

VISIT OF PRIME MINISTER INDIRA GANDHI OF INDIA  
MARCH 28-29, 1966

BACKGROUND PAPER  
INDIA AND SOUTHEAST ASIA

I. Background:

East and southeast of India, hanging as a fringe to the skirts of Communist China in the form of long peninsulas and island archipelagoes, is Southeast Asia where for ages past Indian and Chinese cultures have met and contended. Since independence in 1947, India has appeared to be of two minds about this amorphous area, a development which has naturally led to an uncertain foreign policy over the years.

As one of the first colonial possessions to win freedom after World War II, India under Prime Minister Nehru viewed the struggles for freedom from colonialism in Southeast Asia as pure nationalism and this viewpoint has continued to color the Indian outlook on Southeast Asian developments despite the obvious Communist penetration and take-over of nationalist movements in some instances. During the period India felt akin to the area for political and cultural reasons and politically supported Southeast Asian freedom.

When the bitter Vietnamese struggle for freedom from France ended in victory at the Geneva Conference of 1954, India's direct interest in the area, however, was considered by the other countries as so small that India could be chosen as the "neutral" Chairman of the ICC.

II. The Present: Vietnam

Conditions have changed. Today India views its role as Chairman as a burden it would gladly drop, if it could. Then Communist China was a friend; now China is India's foremost foe. India is manifestly uncomfortable in its present role, but for the moment it sees three functions for the ICC: (1) to investigate the violations

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of the Geneva Agreement to the extent possible; (2) to keep open communications with North Vietnam; (3) to provide a continuing international presence in Southeast Asia. The Indians are today more genuinely neutral (during the 1950's their neutrality continually leaned towards Soviet views), but their ICC role is still cautious and unhelpful.

The big problem the United States faces in Indo-China, and more particularly in Vietnam, has been that India does not equate opposition to Communist China (with which they agree) with support for United States efforts there. The Indian dilemma lies in the high value they place on Soviet support of their position in the Kashmir dispute and even more on the USSR as a counterbalance in Asia to Chinese aggression. India feels it can count in any event on U.S. support against Communist China; what it fears is that the Soviets might patch up differences with China in a Sino-Indian war, and the U.S. might not wish to fight a nuclear war with the USSR. India, therefore, considers it in its interest to conciliate the USSR and to accentuate the Sino-Soviet split.

As the USSR, which is a Co-Chairman of the Geneva Agreement, is strongly supporting North Vietnam, and has vigorously denounced American efforts there, the extent to which India feels it can go to be of assistance to the United States without giving offense to the USSR is quite limited. Our representations (combined with a growing Indian comprehension of the intransigence of the North Vietnamese and the Viet-Cong) have muted much of the Indian criticism of the United States. There is still little in the way of public expressions of support for U.S. policy (although privately many officials may admit they would not want a U.S. departure from Vietnam under Chinese pressure). Prime Minister Gandhi has recently called for peace in Vietnam and a conference of the Geneva type, but apparently this is as far as the Indians feel they can go until the USSR displays willingness to use its influence with Hanoi in favor of peace talks. We have indicated to India, however, that we would like to see them take a more active role diplomatically to get negotiations going and to tune up the ICC machinery.

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III. The Rest of Southeast Asia:

Indian relations with the countries of Southeast Asia vary. They are poor in the case of Indonesia. India has been increasingly alarmed at the possibility of an Indonesian-Pakistani-Chinese Communist line-up against her. The events of last September, when Indonesia made gestures of military support to Pakistan, and Communist China served an ultimatum on India, did nothing to dispel this fear. Another aspect of the poor relations is that India supports Malaysia against Indonesian claims; in return Malaysia supported India during the Indo-Pakistani conflict.

In Vietnam (South and North), Laos, and Cambodia Indian influence is minimal despite India's position as Chairman of the ICC. The Chinese shadow is strong there, and where there is resistance to China the countries look to the West, not India, for assistance. The humiliating defeat inflicted by China on the Indian Army in 1962 cost India much of the respect it had enjoyed in Southeast Asia.

Relations with Thailand, the only Southeast Asian country that was not a colony, are rather indifferent, and India tends to regard the present Thai regime as under American dominance. (Burma is treated in the Background Paper entitled "Indian Relations with Burma and the Himalayan States.")

Despite the historical and cultural ties to Southeast Asia, India apparently does not wish to become involved there any more than it is, and would probably like to lessen its commitments. On the other hand, India cannot completely ignore an area where deep Chinese Communist penetrations would eventually work to Indian disadvantage. Thus India will continue to support any actions which hamper Communist China in Southeast Asia, although it will seek to avoid offending the USSR.

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S/S-S:PShostal, Room 7237, Ext. 4155

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March 2 1966

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VISIT OF PRIME MINISTER INDIRA GANDHI OF INDIAMarch 28-29, 1966BACKGROUND PAPER

## Indian Patents Bill

The Indian "Patents Bill, 1965" for revision of the patent system was introduced into the Parliament in September 1965 and referred to a Parliamentary Select Committee in November. Its heaviest impact would fall in the drug, chemical, and food fields. The bill is considered by U. S. industry, especially the drug industry, to be very damaging to patent protection in India and also a disturbing indication of the Indian Government's attitude toward foreign private investment. The bill was improved somewhat during the period it was under consideration by the Indian Cabinet (1963-65), but still has a number of provisions about which our industry is seriously concerned; e.g., the bill provides that the validity of patents will be reduced from 16 to 14 years in general and to 10 years in the case of drugs, chemicals and certain foods. There is a good chance that during the course of the hearings before the Select Committee, which commenced in December 1965, substantial improvements in the bill can be made. Representatives of interested groups from a number of countries will appear before the committee.

We believe the Indian Government should be made aware at the highest level of this specific and important instance in which it is damaging India's foreign private investment climate, especially while there is still an opportunity to improve both the bill and India's image to potential U. S. investors. Our Embassy in New Delhi over a long period has made our concern clear to the GOI. Ambassador Bowles raised the problem with Prime Minister Shastri and had discussed it with Cabinet ministers on numerous occasions. We have especially emphasized that inadequate patent protection for drugs would have an adverse effect on the investment climate in India in general.

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NEA/SOA - Mr. A. C. Bauman

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PGV/B-16

March 14, 1966

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VISIT OF PRIME MINISTER INDIRA GANDHI OF INDIA

March 28-29, 1966

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GOI Pressure on U. S. Oil Companies

Summary

Caltex and Esso have had a long series of problems in India capped by the recent imposition of a 20 percent surcharge on crude oil imports. Esso claims that the new duty will put its Indian operations in a break-even position and Caltex that it will be pushed more deeply into the red. The companies have analyzed the effect of the new tax in representations to GOI officials and are awaiting a reaction from them. Both companies have asked us to raise the problem during Mrs. Gandhi's visit.

Background

Esso - the largest single U. S. investor in India - and Caltex have for many years claimed to be subjected to a squeeze intended at least to reduce their position in the Indian market and possibly to drive them out of it altogether. There seems little doubt that their operations have been adversely affected by a long series of GOI actions, including most recently

- GOI refusal to allow the reduction of redundant staff
- the virtual monopoly on imported refined products given to the Russians
- priority in Indian ports to Russian tankers, resulting in higher costs to the Western marketing companies for their crude imports.

The oil companies' representations are based on an agreement made with the GOI when the refineries were built which provided for steps to be taken by the GOI to insure that the economic position of the companies would not be damaged by new import duties. Various GOI tax adjustments which accompanied the new 20 percent surcharge are not, according to the oil companies, nearly enough to compensate for the higher cost of crude.

Esso has informed us that it is considering a press campaign in India to put its case before the public if the GOI's reaction to the oil companies' presentations is unsatisfactory. Whether or not this would result in better treatment for the oil companies, it would further tarnish India's reputation for fair treatment of foreign firms in the eyes of prospective investors.

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Braj Kumar NEHRU  
Ambassador to the United States

B. K. Nehru has been Indian Ambassador to the United States since September 1961. Joining the Indian Civil Service in 1934, he became a specialist in financial and economic affairs, and advanced in 1957 to the rank of Secretary in the Ministry of Finance, the highest position normally held in a ministry by a career public servant. Ambassador Nehru is not new to Washington; from 1949 to 1954 he was Financial Counselor and Minister of Embassy and concurrently Executive Director for India with the International Bank for Reconstruction and Development. From 1958 to 1961 he was again in Washington, that time as Indian Commissioner General for Economic Affairs, a post especially created to deal on a global basis with questions of foreign aid for India.

Ambassador Nehru is highly intelligent and has exhibited considerable diplomatic skill in presenting his country's position on many difficult problems. In return, it is believed he has understood and reflected to his Government the U.S. views and problems. He believes that U.S. economic assistance is an essential ingredient of Indian development and that good relations with the United States are therefore essential.

Nehru was born in Allahabad in 1909 and attended Allahabad University, the London School of Economics, Balliol College at Oxford, and the Inner Temple in London. As a career civil servant he has never been active in Indian politics; rather he has been faced with putting his own relatives in jail in pre-Independence days. As second cousin to the late Prime Minister Nehru and one a part of whose childhood was spent in the Prime Minister's family home, Ambassador Nehru enjoyed special access to the late Prime Minister and has close relations with Mrs. Gandhi. However he has not exploited this personal relationship to acquire personal power or position.

Tall, broad-shouldered, possessing a great deal of poise and self-assurance, Nehru looks what he is, an urbane diplomat and aristocratic Brahmin. Ambassador Nehru has been married to Magdalena ("Pori") Friedman, a Hungarian by birth, since 1935. They have three sons, two of whom received their university education at MIT. His hobbies include bridge playing and reading.

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Boobli George VERGHESE

Information Adviser to the Prime Minister

B. George Verghese became information adviser to the Prime Minister in February 1966, prior to which he had been one of the ablest reporters on the Times of India. Verghese began his journalistic career after graduation from college by serving an apprenticeship on the Glasgow (Scotland) Herald. He has worked for the Times of India, one of India's leading English-language dailies, since 1952, serving as an assistant editor for the Bombay edition and special correspondent for the New Delhi edition.

An intelligent observer and keen news analyst, Verghese writes thoughtfully and objectively. He is one of the most reliable reporters in the Indian press corps and he has been friendly to Americans and to the United States.

Verghese was born in Maymo, Burma (then part of British India) in 1927. He received an excellent education, first at the Doon School in Dehra Dun, then a B.A. in economics from St. Stephens College in Delhi and a B.A. in economics from Cambridge University. He has traveled widely in Europe, and to Turkey, Iraq, Japan and the UAR, and in 1955 was a Leader-Grantee in the United States.

A well-groomed man, Verghese is a soft-spoken gentleman. He is a Christian. He does not smoke and usually declines alcoholic beverages. He is married.

