1. SUMMARY - QAMARUL ISLAM INFORMED CHARGE THAT US NOTE WAS CONSIDERED OBJECTIONABLE ATTEMPT TO DICTATE GOP DECISION ON ELIMINATING OPIUM PRODUCTION. HE SAID THAT IMMEDIATE ELIMINATION OF SETTLED PRODUCTION WAS IMPOSSIBLE. GOP HAD INITIATED COMPREHENSIVE PLANNING PROCESS DESIGNED TO SOLVE RATHER THAN APPLY COSMETICS TO PROBLEM. CHARGE REGRETTED ISLAM'S INTERPRETATION OF NOTE, EMPHASIZING LACK OF INTENT TO DICTATE ANYTHING OTHER THAN "TAKE-IT-OR-LEAVE-IT" PROPOSAL. HE REVIEWED EARLIER USG EFFORTS TO ENCOURAGE GOP PRODUCTION PLANNING, AND URGED FURTHER CONSIDERATION OF USG PROPOSAL AND POSSIBLE ALTERNATIVES, WHILE INDICATING THAT GOP WOULD PROBABLY NOT COMPLETE PLANNING FOR AT LEAST TWO MONTHS, ISLAM DID NOT RULE OUT POSSIBILITY OF SOME STATEMENT IN CONNECTION WITH BHUTTO VISIT. GOP DECISION FOR IMMEDIATE ELIMINATION OF SETTLED AREA PRODUCTION IS UNLIKELY, BUT WE ARE HOPEFUL THAT RECENT EXCHANGES WITH ISLAM WILL ENCOURAGE GOP TO REEXAMINE ITS EARLIER THREE-YEAR TIMETABLE. END SUMMARY.
2. Qamarul Islam (Deputy Chairman, Planning Commission) called in charge June 28 for discussion of Embassy note on timetable for elimination of opium production. Mission narcotics coordinator (Smith) accompanied, while MFA Dir. Gen. Zaki and Orakzai sat in for GOP. Referring to his meeting with Amb. Handley, Islam said that "he had thrown up his hands in horror" when he was shown copy of note. He said that "we" found note "very objectionable" both in tone and substance. He stated that dictation of timetable for GOP to eliminate opium production by USG or any other government was out of question. Referring to Chargé's conversation with Zaki when note had been presented (Ref C), Islam also took exception to alleged suggestion that proposal contained in note be dealt with by Cabinet minister.

3. As to substance, Islam said proposal "had no meaning" because it would be impossible to fulfill. Decision to implement it would be purely cosmetic. GOP wished "to solve problem, not tinker with it. Planning for elimination of production necessitated consideration of a broad range of issues including compensation, alternative crops, provision of fertilizer and seeds, and construction of dams and roads. Such planning required that views of the people affected receive careful attention. He said he had indicated at final meeting with US narcotics team on Feb. 1 that it would take time to prepare people of country for this important step. He remarked that this message appeared to have been lost upon team despite exceptional caliber of its work. He stated GOP was in process of formulating comprehensive plans to deal with production phaseout which would be processed at expeditiously as possible. Plans for merged and tribal areas would follow from plans for settled areas and would have to be drawn up with great caution. Question of compensation for loss of income and revenue from opium production had not yet been fully addressed, but large amounts of money would be required to compensate individual farmers and provincial governments, and to fund new facilities and infrastructure projects in NWFP. GOP welcomed visit of
QUENTIN WES AND HAD INVITED UN TEAM TO COME PROMPTLY
TO STUDY PRODUCTION PROBLEM. GOP PLANNING WOULD BENEFIT
FROM BOTH THESE INPUTS. ORAKZAI MENTIONED THAT FULL
MEETING OF HIS NARCOTICS CONTROL BOARD (NCB) HAD BEEN
SCHEDULED FOR JULY 10 TO CONSIDER TIMETABLE FOR ERADICA-
TION AND RELATED ECONOMIC PROJECTS IN POPPY ZONE.

