the Russians were likely to react against Pakistan. The position of the Pakistan Government would be impossible if the Russians, or a section of the Afghan army, were to seize a slice of Pakistan territory. Pakistan had no adequate defensive infrastructure in the west of the country.

Reverting to the general political situation, Mr. Agha Shahi said that Chancellor Kreisky, President Ceausescu and Chancellor Schmidt all backed the Islamic Conference initiative. If the Soviet Government were interested in withdrawal, there were real prospects that the Committee of Three would make progress. If, however, their objective was to seek a strategic advantage, then they would no doubt remain in Afghanistan, bringing in more troops if necessary. They would be well placed to act against Western interests in future. Pakistan's own position had been weakened, not only by the Soviet invasion of Afghanistan but also by the change of government in India. When Mr. Desai visited the Soviet Union in 1979 he had been asked to exert pressure against Pakistan in order to divert Pakistan attention from Afghanistan. Mr. Desai had refused, but Mrs. Gandhi was, of course, altogether more unpredictable. If the West were to try to match in Pakistan the massive arms deal which Mrs. Gandhi had just signed with the Soviet Union, they would have to supply equipment to the value of \$6 to 8 billion. Mrs. Gandhi was undermining her country's status as a member of the non-aligned movement.

Mr. Agha Shahi said that it was against this background that he wished to convey to the Prime Minister his Government's modest requests for assistance from HMG. They hoped that they might be supplied with:- a few Sea King helicopters armed with Exocet missiles; night vision devices; laser range finders; mortar locating equipment; surface to surface missiles (equivalent to the American Harpoon missile); and a fleet oiler or destroyer tender. He hoped that the equipment could be provided on easy terms and with the

/earliest

earliest possible delivery date. Mr. Agha Shahi also said that his Government were worried about the Indian Jaguars. The Mirages which the Pakistan Air Force were at present operating were not good enough. But it might be that they would have to continue to make do with them. The Prime Minister said that she would ensure that the Pakistan Government's requests were looked into.

In the non-military field, Mr. Agha Shahi said that his Government would welcome help with building up the infrastructure in the west of the country, particularly the roads and other forms of communication. Finally, he hoped it might be possible for a British team of experts in local government to be sent to Pakistan. President Zia was anxious to devolve powers to the country's regions and districts. Before embarking on a programme, he wished to have the benefit of British advice and expertise. The Prime Minister said that we would do everything we could to help.

At the end of the discussion, the Prime Minister asked Mr. Agha Shahi about the present situation inside Pakistan. Mr. Agha Shahi said that there was a strong feeling that Pakistan was standing alone. If it was possible for the Pakistani Army to be reasonably well equipped, there would be a regrowth of confidence. If, however, the equipment was not forthcoming - and the armed forces had had no new equipment for many, many years - pessimism would take over and the national will to resist external pressure would weaken.

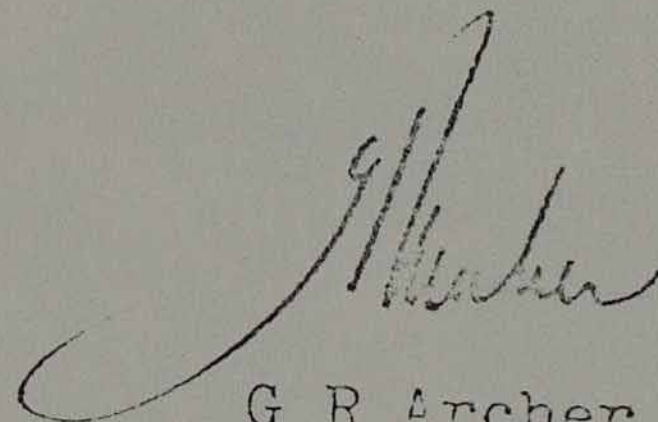
I am sending copies of this letter to Brian Norbury (Ministry of Defence) and David Wright (Cabinet Office).

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

PS/Mr Blaker

CALL BY PAKISTAN FOREIGN MINISTER ON PRIME MINISTER: 17 JUNE

- / 1. I attach a first draft of the record of this morning's discussions with Lord Carrington which Mr Blaker may wish to see before the call at No 10.



G R Archer
South Asian Department

17 June 1980

1. copy to Michael Alexander, No. 10

who may wish to glance at
this before the 4:30 courtesy
call

2. G.W.

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CALL BY PAKISTAN FOREIGN MINISTER, 17 JUNE 1980

PresentAfghanistan

Lord Carrington welcomed Agha Shahi and asked about his recent discussions following the establishment of the Committee of Three by the Islamic Conference.

Agha Shahi said that the Pakistan approach had been to try to strike a positive note. He thought that the Cubans aided by the Indians and Romanians had been trying to ensure that any Non-Aligned action ran into the sands. The Soviet Union had hoped that there would be divisions within the Islamic Conference between the Syrians, PLO, Libyans and others. The strong line taken by Iran, whose revolutionary credentials were impeccable, had helped to overcome any problems and the outcome had been a strong line on Afghanistan. Mr Chatty, the Secretary General of the Islamic Conference, had approached the Soviet Ambassador in Paris because he knew him and it was understood that the Ambassador was well regarded by Mr Brezhnev. He had explained the proposal for a three man committee. Within 24 hours the Soviet Union had commented that the idea of the Committee was a good move, that the basis of its work would be the Afghan May 14 proposals, that it was not appropriate for the Committee to meet with insurgents and they should see representatives of the

/Babrak

Babrak Karmal government. In the light of these discussions the Soviet Union would consider seeing the Committee in Moscow. The basis for the Committee's work should be realities. There was no prospect of any settlement ignoring the government in Kabul and no attempt should be made to reach agreement behind their backs. Foreign interference must cease. The achievements of the October revolution must be irreversible. Mr Chatty had replied that he agreed discussions must take account of realities. These were (i) the Soviet military occupation was contrary to international law, (ii) Babrak Karmal was clearly not acceptable to the people of Afghanistan who were in active rebellion, (iii) no peace was possible in Afghanistan without cooperation of the insurgents, (iv) the Islamic Conference had enjoined the Committee not to recognise the Karmal government. Mr Chatty again asked whether the Soviet government would see the Committee. The reply was negative. In Tehran on 4-6 June the Committee of Three had agreed to meet with Afghan representatives in a neutral capital in Europe. Invitations had been sent to the government in Kabul and to resistance leaders. It did not appear that the Karmal government would accept the invitation. If they sent a low level representative Mr Chatty would see the representative separately.

Lord Carrington asked what would happen if no-one came from Kabul.

Agha Shahi said that the Committee's preference would be to deal with one representative of all the different factions. Alternatively they would be prepared to see two or three leaders. By doing so they would enhance the status of the insurgents and perhaps encourage unity.

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There were various signs that the idea of a united front was making some progress. Two Ayatollahs had come to Pakistan from Iran and were talking about participating in a united front. Mr Sayaf, the leader of the groups in the Liberation Front, had participated in the Islamic Conference as a member of the Iranian delegation. The difficulty was that the various groups obtained their funds from different sources. It would be helpful if there was one agenda through which to channel financial support. Lord Carrington asked whether there were any signs of an alternative to Babrak Karmal, who ~~had~~ ^{might not} / enjoyed wider support.

Agha Shahi said that he did not wish to identify anyone publically. They would then be labelled ~~an Afghanistan~~ ^{a Pakistan} candidate, which would not be helpful. There were however various possibilities. An ex-Prime Minister, Dr Yusuf, came to mind. He was currently in Bonn. Distinguished diplomats and other distinguished people still in Afghanistan came to mind.

Lord Carrington asked about future plans.

Agha Shahi said that the Committee would proceed with a meeting in a neutral capital, Geneva, even if only the insurgents met with them. If the Committee failed to find a way forward he saw the next step as a shift to the UN where Afghanistan would be inscribed on the agenda for the UNGA. He was not hopeful that the ~~Non-Aligned~~ ^{Movement} ~~Association~~ would achieve anything. Some of its members were trying to arrange for a meeting outside Havana. The Cuban credentials were now suspected. But he thought that the Cubans and others could successfully confuse issues at a meeting. Other subjects would be dealt with but no clear /line

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line on Afghanistan would emerge.

Lord Carrington asked about the Pakistani assessment of reports of recent fighting in Afghanistan. We were inclined to think these exaggerated.

Agha Shahi agreed but thought there must be a sub-stratum of truth. The insurgency was widespread, there was open tension continuing in Kabul, continued reports about insurgent activity had a steady affect on insurgent morale.

Sir D Maitland explained our own attempts to ensure that events in Afghanistan received maximum publicity.

Agha Shahi said that Pakistan was quite satisfied with the extent of support from the West. It would not be helpful if Western activity impaired Pakistan's non-aligned credentials. He wanted Pakistan to be seen to be acting on her own initiative.

Lord Carrington asked about Iranian support for the Afghans.

Agha Shahi said that it remained to be seen whether the Iranians would go beyond talking but he had seen the Ayatollah Khomeini on 5 June. Khomeini had stressed that it would be a waste of time to talk to Babrak Karmal or his group, the need was to talk to the people of Afghanistan.

Lord Carrington commented on Agha Shahi's earlier reference to India. He thought the Indian view of Afghanistan was now more realistic than when Mrs Gandhi first came to power. And that the Indians would like to see the Russians out of Afghanistan.

Agha Shahi did not accept this. They had been discouraged by a report from their Ambassador in New Delhi that Mr Sathe on his return from discussions in Kabul, had told him that
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the total withdrawal of Soviet troops from Afghanistan was not in India's interests. The Pakistanis did not believe that the Indians would take any action that might annoy the Soviet Union. The Soviet Union had recently offered them a bait of a large arms deal on very soft credit terms. Mr Agha Shahi said that he now hoped to visit New Delhi in mid-July.