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Lakshmi Kant JHA  
Secretary to the Prime Minister

L. K. Jha was appointed by the late Prime Minister Shastri to the newly created position of Secretary to the Prime Minister in July 1964 and has been continued in that position by Prime Minister Gandhi. Jha began his career in the Indian Civil Service in 1936 in the Punjab. By 1947 he was India's first chief controller of imports and exports. In 1952 he became a joint secretary in the Ministry of Commerce and Industry and secretary in the Ministry of Heavy Industries in 1956. After a tour as special secretary in the Ministry of Commerce and Industry from 1957 to 1960, he was appointed secretary in the Department of Economic Affairs in the Ministry of Finance. He has also represented India at numerous international meetings, mostly economic and financial.

An adroit and articulate negotiator, Jha is oriented toward the West and has been quite understanding of U.S. views and maintained a close and good relationship with American officials. His exceptional ability has been rewarded with more rapid advancement than his seniority in the ICS normally warrants.

Jha was born in Bhagalpur, Bihar, in 1913. He attended Banaras Hindu University, University College in London, and Trinity College at Cambridge where he received his B. A. degree with honors in economics.

A man of considerable charm, Jha has an attractive personality, a forthright manner, and a good sense of humor. Married, he has a 20-year old son and daughters aged 18 and 13. He has taken an interest in the development of the theatre. Considered to be an expert sculpture critic, he has written several articles on the subject and is also the author of India's Foreign Trade.

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Purnendu Kumar BANERJEE  
Minister of Embassy

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P. K. Banerjee has served in Washington as minister since 1964. Before joining the Indian Foreign Service in 1948, he lectured at Calcutta University and was also active in the Railway Employees' and Press Workers' Unions. From 1949 to 1954 he served in various capacities at the Indian High Commission in Canada. After a brief tour on the International Control Commission in Laos from 1954 to 1955, he served at the Ministry of External Affairs until 1958 when he went to East Pakistan as Deputy High Commissioner for a brief period before being posted to Tokyo as Counselor of Embassy. From 1961 until his Washington assignment he was Indian Charge d'Affaires in Peking. Dr. Banerjee has also been a member of Indian delegations to GATT, Colombo Plan Conference, UNICEF, UNESCO, ECAFE, and the Human Rights Seminar.

Born to a prominent Calcutta family in 1917, Dr. Banerjee was educated at Calcutta, New York, and Harvard Universities. He holds a Ph.D. and is a specialist in international law and international relations. Dr. Banerjee has written several books and papers on disarmament, the UN, and trust territories.

Dr. Banerjee is married and has a 22-year old son, but his family is not with him in Washington.

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March 2, 1966

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Aqil AHMAD

Press Attache, Embassy of India

Mr. Aqil Ahmad has been Press Attache at the Indian Embassy in Washington since November 1964. He has served in the information field both at the Indian Ministry of External Affairs and at the Indian Embassies in Cairo, Khartoum, and Jidda.

Mr. Ahmad, a Muslim, was born in Mathura, Uttar Pradesh, in 1930.

Mr. Ahmad is married to a very attractive Muslim lady, Farzana, who comes from Hyderabad. They have one son. Ahmad is a short, quiet, rather cold appearing person.

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Mrs. Amie Crishna  
Personal Secretary to the Prime Minister

Mrs. Amie Crishna has worked for Mrs. Gandhi for the past eleven years, first in the Prime Minister's Secretariat and then in the Ministry of Information and Broadcasting as Additional Private Secretary.

Born in Coorg in what is now Mysore State, Mrs. Crishna is sister to the former Chief of Staff of the Indian Army, the late General K. S. Thimayya. She was educated through higher secondary school but did not attend college because of severe eye trouble. She is very active in YWCA work in India and has accompanied Mrs. Gandhi on a previous visit to the United States in 1960 when she visited New York and New Mexico.

Mrs. Crishna was married to an Indian Administrative Services officer whose last posting was as Developmental Commissioner in Himachal Pradesh. He died in 1954. She has four children, three boys and one girl, the eldest being 21. A Christian, she has no dietary restrictions and enjoys all sorts of food.

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Chandra Shekhar JHA  
Foreign Secretary

C. S. Jha has been Foreign Secretary at the Ministry of External Affairs since February 1965. Mr. Jha entered the Indian Civil Service in 1933 and served in the provinces of Bihar and Orissa until he joined the Commonwealth Relations Department in 1946 and the Ministry in 1947. Among the many positions he has held are those of Joint Secretary in the Ministry, member of the Indian delegation to several UN General Assemblies, Ambassador to Turkey and to Japan, Permanent Representative of India to the United Nations, and High Commissioner to Canada. In addition, he has frequently represented India at international conferences and on UN committees.

In his tour at the United Nations Jha sought friendly relations with the U.S. delegation, but it never proved possible to establish close working relations with either Jha or his delegation. Both in New York and in New Delhi, however, Jha has shown a general disposition to try to understand U.S. views and policies, even when these are at variance with those of India. Although he is not believed to be particularly influential, Mr. Jha is, nevertheless, an able civil servant who faithfully and competently discharges whatever tasks he undertakes.

Born in Bihar in 1909, C.S. Jha studied chemistry at Patna University where he took his B.Sc. and M.Sc. as well as an LL.B. He also attended the London School of Oriental Studies before joining the Indian Civil Service.

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Parmeshwar Narain HAKSAR  
Deputy High Commissioner to the United Kingdom

P. N. Haksar has been Deputy High Commissioner to the United Kingdom since July 1965. Entering the Indian Foreign Service in 1949 he has served in a variety of positions including Counselor in the High Commission in London from 1952 to 1955, alternate chairman of the Neutral Nations' Repatriation Commission in Korea from 1953 to 1954, director of External Publicity in the Ministry of External Affairs from 1955 to 1958 and then joint secretary for Administration. He became High Commissioner in Nigeria in 1960 and later concurrently served as Ambassador to Togo, Cameroon, and Dahomey as well. He served as Ambassador to Austria in 1964-65.

Possessor of a broad cultural and literary background, Mr. Haksar is one of the ablest officers in the Indian Foreign Service. U.S. officials have found Mr. Haksar friendly, intelligent and well informed. He is willing to discuss common problems in an open and forthcoming manner and shows astuteness and sensitivity in his grasp of them. Generally he has proved well disposed to the U.S.

Mr. Haksar was born in 1913 in Allahabad of a Kashmiri Brahmin family distantly related to the Nehrus. He studied at Allahabad University, University College, London, and the London School of Economics, and was called to the bar from Lincoln's Inn. He practiced law in Allahabad from 1941 to 1947.

Mr. Haksar is married and has a son who is also with the Indian Ministry of External Affairs.

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Indira GANDHI  
Prime Minister

Prime Minister of the free world's largest democracy at 48, daughter and only child of Prime Minister Nehru, Indira Gandhi brings a wealth of theoretical knowledge and limited practical experience to the enormous task of coping with India's problems over the coming years.

She was reared in a home that was bubbling with political ideas, agitation, and tension. Her childhood was a lonely one in which, as she has said, all her "childhood games were political ones." This led to a checkered education that included the Gandhian and Tagore philosophy of Bengal's Santiniketan University, boarding school in Switzerland, and the ivy walls of Somerville College at Oxford. From these experiences, plus the letters from her father while he was in prison (Glimpses of World History), Mrs. Gandhi has imbibed a variety of ideas, philosophies, and attitudes toward world problems which were subjected to little disciplined training. She also inherited a high sense of patriotism, concern for the Indian people, proud temper and impatience, as well as much of the aristocratic manner of her distinguished forebear. Shy and reserved as a rule, however, she lacks some of Nehru's emotional appeal to the masses and the vast political experience as a responsible leader he gained in long years of struggle for independence and for building a new India.

Although Mrs. Gandhi participated in the freedom struggle and was imprisoned by the British for some thirteen months for her efforts, her marriage to lawyer Feroze Gandhi in 1942 (died in 1960) and the rearing of two sons (now ages 21 and 19) took much of her time. Not until 1955 did she become a member of the All-India Congress Committee, although she participated in numerous minor party activities and functions. Her father's needs led her to set up housekeeping in the Prime Minister's home, where she acted as his confidante, hostess, social secretary, and first lady of India. She was also tutored by Nehru in the problems of India and the interplay of Indian politics. Although this role protected her from political heat and controversy and prevented her from assuming heavy responsibilities, her political education has been broad. She served as Congress Party President in 1959-60; she has served for six years on the key Congress steering committee that controls selections for the party tickets; she has been extremely active over the years in the women's branch of the Congress Party and in promoting social and child welfare programs throughout India; as an early supporter of the "ginger group" in the Congress Parliamentary Party, she has associated herself with the progressives within the Party. Family and political events have linked her in the past

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with Krishna Menon, but the relationship, whatever it is, is not sufficiently influential to affect her policy or appointments.

In the field of foreign affairs she has participated in Congress Party efforts to identify with the nationalist sentiments of the Afro-Asians, e.g., independence for the Congo, Algeria, Angola, etc. She has traveled widely and from 1960-64 she served as India's representative to the UNESCO Executive Board.

As Prime Minister, Mrs. Gandhi will bring this complex background to bear on a multitude of parliamentary, administrative, and Party problems for which her brief (but successful) term as Congress Party President, her short tenure (since 1964) in the upper house of Parliament, and her term as Cabinet Minister for Information and Broadcasting have hardly been sufficient training in governing or the exercise of power. She will, therefore, turn often to the advisors in whom she has confidence. In matters of government policy these are likely to be Defense Minister Chavan, Food and Agriculture Minister Subramaniam, Planning Minister Mehta, and Finance Minister Chaudhuri. But most of these people have little political stature in their own right; therefore, what they can do will be dependent on the political support of Party President Kamaraj and those who are primarily responsible for her selection as Prime Minister.

For the moment, therefore, it is very unclear how much room for political maneuver Mrs. Gandhi will have. She is expected to be the Party's best vote-getter, but she is far from established as Prime Minister. Without experience in the use of power, and facing the problems of welding together her Government and winning the upcoming general elections in early 1967, Mrs. Gandhi is unlikely to exercise very forceful leadership in the year ahead. It is likely to be a year in which a caretaker government coasts on policies already established and accomplished.

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THE SECRETARY OF STATE  
WASHINGTON

April 8, 1966

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MEMORANDUM FOR THE PRESIDENT

Subject: Suggested Letter to President Ayub of Pakistan

Recommendation:

I recommend that you send a letter along the lines of the enclosed draft to President Ayub of Pakistan, acknowledging his letter of March 1 and conveying some impressions of your talks with Prime Minister Gandhi.

Approved \_\_\_\_\_ Disapproved \_\_\_\_\_

Discussion:

Real strains have been developing in the process of accommodation between India and Pakistan that was set in motion after Tashkent. Each side has recently charged the other with violating the spirit of the Tashkent Declaration. The State visit of Liu Shao-Chi to Pakistan has had a further harmful effect on the atmosphere.