4. DIGRESSING FROM CONTENTS OF NOTE, ISLAM REMARKED
THAT SUPPRESSION OF NARCOTICS TRAFFICKING WOULD REQUIRE
LARGE NUMBERS OF ENFORCEMENT UNITS, PERHAPS EVENTUALLY
TOTAL OF SEVERAL HUNDRED. US TEAM HAD PROPOSED FOUR,
WHICH WAS COMPLETELY INADEQUATE. NCB WAS NOT PROPOSING
TO BEGIN WITH 25 FIELD INVESTIGATIVE UNITS (FIUs).
ISLAM NOTED THAT EARLIER NCB LIST OF EQUIPMENT REQUIRE-
MENTS PASSED TO EMBASSY HAD INCLUDED 75 REVOLVERS, 150
RIFLES AND 50 STEN GUNS. ISLAM CLAIMED HE HAD BEEN IN-
FORMED THAT AN EMBASSY OFFICER HAD TOLD NCB THAT PROVISION
OF SUCH WEAPONS WOULD BE IMPOSSIBLE BECAUSE IT WOULD BE
"THREAT TO SECURITY OF INDIA", WHICH HE BELIEVED WAS
ABSURD.

5. COMMENTING ON GENERAL CHARACTER OF USG-GOP CO-
OPERATION ON NARCOTICS, ISLAM ASSERTED THAT GOP HAD
NEVER MOVED SO QUICKLY ON ANY ISSUE AS IT HAD ON
NARCOTICS. GOP HAD ACTED ALMOST OVERNIGHT TO SHIFT
NARCOTICS FROM REVENUE TO ENFORCEMENT MATTER. ORAKZAI'S
ACHIEVEMENT IN PULLING TOGETHER NCB, OBTAINING COOPERA-
TION OF ENFORCEMENT AGENCIES, AND IN DEVELOPING WORKING
RELATIONSHIPS WITH US AND UN AGENCIES WAS OUTSTANDING,
HE DOUBTED THAT ANY OTHER GOVERNMENT COULD HAVE DONE TO
MUCH. HE EXPRESSED FEAR THAT US NOTE WOULD BE COUNTER-
PRODUCTIVE. NEVERTHELESS, THE GOP WOULD CONTINUE TO
COOPERATE IN THIS AREA.
6. CHARGE STATED THAT EMBASSY NOTE HAD BEEN PRESENTED AFTER CAREFUL CONSIDERATION AND UNDER INSTRUCTIONS FROM WASHINGTON. IT FOLLOWED SEVERAL EXCHANGES WITH GOP OFFICIALS IN WHICH VIEWS OF BOTH SIDES WERE EXPLORED. HE GREATLY REGRETTED THAT ISLAM CONSIDERED TONE AND CONTENT OBJECTIONABLE. INTENT OF NOTE WAS TO STIMULATE MUTUALLY AGREEABLE DECISION WITHIN CONTEXT OF EXISTING CLOSE COOPERATIVE RELATIONSHIP BETWEEN BOTH GOVERNMENTS. CHARGE REJECTED CATEGORICALLY IDEA THAT NOTE IMPLIED USG DESIRE TO DICTATE TO GOP. POINTING OUT THAT SUCH AN APPROACH WAS NOT IN NATURE OF USG RELATIONSHIP WITH GOP. CHARGE NOTED THAT IN HIS YEARS IN PAKISTAN HE HAD RECEIVED A LARGE NUMBER OF GOP REQUESTS FOR USG ASSISTANCE OR OTHER ACTION, SOME VERY INSISTENT, BUT HAD NEVER CONSIDERED THEM AS REFLECTIVE OF GOP INTENT TO DICTATE WHAT US DECISION SHOULD BE. USG WAS FULLY CONSIGNANT THAT DECISION ON TIMETABLE FOR ELIMINATING POPPY PRODUCTION HAD BROAD RAMIFICATIONS AND WAS ENTIRELY WITHIN SOVEREIGN JURISDICTION OF PAKISTAN. CHARGE SAID THAT HE WOULD LIKE TO BELIEVE THAT PRIVATE DISCUSSIONS BETWEEN OUR GOVERNMENTS COULD CONTINUE TO BE FRANK AND FRIENDLY. IT HAD BEEN ANTICIPATED THAT RECENT US PROPOSAL WOULD BE SEEN IN THAT LIGHT. AS ISLAM KNEW, AMERICAN PEOPLE WERE DEEPLY CONCERNED ABOUT INTERNATIONAL ILLICIT FLOW OF NARCOTICS AND THAT EFFECTIVE CONTROL OF THIS FLOW WAS MATTER OF VITAL IMPORTANCE TO US. CHARGE'S SUGGESTION THAT GOP DECISION WOULD PROBABLY HAVE TO BE TAKEN AT HIGH POLITICAL LEVEL WAS MADE SIMPLY IN RECOGNI-
TION OF ITS IMPORTANT POLITICAL, ECONOMIC, AND SOCIAL IMPLICATIONS, CHARGE HAD ACTUALLY DISCUSSED NARCOTICS ISSUE WITH PRES. BHUTTO ON NUMBER OF OCCASIONS. CHARGE SAID THAT HE HOPED ISLAM WOULD NOT READ MORE INTO SUGGESTION THAT GOP DECISION WOULD HAVE TO BE AT POLITICAL LEVEL.