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Iran

Lord Carrington commented that the Americans had come in for substantial criticism at the Islamic Conference.

Agha Shahi said that both Mr Bani Sadr and Mr Qotbzadeh wanted to resolve the hostages problem but it would take time. The recent Tehran Conference on American intervention seemed to have given them some satisfaction. Mr Qotbzadeh had said that the liberation of Afghanistan from Soviet occupation was every bit as sacred as the liberation of Palestine and Jerusalem. He thought would be helpful if Britain could use its influence with the United States to persuade them that the Secretary General ^{of} ~~and~~ the Commission that had gone to Tehran should publish an account of their findings. The problem was that the hostage issue had been taken up by the Iranian people. The findings might satisfy the people. There was widespread distrust of the United States and an inclination to link the Americans with every other adversary. They were alleged to be backing royalists, ex-generals and to be in league with Iraq. Other governments felt that in present circumstances they could not speak out for the United States without irretrievably damaging their own standing in Islamic eyes. The criticism in Islamabad was inevitable and inescapable.

Middle East

Lord Carrington asked about the Pakistanis view about the Middle East.

Agha Shahi said that it was a pity that the Venice resolution had had to include the reference to not under-mining Camp David. This made it impossible for non-aligned and Islamic governments to welcome the European initiative.

Lord Carrington said that recognition must be given to the domestic pressures in the United States. Any statements made

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during the election campaign must be seen in the context of domestic pressures and would need to be thought through and reviewed afterwards. Both Mr Mondale and Mr Muskie would be influenced by their political antennae. It was these inhibitions of American policy that had made the European Community anxious to demonstrate that the Arabs had friends in the West. They had started with the idea of a resolution to supplement Resolution 272 but they had concluded that the United States under present circumstances would have to veto this and they did not see much point in producing something that would only force a veto.

Agha Shahi commented that on the Middle East he thought that Europe should consider after November differentiating their own position from that of the United States.

Mr Hurd said that the European line was not identical to that taken by the Americans.

Lord Carrington said that the Americans remained the key to getting Israel to accept any settlement. He thought there had been a real change of opinion in the United States on the Arab/Israel issue. There was evidence of this in the numbers of Senators and Congressmen visiting the Arab world.

Mr Hurd said that there was widespread criticism of the Israeli settlement policy in the United States as well as elsewhere.

Agha Shahi thought that the Islamic Conference countries would wish to take the Arab/Israel issue to the Security Council in pursuit of the resolutions of the Islamabad Conference although the outcome would probably be a US veto. He thought that there might be a special meeting of the General Assembly on Palestine.

/Supply of

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Supply of Military Equipment to Pakistan

Agha Shahi said that he wished to leave with Lord Carrington a modest list of equipment over which Pakistan would like assistance from the United Kingdom. He mentioned in particular Sea King helicopters with exocet equipment, night vision devices, laser range fighters, mortar locating radar and other naval equipment. He was looking for supply on the most favourable terms possible.

Lord Carrington noted that the Pakistanis were asking for supply as cheaply and as quickly as possible and said that we would do everything we could to help. He would forward the list to the Minister of Defence.

The Pakistan Ambassador commented on the BBC film on the Pakistan nuclear programme that had been shown the previous evening. He thought that it had been unhelpful and inaccurate.

Sir D Maitland suggested that the best course would be for the Pakistanis to make their own representations to the BBC mentioning the points with which they took particular issue.

The meeting ended at 12.50 p.m.

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Foreign and Commonwealth Office

London SW1A 2AH

13 June 1980

Dear Michael,

Pakistan: Visit of Agha Shahi

Agha Shahi, the Pakistan Minister for Foreign Affairs, will make a courtesy call on the Prime Minister at 4.30 pm on Tuesday 17 June. Mr Blaker will be present during the call.

As background I attach:

- / (a) a personality note on Agha Shahi;
- (b) a fact sheet on Pakistan; and
- (c) a set of the briefs prepared for Agha Shahi's discussion with the Secretary of State at 11.30 on 17 June.

The Prime Minister may wish to enquire about Mr Shahi's recent activities (the preamble to the Steering Brief refers) and mention the current Venice meetings.

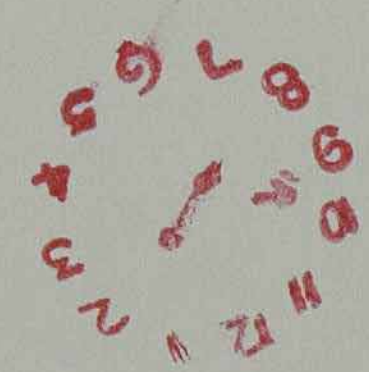
yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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PAKISTAN: VISIT OF AGHA SHAHI

STEERING BRIEF

1. The Pakistan Foreign Minister (he was promoted from Foreign Affairs Adviser on 29 May and Lord Carrington sent congratulations) will be here for talks at Lord Carrington's invitation. He comes to London after attending the first meeting of the Islamic Conference three man committee (Shahi, Gotbzadeh, Chatty) in Tehran (4-6 June); transitting Heathrow (8-9 June); talks in Bonn with Chancellor Schmidt and Herr Genscher (10 June); Bucharest; and Vienna with Chancellor Kreisky (12 June). He is expected to go on to Paris for talks with the French (probably with the President) and a meeting of the three man committee with Afghan opposition leaders.

UK OBJECTIVES

2. (i) to assure Pakistan of our interest and support;
- (ii) to discuss ways to keep pressure up on Russians over Afghanistan which is likely to be the main subject of discussion;
- (iii) to see whether Agha Shahi's growing close working relationship with Gotbzadeh offers prospect for any help over hostages problem;
- (iv) if opportunity offers to give discreet encouragement to improved Pakistan/India relations;
- (v) to take opportunity to refer briefly to our concern about nuclear non-proliferation.

PAKISTAN OBJECTIVES

3. Agha Shahi will probably wish to:
 - (i) explain Pakistan's approach to Afghanistan (Islamic Conference, Committee of Three) and discuss further steps to solution for problem (NAM, UNGA);
 - (ii) seek our continuing political, economic and possibly military support for Pakistan;
 - (iii) although not in the front line on the Arab/Israel /question

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question he may refer to the Islamic Conference resolution; he will wish to know about the European Summit at Venice;

- (iv) discuss our assessment of Indian policy including the Indo/Soviet arms deal.

AGENDA

4. The Secretary of State may wish to open with a complimentary reference to Agha Shahi's successful chairmanship of the two Islamic Conferences in January and May.

5. (a) Afghanistan and E/W Relations (Brief Nos 1 and 2)

He could then ask about the Islamic Conference, the three man committee on Afghanistan, its discussions in Tehran and Mr Shahi's visits to Bucharest, Bonn and Vienna. Lord Carrington will wish to explain fully our current views on the Afghanistan problem.

6. We believe Agha Shahi may accept that the Committee is unlikely to make any progress with the Soviet Union. He may see the best way forward as sustained diplomatic pressure perhaps at a NAM meeting and certainly at the UNGA where he will want the Islamic and Non Aligned Nations rather than the West to take the lead.

- (b) Iran and the Gulf (Brief No 3)

The Secretary of State could press Agha Shahi about Indian attitudes. He will be meeting again with Gotbzadeh in Paris immediately after leaving London.

- (c) Arab/Israel (Brief No 4)

Agha Shahi has made links with the Non Aligned and particularly the Arab countries a corner stone of his policy. He supports Arab views on Palestine.

- (d) China, E & S/E Asia (Brief No 5)

The Secretary of State could ask about Pakistan's recent
/contacts

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contacts with the Chinese. Agha Shahi saw Hung Hua briefly on 6 June when they were both in Islamabad. The brief covers also Indo/China and Korea, although these may not arise in the discussions.

(e) India (Brief No 6)

Agha Shahi can certainly be expected to raise Indian attitudes.

(f) Bilateral Relations

Agha Shahi can be expected to wish to raise questions of economic aid (Brief No 7). He may well refer to the Paris Consortium meeting (telegram annexed to Brief No 8) and military assistance (Brief No 1). As at the Islamabad meetings in January, the Secretary of State may wish to refer briefly to our continuing concern about nuclear non-proliferation. (Brief No 9.) Other bilateral issues (Brief No 11) are unlikely to be brought up.

(g) Commonwealth Membership (Brief No 10)

Agha Shahi regards this as a sensitive subject. It is recommended that it be left to him to raise it if he wishes to.

South Asian Department

13 June 1980

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VISIT OF AGHA SHAHI

PAKISTAN MINISTER FOR FOREIGN AFFAIRS

17 JUNE 1980

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- 2 Afghanistan
- 3 Iran and the Gulf
- 4 Arab/Israel
- 5 India
- 6 South East and East Asia
- 7 Pakistan: Aid
- 8 Pakistan: Defence Sales
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- 10 Pakistan and the Commonwealth
- 11 Pakistan: Other Bilateral Issues
- 12 Pakistan: Internal Scene
- 13 Personality Note and Programme for Visit

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 1: EAST-WEST RELATIONS

POINTS TO MAKE

1. General agreement in West that fundamental requirement is Soviet withdrawal.
2. Venice 22-23 June and Ankara 25-26 June will give opportunity for West to refine future strategy on East-West relations.
3. Immediate Soviet aims: to put blame for international tension on US; to create smokescreen by false peace initiatives (eg Warsaw Pact); to divide Western Alliance by trying to pursue détente with Europeans only; to downgrade significance of Afghanistan; and to continue to exploit Western weaknesses (eg Iran).
4. Will continue to seek more constructive relationship (eg CSCE). But up to Russians to create conditions. No return to one-sided détente of 1970s.