You made clear to Mrs. Gandhi the importance we attach to better relations between India and Pakistan and the need for both sides to keep up the effort to resolve the problems which divide them. I think it would be helpful, if we are to keep Ayub committed to a peaceful course with India, if you could convey directly to him something of your talks with Mrs. Gandhi, particularly on the need for continued progress in resolving the underlying issues that divide India and Pakistan. In doing so, we would also be reminding him again of the very high importance we attach to this objective and of our strong view that both India and Pakistan must play their full part.

*Dean Rusk*

Dean Rusk

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By *jc*, NARA, Date *1-5-04*

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SUGGESTED REPLY TO PRESIDENT AYUB OF PAKISTAN

Dear Mr. President:

Thank you for your letter of March first and for the understanding it conveys of our effort in Vietnam.

I would like in this letter to share with you some of my views on the good talks I had last week with the distinguished and gracious Prime Minister of India. You may already have seen some of the public statements that Mrs. Gandhi and I made, but in the event you have not, I am asking Ambassador McConaughy to make a set available to you.

These statements I think provide a good summary of the discussions we had. I stressed to Mrs. Gandhi the importance we attach to the restoration of peace on the subcontinent and the continuation of the process of reconciliation begun at Tashkent. I can report to you that I found Mrs. Gandhi to be firm in her commitment to carry out fully the Tashkent Declaration. At the same time, her views on relations with your country were moderate and constructive. I urged her to [recognize the importance of] keeping up the effort to resolve the underlying issues which divide India and Pakistan, including Kashmir.

She in turn explained to me in complete candor the domestic problems she faces, not only in the economic sphere but in the political arena as well, as her Government prepares for next year's elections. Both you and I have submitted ourselves and our Governments to the electorate in the recent past and I believe that you can appreciate, as I do, the very real problem Mrs. Gandhi faces in this regard.

I have

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(see F.R.U.S., vol. 25, #317)

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I have read with concern of recent charges of both Pakistan and India that the other side is violating the Tashkent accord. I have also been troubled as to the effect the visit of the Chinese Communist leaders might have on relations between the two great nations of the subcontinent. But I was heartened to read of the exchange of messages between you and Mrs. Gandhi as she returned to New Delhi from abroad. I earnestly hope that the moderation and keen sense of realism of both you and Mrs. Gandhi will keep alive the spirit of reconciliation so encouragingly begun at Tashkent.

Sincerely,

Lyndon B. Johnson

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DEPARTMENT OF STATE  
ASSISTANT SECRETARY

CONFIDENTIAL

TO : The Secretary

THROUGH: S/S

FROM : NEA - Raymond A. Hare

SUBJECT: Suggested Letter to President Ayub; ACTION MEMORANDUM

In his last talk with President Ayub, Ambassador McConaughy commented on Mrs. Gandhi's then imminent visit here and told him we would be in touch later regarding the visit itself. He told Ayub we would seek to promote the acceptance by India of the need for a peaceful solution of all Indo-Pak issues, in the long term security interest of both India and Pakistan. The Ambassador also conveyed our concern over Pakistan's current stance toward India, particularly what appeared to be a needlessly rigid and negative attitude in the first round of Ministerial talks.

Pakistan Ambassador Ahmed referred to this conversation between his President and Ambassador McConaughy when he called on me April 1 and asked whether Kashmir had been discussed with Mrs. Gandhi. I said that on Indo-Pak relations we had stressed the need for peace on the Subcontinent and had found Mrs. Gandhi responsive and very reasonable.

I believe it would be helpful, in keeping Ayub committed to a peaceful course with India, if the President could now convey to Ayub directly his own impressions of Mrs. Gandhi's visit and her approach to problems of the subcontinent. A letter would also be a means of reaffirming the importance we attach to peace on the Subcontinent and of indicating some concern over the effect that recent events, including the Chicom visit to Pakistan, might be having on the spirit of accommodation between India and Pakistan.

President Ayub last wrote to the President on March 1 in a letter expressing understanding for our position in Viet Nam (Tab B).

RECOMMENDATION:

That you sign the attached memorandum (Tab A) to the President enclosing a suggested letter to President Ayub.

Attachments:

1. Tab A - Suggested letter.
2. Tab B - President Ayub's letter.

Clearance: FE/ACA - Mr. Kreisberg  
NEA:SOA:LBL:Ingen:he:4/6/66

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E.O. 13292, Sec. 3.4  
State Dept. Guidelines  
By jc, NARA, Date 1-5-04

GROUP 3  
Downgraded at 12 year  
intervals; not  
automatically declassified



# OUTGOING TELEGRAM Department of State

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ACTION: Amembassy LONDON 5912  
Amembassy NEW DELHI 1899  
INFO: Amembassy KARACHI 1433  
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APR 7 10 30 AM '66

British Embassy officer (Gilmore) called at Department April 6 to convey CRO report on Prime Minister Gandhi's visit to London. According to CRO, stopover in London went very well. Two Prime Ministers met privately for three quarters of an hour, then were joined by Commonwealth Secretary and officials. During private meeting, Prime Minister Wilson discussed the circumstances of his September 6 statement on Indo-Pak hostilities and Noel-Baker correspondence. Prime Minister Wilson took full responsibility for UK position and indicated that UK would stand by it in public. UKG however is hopeful that this private discussion has repaired breach between UK and India. CRO considered relaxed atmosphere of discussion favorable sign. Prime Minister Gandhi urged UK to use its influence with Pakistan toward settlement outstanding questions and adherence to Tashkent spirit. UK found that despite deterioration Indo-Pak relations, Mrs. Gandhi and Indian officials thought Ayub desired easing of tensions and recognized that there could be no military solution between India and Pakistan.

Ships and cargo issue discussed in general terms only; was to be pursued separately with L.K. Jha who stayed on after PM's departure.

Prime Minister

Drafted by: NEA:SOA:DTSchneider:bld 4/6/66 3730 Tel. Ext. Telegraphic transmission and classification approved by: NEA - William J. Handley

Clearances:

BNA - Mr. Judd

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By jc, NARA, Date 1504

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Prime Minister Wilson found Mrs. Gandhi reserved at the beginning but became more relaxed during discussion. Mrs. Gandhi and her party were well pleased with outcome of Washington talks. Prime Minister Wilson accepted invitation to visit India and discussed date some time September-October.

GP-3

END

RUSK

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# INCOMING TELEGRAM *Department of State*

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TO RUEHC/SECSTATE WASHDC  
INFO RUFJC/AMEMBASSY PARIS 54  
RUEHC/AMEMBASSY MOSCOW 187  
RUFJKP/AMEMBASSY KARACHI 957  
RUFJKP/AMEMBOFF RAWALPINDI 216  
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*Gandhi visit*

IN TWO PARTS

PART ONE OF TWO

FOLLOWING TEXT OF STATEMENT PRIMIN GANDHI BOTH HOUSES OF  
PARLIAMENT APRIL 7 ON HER VISIT ABROAD. (UNNECESSARY WORDS  
OMITTED). BEGIN TEXT

AS HOUSE IS AWARE, I PAID AN OFFICIAL VISIT TO UNITED  
STATES FROM 28 MARCH TO 1 APRIL IN RESPONSE TO INVITATION FROM  
PRESIDENT JOHNSON. ON THE WAY, I BROKE JOURNEY AT PARIS,  
WHERE I MET PRESIDENT DE GAULLE AND PRIME MINISTER POMPIDOU.  
ON RETURN JOURNEY, I MET PRIME MINISTER WILSON IN COURSE OF  
BRIEF STOP-OVER IN LONDON. I ALSO MADE HALT AT MOSCOW, WHERE  
I HAD DISCUSSIONS WITH CHAIRMAN KOSYGIN.

PAGE 2 RUDSND 409

IN PARIS, I WAS RECEIVED WITH MUCH WARMTH AND CORDIALITY.  
PRESIDENT DE GAULLE SHOWED DEEP INTEREST OUR ECONOMIC PROBLEMS  
AND ASSURED ME OF EARNEST DESIRE OF FRENCH GOVERNMENT AND PEOPLE  
HELP US IN DEALING WITH THEM. IN PARTICULAR, FRENCH GOVERNMENT  
IS READY HELP DEVELOP FURTHER CULTURAL, SCIENTIFIC AND TECH-  
NICAL COOPERATION ~~BETWEEN OUR TWO COUNTRIES~~. A TEAM OF FRENCH  
TECHNICAL EXPERTS IS VISITING INDIA SOON IN PURSUANCE THIS OB-  
JECTIVE. MY TALKS WITH FRENCH PRESIDENT REVEALED FULL  
UNDERSTANDING OUR POSITION ON VARIOUS INTERNATIONAL ISSUES AND  
SUBSTANTIAL AREA OF AGREEMENT BETWEEN FRANCE AND INDIA ON MAY  
ISSUES. I FEEL SURE MY MEETING WITH PRESIDENT DE GAULLE WILL  
FURTHER STRENGTHEN CLOSE AND FRINEDLY RELATIONS BETWEEN OUR  
TWO COUNTRIES.

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-2- 2718, APRIL 7, FROM NEW DELHI

BEFORE COMING TO MAIN POINTS OF DISCUSSION WITH PRESIDENT JOHNSON AND IMPRESSIONS OF MY VISIT TO UNITED STATES, I SHOULD LIKE TAKE THIS OPPORTUNITY TO TELL THE HOUSE OF GREAT WARMTH AND GRACIOUSNESS OF HOSPITALITY AND COURTESY SHOWN ME BY PRESIDENT JOHNSON AND AMERICAN PEOPLE, AND EXPRESS MY SINCERE THANKS TO THEM FOR IT. IF HAD FULL AND FRANK DISCUSSIONS WITH PRESIDENT JOHNSON AND HIS COLLEAGUES AND BROAD

PAGE 3 RUDSND 409 UNCLAS

SUBSTANCE OF OUR DISCUSSIONS IS SET OUT IN JOINT COMMUNIQUE ISSUED AT END OF VISIT. COPY OF COMMUNIQUE IS PLACED ON TABLE OF THE HOUSE. I SHOULD PERHAPS MENTION BRIEFLY GENERAL SPIRIT IN WHICH OUR TALKS TOOK PLACE. IN FAST CHANGING WORLD OF TODAY SUCH MEETINGS ARE NECESSARY EVEN BETWEEN FRIENDS WHO SHARE MANY VALUES IN COMMON. OUR OBJECT WAS PRIMARILY TO ESTABLISH CLOSE RAPPORT AND UNDERSTANDING AND NOT EXCHANGE ADVICE OF FAVOURS I BELIEVE IN THIS WE SUCCEEDED IN FULL MEASURE - AN OUTCOME WHICH OWES MUCH TO COMPLETE CANDOUR AND MUTUAL CONFIDENCE WITH WHICH WE APPROACHED OUR TASK. CONVERSATIONS RANGED OVER WIDE FIELD. PRESIDENT JOHNSON EXPRESSED UNDERSTANDING AND APPRECIATION OUR OWN MASSIVE EFFORTS TO RAISE LIVING STANDARDS OF OUR PEOPLE. HE ASSURED ME OF DEEP INTEREST OF HIS GOVERNMENT IN CONTINUING ASSIST US IN EFFORTS PROMOTE SUCH DEVELOPMENT, BY PLAYING ITS FULL PART IN CONSORTIUM WHICH HAS EXISTED FOR SOME YEARS TO MOBILISE EXTERNAL SUPPORT FOR OUR PLANS UNDER AUSPICES OF WORLD BANK.

