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THE SECRETARY OF STATE
WASHINGTON

April 17, 1981

MEMORANDUM FOR: THE PRESIDENT

From : Alexander M. Haig, Jr.

1. Current Situation in El Salvador. Today Fred Chapin, our Charge, reviewed with me conditions in El Salvador. The military situation is improving. Government forces have been able to seize a number of base camp areas. The guerrillas have been able to avoid capture, however, as the government has very limited envelopment capacity. Meanwhile, urban terrorism has increased, in part, because of the military's success. There has been progress on the two American murder cases and we hope for further breakthroughs. The problem will be in obtaining convictions. We are nurturing efforts to have private sector and democratic trade union representatives in the present government. Substantial pressure from the USG will probably be required to bring about a coalition government which can take El Salvador to elections for a constituent assembly next March. On the economic side, the \$63.5 million in additional economic assistance is essential for the present government to survive. The House Appropriations Subcommittee is dragging its feet on this, with hearings scheduled for April 29. We will push for urgent approval when Congress reconvenes. (S)

2. Submarine Collision Incident. The collision between the SSN George Washington and a Japanese freighter is receiving intense attention in Japan. We have worked closely with DOD to expedite the Navy's investigation; facilitate compensation and urge public restraint by Japanese leaders. DOD is ready to release a statement accepting liability for the collision. This, with your expression of regret for the incident which Mike Mansfield will convey to Foreign Minister Ito tonight, will help. (C)

3. Discussions With the Indians. Senior Indian officials, Eric Gonsalves and Homi Sethna, and I had a candid and friendly meeting today. We put our evolving security relationship with Pakistan in the context of our effort to prevent Soviet intervention in the Southwest Asian region. The Indians were wary of our efforts and asked us not to supply Pakistan with weapons which, in their view, could spark an arms race in the subcontinent. The Indians took a hard line on termination of our nuclear supply relationship, but it may only reflect a first bargaining position. When we reiterated our concern privately with Gonsalves about activity near their 1974 nuclear test site, he indicated that no decision had been made to authorize a test, but he could not discount a future go ahead. He said the Indians believe Pakistan would be able to test a nuclear device this fall--our estimates say sometime in 1982 at the earliest. (S)

RDS 2/3 4/17/01 (HAIG, Alexander M., Jr.)

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 BY CW NARA DATE 7/3/14

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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April 18, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN

SUBJECT: Secretary Haig's Evening Report

Herewith Secretary Haig's Evening Report of
April 17, 1981.

cc: The Vice President
Ed Meese
James Baker
Michael Deaver

~~SECRET~~ ATTACHMENT

RW
3/11/83