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ESSENTIAL FACTS

1. Pakistanis deeply concerned at Soviet invasion of Afghanistan, though questionable whether they have focussed on the broader implications. Unimpressed by Western counter-measures, though privately welcomed HMG's strong line.
2. Our ideas for future strategy on East-West relations will be discussed at Venice 22-23 June.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 2: AFGHANISTAN

Points to Make

1. Congratulate Pakistan on successful chairmanship of Islamic Conference. What progress has been made by the Committee on Afghanistan set up at the Conference?
2. We have studied proposals announced in Kabul. Their main aim seems to be to secure recognition for Babrak Karmal. This is confirmed by Russian insistence that contacts with Afghans should only be with Karmal regime.
3. Afghan proposals were specific about Afghanistan's borders with Pakistan and Iran but said nothing about borders with China and USSR. They ignored historical difficulties of controlling Afghan/Pakistan frontier, thus providing indefinite pretext for Soviet Union not to withdraw.
4. At Vienna sign that USSR might be interested in political solution. Have followed this up with Russians in Moscow. Outcome discouraging. Emphasis still on withdrawal only after guarantees were made and at Afghan Government's request.
5. Essential to keep up political pressure: no recognition of Karmal; condemnation by as many Non-Aligned countries as possible. What progress is being made over proposal for further meeting of Non-Aligned?
6. We think that Afghanistan should be inscribed on UNGA agenda. Are Pakistan and other Islamic Countries thinking of an initiative at UNGA?
7. We continue to see neutrality and non-alignment as offering most promising basis for settlement. Great advantage of neutrality is that it offers prospect for real non-alignment, excludes all outside interference and any threat to neighbours. But to achieve it Russians must withdraw and give same assurances as everyone else.
8. How do Pakistanis see recent developments within Afghanistan? We think press reports of resistance threat to Kabul exaggerated and we have nothing to support stories of major Russian build up but there clearly has been fighting north of Kabul and there are

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reports of fighting throughout the country.

9. Effective publicity for what is going on in Afghanistan essential to pressure on Soviet Union. Films and photographs badly needed.

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PAKISTAN: VISIT OF AGHA SHAHI

REF NO 2: AFGHANISTAN

Essential Facts

Three Man Committee

1. Committee proposals following Tehran meeting on 4-6 June have been:-

- (a) To meet with Russians in Moscow
- (b) To meet all sides involved in Afghan crisis in a neutral place possibly Austria or Switzerland
- (c) Contact with Kabul authorities not to be construed as recognition of Kabul regime
- (d) Contact with Insurgent Leaders in Paris on 19-20 June.

(Text of Communiqué issued at and of Tehran meeting in Tehran telno 573 - Annex A.)

2. Russian reply was substantially negative, refusing to see committee unless they talked only to Babrak Karmal.

NAM and UNGA

3. Pakistan Embassy in London have told us in confidence that Agha Shahi at Heathrow on 8/9 June was pessimistic about committee achieving anything and inclined to see need for further political pressure from NAM and UNGA . He favoured action by Pakistan and Islamic countries to inscribe Afghansitan on Agenda for UNGA and considered it best for West to take back seat on this.

(Procedures for inscribing item on Agenda as in FCO telno 321 to Jedda - Annex B.)

4. General agreement exists amongst Non Aligned Missions in New York that a meeting of Foreign Ministers of NAM desirable but many against Havana as venue. Freetown (after OAU meeting) suggested by Yugoslavia. New York possible but idea for meeting may end in failure given inability of Non Aligned to agree passage for inclusion in their report on last General Assembly.

Soviet Attitude

5. Zemskov's comments to Sir C Keeble on 11 June discouraging (see Moscow telno 402 - Annex C).

/Fighting

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Fighting

6. Reports suggest Russians again trying to eliminate insurgents in Kunar Valley. They may be trying to seal routes from Pakistan. But this is their second campaign in valley since March. Evidence that resistance reoccupies valleys after Russian withdrawal.

7. Reports of martial law in major cities suggest Russians in mounting trouble with civil unrest in towns.

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ANNEX A

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TO ROUTINE FOO

TELEGRAM NUMBER 573 OF 10 JUNE 80

INFO WASHINGTON, KABUL, ISLAMABAD, MOSCOW AND BONN.

MY TELNO 553 (NOT TO BONN) : COMMITTEE ON AFGHANISTAN.

1. THE COMMITTEE ISSUED THE FOLLOWING STATEMENT AT THE END OF ITS MEETING ON 6 JUNE :

"THE COMMITTEE, AFTER STUDYING THE CONDITIONS PREVALENT IN AFGHANISTAN IN ACCORDANCE WITH THE GUIDELINES SET BY THE ISLAMIC CONFERENCE ON THE PEACEFUL SOLUTION TO THE AFGHANISTAN CRISIS, HAS TAKEN THE FOLLOWING DECISIONS:

"THE UNCONDITIONAL EXIT OF RUSSIAN TROOPS FROM AFGHANISTAN: RESPECT FOR THE POLITICAL INDEPENDENCE OF AFGHANISTAN AND ITS NON-ALIGNED POLICY: THE RIGHT TO CHOOSE ITS OWN KIND OF GOVERNMENT AND ECONOMIC, POLITICAL AND SOCIAL SYSTEMS. TO REMAIN FREE FROM FOREIGN INTERVENTION: PROVISION OF SAFE AND HONOURABLE CONDITIONS FOR THE RETURN OF AFGHAN REFUGEES.

"ALSO, AS PER THE ISLAMIC CONFERENCE RESOLUTION, THE COMMITTEE HAS INVESTIGATED THE CONDITION OF THE NON-ALIGNED POLICY OF THE PRESENT AFGHAN REGIME, THROUGH CONSULTATIONS.

"THE COMMITTEE HAS ALSO DECIDED TO CONTACT THE RUSSIAN AND AFGHAN GOVERNMENTS AND AFGHAN REBELS ... AND HOLD THE NEXT SESSION IN TWO WEEK'S TIME AT A PLACE TO BE DECIDED LATER"

2. ACCORDING TO THE GERMAN AMBASSADOR, AGAH SHAHI IS CURRENTLY EXPECTED IN BONN (ALTHOUGH THE AMBASSADOR WAS TODAY AWAITING CONFIRMATION THAT HE HAD ACTUALLY ARRIVED) FOR DISCUSSIONS ON AFGHANISTAN PRIOR TO A FORTHCOMING VISIT TO MOSCOW BY THE GERMAN VICE MINISTER FOR FOREIGN AFFAIRS.

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ANNEX B

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TO IMMEDIATE JEDDA

TELEGRAM NUMBER 320 OF 10 JUNE 80

INFO PRIORITY UKMIS NEW YORK, ISLAMABAD, TEHRAN, UKDEL NATO,

EC POSTS, WASHINGTON, MOSCOW

INFO SAVING ALGIERS, BELGRADE, HAVANA

AFGHANISTAN AT THE UNITED NATIONS.

1. WE ARE REPEATING TO YOU SEPARATELY BY TELEGRAM THE TEXT OF A TELELETTER FROM SIR A PARSONS IN NEW YORK FROM WHICH YOU WILL SEE THAT HE RECOMMENDS SOUNDINGS ABOUT A FURTHER U N G A INITIATIVE OF AFGHANISTAN.

2. WE NOTED THAT THE REMIT TO THE COMMITTEE ON AFGHANISTAN ESTABLISHED AT LAST MONTH'S ISLAMIC CONFERENCE MENTIONED THE POSSIBILITY OF A CONFERENCE ON AFGHANISTAN UNDER U N OR OTHER AUSPICES. THIS WILL PRESUMABLY PROMPT CONSIDERATION BY THE ISLAMIC COUNTRIES ABOUT HOW TO HANDLE AFGHANISTAN IN THE U N. WE PLAN OURSELVES TO TALK TO THE PRESIDENT OF BANGLADESH WHEN HE IS IN LONDON IN MID-JUNE, AND MAY ALSO HAVE DISCUSSIONS HERE AT ABOUT THE SAME TIME WITH THE PAKISTAN FOREIGN MINISTER, AGHA SHAHI.

3. WE THINK THAT IT WOULD ALSO BE HELPFUL TO FOCUS HABIB CHATTY'S ATTENTION ON THE NEED TO INSCRIBE AFGHANISTAN ON THE AGENDA FOR THE GENERAL ASSEMBLY. THIS WILL REQUIRE ACTION BEFORE MID-AUGUST (THE GENERAL ASSEMBLY BEGINS THIS YEAR ON 16 SEPTEMBER, AND THE INCLUSION OF QUOTE SUPPLEMENTARY UNQUOTE ITEMS ON THE AGENDA HAS TO BE REQUESTED AT LEAST 30 DAYS BEFORE THEN). DRAWING ON MY TELNO 548 TO ISLAMABAD, (SAVING TO TEHRAN), AND SIR A PARSONS' TELELETTER AS APPROPRIATE, YOU SHOULD NOW SEEK AN OPPORTUNITY TO DISCUSS AFGHANISTAN WITH CHATTY, ASKING ABOUT HIS EXPECTATIONS FROM THE ISLAMIC COMMITTEE AND WHETHER HE THINKS THAT ISLAMIC COUNTRIES WILL SPONSOR AFGHANISTAN AS A U N G A AGENDA ITEM. YOU CAN MAKE IT CLEAR THAT WE BELIEVE IT WOULD BE APPROPRIATE TO WORK FOR THIS.

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4. SHOULD CHATTY RAISE THE QUESTION OF AFGHAN CREDENTIALS AT THE ASSEMBLY, YOU MAY SAY THAT WE SEE NO MILEAGE IN CHALLENGING THEM GIVEN THAT NO CHALLENGE WAS MOUNTED AT THE EMERGENCY SPECIAL SESSION. FOR YOUR OWN INFORMATION, WE SHALL SHORTLY BE DISCUSSING IN THE NINE THE QUESTION OF HOW TO HANDLE BOTH AFGHAN AND CAMBODIAN CREDENTIALS AT THE ASSEMBLY.