ON OUR EMERGENCY NEEDS FOR FOOD, PRESIDENT JOHNSON SENT URGENT MESSAGE TO US CONGRESS IMMEDIATELY AFTER OUR DISCUSSION, SEEKING CONGRESIONAL APPROVAL FOR GENEROUS ADDITIONAL SUPPLIES OF FOODGRAINS, COTTON AND OTHER AGRICULTURAL COMMODITIES.

PAGE 4 RUDSND 409 UNCLAS

THE MESSAGE SET OUR ECONOMIC PROGRESS AND CURRENT PROBLEMS IN PERSPECTIVE. I AM SURE THE HOUSE WOULD LIKE JOIN ME IN EXPRESSING APPRECIATION AT ITS SPEEDY PASSAGE THROUGH THE U S CONGRESS. DURING OUR TALKS IN INDIA'S FOOD PROBLEM, PRESIDENT JOHNSON LIKEWISE DISPLAYED A SYMPATHETIC UNDERSTANDING AND APPRECIATION OF OUR EFFORTS HELP OURSELVES, OF PROMISE OF OUR PLANS FOR INCREASING AGRICULTURAL PRODUCTION AND OUR PROGRAMMES FOR POPULATION CONTROL.

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-3- 2718, APRIL 7, FROM NEW DELHI

PRESIDENT ALSO ANNOUNCED ESTABLISHMENT OF INDO-US FOUNDATION TO HELP DEVELOP NEW TEACHING TECHNIQUES IN FARM AND FACTORY, TO ADVANCE SCIENCE AND EXTEND RESEARCH FACILITIES. SUCH PROPOSAL HAD IN FACT BEEN UNDER CONSIDERATION FOR QUITE SOME TIME AND WAS APPROVED BY GOVERNMENT ABOUT A YEAR AGO. FOUNDATION WILL BE ADMINISTERED IN MANNER CONSISTENT WITH GOVERNMENT OF INDIA'S EDUCATIONAL PLANS AND PROGRAMMES AND WITH VIEW TO FURTHER NATIONAL INTEREST AND HEALTH OF ECONOMY.

AS THE HOUSE IS AWARE, WE VIEW EXTERNAL ASSISTANCE ONLY AS MEANS OF SUPPLEMENTING OUR OWN EFFORTS AND AS AID TOWARDS ACHIEVING SELF-RELIANCE IN SHORTEST POSSIBLE TIME.

PAGE 5 RUDSND 409 UNCLAS

IN COURSE OF OUR TALKS, PRESIDENT JOHNSON REPEATEDLY STATED UNITED STATES VIEWS ITS ASSISTANCE TO US IN SAME SPIRIT OF PROMOTING SELF-HELP AND EARLY SELF-RELIANCE ON OUR PART WITHOUT INTERFERING WITH OUR POLICIES OR PLANS.

THERE WAS REFERENCE TO INDIA'S RELATIONS WITH PAKISTAN DURING TALKS. I REITERATED INDIA'S DESIRE PROMOTE FRIENDLIEST RELATIONS WITH PAKISTAN IN KEEPING WITH TASHKENT SPIRIT, DESPITE DIFFICULTIES CREATED.

WE AGREED THAT PEACEFUL PROCESSES SET IN MOTION BY TASHKENT DECLARATION SHOULD BE CONTINUED. PRESIDENT JOHNSON EXPRESSED HIS STRONG SUPPORT FOR TASHKENT DECLARATION AND HIS DESIRE THAT THERE SHOULD BE FRIENDSHIP BETWEEN INDIA AND PAKISTAN. REFERENCE WAS ALSO MADE TO THREAT POSED TO INDIA'S SECURITY BY CHINA'S AGGRESSIVE DESIGNS AND POSTURES. APART FROM REAFFIRMING OUR DETERMINATION DEFEND OUR FREEDOM AND TERRITORIAL INTEGRITY AGAINST ANY THREAT, FROM WHATEVER QUARTER IT MAY COME, I EMPHASISED FACT THAT LONG RANGE CHALLENGE OF CHINA IS AS MUCH POLITICAL AND ECONOMIC AS MILITARY. I ALSO EXPLAINED INDIA'S GIGANTIC EFFORT ATTAIN GOAL OF DEMOCRATIC SOCIALISM AND OF ACHIEVEMENT IN FIELD OF DEVELOPMENT, IN CONDITIONS OF STABILITY, WAS ITSELF NOTABLE CONTRIBUTION TO PEACE (MORE TO FOLLOW) GREENE  
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# INCOMING TELEGRAM *Department of State*

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INFO RUFJC/AMEMBASSY PARIS 54

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PART TWO OF TWO

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SITUATION IN VIETNAM WAS BRIEFLY DISCUSSED. I REITERATED INDIA'S CONTINUING DESIRE SEE JUST AND PEACEFUL SOLUTION THIS PROBLEM

CIA

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DOD

I EXTENDED INVITATION TO PRESIDENT AND MRS JOHNSON TO VISIT INDIA AND PRESIDENT HAS EXPRESSED HOPE IT WOULD BE POSSIBLE FOR HIM TO VISIT INDIA AGAIN.

NIC

AID

FFP

PC

E

IN NEW YORK, I HAD USEFUL MEETING WITH SECRETARY GENERAL U THANT AT UNITED NATIONS AND TOOK OPPORTUNITY ADDRESS THE AFRO-ASIAN GROUP.

AGR

COM

TRSY

RSR

BESIDES DISCUSSION WHICH I HAD WITH PRESIDENT JOHNSON AND HIS COLLEAGUES, I HAD OCCASION DURING STAY IN UNITED STATES TO MEET AND SHARE BY THOUGHTS WITH LARGE NUMBER OF DISTINGUISHED AMERICAN CITIZENS IN COURSE OF VARIOUS PUBLIC ENGAGEMENTS.

PAGE 2 RUDSND 409 UNCLAS

I REITERATED OUR STAND ON KASHMIR AND ITS WIDER IMPLICATIONS. THESE CONTACTS HAVE, I THINK, HELPED PROMOTE BETTER UNDERSTANDING OF INDIA'S POSITION. MR WILSON EXPRESSED BRITISH GOVERNMENT'S READINESS JOIN OTHER COUNTRIES IN GIVING URGENT CONSIDERATION TO IMMEDIATE STEPS FOR PROVIDING FURTHER ECONOMIC ASSISTANCE TO INDIA AS SOON AS POSSIBLE. I HAVE INVITED MR WILSON TO VISIT INDIA AND HE HAS ACCEPTED THE INVITATION.

IN MOSCOW, I HAD VALUABLE EXCHANGE OF VIEWS WITH CHAIRMAN KOSYGIN IN COURSE OF WHICH WE REVIEWED INTERNATIONAL SCENE AND

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-2- 2718, APRIL 7, FROM NEW DELHI

IN PARTICULAR DEVELOPMENTS FOLLOWING SIGNING OF TASHKENT DECLARATION. AS THE HOUSE IS AWARE, INDO-SOVIET COOPERATION IN ECONOMIC AND OTHER FIELDS HAS GROWN STEADILY DURING PAST MANY YEARS. A NUMBER OF PROJECTS ARE CURRENTLY UNDER EXECUTION WITH SOVIET ASSISTANCE, AND BOKARO STEEL PLANT HAS BEEN ADDED TO THE LIST VERY RECENTLY. SOVIET UNION CONTINUES TAKE FRIENDLY AND SYMPATHETIC INTEREST IN OUR FOURTH PLAN AND DURING TALKS IN MOSCOW, WE AGREED THAT PRELIMINARY DISCUSSION WHICH WE HAVE ALREADY HAD IN THIS REGARD WILL BE EXPEDITIOUSLY PURSUED.

PAGE 3 RUDSND 409 UNCLAS

CHAIRMAN AND MRS KOSYGIN HAVE AGREED VISIT INDIA LATER THIS YEAR THIS WILL GIVE US YET ANOTHER OPPORTUNITY STRENGTHEN BONDS OF FRIENDSHIP AND GOODWILL BETWEEN OUR TWO COUNTRIES.

I WAS RELUCTANT TO BE AWAY FROM INDIA EVEN FOR BRIEF PERIOD WHEN PARLIAMENT IS IN SESSION AND AT TIME WHEN WE HAVE MANY PRESSING PROBLEMS TO TACKLE AT HOME. BUT AS THE HOUSE WILL APPRECIATE, DESPITE URGENCY OF OUR TASKS AND UNDERLYING FRIENDSHIP OF OTHER NATIONS TOWARD US, IT NECESSARY DEVELOP CONTACTS AT PERSONAL LEVEL FROM TIME TO TIME WITH LEADERS OF COUNTRIES WITH WHICH WE HAVE ESTABLISHED STRONG TIES OF COOPERATION AND UNDERSTANDING. I HAVE EVERY HOPE MY DISCUSSIONS DURING VISIT ABROAD WILL ADVANCE CAUSE OF FRIENDSHIP AND COOPERATION NOT ONLY BETWEEN OUR RESPECTIVE COUNTRIES BUT ALSO IN WIDER COMITY OF NATIONS.

THROUGHOUT MY TEN-DAY VISIT, I FOUND ABUNDANCE OF FRIENDSHIP AND GOODWILL FOR INDIA AND GROWING UNDERSTANDING OF SIGNIFICANCE OF INDIA'S FOREIGN POLICY AND OF ITS DEVELOPMENTAL EFFORTS. WE CAN DERIVE SATISFACTION AND STRENGTH FROM THESE MANIFESTATIONS OF FRIENDSHIP. BUT WE MUST NEVER FORGET THERE IS NO

PAGE 4 RUDSND 409 UNCLAS

SUBSTITUTE FOR HARD AND DETERMINED EFFORT AND SACRIFICE ON PART OF INDIAN PEOPLE. NATIONS OF THE WORLD ARE WATCHING THE INDIAN EXPERIMENT AND THEY WILL RESPECT US AND BE WILLING TO ASSIST US ONLY IN THE MEASURE OF OUR OWN EFFORT AND SENSE OF DEDICATION. THIS IS TASK TO WHICH WE MUST NOW, AS BEFORE, ADDRESS OURSELVES, WITH FAITH AND CONFIDENCE IN CAPACITY OF OUR PEOPLE TO SHAPE DESTINY OF INDIA. END TEXT

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# OUTGOING TELEGRAM Department of State

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Origin

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Info

ACTION: Amembassy NEW DELHI

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Gandhi visit  
+ India cables  
x India  
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LIMDIS

Please deliver following message dated April 6 from  
President Johnson to Prime Minister Gandhi:

QUOTE: Dear Mrs. Gandhi:

I am disturbed that the only U.S. national who accompanied  
you back to India may have been one of our flu bugs. I hope  
your unwelcome visitor will disappear quickly. Mrs. Johnson  
and I send you our warm affections and the ~~best~~ prayer you  
will be your vibrant self again soon.