7. WITH REGARD TO SPECIFICS OF PROPOSAL, CHARGE POINTED OUT THAT EMBASSY REPS HAD BEEN DISCUSSING ELIMINATION OF PRODUCTION WITH GOP REPS FOR ALMOST A YEAR. THERE HAD BEEN INDICATIONS THAT GOP WAS PREPARED TO REDUCE OPium PRODUCTION LAST SEASON BY 15 PERCENT, BUT LICENSED PRODUCTION HAD INSTEAD SUBSTANTIALLY INCREASED. MISSION REPS HAD ON SEVERAL OCCASIONS SUGGESTED THAT GOP ENTER INTO DETAILED DISCUSSIONS WITH USAID REPS ON PLANS FOR ELIMINATING PRODUCTION, INCLUDING IDENTIFICATION OF ALTERNATIVE CROPS AND RURAL UPLIFT PROGRAM IN POPPY ZONE. THESE SUGGESTIONS HAD NOT BEEN PICKED UP BY GOP. IN FACT, THERE HAD BEEN NO GOP RESPONSE UNTIL HELPFUL DOCUMENT WHICH ISLAM HAD FORWARDED UNDER COVER OF HIS JUNE 13 LETTER (REF B). PROPOSAL FOR IMMEDIATE ELIMINATION OF SETTLED PRODUCTION HAD COME FROM TEAM AND REPRESENTED ITS BEST JUDGMENT ON WHAT SHOULD BE DONE, EMBASSY NOTE REFLECTED USG CONCERN ABOUT TIMELINESS OF GOP STEPS TO ERADICATE PRODUCTION AND FEAR THAT PROBLEM, IF NOT FIRMLY ADDRESSED IN NEAR FUTURE, WOULD BECOME EVEN MORE DIFFICULT TO SOLVE. CHARGE STATED THAT THIS WAS NOT "TAKE-IT-OR-LEAVE-IT" PROPOSAL, BUT WAS OFFERED IN THE HOPE THAT MOST RAPID FEASIBLE TIMETABLE AGREEABLE TO BOTH SIDES COULD BE WORKED OUT. HE ENCOURAGED ISLAM TO GIVE FURTHER CONSIDERATION TO US PROPOSAL IN THIS LIGHT.

8. WITH REGARD TO ENFORCEMENT, CHARGE NOTED THAT MISSION AND NCB WERE MOVING AHEAD ACTIVELY ON DISCUSSION OF US ENFORCEMENT ASSISTANCE. USG WAS PREPARED TO ACCEPT NCB'S POINT AND WAS NOT INSISTING THAT ENFORCEMENT EQUIPMENT BE LIMITED TO FOUR FU/S. CHARGE PRESUMED THAT ALLEGED REMARKS BY US OFFICER ABOUT WEAPONS FOR NARCOTICS FORCES, WHICH ISLAM MENTIONED, MUST HAVE REFERRED TO US ARMS SUPPLY POLICY, WHICH DOES NOT PERMIT
EXPORT OF LETHAL WEAPONS TO EITHER INDIA OR PAKISTAN. SMITH DENIED THAT REMARK ATTRIBUTED TO EMBASSY OFFICER PARA 4 HAD BEEN MADE IN ANY DISCUSSION ON EQUIPMENT ASSISTANCE. BOTH SIDES AGREED TO DROP FURTHER REFERENCE TO THIS POINT.