5. SEE M I F T.

CARRINGTON

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ANNEX C

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TO PRIORITY FCO

TELNO 402 OF 11 JUNE 80

RPTD ROUTINE TO WASHINGTON, PARIS, BONN, ROME AND UKDEL NATO
AND SAVING TO KABUL, NEW DELHI AND ISLAMABAD.

YOUR TELNO 342 (NOT TO ALL): CALL ON ZEMSKOV.

1. ZEMSKOV RECEIVED ME AT MIDDAY TODAY. I PREFACED MY REMARKS BY SAYING THE EVENTS OF THE PAST FEW DAYS HAD SHOWN THE SITUATION IN AFGHANISTAN TO BE DETERIORATING AND ADDED TO THE URGENCY OF A POLITICAL SOLUTION. I THEN TOOK HIM THROUGH THE POINTS IN YOUR TELEGRAM UNDER REFERENCE, EMPHASISING THAT THE LINK BETWEEN UNDERTAKINGS AND A WITHDRAWAL WAS CRUCIAL FOR US. I LEFT A SPEAKING NOTE BEHIND.
2. ZEMSKOV UNDERTOOK TO REPORT WHAT I HAD SAID. MEANWHILE HIS PERSONAL IMPRESSION WAS THAT SOME OF OUR PREMISES WERE UNREALISTIC, AND THAT WHAT I HAD SAID TOOK MATTERS NO FURTHER THAN YOUR CONVERSATION OF 17 MAY WITH GROMYKO IN VIENNA. TWO POINTS IN PARTICULAR STRUCK HIM. FIRST, IT WAS TIME TO STOP TALKING ABOUT A CHANGE OF GOVERNMENT IN AFGHANISTAN. TO DO SO WAS UNREALISTIC. THE SOVIET UNION WOULD NOT INTERFERE IN AFGHAN INTERNAL AFFAIRS. SECONDLY, HE THOUGHT A MUTUAL UNDERSTANDING HAD BEEN REACHED IN VIENNA ABOUT THE NON-ALIGNED STATUS OF AFGHANISTAN BUT HERE WE WERE HARPING ON OUR OLD "NEUTRAL AND NON-ALIGNED" THEME AGAIN. SO FAR AS WITHDRAWAL WAS CONCERNED, THE SOVIET POSITION WAS CLEAR. FIRST, THERE WOULD HAVE TO BE GUARANTEES OF NON-INTERFERENCE, AND THEN WITHDRAWAL ON THE BASIS OF AGREEMENT WITH THE AFGHAN GOVERNMENT. THIS WAS NOT A PRETEXT FOR DELAY. THE FACT WAS SOVIET TROOPS WERE IN AFGHANISTAN AT THAT GOVERNMENT'S REQUEST AND IT WAS THEREFORE A JURIDICAL NECESSITY THAT THE AFGHANS SHOULD ASK FOR THEIR WITHDRAWAL, AS NO DOUBT THEY WOULD ONCE GUARANTEES WERE MADE. I WOULD KNOW, HE CONTINUED, IT HAD NOT BEEN EASY FOR THE SOVIET GOVERNMENT TO ACCEDE TO THE 14TH AFGHAN REQUEST. LASTLY, HE WANTED TO

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TAKE ME UP ON MY ASSERTION THAT THE SITUATION HAD DETERIORATED. IT WAS TRUE THAT INTERFERENCE HAD SPREAD AND INTENSIFIED, BUT THE INTERNAL POLITICAL SITUATION HAD IN FACT IMPROVED. HE MADE NO COMMENT ON THE QUESTION OF A POSSIBLE CONFERENCE, NOR DID HE REFER TO THE AFGHAN PROPOSALS OF 14 MAY.

3. IN REPLY, I REPEATED WHAT YOU SAID TO GROMYKO IN VIENNA, THAT WHAT GOVERNMENT THE AFGHANS SHOULD HAVE WAS FOR THEM TO DECIDE. NOT FOR BRITAIN OR THE SOVIET UNION. IF THEY WANTED THE PRESENT REGIME, WELL AND GOOD. BUT THE EVIDENCE WAS THEY DID NOT. ON NEUTRALITY, I SAID I DID NOT WISH TO ADD TO WHAT HAD BEEN SAID IN VIENNA. ON HIS FINAL POINT I EMPHASISED ONCE AGAIN THAT WHAT MATTERED WAS THE PRECISE LINK BETWEEN WITHDRAWAL AND UNDERTAKINGS. IT OUGHT TO BE POSSIBLE TO WORK OUT A FORMULA WHICH WOULD MAKE COMMITMENTS TO BOTH SIMULTANEOUS WITH A TIMETABLE FOR WITHDRAWAL SETTLED AT THE OUTSET, TO BE FOLLOWED BY IMPLEMENTATION OF THE TIMETABLE AND THE UNDERTAKINGS. WE HAD SEEN A POSSIBLE GLEAM OF HOPE IN THIS RESPECT IN SOME OF GROMYKO'S REMARKS. I URGED HIM TO CONSIDER THIS PART OF THE PROBLEM WITH PARTICULAR CARE AND TO DESERVE IN RELATION TO THE SITUATION IN AFGHANISTAN THE REALISM HE WAS URGING ON US. DESPITE HIS FAIRLY TRITE COMMENT- WHICH WAS ALL THAT WAS TO BE EXPECTED- ZEMSKOV SEEMED TO TAKE THE COMMUNICATION SERIOUSLY, SAYING THAT IT WOULD BE STUDIED CAREFULLY AND A REPLY GIVEN IN DUE COURSE.

4. FCO PLEASE PASS SAVING TO KABUL, NEW DELHI AND ISLAMABAD.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 470 OF 13 JUNE

INFO ROUTINE WASHINGTON, MOSCOW, ISLAMABAD

TEHRAN TELNO 573: AGHA SHAHI'S VISIT TO BONN

1. AGHA SHAHI ARRIVED IN BONN FROM BUCHAREST ON 10 JUNE FOR TALKS WITH HERR GENSCHER AND CHANCELLOR SCHMIDT, WHICH WERE LARGELY DEVOTED TO THE WORK OF THE COMMITTEE ON AFGHANISTAN. THE FOLLOWING PARAGRAPHS REPRESENT THE MAIN POINTS OF A COMMUNITY BRIEFING GIVEN THIS MORNING BY KEIL, HEAD OF THE SOUTH ASIAN DEPARTMENT IN THE AUSWAERTIGES AMT.
2. AFTER REHEARSING THE HISTORY OF THE COMMITTEE, AGHA SHAHI SAID THAT, PENDING AN ANSWER TO THEIR LATEST REPRESENTATIONS TO THE SOVIET AMBASSADOR IN PARIS, THE COMMITTEE INTENDED IN THE NEAR FUTURE TO ESTABLISH CONTACT WITH REPRESENTATIVES OF THE BABRAK GOVERNMENT AND AFGHAN RESISTANCE FIGHTERS. BOTH SIDES WOULD BE INVITED TO MEET SEPARATELY WITH THE COMMITTEE, PROBABLY IN PARIS, ALTHOUGH THEY WOULD MEET WITH THE RESISTANCE FIGHTERS ALONE IF THE BABRAK GOVERNMENT DECLINED TO BE REPRESENTED (ANY MEETING WITH THEM WOULD NOT IMPLY DIPLOMATIC RECOGNITION). THE AIM WOULD BE TO CREATE CONDITIONS FOR THE ESTABLISHMENT OF AN INTERIM GOVERNMENT (WHICH WOULD CONTAIN REPRESENTATIVES OF THE TWO AFGHAN COMMUNIST PARTIES) HEADED BY A PERSON ACCEPTABLE TO BOTH SIDES. AS A SECOND STAGE THE AFGHAN QUOTE GREAT ASSEMBLY UNQUOTE WOULD MEET TO ELECT A GOVERNMENT. THIS GOVERNMENT WOULD NOT NECESSARILY BE ANTI-SOVIET.
3. AGHA SHAHI SAID THAT HE HAD BEEN GIVEN AN EXCELLENT RECEPTION IN BUDAPEST. CEAUDESCU HAD IN PRIVATE ADMITTED THE NECESSITY OF CONTACTS WITH THE AFGHAN RESISTANCE FIGHTERS AND THE IMPOSSIBILITY OF RECOGNISING THE BABRAK GOVERNMENT.
4. IN ANSWER TO A QUESTION KEIL SAID THAT THE GERMANS HAD THE IMPRESSION THAT ANY PLAN BY THE ISLAMIC CONFERENCE TO RAISE AFGHANISTAN AT THE UN WOULD DEPEND ON THE SOVIET REACTION TO THE COMMITTEE'S EFFORTS. AGHA SHAHI HAD GIVEN THE IMPRESSION THAT NO DECISION ON UN ACTION HAD BEEN TAKEN BY THE COMMITTEE PENDING THE OUTCOME OF THE TALKS REFERRED TO IN PARA 2 ABOVE.
5. A FULLER REPORT OF KEIL'S BRIEFING WILL FOLLOW BY BAG.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 205 OF 12 JUNE

AND TO PRIOTIY ISLAMABAD, ROUTINE NEW DELHI, WASHINGTON
INFO SAVING KABUL

VISIT BY PAKISTANI FOREIGN MINISTER.