Lyndon B. Johnson

UNQUOTE

RUSK

Drafted by:  
Text rec'd from WH:pp

7741

Telegraphic transmission and  
classification approved by:

S/S - Mr. Thompson

Clearances:

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FBI  
to  
Gandhi  
4/6/66



*Gandhi Visit*

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CROSS REFERENCE SHEET

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Letter \_\_\_\_\_

Memo ✓

Other \_\_\_\_\_

DATE 4/5/66

FROM Read to Rostow

TO \_\_\_\_\_ NUMBER \_\_\_\_\_

*Enc. tel. to New Delhi re results Gandhi*

SUBJECT visit

SEE Indi

THE WHITE HOUSE  
WASHINGTON

Mr. Sanders

To note &  
return

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orig. ret'd BKS - 4/5/66.

Gandhi Visit

70





DEPARTMENT OF STATE  
WASHINGTON 25, D. C.

UNITED STATES REPRESENTATIVE ON THE COUNCIL  
OF THE ORGANIZATION OF AMERICAN STATES

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Dear Mr. President:

I went to New York Friday evening to say goodbye to Mrs. Gandhi and to see her off. I thought I should let you know how immensely pleased she was with her visit and especially with the talks which she had had with you personally. I think she has left both with a greater understanding of our own problems and with the feeling that her visit has helped significantly to strengthen the basis of Indo-U.S. understanding.

I would like to say another word about what seemed to me the outstandingly excellent preparation for Mrs. Gandhi's visit. I made it a point to read all of the documents prepared in anticipation of her coming by the Office of South Asian Affairs. I think that I can say that I have never read papers which

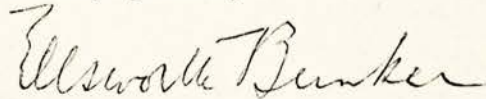
The President,  
The White House.

Bunker  
to LBJ  
4/4/66

were better organized and as to substance more comprehensive and perceptive yet concise. I think that the Assistant Secretary, Ambassador Hare, the Director of the Office of South Asian Affairs, Carol Laise, and the staff working with her deserve special credit. I know from my talks with Bob Komer what a great contribution he made also.

In the final analysis, of course, the successful outcome of the visit was due to your own personal and sympathetic handling of it.

Sincerely yours,

A handwritten signature in cursive script, reading "Ellsworth Bunker". The signature is written in dark ink and is positioned above the printed name.

Ellsworth Bunker



# INCOMING TELEGRAM *Department of State*

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RUQVGR/AMEMBASSY KARACHI 156  
RUQVGM/AMEMBASSY RAWALPINDI 43  
STATE GRNC  
BT

~~CONFIDENTIAL~~ APRIL 4

REF: EMBTELS 4532 AND 4625 TO DEPT

WILSON MEETING WITH MRS GANDHI

1. STOP-OVER OF MRS GANDHI IN LONDON WENT ACCORDING TO SHCHEDULE. SHE MET WITH PRIME MINISTER WILSON FOR PERSONAL TALKS LASTING ABOUT AN HOUR AND ATTENDED A WORKING LUNCH AT WHICH SECRETARY FOR COMMONWEALTH RELATIONS ARTHUR BOTTOMLEY AND SENIOR INDIAN AND BRITISH OFFICIALS WERE ALSO PRESENT. MINISTER KAISER MET MRS. GANDHI UPON HER ARRIVAL AT AIRPORT.

PAGE 2 RUDTCR 047C ~~CONFIDENTIAL~~

2. JOHNSTON, CRO, TOLD EMBOFF THAT MEETING SEEMED TO HAVE PRODUCED DESIRED EFFECT OF REASSURING MRS GANDHI OF BRITISH DESIRE FOR IMPROVED ANGLO-INDIAN RELATIONS. WHILE THERE WAS EXCHANGE OF VIEWS BETWEEN WILSON AND MRS GANDHI ON A NUMBER OF INTERNATIONAL PROBLEMS, CURRENT INDIAN AGRICULTURAL AND ECONOMIC DIFFICULTIES WERE STRESSED. WILSON EMPHASIZED TO MRS GANDHI THAT ECONOMIC ASSISTANCE TO INDIA WOULD BE ONE OF FIRST TASKS TO BE UNDERTAKEN BY NEW BRITISH GOVERNMENT.

3. IN THIS CONNECTION JOHNSTON REITERATED TO EMBOFF THAT, AS NON-FOOD-EXPORTER, BRITISH ASSISTANCE WOULD TAKE OTHER ECONOMIC FORMS AND WOULD COMPLEMENT THE AGRICULTURAL PROGRAMS OF FOOD-EXPORTING COUNTRIES. (SEE PARA 2 OF EMBTEL 4625). JOHNSTON POINTED TO FOLLOWING PART OF BRITISH STATEMENT ISSUED ON APRIL 2 AS BRITISH RESPONSE TO PRESIDENT JOHNSON'S MESSAGE ON FOOD FOR INDIA:

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Authority

Group 4

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By

NARA. Date

1-5-04

*Gandhi visit*

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1966 APR 4 PM 12 24



~~CONFIDENTIAL~~  
-2- 4663, APRIL 4, 1966 FROM LONDON

QUOTE

MR WILSON TOOK AN OPPORTUNITY OF EXPRESSING HIS ADMIRATION OF PRESIDENT JOHNSON'S MESSAGE TO CONGRESS CALLING FOR A WORLD EFFORT TO HELP INDIA TO OVERCOME HER FOOD SHORTAGE WHICH HAD THE WHOLEHEARTED SUPPORT OF THE BRITISH PEOPLE. HE RECOGNIZED

PAGE 3 RUDTCR 47C C ~~CONFIDENTIAL~~  
THAT INDIA'S AGRICULTURAL AND GENERAL ECONOMIC PROBLEMS, AGGRAVATED BY THE WORST DROUGHT OF THIS GENERATION WERE INDIVISIBLE AND THAT, AS PRESIDENT JOHNSON'S CALL HAD EMPHASIZED, HELP IN ANY SECTOR WOULD BE HELP FOR THE WHOLE.

UNQUOTE

4. JOHNSTON CONFIRMED THAT MRS GANDHI HAD RENEWED SHASTRI'S INVITATION TO WILSON TO VISIT INDIA. WILSON ACCEPTED IN PRINCIPLE AND IT WAS AGREED THAT VISIT SHOULD PROBABLY TAKE PLACE IN OCTOBER (AFTER THE WORST HEAT OF THE SUMMER).

GP -4. BRUCE  
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INFO RUQVCR/AMEMBASSY KARACHI 946

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MRS. GANDHI'S MOSCOW VISIT

1. APRIL 4 PRESS PROMINENTLY REPORTS MRS. GANDHI'S MOSCOW TALKS UNDER HEADLINES STRESSING "FRIENDLY" NATURE OF TALKS, RE-NEWED SOVIET SUPPORT FOR TASHKENT AND, IN 'HINDUSTAN TIMES', SOVIET "APPRECIATION" FOR INDIAN "RESTRAINT" IN RELATIONS WITH PAKISTAN. REPORTS LARGELY BASED ON COMMENTS MADE BY MRS. GANDHI AT MOSCOW PRESS CONFERENCE BEFORE HER DEPARTURE, AS SHE DECLINED TO MAKE SUBSTANTIVE COMMENTS TO INDIAN PRESS UPON ARRIVAL NEW DELHI.

2. MRS. GANDHI SAID HER TALKS HELD IN "VERY FRIENDLY AND GOOD ATMOSPHERE" AND COVERED WIDE RANGE OF QUESTIONS INCLUDING TASHKENT, VIET NAM AND INDO-SOVIET COOPERATION.

3. ON TASHKENT, MRS. GANDHI QUOTED AS SAYING SHE "EXPLAINED OUR POSITION THAT WE WILL CONTINUE AND TRY TO IMPLEMENT TASHKENT DECLARATION IN LETTER AND SPIRIT IN SPITE OF VARIOUS PROVOCATIONS." SHE ALSO PAID TRIBUTE TO ROLE OF KOSYGIN'S "PATIENCE, UNDERSTANDING AND PERSONAL INTEREST" IN FACILITATING CONCLUSION OF DECLARATION, WHICH "HAS GIVEN BASIS FOR GREATER FRIENDSHIP AND COOPERATION BETWEEN INDIA AND PAKISTAN". SHE EXPRESSED SINCERE HOPE THAT BOTH COUNTRIES WILL BE ABLE TO TAKE FULL ADVANTAGE OF THE NEW OPPORTUNITY, BUT ASKED ABOUT POSSIBILITY ANOTHER MEETING

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-2- 2680, April 4, From New Delhi  
ON SOVIET SOIL, SHE SAID INDIA AND PAKISTAN SHOULD FIRST HAVE  
FULL OPPORTUNITY TO SETTLE ALL MATTERS BETWEEN THEMSELVES  
AT MINISTERIAL LEVEL.

4. 'HINDUSTAN TIMES' ALONE ADDED THAT USSR UNDERSTOOD TO HAVE  
"EXPRESSED CONCERN AT INCREASINGLY VIOLENT AND NEGATIVE TONE"  
OF PAK STATEMENTS TO HAVE EXPRESSED APPRECIATION FOR INDIAN  
RESTRAINT AND TO HAVE ASSURED INDIA THAT USSR WOULD DISAPPROVE  
OF ANY RECOURSE TO SECURITY COUNCIL BY PAKISTAN.

5. MRS GANDHI, IN REPLY TO QUESTION FROM SOVIET CORRESPONDENTS  
ABOUT WHAT SHOULD BE DONE TO END VIETNAMESE WAR, SAID "I AM  
SORRY TO SAY THAT I HAVE NO SOLUTION. INDIA IS VERY ANXIOUS  
FOR PEACE IN VIETNAM. INDIA WILL BE WILLING TO HELP IN  
PEACE EFFORTS, BUT I DO NOT SEE ANY WAY OUT AT PRESENT  
MOMENT".

6. KOSYGIN REPORTED AS TELLING CORRESPONDENTS THAT TALKS RANGED  
OVER ALL QUESTIONS OF INTEREST TO BOTH SIDES. SAID HE FELT  
"WE HAVE MANAGED TO FIND MUTUAL UNDERSTANDING ON QUESTIONS  
DISCUSSED" WHICH WILL ASSIST FURTHER STRENGTHENING OF BONDS  
BETWEEN TWO COUNTRIES AND REINFORCEMENT OF TASHKENT SPIRIT.  
KOSYGIN REPORTEDLY ADDED, IN STATEMENT WHICH SEVERAL PAPERS  
USED FOR KEY FOR THEIR STORIES, "WE SHALL DO ALL IN OUR POWER  
TO STRENGTHEN STILL FURTHER ATMOSPHERE AND CONDITIONS THAT  
WERE CREATED AT TASHKENT."

