President Bhutto recently wrote to express his deep concern over what he sees as evidence of Soviet-Indian designs on the integrity of Pakistan (Tab B). His most immediate cause for concern was a sizable amount of Soviet-made light arms which he recently seized at the Iraqi embassy in Islamabad. He believes that the Soviets were behind this clandestine arms shipment and that it was intended for dissident elements in the frontier provinces of Pakistan whose ultimate aim, in collusion with the Indians and Afghans, in his view is the final dismemberment of Pakistan. After stressing the threat this presents, Bhutto closes by appealing "for your Government to take a clear and firm decision on your great country's attitude toward my country." Pakistan, he says, "must know where we stand with our friends."

Certainly we share Bhutto's concern about any indication of Soviet subversive activity in Pakistan. Thus when his letter arrived, we immediately asked CIA to review its evidence on this subject. They checked thoroughly in the field and here and report: (1) they have no evidence of a recent increase in Soviet-supported subversive activity in Pakistan; (2) in general, while the Soviets have tried to develop influence among dissident elements apparently for future use, our people have no evidence of a more active effort now such as supplying arms to dissidents. The day after Bhutto wrote, the Pakistani government itself, for lack of evidence, moved back from its assertion that the Iraqi arms were destined for Pakistani frontier areas. (The other possibility is that the arms were destined for Baluchi dissidents in southeastern Iran, whom the Iraqis would like to stir up.) Thus the important aspect of this letter is its general expression of concern by Bhutto rather than the specific instance itself.
Given this situation, Secretary Rogers assumes (Tab C) that the main objective of Bhutto's letter "is to set the stage for the visit here March 8-9 of Bhutto's personal emissary, Governor Khar, whose purpose will be to get our reading of the overall security situation in the area and to learn what Pakistan can expect from us in the arms field." This is probably partly the case, but it is also true that Bhutto is genuinely concerned about possible subversion.

Perhaps the most important aspect of Bhutto's letter is the fact that it evidences a growing uneasiness over the future of his relationship with the US. This may have been exacerbated by the absence of a decision on military supply policy over the long term and the fact that Pakistan is still without a US ambassador after ten months.

I am sending you a separate memo on military supply. This can best be relayed to them when you see Governor Khar on March 8. A generally reassuring reply to President Bhutto is attached.

RECOMMENDATION: That you sign the letter to President Bhutto at Tab A. [Text cleared by Mr. Gergen.]