1. AGA SCHAHI MADE A SURPRISE VISIT TO VIENNA ON 11 JUNE. ON HIS EUROPEAN TOUR HE HAD ALSO SEEN CEAUSESCU IN BUCHAREST AND SCHMIDT IN BONN. IN VIENNA HE SAW KREISKY FOR A 40-MINUTE MEETING BEFORE THE CHANCELLOR LEFT FOR OSLO AND ALSO REIT-BAUER (PUS, MFA).
2. THE FOLLOWING DEBRIEFING HAS BEEN GIVEN TO US BY THE MFA IN CONFIDENCE (PLEASE PROTECT). SCHAHI SAID THAT THE REASON FOR HIS TOUR WAS TO EXPLAIN THE CURRENT THINKING OF THE ISLAMIC CONFERENCE ON AFGHANISTAN. THIS WAS BASED ON FOUR ELEMENTS:
 - (A) IMMEDIATE WITHDRAWAL OF SOVIET OCCUPYING FORCES:
 - (B) RECOGNITION OF AFGHANISTAN'S INDEPENDENCE AND SOVEREIGNTY:
 - (C) AN AFGHANISTAN GOVERNMENT SHOULD BE ESTABLISHED THROUGH FREE AND QUOTE UNINFLUENCED UNQUOTE ELECTIONS:
 - (D) AFGHAN REFUGEES SHOULD HAVE THE RIGHT TO RETURN TO THEIR COUNTRY.
3. SCHAHI LAID THE GREATEST EMPHASIS ON (A). HE WAS CRITICAL OF THE EUROPEAN DEMOCRATIC NATIONS FOR FAILING TO EXERT MORE PRESSURE ON THE USSR TO FORCE WITHDRAWAL. IF SUCH PRESSURE WAS NOT FORTHCOMING, HE FEARED THAT THE USSR WOULD CONCLUDE THAT THEY WERE ABLE TO CONTINUE TO PURSUE THEIR QUOTE BREZHNEV DOCTRINE UNQUOTE OF SOVIET EXPANSIONISM. A SOVIET WITHDRAWAL WOULD ANYWAY AT SOME STAGE BE NECESSARY: THE USSR WOULD BE UNABLE TOTALLY TO CONTROL AFGHANISTAN. THEY HAD BADLY MISINTERPRTED THE SCALE OF MILITARY RESISTANCE AND AFGAN NATIONAL ASPIRATIONS.
4. ON (C), THE PAKISTANIS HAD LEARNED FROM THE RUSSIANS THAT THE USSR WAS INCLINED TO WELCOME THE ISLAMIC CONFERENCE'S INITIATIVE, BUT CONSIDERED ANY POLITICAL SOLUTIONS SHOULD TAKE INTO ACCOUNT QUOTE EXISTING FACTS UNQUOTE- IE. THE PRESENCE OF KARMAL. HOWEVER, KARMAL WAS UNACCEPTABLE TO THE PAKISTANIS BECAUSE ANY RECOGNITION OF HIS POSITION WOULD CONSITUTE LEGITIMISATION OF THE SOVIET INVASION.: AND IN ANY CASE WITHOUT SOVIET SUPPORT HE HAD NO CHANCE OF RETAINING POWER. THE PAKISTANIS HAD IN MIND A GOVERNMENT OF QUOTE NATIONAL

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RECONCILIATION UNQUOTE . AFTER SUCH A GOVERNMENT HAD BEEN ESTABLISHED, ALL AFGHAN AFFAIRS INCLUDING THE PROGRESS OF THE AFGHAN REVOLUTION SHOULD BE LEFT TOTALLY IN THE HANDS OF THE AFGHANS.

5. SCHAHI HAD BEEN OUTSPOKEN IN HIS CRITICISM OF CUBA'S ROLE. THE ISLAMIC CONFERENCE DID NOT TRUST THE NON-ALIGNED MOVEMENT. CUBA, WHICH HAD QUOTE LOST ALL ITS CREDIBILITY UNQUOTE, WAS AN INSTRUMENT OF SOVIET EXPANSIONISM. MALMIERCA'S MEDIATORY ACTIVITY WAS QUOTE MEDDLING UNQUOTE. (THIS POINT WAS MADE TO REITHBAUER NOT, UNFORTUNATELY, TO KREISKY).

6. THE PAKISTANIS STRONGLY SUPPORTED THE OLYMPIC BOYCOTT. THIS WAS AN EXCELLENT CHANCE TO DEMONSTRATE TO SOVIET PUBLIC OPINION WORLDWIDE DISPLEASURE. HE WAS CRITICAL OF THE EUROPEANS ON THE BOYCOTT QUESTION.

7. IN RESPONSE TO AUSTRIAN QUESTIONS, THE PAKISTANIS HAD SAID THAT THEY WERE NOT PREPARED TO ACCEPT WHAT THEY DESCRIBED AS THE DERISORY US OFFER OF DOLLARS 200 MILLION MILITARY ASSISTANCE. THE SCALE OF THIS AID, WHICH WOULD BE USED PURELY FOR PAKISTANI DEFENCE, WAS TOTALLY INSUFFICIENT IN ANY WAY TO ALTER THE CURRENT BALANCE OF POWER AWAY FROM THE SOVIETS IN THE REGION. SCHAHI CLAIMED THAT THE PAKISTANIS WERE GIVING NO AID TO THE REBELS. (IN CONTRAST, GHOTZBADEH HAD TOLD KREISKY ON THE CHANCELLOR'S RECENT VISIT TO TEHERAN THAT THE IRANIANS WERE PROVIDING AID TO THE AFGHAN REBELS).

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 3: IRAN AND THE GULF

Points to Make

US Hostages

1. What can Pakistan tell us of current Iranian attitude? How do they expect Iranian parliament to react? Does Iranian concern about Afghanistan offer any hope for early resolution of hostage problem?
2. Islamic Conference Resolution did not press for release in strong terms. Are there ways in which Pakistan and other Islamic countries could further help to secure release?

Sanctions

3. Not designed to bring down Iranian regime. To show Iran that it cannot expect fruitful relations with West while hostages held.

ICJ Judgement

4. Iran has ignored ICJ final judgement of 24 May which called again for release of hostages.

Gulf Security

5. Concerned with potentially damaging instability in Gulf area. Share vital interests there. Hence concern about Soviet advance.

Saudi Arabia

6. How does Pakistan see prospects for Saudi? Worried by possible radical Muslim challenge. Reports of Pakistani military support. Welcome this, but what numbers are involved? Relations with Saudi damaged by film. Hope others including Pakistan will urge reconciliation.

US Activity [Defensive]

7. US military activity worries Arab states. Americans should keep low profile, but only they can deter further Soviet moves against Iran.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 3: IRAN AND THE GULF

Essential Facts

1. Iranian Parliament now drawing up rules of procedure. Consideration of hostages likely to be first issue it will discuss. General political outlook of new Parliament not yet known. Bani Sadr seems more confident than previously that Majlis will order their release.

Islamic Conference

2. Mood of last Islamic Conference (met in Islamabad mid-May) much less critical of Iran on hostage issue than at previous meeting in January. President Zia wrote to Bani Sadr on 14 April expressing hope that Iranian Government would take control of hostages from the students and allow access to them by outside agencies.

Pakistan-Gulf Relations

3. Pakistan has good relations with Arab Gulf States. Relies on them for oil exports and as a vital source of invisibles from the several hundred thousand Pakistanis working in Arabia. Receives financial assistance particularly from Saudi Arabia and Abu Dhabi.

4. Large numbers of Pakistani servicemen (seconded or contract) serve with Arab forces, usually in technical roles. A recent press report said three Pakistani divisions were being moved to Saudi Arabia. This was false, but our Attachés reckon there may be 5,000 Pakistanis in the Saudi forces.

US Activity

5. The US and Oman Governments exchanged notes on 4 June providing for facilities at Masirah and Thumrait.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 4: ARAB/ISRAEL

Points to Make

1. European Council made clear urgent need for progress towards comprehensive settlement. European moves aimed at exploring possibilities. Camp David looks unlikely to take matters further forward but European aim to complement not contradict US efforts.
2. Palestinian self-determination and Israeli security concerns must be reconciled. Israelis and Palestinians can co-exist, but Israel must withdraw from occupied territories and Palestinians, including PLO, accept Israel's right to live in peace.
3. Appreciate Islamic concerns. Not for us to prejudge negotiations on Jerusalem but Israeli sovereignty over whole city not acceptable.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 4: ARAB/ISRAEL

Essential Facts

1. Agha Shahi will appreciate full briefing on outcome of European Council.
2. Pakistan's main interest stems from membership of Islamic Conference. She supports Arab views on Jerusalem, Israeli occupation of Arab land, Palestinian rights and PLO. Pakistanis were slightly put out recently when Yasser Arafat was received with open arms by Indians, who gave PLO diplomatic status.
3. Pakistan was only other country formally to recognise Jordan's annexation of West Bank in 1950. However this is now effectively a dead letter.

Islamic Conference: Palestine

4. There was a series of resolutions mostly in conventional terms. The most urgent one was on Al Quds (Jerusalem) and called on the Security Council to convene immediately to annul the Israeli decision to make Jerusalem the capital and to 'impose the sanctions stipulated in Article 7 of the Charter of the United Nations'. It called on all Islamic countries to sever relations with any country which supports the Israeli decision to make Jerusalem the capital or moves its Embassy there and condemns the Americans for encouraging the Israelis to escalate their aggression. An extraordinary session of the Islamic Conference will be held within three months if Israel persists in its decision to make Jerusalem the capital. Another resolution called on all Islamic states to sever diplomatic and economic relations with Egypt.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 5: INDIA

Points to Make

India and Afghanistan

1. India's attitude to events in Afghanistan is important. It is encouraging that Mrs Gandhi is not uncritical of Soviet action.