7. ON FOOD, MRS. GANDHI SAID KOSYGIN HAD AGREED TO LOOK  
INTO LONG-TERM POSSIBILITIES RATHER THAN PROVIDE IMMEDIATE  
RELIEF TO EASE CURRENT FOOD SHORTAGES. PAPERS REPORT THAT  
INDIAN DELEGATION LIKELY TO VISIT USSR  
IN MAY FOR DISCUSSIONS  
ON THIS MATTER AND THAT IF THESE TALKS SUCCEED INDIAN FOOD  
MINISTER MIGHT LATER VISIT USSR TO SIGN AGREEMENT ON SUBJECT.

PRESS ALSO REPORTS THAT SOVIETS LIKELY SOON TO MAKE GIFT OF  
MACHINERY FOR FIVE STATE FARMS IN INDIA.

8. ON AID QUESTIONS PRESS REPORTS THAT SOVIET DELEGATION  
EXPECTED TO VISIT INDIA SOON TO FINALIZE TERMS OF SOVIET SUPPORT  
FOR VARIOUS PROJECTS UNDER INDIAN FOURTH FIVE-YEAR PLAN.  
UPENDRA LAL, MEA OFFICER IN CHARGE FOR EASTERN EUROPE, SAID  
THIS VISIT PART OF ROUTINE CONSULTATION, WHICH HAD LONG BEEN  
IN WIND .

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-3- 2680, April 4, From New Delhi

9. PROSPECTS FOR EARLY KOSYGIN VISIT TO INDIA.  
DISCUSSED, BUT BOTH MRS GANDHI AND KOSYGIN TOLD PRESS DATE  
NOT FIXED. SOME PAPERS SAY VISIT WILL, "IN ALL PROBABILITY"  
BE BEFORE AUTUMN. (NO MENTION OF APRIL TRIP TO LAY FOUNDATION  
STONE FOR BOKARO WHICH PREVIOUSLY RUMORED).  
GREENE

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भारतीय राजदूतावास  
वाशिंगटन, डी० सी०  
EMBASSY OF INDIA  
WASHINGTON, D. C.

73

April 4, 1966

*Gandhi Visit*

Dear Mr President:

I have the honour to transmit to you the  
enclosed message from Prime Minister Indira Gandhi.

With my high regard and esteem,

Yours sincerely,

(B.K. Nehru)  
Ambassador

His Excellency  
Lyndon B. Johnson,  
The President of the United States,  
The White House,  
Washington, D.C.





73a  
प्रधान मंत्री भवन  
PRIME MINISTER'S HOUSE  
NEW DELHI  
LONDON  
2nd April, 1966.

Dear Mr. President,

May I thank you for the warmth of your welcome. I greatly enjoyed the friendly informality of our talks. It was, indeed, a privilege to have an exchange of views with you and to get to know the vision which animates your thoughts and actions.

The demonstration of friendship and regard for my country by you, Mr. President, and by the other leaders whom I met as, indeed, by the people of the United States, has left an impression on me which will abide. I was deeply moved by the kindness and affection which I received in such an abundant measure.

Our two countries hold many ideals in common. Your sensitive understanding of the complexities and difficulties of nurturing a democracy was a source of encouragement to me. In the days ahead, I now look forward to increasing cooperation and mutual understanding of the problems we face in our respective countries. Our talks have thus been immensely beneficial and, I believe, have laid a basis for an enduring and ever-widening understanding and friendship between our two countries.

May I now take this opportunity of expressing to you, Mr. President, my deep appreciation and gratitude for your warm hospitality and to say how honoured and happy I am that you and Mrs. Johnson were able to accept my invitation to visit India. I hope that this will be possible in the near future.

With warmest regards,

Yours sincerely,

*Indira Gandhi*  
(Indira Gandhi)

Gandhi  
to LBJ  
4.1.4.66



# INCOMING TELEGRAM Department of State

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FM AMEMBASSY MOSCOW

TO RUEHCR/SECSTATE WASHDC 2981

INFO RUDTCR/AMEMBASSY LONDON 328

RUSBAE/AMEMBASSY NEW DELHI 85

RUQVGM/AMEMBASSY RAWALPINDI FIVE

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1966 APR 4 PM 2

~~BUNDY-SMITH~~  
~~BATOR~~  
~~BOWDLER~~  
~~BOWMAN~~  
~~CHASE~~  
~~COOPER~~  
~~JESSUP~~  
~~JOHNSON~~  
~~KEENEY~~  
~~MOORE~~  
~~MOODY~~

*Gandhi visit*

LIMITED OFFICIAL USE APRIL 4

1. BRIEF ACCOUNT INDIRA GANDHI AIRPORT PRESS CONFERENCE CARRIED TODAY'S PRAVDA UNDER HEADING "INDIAN-SOVIET COOPERATION BECOMING STRONGER". PRAVDA QUOTED INDIAN PM PRAISING SOVIET TASHKENT ROLE, EXPRESSING SATISFACTION RE CURRENT EXCELLENT STATE INDO-SOVIET RELATIONS AND NOTING THAT INDIANS STRIVING FOR ESTABLISHMENT PEACE IN VIETNAM. TASHKENT DECLARATION, ACCORDING MRS. GANDHI, RESULTED WITHDRAWAL TROOPS BUT "POSSIBILITIES FOR BILATERAL TALKS NOT YET EXHAUSTED." OUR TASK, SHE STATED, IS ESTABLISHMENT FRIENDLY RELATIONS WITH PAKISTAN. IN ADDITION,

TASS ENGLISH LANGUAGE SERVICE REPORTS HER AS STATING THAT TALKS WITH KOSYGIN TOUCHED UPON LATTER'S FORTHCOMING VISIT TO INDIA AND THAT DATES OF VISIT WILL BE FIXED THROUGH DIPLOMATIC CHANNELS.

2. AP CORRESPONDENT PRESENT AT PRESS CONFERENCE STATES THAT INDIAN PM WAS EVASIVE RE POSSIBILITY SOVIET FOOD AID OVER NEXT FOUR YEARS AND HE TOOK HER RESPONSE TO MEAN THAT SHE DID NOT OBTAIN SATISFACTION THIS REGARD. SHE ALSO, ACCORDING CORRESPONDENT, REFERRED TO "PROVOCATIONS" WHICH MAKE IMPLEMENTATION TASHKENT DECLARATION DIFFICULT.

DECONTROL FOLLOWING JANUARY 1, 1970.

KOHLER

BT

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75

# INCOMING TELEGRAM Department of State

86

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Action

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ZNR UUUUU  
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FM AMEMBASSY NEW DELHI  
TO RUEHC/SECSTATE WASHDC 2682  
INFO RUFJKP/AMEMB OFF RAWALPINDI 207

SS

RUFJKP/AMEMBASSY KARACHI 948

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1. FIVE ENGLISH-LANGUAGE DELHI DAILIES APRIL 3-4 CONTINUE GIVE PROMINENCE PRIMIN'S TRIP. ALL CARRY THOROUGH NEWS COVERAGE AND COMMENT FROM VARIOUS SOURCES INCLUDING THEIR CORRESPONDENTS IN US, LONDON AND MOSCOW. ONLY ONE PAPER, HINDUSTAN TIMES 4/4, CARRIES EDITORIAL.

2. NEWS COVERAGE APRIL 3 STRESSES SUCCESS PRIMIN WILSON AND PRIMIN GANDHI TALKS. HINDUSTAN TIMES HEADLINES "UK ASSURES URGENT 'AID INDIA' MEASURES -- MRS GANDHI - WILSON TALKS CLEAR MISUNDERSTANDING." INDIAN EXPRESS HEADLINES "EARLY UK AID TO EASE CRISIS LIKELY - MRS GANDHI HAS FRANK AND CORDIAL TALKS WITH WILSON."

PAGE 2 RUDSND 211 UNCLAS

3. NEWS COVERAGE APRIL 4 STRESSES PRIMIN'S RETURN AND SATISFACTION WITH ALL HER TALKS. INDIAN EXPRESS HEADLINES "PM BACK HOME AFTER TRIUMPHANT TOUR - USEFUL TALKS WITH LEADERS."

TIMES OF INDIA HEADLINES "PRIME MINISTER BACK HOME - VERY FRIENDLY TALKS WITH KOSYGIN - SUPPORT TO TASHKENT PACT RENEWED."

4. SECONDARY NEWS COVERAGE AND COMMENT BOTH DAYS CONTINUES PLAY THEME OF TRIPS SUCCESS IN IMPROVING INDO-AMERICAN RELATIONS. NEWS ITEMS CARRY SUCH LEADS AS "US VISIT EXTREMELY SUCCESSFUL : PM" (HINDUSTAN TIMES 4/4): "MRS GANDHI SAYS INDIA, USA KNOW EACH OTHER BETTER" (TIMES OF INDIA 4/3). FRANK MORAES IN INDIAN EXPRESS 4/4 COMMENTS "DISTINCTIVENESS MRS GANDHI'S ACHIEVEMENT LIES IN FACT IT BROKE NEW GROUND IN INDO-AMERICAN RELATIONS, ESTABLISHING A NEW NEXUS OR PATTERN OF RELATIONSHIP -- IF MRS GANDHI CARRIED BEGGING BOWL, SHE TOOK CARE NOT TO FLOURISH IT..... PRIMIN AND PRESIDENT SEEM HAVE ESTABLISHED NEW RAPPORT, CLOSER THAN ANY PREVIOUSLY ATTAINED

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1966 APR 4 PM 3 42

*Gandhi visit*

*✓*

~~BUNDY SMITH~~  
~~BATOR~~  
~~BOWLER~~  
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~~COOPER~~  
~~JESSUP~~  
~~JOHNSON~~  
~~KEENE~~  
~~KOMER~~  
~~MOODY~~



UNCLASSIFIED

-2- 2682, April 4, From New Delhi

BETWEEN THE TWO COUNTRIES OR THEIR LEADERS.  
THIS PRIMARILY BECAUSE NEITHER TOOK OTHER FOR GRANTED."

PAGE 2 RUDSND 211 UNCLAS

NUMBER PAPERS CARRY ARTICLES ON PRESIDENT'S PRIZING LATE  
PRIMIN SHASTRI'S LETTER TO HIM FROM TASHKENT, E.G. "JOHNSON'S  
PRIZED POSSESSION" (TIMES OF INDIA 4/3 LEAD FOR NEWS ITEM).