9. CHARGE EXPRESSED WARM APPRECIATION FOR ISLAM'S PERSONAL INTEREST AND EFFORTS AND ADMIRATION FOR WHAT GOP HAD BEEN ABLE TO ACHIEVE IN FEW MONTHS SINCE FORMATION OF NCB. HE MENTIONED HIS VERY HIGH REGARD FOR URANKAI'S DEDICATION AND ABILITY.

10. ISLAM THANKED CHARGE FOR HIS CLARIFICATION. HE REITERNATED HIS VIEW THAT POLICY OF ABRUPTLY ENDING PRODUCTION WOULD NOT WORK AND WAS OUT OF QUESTION. HE SAID THAT GOP WOULD PROCEED WITH ITS PLANNING, UTILIZING VISITS BY QUENTIN WEST AND UN TEAM. CHARGE MENTIONED THAT EMBASSY HAD EXPRESSED HOPE THAT DECISION COULD BE MADE IN CONJUNCTION OF BHUTTO VISIT, NOT IN EFFORT TO PRESSURE GOP BUT IN HOPE OF CONTRIBUTING TO SUCCESS OF VISIT. ISLAM SAID THAT WHILE HE COULDN'T PREDICT EXACT TIME WHEN GOP PLANNING WOULD BE COMPLETED, HE ANTICIPATED THAT GOP WOULD BE READY IN COUPLE OF MONTHS AND THEN WOULD INFORM EMBASSY. CHARGE RESPONDED THAT WE HAD HOPED FOR SOME MORE PRECISE ANSWER THAN PROMISE OF FURTHER PLANNING AND DISCUSSIONS AT LATER DATE. HE ASKED IF ISLAM MEANT THAT THERE WOULD BE NO STATEMENT ON NARCOTICS IN CONNECTION WITH BHUTTO VISIT. ISLAM SAID HE DID NOT KNOW, ALTHOUGH HE ACKNOWLEDGED THAT NARCOTICS WOULD PROBABLY BE TOPIC OF DISCUSSION IN WASHINGTON. ISLAM CLOSED MEETING WITH STATEMENT THAT GOP DESIRED TO CONTINUE COOPERATION WITH USG IN NARCOTICS FIELD IN "MOST MEANINGFUL WAY." HE EXPRESSED CONFIDENCE THAT THESE EFFORTS WOULD MEET WITH SUCCESS.
EXDIS

11. COMMENT. IN CARRYING OUT INSTRUCTIONS FOR FORMAL PROPOSAL TO GOP, WE HAVE BEEN CONFRONTED WITH REACTION WHICH IS NOT ENTIRELY SURPRISING, WITH RESPECT TO TEAM RECOMMENDATIONS, ISLAM HAD PREVIOUSLY INDICATED (RATHER GRATUITOUSLY) THAT GOP WOULD GIVE THEM FULL CONSIDERATION BUT THAT IT WOULD MAKE DECISIONS ITSELF ABOUT WHAT TO DO. HE IS SENSITIVE TO ANY INTIMATION THAT GOP EFFORT, FOR WHICH HE HAS BEEN GIVEN SUPERVISING RESPONSIBILITY BY BHUTTO, IS LESS VIGOROUS OR POSITIVE THAN IT SHOULD BE. ATTITUDE REFLECTED IN HIS REMARK TO AMB. HANLEY REFTEL THAT NOTE WOULD "END DIALOGUE" WAS HASTY AND ILL-CONSIDERED; IT HAS, WE BELIEVE, ALREADY BEEN MODIFIED BY HIS STATEMENTS TO US, HAVING GOTTEN OFF HIS CHEST WHAT HE WANTED TO SAY AND HAVING HEARD OUR EXPLANATION AND RESPONSE, WE BELIEVE ISLAM WILL NOW TURN BACK -- EVEN MORE EXPEDITIOUSLY PERHAPS -- TO TASK OF WORKING OUT TIMETABLE FOR ELIMINATING PRODUCTION AND ATTENDANT ECONOMIC ASSISTANCE PROGRAM. WE CONSIDER IT HIGHLY UNLIKELY GOP WILL GO AHEAD WITH DECISION TO PHASE OUT SETTLED AREA PRODUCTION IMMEDIATELY, BUT IT IS POSSIBLE THAT RECENT EXCHANGES WILL STIMULATE GOP TO RE-EXAMINE NCB PHASE-OUT PLAN ANTICIPATING TWO MORE CROPS IN SETTLED AREAS (PARA 4, REF C).