Indo/Pakistan Relations

2. What is the Pakistani view of Indo/Pakistan relations?

UK Defence Sales to India (If raised)

3. We will continue to consider all sales questions on their merits; this policy applies equally to India and Pakistan.

Indo/Soviet Arms Deal (if raised)

4. Believe this does not represent a shift of policy; India will continue to purchase widely. Believe it is important that India should remain generally non-aligned and should not draw closer to the Soviet Union.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 5: INDIA

Essential Facts

India and Afghanistan

1. India was initially uncritical, but following Lord Carrington's visit to Delhi in January became more cautious about the Soviet action. Mrs Gandhi has since been privately critical. Though India has a good relationship with the Soviet Union, she is not in a position to influence Soviet policy on this matter, on present evidence.

India and Pakistan

2. Though hostility endemic, 1980 has seen some movement towards improved Indo/Pakistan relations. The Afghan crisis has created some pressure for this. Pakistan cannot afford an active enemy on her eastern border as well as to the west; and India, though publicly pro-Soviet, has been privately critical on Afghanistan, and now sees some reason to seek improved relations with Pakistan and China.

3. In April, former Foreign Minister Swaran Singh went to Islamabad, in all but name a personal emissary of Mrs Gandhi. The atmosphere was good, but no concrete achievements resulted.

4. Mrs Gandhi and President Zia had their first ever meeting at the Zimbabwe Independence Celebrations. The atmosphere here also was good, but there was little substance beyond the vague Indian hint that she recognised Pakistan's need to buy arms to defend her western border. Agha Shahi is expected to go to New Delhi in the course of June.

5. As a bigger and stronger country, India is in a good position to make concessions, but is unlikely to make the first real moves.

Indo/Soviet Arms Deal

6. Moscow recently sold £700 million worth of weapons to India on soft credit terms. In doing so, they have re-established a position both in political and commercial terms as a force to be reckoned with in the Sub Continent. But this deal is not a major worry: the deal comprised a number of separate purchases; it has been negotiated over 18 months and was set in hand by the Janata Government; and India is expected to maintain her policy of balanced arms purchases from east and west.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 6: SOUTH EAST AND EAST ASIA

Points to Make

China: External

1. Welcome China's positive and outward looking foreign policy; particularly her continuing support for Pakistan, and efforts to improve relations with other regional countries. Sino-Indian rapprochement would reduce opportunities for Soviet Union, and thus enhance Pakistan's security and stability in area as a whole.
2. Have the Pakistanis had any recent indication of Chinese thinking on Afghanistan? [Agha Shahi met Hung Hua briefly on 6 June].

China: External

3. Pragmatic reformists continuing to consolidate position. Retirement of Deng Xiaoping from Vice Premiership in August unlikely to reduce his influence. Reasonable prospects of political stability, and gradual economic progress.

Cambodia

4. Vietnamese withdrawal essential but no sign of readiness to compromise. Support for Thailand and ASEAN remain important.
5. We recognise no government in Cambodia and will not recognise Heng Samrin regime. Hope India will not do so.
6. Geneva relief meeting successful in raising new funds and, we hope, in improving operating conditions. UK pledged further £1 million. Absence of Vietnam and friends deplored.

Vietnam

7. Further outflow of 'boat people' would put intolerable burden on ASEAN and Hong Kong.

/Korea (if raised)

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Korea (if raised)

8. Concerned about recent events. Reassertion of control by military likely to delay constitutional reform. Instability in Korea not in our interests. Premier Hua's denial of any North Korean intention to intervene reassuring.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 6: SOUTH EAST AND EAST ASIA

Essential Facts

China/Pakistan

1. Chinese were opposed to execution of Mr Bhutto, but this has not affected their close relationship with Pakistan.
2. Huang Hua visited Pakistan in January 1980. President Zia visited China in early May, accompanied by Agha Shahi, and had talks with Premier Hua and Vice Premier Deng Xiaoping. In wake of Afghanistan and Pakistan refusal of American military aid, Chinese reportedly urged Zia, with little success, to improve relations with US; both sides agreed on the importance of seeking better relations with India. No agreements were signed. The Pakistanis have accepted that China's own needs precluded her from offering further significant military aid.
3. Brief meetings took place on 6 June in Islamabad between Huang Hua and President Zia and Agha Shahi when Hua was en route to Scandinavia.

China: Internal

4. Deng Xiaoping, aged 76, has announced that he intends to retire from the position of Vice Premier at the National People's Congress in August. He will retain his other (party and military) posts. His proteges (notably Zhao Ziyang as a Vice Premier and Hu Yaobang as Secretary-General of the Party) will ensure that the policies he stands for will continue.

Cambodia

5. Pakistan recognises Pol Pot.
6. Vietnam has tightened control over Cambodia during dry season. But resistance forces have survived with access to supplies in Thailand; they are better placed than at any time since Vietnam invasion.

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7. ASEAN contacts over last few months have led to speculation about changes in ASEAN's political position on Indo-China.

'Kuantan Principle' (Vietnamese independence between China and Soviet Union accompanied by at least partial withdrawal from Cambodia) enunciated at the Malaysian/Indonesian Summit early in April. Rumours seem to have been exaggerated: ASEAN countries, led by the Thais, have remained firm in refusing to compromise on their recognition of the Khmer Rouge, and on the UN Resolution (which they sponsored) demanding the withdrawal of Vietnamese troops from Cambodia and self-determination for its people. The Thai Foreign Minister was very robust when he came to London on 6 June.

8. The Pakistanis have been sympathetic about Vietnamese refugees problem, although their influence limited. Because of Afghan refugees no question of their being asked to accept any refugees for resettlement.

Korea

9. Pakistan has full diplomatic relations with N Korea, consular relations with S Korea. The situation on ground now calm following suppression of Kwangju uprising. Timetable set for constitutional reform (ie a new Constitution before the end of the year and a Presidential election in early 1981). But Gen. Chun insists first on stability. Too early to judge prospects. Americans are unhappy about developments. We have avoided passing judgement though the Lord Privy Seal said in Parliament that we were watching developments 'with concern'. Premier Hua said in Japan at the end of May that the North Koreans would not take advantage of recent events.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF No 7: AID

POINTS TO MAKE

ADDITIONAL AID

1. Glad Mr Marten was able to offer more aid during April visit - total this year could be £32m, more than 50% above 1979/80.

REFUGEES

2. Recognise severe strain refugees impose on Pakistan economy. Glad to be providing £0.5m to UNHCR Appeal (in addition to earlier help).

DEBT /if raised/:

3. Pleased to cancel official debt under RTA Agreement signed last June (worth about £77m to Pakistan over 20 years). Would want to encourage others to be forthcoming, but issue not a simple one. Pakistan must recognise creditors' need for reassurances on steps to deal with underlying problems.

PARIS AID CONSORTIUM MEETING, 12/13 JUNE

4. Glad to hear that Consortium meeting last week resulted in new aid pledges of about £1.1 billion (40% up on last year). Glad too that it revealed change in US position on debt, which seems to improve prospect of debt relief operation although still need for agreement with IMF.

South Asia Department, ODA

11 June 1980

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF No 7: AID

ESSENTIAL FACTS

ADDITIONAL AID

1. During his April visit, Mr Marten offered additional aid, which could bring the total in 1980/81 to about £32m. This is £2m more than the £30m in prospect at time of the Secretary of State's January visit. [The £32m comprises £20m under the regular programme, up to £7.5m from the ATP cargo ships agreement, the benefit of £4m from the RTA debt relief agreement and a £0.5m contribution to the UNHCR refugee appeal.]

REFUGEES

2. Reports suggest that Afghan refugees in Pakistan now total about 800,000. In addition to the proposed new contribution of £0.5m to the UNHCR appeal we have already provided relief supplies (worth about £120,000, including charter costs) and met our share (about £1.1m) of the European Community response to the UNHCR appeal.

DEBT

3. Pakistan has large debt service payments and is anxious to have these rescheduled. We have done our bit with RTA, but the general donor view remains unfavourable, at least until a satisfactory economic stabilisation programme is agreed.

South Asia Department, ODA

11 June 1980

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 8: DEFENCE SALES

POINTS TO MAKE

Training

1. Pleased we can help Pakistan with additional training.

Defence Equipment

2. Remain willing to help with supply of defence equipment Pakistan may wish to purchase. If Pakistanis compile list of their purchase requirements we will be pleased to let them know what is available.
3. Understand Pakistan Navy is interested in acquiring an old destroyer as naval training ship. We would give sympathetic consideration to a Ministerial enquiry about this though there is no ship immediately available.
4. Welcome forthcoming visit by First Sea Lord, Admiral Sir Henry Leach, to Pakistan on 27 and 28 July.

(DEFENSIVE: IF ASKED)

Arms Sales

5. Arms sales cannot be financed by UK development aid, nor can we arrange for sale on subsidised terms.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF No 8: DEFENCE SALES

ESSENTIAL FACTS

1. We substantially increased Pakistan's allocation of funds under the UK Military Training Assistance Scheme (UKMTAS) last year. For 1980/81 some £200,000 has been allocated to Pakistan for training in the UK. We have also allocated £150,000 to pay for SAS training in Pakistan. The detailed arrangements are currently being discussed with the Pakistan Embassy in London.
2. Purchases of defence equipment by Pakistan in recent years have been limited by Pakistan's poor economic and financial situation which has reduced credit facilities available. Prior to Afghanistan, the Pakistanis had expressed interest in a number of items including electronic warfare equipment, various types of radar and 105mm guns. Post-Afghanistan we asked for list of requirements, but none has been provided.
3. On political grounds we should like to support Pakistan by selling whatever we have available that is appropriate. We need to keep Indian sensitivities in mind and the Pakistan nuclear programme has been a potential restraint, but the main problem is finance.
4. Pakistan was offered US\$200m commercial credit by the United States in January to cover arms purchases, as part of a total economic and military package worth \$400 million. The offer was not acceptable and Pakistan was hoping instead that the Saudis and other Islamic countries would furnish substantial aid (\$500m from Saudi Arabia was mentioned). This would enable them to purchase arms from the West. There might also be some commercial benefits for us. But no financial aid from Islamic sources has yet been announced.
5. The Pakistani Chief of Naval Staff has written personally to the First Sea Lord about the possibility of acquiring, at nominal cost, a Devonshire class destroyer for use as a naval training ship. A suitable ship will not be available for disposal before mid-1983. Its scrap value and essential refit cost would be £1.25m. Any waiver of cost on political grounds in excess of £500,000 would require Parliamentary

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/approval.

approval. Any waiver below that would probably have to be accommodated on Departmental Votes.