5. CONSIDERABLE INSIDE PAGE COVERAGE GIVEN PRIMIN'S "MEET THE  
PRESS" AND VOA INTERVIEWS. COVERAGE OF "MEET THE PRESS" INTERVIEW  
HIGHLIGHTS PRIMIN'S REPORTED STATEMENT "IT MIGHT BE BETTER"  
IF US DID NOT RESUME MILITARY AID TO PAKISTAN COVERAGE OF VOA  
INTERVIEW STRESSES (PTI IN HINDUSTAN TIMES, PATRIOT STATESMAN,  
ENS IN INDIAN EXPRESS) MRS GANDHI'S REPORTED ASSERTION THAT "  
IN A COUNTRY LIKE INDIA ONLY A GOVERNMENT OF THE CENTRE BROADLY  
SYMPATHETIC TO THE LEFT COULD MAINTAIN STABILITY" (PTI IN  
PATRIOT, STATESMAN, INDIAN EXPRESS)

6. HINDUSTAN TIMES EDITORIAL 4/4 ALL PRAISE FOR MRS  
GANDHI EFFORTS. " AT END PRIMIN'S SERIES OF VISITS, IT POSSIBLE  
FEEL THAT COUNTRIES THAT HAVE BEEN MOST DIRECTLY INVOLVED IN  
INDIA'S PROGRESS SEE IN CLEARER LIGHT NOT ONLY HER PROBLEMS

PAGE 4 RUDSND 211 UNCLAS

BUT HER OPPORTUNITIES AND HER ABILITY USE THESE TO BEST ADVAN-  
TAGE..... AS RESULT PRIMIN'S VISIT CAN BE SAID THERE NOW AN  
EMOTIONAL INVOLVEMENT IN INDIA'S FUTURE ON PART NOT ONLY PRESI-  
DENT AND HIS ADVISERS BUT OF PEOPLE OF THAT COUNTRY." GREENE

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# OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT  
☐ CHARGE TO

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~~JESSUP~~  
~~JOHNSON~~  
~~KEENE~~

*Gandhi visit*

~~KOMER~~  
~~MCCOY~~

APR 4 5 05 PM '66

~~SAUNDERS~~  
~~THOMSON~~

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ACTION: Amembassy KARACHI 1420

INFO: Amembassy LONDON 5845

" NEW DELHI 1879

" Office RAWALPINDI 427

USUN, NEW YORK 2345

1. Pakistan Ambassador Ahmed called on Assistant Secretary Hare ostensibly April 1/8/66 to discuss US military sales policy. Deputy Assistant Secretary Handley also sat in on meeting.

2. Ahmed asked for release by USG of non-lethal military items GOP had previously contracted for with DOD. Handley mentioned we understood items on docks for PAF were being processed. He said we would look into Ambassador's request. After asking for US support for Osman Ali and Sharif candidacies for Asian Development Bank and UNESCO, respectively, Ambassador congratulated Hare on his statement before House Foreign Affairs Committee.

3. Ambassador Hare stated he wished to offer some views on Gandhi /~~visit~~ visit. He pointed to similarities between Gandhi-Ayub visits; both visits sought to achieve similar purposes; meetings largely private between two leaders; discussions concerned with basics rather than details, and final results much the same. Hare said that public statements reflected largely the tone and substance of private dis-

Drafted by:

NEA:SOA:WLSimmons:dxl  
4/2/66

Tel. Ext.

2309

Telegraphic transmission and  
classification approved by:

NEA - Amb. Hare

Clearances:

NEA -Mr. Handley

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E.O. 13292, Sec. 3.4

State Dept. Guidelines

By *pc*, NARA, Date 1-5-04

~~SECRET~~

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~~SECRET~~

cussions. Only major difference from Ayub visit was focus on Indian food problem which the President elected to bring before Congress. Binational Foundation concept had been under consideration for some time as Ambassador knew; anything new on international economic side would be taken up by IBRD. On Indo-Pak relations, ~~we stressed need for peace on Subcontinent and found Mrs. Gandhi~~ we stressed need for peace on Subcontinent and found Mrs. Gandhi ~~responsive and very reasonable.~~ responsive and very reasonable.

4. Ambassador Ahmed said that portion of communique on economic aid seemed to suggest that blocked FY 1966 US aid funds to India will be released soon and that Indian consortium will meet in near future. Hare stated that this reference did not carry any specific commitments and no fiscal specifics came up during meeting. Reference indicates our willingness to ~~begin~~ begin to talk about economic aid problems through medium of Bank.

5. Ahmed stated that he noted emphasis placed on peace on Subcontinent, but was Kashmir discussed. Hare replied that it was mentioned in ~~context~~ context of totality of Indo-Pak relations. Ahmed said that Indians are just not talking about Kashmir and consider it closed subject. He remarked that in March 31 speech Mrs. Gandhi said Indo-Pakistan war had cancelled out UN resolutions calling for ~~plebiscite~~ plebiscite. To Pakistan it appears India looks to remove effects of war but not cause. This is what happened at last ministerial talks. All Pakistan wants is ~~visible~~ visible concurrent movement on all issues, including Kashmir. He noted that Ambassador McConoughy had reportedly told President Ayub that an effort would be made during Gandhi visit to push India toward reaching solutions to all problems with Pakistan and an effort would be made to try to encourage Indian flexibility.

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6. Hare said that importance we attach to carrying through on Tashkent was made quite clear. However, we do not have a full report on all private conversations between principals so that at this time we cannot be categorical on what else may have been discussed.

7. Ahmed vigorously refuted Indian allegations that Pakistan was violating the "spirit of Tashkent", and cited <sup>Indian</sup> violations. Ambassador said that if India's premise is Pakistan we must forget Kashmir, that Pakistan cannot accept nor will Pakistan hope US will accept. <sup>hopes</sup> GOP ~~hope~~ President talked to Mrs. Gandhi along these lines.

8. Ahmed also asked whether we had obtained any statement about limitation of defense expenditures. Hare stated that we assume this will come up in the Bank's discussion on economic aid. Hare replied to Ahmed query on US military aid to India, by stating that to his knowledge subject did not come up for discussion. In this context, Ahmed noted Mrs. <sup>Gandhi's</sup> ~~Gandhi's~~ alleged statement Mar. 21 31 that Communist China posed less of military threat than political and economic threat to India.

9. Ahmed reviewed US military policy noting that US embargo has affected Pakistan directly. He said that danger is that either through India's instance or otherwise Pakistan might have to look elsewhere than US for arms. He mentioned that as US knew some diversion had already taken place and USSR indicated it prepared to sell Paks equipment. Hare stated that only action so far we have taken is permit sale of non-lethal equipment, however, <sup>as result of discussions between GOP and Embassy Karachi officials.</sup> USG well aware of Pakistan's problem/ Ahmed also raised question of credits for

~~SECRET~~



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military purchases and commented that these could be very useful to his government.

10. Ambassador Hare closed meeting by commenting that we had been saddened by results of ministerial talks. His experience showed that when fissures appear in international relations there is tendency for these to widen as various leaders made public statements, etc. Ahmed said there is no reason why fissures should not be closed if the Indians show some flexibility. US holds special position in this regard.

END.

GP-3.

RUSK

~~SECRET~~



~~SECRET~~

April 3, 1966

*Mr. Saunders  
Gandhi's visit  
x India*

77

MEMORANDUM FOR THE SECRETARY OF STATE

Before leaving, Bob Komer sought, on behalf of AID and NEA, an authoritative understanding from the President of how the question of US assistance was left in the wake of Mrs. Gandhi's visit.

Following our lunch yesterday, I take the situation to be as follows:

1. We are committed to supply the 3-1/2 million tons of wheat plus certain other foods.
2. A maximum effort should be made by the Indians to raise the balance of the further 3-1/2 million tons they require for 1966 from others. The Canadians have already promised one million tons.
3. If that effort fails, therefore, we may have to face the question of further assistance in food of the order of 2-1/2 million tons.
4. If the World Bank can negotiate detailed and satisfactory self-help commitments from India we are prepared to put into the consortium that part of the AID appropriation we finally get allocated for India.

It is our policy to keep the World Bank at the center of negotiations with the Indian Government.

The President also observed that we wish to keep close to Ayub and not "lose him." He would prefer our support to that of Communist China. We should consider how to do this.

If this matches your understanding of the President's view, you may wish to make it available to those with a need to know.

151

W. W. Rostow

cc: Bill Moyers

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E.O. 13292, Sec. 3.4  
NSC Memo, 1/30/95, State Guidelines  
By pc, NARA, Date 1-5-04

~~SECRET~~



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

CONFIDENTIAL

Saturday, April 2, 1966, 11:00 A.M.

DECLASSIFIED

MEMORANDUM FOR THE PRESIDENT

Authority State Hr. 5/15/78; NSC 11/22/78  
By fc/sep. NARA, Date 1-5-01

A piece of unfinished business.

You checked the attached memorandum from Bob Komer "see me."

The bureaucracy is still seeking assurance that Bob's carefully staffed-out summary is your understanding of where the aid matter was left with Mrs. Gandhi.

Since 29 March George Woods and Schweitzer saw Mrs. Gandhi, on the 30th. Woods urged her to send her Finance and Planning Ministers to Washington during the week of April 11th, if possible. Mrs. Gandhi promised a reply from New Delhi. As you know, we urged Wilson to press Mrs. Gandhi in the same direction.

The IBRD will hold a consortium meeting on April 5. This is to round up enough aid to keep India afloat and will not get into the longer range program which involves serious self-help undertakings by the Indians in the fields of: exchange rate adjustment; liberalization of import and internal controls and encouragement of private investment.

Since we have already given India a \$50 million fertilizer loan, a \$100 million non-project loan, and additional PL-480 assistance, we do not contemplate any further action at the April 5 meeting.

IBRD, however, is looking for \$180 million at that time; George Woods is prepared to put up a \$50 million IDA non-project loan.

You may have noted Segli Harrison's story in the Washington Post a few days ago about an Indian effort to raise a \$1.5 billion stabilization fund to cover fluctuations in foreign exchange availabilities if it should adjust its exchange rate and liberalize its import controls. AID has heard no talk from the Indians about such a proposal. The only figure we know of at that order of magnitude is the possible debt rollover for five years. We should be alert to any Indian move in that direction.

Against this background I would ask again whether Bob Komer's summary represents fair guidance to the Government as to where we stand with the Indians; or would you wish to discuss this further with me?

Walt Rostow

Let it stand \_\_\_\_\_

See me \_\_\_\_\_

101.0 See Off.



## THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

Tues., March 29, 1966

10:15 pm

DECLASSIFIED

## MEMORANDUM FOR THE PRESIDENT

Authority FRMS 64-68, vol. 25, #310By jc NARA. Date 1-2-09

George Woods is eager to start working over the Indians on a self-help and aid package as soon as he knows where we stand. Therefore, if you are satisfied as a result of your talks that Mrs. Gandhi intends to adopt the major economic reforms that we and the World Bank have been seeking, the best way to move ahead might be for me to tell Woods on your behalf. State, AID and I suggest we tell him the following, which protects us with plenty of caveats:

1. You have concluded from your talks that she is prepared to liberalize India's import control policies as well as internal price, marketing and other business controls which have been inhibiting economic growth, provided the necessary financial support is forthcoming. Additionally, she is prepared to adjust exchange rates and tax policies to support liberalization.

