SUMMARY OF TELEGRAMS

BERLIN Molotov informed the three western representatives in
Moscow yesterday, after reading their side memos sum-
marizing the three basic points of disagreement which had blocked the
negotiations in Berlin, that he considered this a one-sided and incor-
rect statement of the position of the Soviet Military Governor and also
an incorrect version of the directives previously agreed on in Moscow.
He first proposed that the question be referred back to Berlin, but
then promised to give the Soviet reply without this step "as soon as
possible". Ambassador Smith concludes that the interview confirmed his
pessimistic forecast and that both he and the British representative
feel it is now clear that the USSR is merely playing for time and is
willing to prolong negotiations in one form or another indefinitely and
that Moscow desires to place on the western powers responsibility for
any break in the negotiations.

HYDERABAD We are instructing our Ambassador in New Delhi to inform
the Indian government that we feel it might derive sig-
nificant advantages by proposing a course of action by which the United
Nations could contribute to an early solution of the Hyderabad problem.
While we have always favored the close association of all the princely
states with either India or Pakistan and are generally sympathetic to
the Indian position, we have not yet fully formulated our position on
the present issue and do not in any way condone the use of force respect-
ing Hyderabad. We are also informing our representative on the UN Kashmir
Commission that we feel the death of Jinnah and the Indian invasion of
Hyderabad have created a new situation and that the Kashmir Commission
should therefore remain in the area pending further developments.

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E.O. 1295, Sec. 3.36
State Dept. Guidelines, June 12, 1979
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