6. The Pakistanis have recently approached Westlands about supply of two Sea King helicopters. Unfortunately the Pakistan budget of £5.2m is nearly £3m short of the estimated cost. Unless Westlands/MOD can bridge the gap, we envisage asking ECGD on political grounds to consider providing cover for credit terms. It is very doubtful, however, that they will agree.

7. A proposal to seek enhanced ECGD cover to enable sales of certain defence equipment to Pakistan was not approved by Ministers in January. Arms supplies cannot be financed by development aid. There are no FCO-controlled funds available for arms sales.

South Asian Department

12 June 1980

PAKISTAN: VISIT OF AGHA SHAHI
BRIEF NO 9: PAKISTAN NUCLEAR

Points to Make

1. Recall brief conversation on nuclear issue in January. Our view unchanged; a nuclear test by Pakistan would be a constraint on our ability to work with Pakistan on the problems arising from the Russian intervention in Afghanistan.

Essential Facts

1. Pakistan is continuing with her unsafeguarded enrichment programme which could lead to the development of nuclear weapons.
2. She might produce enough highly enriched uranium (HEU) or plutonium to enable her to carry out a nuclear test in 1982, but it is likely to take longer. An earlier test might be possible if material was obtained abroad, but we have no evidence of this.
3. Pakistan has given repeated assurances that she has no intention of developing nuclear weapons, on transferring nuclear technology to others. She has however given no commitment not to carry out a test, but has said she would do so, and would join the NPT, if India did likewise. Although this is a relatively long term problem we wish to ensure that the Pakistanis don't develop the idea that we are reconciled to the idea of a test. The Secretary of State made the point to Agha Shahi in January; the latter said that he was sensitive to Western views on the issue.

PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 10: PAKISTAN AND THE COMMONWEALTH

POINTS TO MAKE (If raised)

1. As indicated previously we would be happy to see Pakistan rejoin. But matter is for Commonwealth as a whole.
2. (If Shahi indicates Pakistan wishes to rejoin but indicates that as former member she should not have to reapply). We understand difficulty. Hope progress possible by indirect approach via Commonwealth Secretariat. Pakistan's case best advanced by avoiding public reference to idea of "invitation".

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 10: PAKISTAN AND THE COMMONWEALTH

ESSENTIAL FACTS

1. Pakistanis see loss of face in reapplying particularly if response was unfavourable. They may fear Indian rebuff. Claim that informal soundings to Ramphal discouraging. Maintain that as former member they should not have to reapply.
2. Indian attitude (made clear by Mrs Gandhi and Indian Foreign Minister in talks with Secretary of State and Canadian Foreign Minister at Zimbabwe independence celebrations) is that time is not ripe and that matter should move "very slowly". Commonwealth Secretary General seems to accept this view.
3. Known support from UK, Canada, Australia, Sri Lanka, Bangladesh and Malaysia.
4. In the light of this, Canadian Government taking no further action for time being. Our provisional reaction is to wait and see whether subject is pursued in margins of Commonwealth Heads of Government Regional Meeting in Delhi in September, and review thereafter. Question of whether Pakistan should be invited or apply is sensitive, but should be soluble when climate right.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 13: OTHER BILATERAL ISSUES

No Other Points to Raise

Immigration Rules (if raised)

1. Concerned to end acrimony over immigration which could adversely affect race relations in Britain and 300,000 Pakistanis here. Recent changes in Immigration Rules do not affect right of wives and children of med already here to join husbands.

Queues for Entry Certificates

2. Applications processed as quickly as possible. Settlement visas for 8,565 persons issued in 1979.

Overseas Student Fees

3. Full cost fess unavoidable. Realise problems. Hope Pakistan students will still come to Britain. Most welcome here.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 5: OTHER BILATERAL ISSUES

Essential Facts

1. Pakistan largest source of immigrants into the UK (18 per cent of annual total). At present about 12,000 dependants awaiting interview. No end in sight. Majority of Pakistani heads of households in the UK dual Pakistan/UK citizens and retain their ties with Pakistan.

Overseas Student Fees

2. Decision regretted by Pakistan Embassy and officials in Islamabad. They have been told cost of over hundred million pounds per annum could not be continued.

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 12: INTERNAL SITUATION

1. Zia's position looks a bit stronger than it did six months ago. He has successfully re-shuffled the Army high command, eliminating his main opponents. Two successful Islamic Conferences and talks with world leaders in Salisbury and Belgrade have given him an international status, at least in Pakistan eyes. The threat from Afghanistan continues to make it difficult for his opponents to argue for a change of government now. Finally, the economy is picking up thanks to record harvests and sound but not too oppressive policies.

2. But he has found no answer yet to the basic problem of how to secure popular support for his regime without holding elections and letting in the former political leaders. The latter will have nothing to do with him: the Bhutto ladies are biding their time and Asghar Khan, after a premature attempt to stir up trouble, is back under house arrest. Zia has still not acquired the charisma of a popular and respected leader.

3. He has now evidently decided that the best way forward is through a structure of advisory councils at the centre and in the provinces, based on the existing elected local-bodies and on non-political figures. This would be combined with an enlarged Cabinet at the centre and Cabinets in the provinces, presumably also to include neutral men of good will. It remains to be seen who ~~he~~ will get for his Cabinets and what the powers of the advisory councils will be. If he can/^{only} get insubstantial figures and if the councils are to play no part in policy formation, then this device is unlikely to satisfy the pressures of representative institutions.

4. How strong these pressures are and the extent of public dissatisfaction is difficult to gauge. Outwardly, the country is calm, except for some sporadic trouble at universities, and the mood is apathetic. But there is no doubting the increasing frustration of educated Pakistanis at the lack of democratic institutions or at least of some way of expressing their views. It is doubtful whether any one has the organisation or appeal at the moment to launch a mass agitation of the type which brought Ayub and Bhutto down and Zia and the Army are expected to be able

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to keep the lid on for some time yet. But popular discontent will continue to increase and he will have to keep ahead of it by a continuing steady progress towards democracy in some form or other.

South Asian Department
12 June 1980

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Economy

5. Pakistan faces serious economic difficulties, with an external public debt in excess of \$7.7 billion and a current account deficit of \$1,010 million expected in 1979-80. The Government has sought debt rescheduling without success in 1978 and 1979. Some assistance has been received from the IMF, but Pakistan has been unwilling to accept the conditions attached to major IMF help. In this situation Pakistan has been forced into short-term borrowing. The economy has shown some improvement recently, mainly resulting from good wheat, rice and cotton crops. But a 50 per cent increase in exports in 1979/80 together with an increase in the total of remittances from Pakistanis abroad was offset by a further rise in the level of imports. Prospects for economic growth depend partly on favourable weather but agricultural output has improved and industrial investment is beginning to accelerate. Given political stability and some solution to Pakistan's foreign exchange problems a continuation of the 6 per cent growth in GDP of the last three years would appear likely in the next few years. Imports of manufactured goods are expected to remain limited to capital equipment but these are likely to increase slowly in real terms.

South Asian Department

12 June 1980

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PAKISTAN: VISIT OF AGHA SHAHI

BRIEF NO 13: OUTLINE PROGRAMME

Monday 16 June

0715

Arrives Heathrow, Terminal 3. Met by Secretary of State's personal representative, Sir David Muirhead. Staying at Claridges.

Tuesday 17 June

1130

Talks with the Secretary of State.

Lunch hosted by Secretary of State at Admiralty House.

1630

Call on the Prime Minister.

Evening

Dinner at Pakistan Embassy.

Departure not yet known, likely to be 18 June.

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SHAHI, AGHA

Minister for Foreign Affairs

Born Mysore 1920. Educated Madras and Allahabad universities. ICS 1944. Served Sind until 1951. Entered Ministry of Foreign Affairs 1951. Counsellor, Washington 1955. Pakistan's Deputy Permanent Representative to UN 1958. Director General, Ministry of Foreign Affairs 1961. Took a leading part in Kashmir talks of 1962-3. He became Ambassador to the UN 1967. Ambassador to China 1972. Secretary MFA (Foreign Secretary) July 1973; Secretary General (after Zia's takeover) July 1977. Appointed member of Zia's Advisory Council with portfolio of Foreign Affairs, January 1978. Appointed Adviser for Foreign Affairs, August 1978 and Minister May 1980.

He is firmly in the saddle. The January and May Islamic Conferences were triumphs, largely thanks to his skill. Pakistan's foreign policy bears all his hall-marks. There is evidence that Zia and the other Generals were and are still not too happy about the rejection of the US package and the continued lack of anything material in its place, but clearly Agha Shahi carried the day and persuaded the Cabinet. He is more experienced and knows far more about foreign affairs than any of them, particularly Zia. There may be a reckoning if the Army does not get new weapons soon or the policy begins to veer too far to the left or to run into difficulties in other ways. But in the present difficult and delicate situation they cannot do without him. He is firmly in control of his Ministry. He is generally unpopular in the Foreign Service.

He is very much an Indian (he was born there) rather than a Pakistani in character and temperament - highly intelligent, subtle, devious, argumentative, hypersensitive, nursing old grievances and slights. Like Indians, he can be bitter and emotional and finds it difficult to say something nice to one without balancing it with a snide remark. He can also, like Indians, be charming. But he is strongly anti-Indian and firmly believes that India is implacably hostile. He is also basically anti-American. He is probably not a real friend of the West. There is a degree of sentiment towards the British, but not as pronounced as in most Pakistanis. His real feelings towards the Russians are hard to assess and some suspect him of being pro-Russian. He is believed to be a non-practising Shia Muslim and would not be inspired by Zia's religious antipathy towards Communism. He was brought up under Bhutto and shares the latter's opportunism and eye to the main chance. For all that, he is a sincere patriot and, again like most Indians, non-aligned with a strong desire to avoid entanglement with any great power bloc closest to his heart. This has certainly been the thrust of his policy. He has now to an extent got back on course and will probably perform a continuing balancing act between East and West with a leaning towards the West, but the latter will need continuing hard work on our part and will be based on a cold assessment of where Pakistan's best interests lie.

A heavy pipe-smoker. He is unmarried.

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PERSONALITY NOTE

10. MRS FATIMA CHOWDHURY

MP, BNP, elected to the 30 reserved seats for women.
Comes from Sylhet. Wife of businessman, ex-member of
Awami League. Associated with local cooperative movements
and welfare organisations. Two sons one daughter.

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6. MOHAMMED ISMAIL

State Minister for Land Administration and Reform

Aged about 58. Worked originally as a teacher. Subsequently obtained MA and law degree from Dacca University and became High court advocate. No previous involvement in politics until he joined President Zia's Bangladesh Nationalist Party at the time of its formation in 1978. Was elected to Parliament in 1979 General Election. Appointed State Minister April 1980 (his first appointment).

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16. MR M R OSMANY

Director General (Americas, Pacific and Western Europe), Ministry of Foreign Affairs (equates between AUS and DUS). Born 1940. Graduated in civil engineering Dacca University 1961 and joined Pakistan Civil Service 1964. Held positions as Assistant Commissioner and Sub-Divisional Commissioner 1964-68. Deputy Director of Food, Lahore 1968 and Deputy Secretary, Ministry of Home Affairs 1969. After emergence of Bangladesh in 1971 joined Ministry of Foreign Affairs. Deputy Chief of Protocol 1972. One overseas posting as Counsellor Political, London 1975-78. Has held present position since 1978.

Mr Osmany is a small, soft-spoken, serious man. He has a reputation for standing on his dignity, but he has been unfailingly helpful to this Mission and will unbend and laugh with a little encouragement. His wife is young and vivacious.

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GRS 155

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FM PARIS 131052Z JUN 80

TO PRIORITY FCO

TELEGRAM NUMBER 541 OF 13 JUNE 1980

AND TO PRIORITY ODA, TREASURY AND ECGD

INFO ROUTINE WASHINGTON

INFO PRIORITY ISLAMABAD

INFO SAVING TO UKDEL OECD

MY TELNOS 537 AND 538: PAKISTAN AID CONSORTIUM
FROM UK DELEGATION

1. TOTAL PLEDGES BY PAKISTAN CONSORTIUM AMOUNTED TO US DOLLARS 1.1 BILLIONS. THIS IS OVER 40% HIGHER THAN LAST YEAR. THE FIGURE INCLUDES DOLLARS 570 MILLION PROJECT AID, DOLLARS 300 MILLION NON-PROJECT AID AND DOLLARS 40 MILLION TECHNICAL COOPERATION, TOGETHER WITH DOLLARS 130 MILLION FOR AFGHAN REFUGEES IN PAKISTAN.

2. THE MOST NOTEWORTHY INDIVIDUAL PLEDGE WAS THAT OF THE JAPANESE. THE TOTAL COMMITMENT FOR 1980/81 IS 32 BILLION YEN, COMPARED WITH 14.6 BILLION YEN IN 1979/80. THE AMERICANS PLEDGED ONLY FOOD AID AMOUNTING TO DOLLARS 50 MILLION. THEY ALSO PROMISED A FURTHER DOLLARS 15 MILLION TO THE UNHCR IN ADDITION TO THE DOLLARS 20 MILLION ALREADY PLEDGED. THE FRENCH MADE NO NEW OFFER BECAUSE OF THE ACCUMULATION OF UNSPENT PLEDGES.

SAVING PASSED TO UKDEL OECD.

HIBBERT.

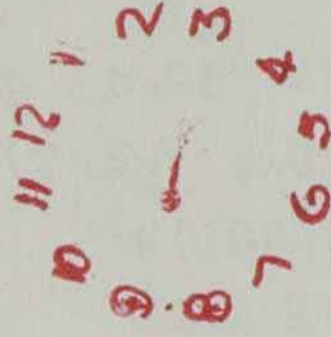
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ECONOMIC

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16 JUN 1980



No. 10.
MHA File
16/6

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GRS 500
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FM PARIS 121735Z JUN 80
TO PRIORITY FCO
TELEGRAM NUMBER 537 OF 12 JUNE 1980
AND TO PRIORITY ODA TREASURY AND ECGD
INFO ROUTINE ISLAMABAD AND WASHINGTON
INFO SAVING TO UKDEL OECD (PARIS TO PASS)

PAKISTAN AID CONSORTIUM MEETING

FOLLOWING FROM UK DELEGATION

1. THE MAIN FEATURE OF TODAY'S SESSION WAS A STATEMENT BY THE AMERICAN DELEGATION EXPRESSING WILLINGNESS TO PARTICIPATE IN NEGOTIATIONS FOR A RESCHEDULING OF PAKISTAN'S EXTERNAL DEBT BOTH OFFICIAL AND OFFICIALLY GUARANTEED, PROVIDED PAKISTAN FIRST INCLUDES AN AGREEMENT WITH THE IMF WHICH INVOLVES UPPER TRANCHE DRAWINGS. (TEXT IN MIFT). IT IS NOT CERTAIN WHETHER THE REFERENCE TO OFFICIALLY GUARANTEED DEBT REFERS TO AMERICAN PRIVATE DEBT GUARANTEED BY EXIM BANK, OR ONLY TO DEBT GUARANTEED BY THE GOVERNMENT OF PAKISTAN, PROBABLY THE LATTER.
2. HURRELL SAID THAT THE UNITED KINGDOM VERY MUCH WELCOMED THIS ANNOUNCEMENT. HE NOTED THAT THIS DECISION HAD BEEN TAKEN IN EXCEPTION TO THE US GOVERNMENT'S POLICY OF RESCHEDULING ONLY IN CASES OF IMMINENT DEFAULT. HE HOPED THIS WOULD BREAK THE LOGJAM. OTHER DELEGATIONS ALSO WELCOMED THIS DECISION, WHILST AGREEING THAT RESCHEDULING SHOULD BE CONDITIONAL ON AN APPROPRIATE AGREEMENT WITH THE IMF FOR A PROGRAMME OF STRUCTURAL ADJUSTMENT OVER A NUMBER OF YEARS. THE GERMANS ALSO ASKED THAT THE NEGOTIATIONS COVER DEBTS TO ALL MAIN CREDITORS, NOT JUST THE CONSORTIUM COUNTRIES. DURING SUBSEQUENT DISCUSSION THE IMF DELEGATION SAID THAT SUPPORT FOR PAKISTAN COULD INVOLVE SUMS AS LARGE AS 1 BILLION SDR'S (APPROXIMATELY DOLLARS US 1.3 BILLION), WHICH AN EFF DRAWING COULD PROVIDE.
3. THE PAKISTANI DELEGATE WAS GLAD OF THIS CHANGE OF HEART ON THE PART OF THE AMERICANS. IN ANSWER TO QUESTIONS ABOUT A NEW

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/ APPROACH

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APPROACH TO THE FUND, HE WAS UNDERSTANDABLY NON COMMITTAL: HE SAID THAT PAKISTAN WOULD BE RECONSIDERING WHETHER AN AGREEMENT MIGHT BE MADE. TALKS MIGHT BE HELD WITH THE IMF IN THE LATE SUMMER. AT PRESENT HIS FINANCE MINISTER FELT UNABLE, IN VIEW OF THE UNCERTAINTIES IN THE AREA SUCH AS THE INFLOW OF REFUGEES, TO COMMIT HIMSELF TO FULFIL COMPLETELY THE QUARTERLY TARGETS WHICH THE IMF MIGHT REQUIRE. BUT IF THERE COULD BE SOME FLEXIBILITY, AN AGREEMENT SEEMED FEASIBLE. HE ALSO MENTIONED THE POSSIBILITY OF APPLYING TO BORROW FROM THE IBRD UNDER THE NEW STRUCTURAL ADJUSTMENT LENDING FACILITY.

4. IT IS EXPECTED THAT ON THE ASSUMPTION THAT PAKISTAN MAKES AN AGREEMENT WITH THE IMF, THERE WILL BE A MEETING OF CREDITORS TO DISCUSS THE DEBT QUESTION AROUND THE END OF THE YEAR, BUT THIS DATE DEPENDS ON THE PROGRESS OF THE PROPOSED IMF TALKS. A PRELIMINARY MEETING TO DISCUSS POSSIBLE ARRANGEMENTS AND THE APPROPRIATE FORUM WILL BE HELD IN PARIS ON 30 JUNE, BEFORE THE SRI LANKA/INDIA CONSORTIUM MEETINGS.

5. SEE MIFT.

PARIS WILL PASS SAVING TO UKDEL OECD
HIBBERT

[THIS TELEGRAM WAS NOT ADVANCED]

FILES

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FRD
NAD
OID
NEWS D
SIR D MAITLAND
MR DONALD
MR EVANS

ADDITIONAL DISTRIBUTION

INDIA/PAKISTAN/BANGLADESH ECONOMIC