2. In order to move more rapidly toward self-sufficiency in food production, Mrs. Gandhi has assured you that India will follow through in emphasizing agricultural development, making adequate fertilizer available to the farmers and vigorously seeking to attract foreign private investment in fertilizer production.

3. She has also spoken to you of India's efforts in the family planning field and of her determination to accelerate these programs.

4. In turn you have indicated to Mrs. Gandhi your realization that the liberalization program described above can be implemented only with assurances of substantial financial support. You are prepared to say informally that if India actually takes the necessary steps to the satisfaction of the World Bank and the other consortium donors (including ourselves) we are prepared to help provide needed support for such a program in phase with its execution, subject of course to Congressional appropriations.

5. You currently believe that we will be able to support the Indian economic reform program in FY 1967 with about \$385 million of AID loans (if Congress meets your aid request) and \$50 million of EX-IM Bank loans -- the same levels as pledged in recent years. Of this amount you are prepared to extend an increased proportion in the form of program lending. You also understand that the economic reform program will require a debt rescheduling in which the U.S. will take its share --



CONFIDENTIAL

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approximately \$30 million for FY 67 (much less than the Europeans). All this is, of course, conditioned not only on India's actually following through with its reform program, but also on the willingness of other consortium members to bear an appropriate portion of the burden.

6. Finally, in view of our continuing wish to provide our support in coordination with the World Bank and the other members of the Indian Consortium, you have suggested that Mrs. Gandhi have her senior financial and planning officials come to Washington as soon as possible in order to work out an agreement with the World Bank and the IMF regarding the details of the economic reform program and the financial backstopping arrangements. We expect the Bank to take the lead in coordinating the necessary consultations between India and the governments of the consortium members.

-----  
This package is the real McCoy -- much more so than emergency food. If George Woods, with our backing can drive the tough bargain which he contemplates, we will have accomplished more in moving India via our aid leverage than in the last six years combined. And we will have done so at little if any greater out-of-pocket cost than in 1963 or 1964. I stress again that this is a self-enforcing bargain -- if India doesn't make the reforms we and the Bank want, it doesn't get most of the dough. This puts the choice squarely up to them. I may be over-enthusiastic, but I see this as a major foreign policy stroke, affecting 500 million people in the largest country in the Free World.

*R. W. Komer*  
R. W. Komer

Tell Woods ✓

See me ✓

*W'd keep all of this very quiet for the time being, leaving it to the Indians to make the first move.*  
*RWK*

CONFIDENTIAL



DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT

April 1, 1966

TO: Mr. Walt W. Rostow  
The White House

The attached memorandum of  
conversation is submitted for  
White House clearance.

*John P. Walsh*  
Benjamin H. Read  
Executive Secretary

Attch:

Conversation between the  
President and Prime Minister  
Gandhi, 3/29/66

~~SECRET~~ Attachment

APR 5 1966

*orig. ret'd BKS  
with HHS memo  
4/5/66.  
Gandhi visit*



~~SECRET~~

SUMMARY RECORD OF CONVERSATION BETWEEN THE PRESIDENT AND  
PRIME MINISTER GANDHI, MARCH 29, 1966

Following the five o'clock meeting between the President and Prime Minister Gandhi, the President reported to the assembled group of advisers in the Cabinet Room that he had gone over the food message to Congress with the Prime Minister. He indicated that he would review the message with the Senate leaders at 6:15 p.m. that day and with the House leaders the next day. He hoped to get it approved for submission by noon on the thirtieth. The President reported that the Prime Minister had read the message but had not commented on it. He asked Ambassador Nehru to review it.

The President, the Prime Minister and the advisers reviewed and approved the draft Communique, with the addition of a paragraph in which Mrs. Gandhi formally extended an invitation to President Johnson to visit India. The President thanked Mrs. Gandhi for her invitation and expressed the hope that conditions here and in India would permit acceptance of it.

~~SECRET~~

GROUP 3

Downgraded at 12-year intervals;  
not automatically declassified.

DECLASSIFIED

Authority FRUS 64-68, Vol. 25, #309By jc NARA. Date 1-2-04



DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT

April 1, 1966

FOR: Mr. Walt W. Rostow  
The White House

The attached memorandum  
of conversation is submitted  
for White House clearance.

*John P. Walsh*  
Benjamin H. Read  
Executive Secretary

Attch:

Conversation between the  
President and Prime Minister  
Gandhi, 3/28/66.

SECRET ATTACHMENT

APR 5 1966

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*orig. with BKS  
with H S memo  
4/5/66  
Gandhi Visit*



80a

~~SECRET~~

SUMMARY RECORD OF CONVERSATION BETWEEN THE PRESIDENT AND  
PRIME MINISTER GANDHI, MARCH 28, 1966

At approximately 12:35 p.m., the President and Mrs. Gandhi returned to the assembled group of advisers in the Cabinet Room and reported briefly on their talks as follows:

The President said they had had a pleasant and most helpful exchange of views and they discovered they had many things in common. In fact, he hadn't realized how numerous these were. Prime Minister Gandhi faced some of the same problems which he had after the death of President Kennedy--demanding internal problems, difficult international issues, and elections. He said that they had been talking about her needs and our needs. She had told him of the agricultural agreements that had been reached between Minister Subramaniam and Secretary Freeman, and mentioned the fact that they had to go before her Parliament. He had told her that we had a similar requirement and were taking a message to Congress. We wanted to be able to say to the IBRD as soon as it gets other countries pulled together that we will do what we can. He said he wanted to ask Congress to support this and also the food program. He hoped a message would go up this week, then the Prime Minister can have her economists meet with George Woods to work out the details. He and the Prime Minister had not gone into detail.

The President said they also talked of the need for peace in that part of the world and said they understood each other and agreed to do everything possible to be helpful to each other. He then asked Mrs. Gandhi if she had anything to add.

Prime Minister Gandhi said the President had summed up things very well. They had indeed found they had much in common. The President had said how worried he is about the problem of getting support from people who are opposed to paying out large sums of aid to India. She had replied that India can be a great force for peace and that India is, of course, grateful for the material help of the United States, but it needs even more the understanding of the United States. She said she told the President he is admired in India because India sees him as someone trying to translate the ideals of the United States' Constitution into reality; he was someone who believed in it sincerely. Asia is in an explosive state; now that independence has been gained, people have come to expect something more than the past has offered; new horizons have opened up which are still beyond their reach. They are impatient for change to take place. Mrs. Gandhi said she told the President India is in a position to use its aid much better; it is making an effort to be better organized and

more efficient

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~~SECRET~~

GROUP 3

Authority FRUS 64-68 vol. 25 #307

By jc NARA, Date 1-2-04

Downgraded at 12-year intervals;  
not automatically declassified.



SECRET

-2-

more efficient, drawing in younger, more energetic groups. She said India had a record of achievement, but mistakes had also been made. One of the significant facts was that among the educated group of people--and although this was still small, it was an increasing group in India--they had achieved a fair amount of excellence. These people are now being called upon to get greater efficiency and more movement. She believed that between the United States and India there could be a good working partnership.

The President said he had also asked the Prime Minister to give us from time to time recommendations for procedures to get peace in Vietnam and the rest of the world. He said he had made no request; he had expressed appreciation for their ICC service and hoped somehow we could find the answer to peace. He had told Mrs. Gandhi that we are generally agreed that we want to do what we can and what the Congress will let us do to support George Woods' efforts in India's economic development. He thought that arrangements could best be made between technicians. The President then said that they had gone on to discuss generally the question of family planning, agriculture and peace planning, but no details. He said he thought it had been a very enjoyable talk.

The Secretary reported briefly on the exchange of views that had taken place among the advisers during the course of the Presidential talks. He noted that he thought the discussion had been beneficial and that it had been possible to go into detail on our attitudes toward peaceful settlement in Southeast Asia and how this might be brought about. The Indian delegation had also reported on the worsening of the Tashkent atmosphere. The Secretary thought we had laid groundwork for further useful discussions and we had, therefore, employed our time very usefully.

Prime Minister Gandhi intervened with one further thought which she termed her pet idea: she mentioned that on the subject of achieving better Indo-Pak relations she had been wondering if there could be some major economic project, like the Mekong, which might help to improve relations. She thought common involvement in a constructive effort might contribute to lessening of fears and tensions. The Secretary observed in a sense this is the way the Saar problem was solved. Ambassador Bowles noted that harnessing the Brahmaputra was just such a project. The Secretary said we would be happy to hear more about how this might be brought about. The President closed the conversation by saying we would leave it to our imaginative Ambassador Bowles to come up with ideas.

SECRET



AFB DE AFBAP

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BT

ANDREWS PASS TO CROWN

BT

TO PRESIDENT LYNDON B. JOHNSON  
THE WHITE HOUSE  
WASHINGTON, D.C.

YOUR WARM AND FRIENDLY MESSAGE HAS BEEN DELIVERED TO ME AS MY PLANE TAKES OFF FROM NEW YORK. THE HOSPITALITY, GOOD WILL AND UNDERSTANDING WHICH YOU AND YOUR PEOPLE HAVE SHOWN ME HAS LEFT A DEEP IMPRESSION ON ME. WHAT MIGHT OTHERWISE HAVE BEEN A STRENOUS VISIT BECAME A HAPPY AND PLEASANT EXPERIENCE. I CONVEY MY THANKS TO YOU AND TO MRS. JOHNSON. WITH WARM PERSONAL REGARDS AND BEST WISHES.

INDIRA GANDHI

BT

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*Gandhi  
visit  
India*  
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*Gandhi  
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4/2/66*

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INCOMING TELEGRAM *Department of State*

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ZNY CCCCC  
P R 011330Z  
FM AMEMBASSY NEWDELHI  
TO RUEHC/SECSTATE WASHDC PRIORITY 2651  
INFO RUQVGM/AMEMBASSY RAWALPINDI 199  
RUQVKR/AMEMBASSY KARACHI 939  
RUDTCR/AMEMBASSY LONDON 640  
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*Gandhi unit*

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BT  
~~CONFIDENTIAL~~ APRIL 1

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1. IN CONTEXT OF BUILDUP PRIOR MSR GANDHI'S ARRIVAL WASHINGTON NET  
REACTION IN NEW DELHI PRESS AND PUBLIC TO OUTCOME IS GRATIFICATION  
THAT CONSTRUCTIVE FRAMEWORK AND STYPLE OF INDIAN-AMERICAN  
RELATIONS HAS BEEN RE-ESTABLISHED. THIS GRATIFICATION INCLUDES  
RELIEF THAT THERE SEEM TO BE NO RPT NOT INTERNATIONAL POLITICAL  
STRINGS ATTACHED TO CONCEPT OF RESUMPTION OF US AID, AND THAT  
"PRESSURE THAT HAD BEEN MUCH DISCUSSED DID NOT RPT NOT MATERIALIZE.

USIA  
NSC  
INR

2. IN CONSEQUENCE, BOTH PRIMIN GANDHI AND PRES JOHNSON EMERGE  
IN PRESS AS STAUNCH, DIGNIFIED, EMPATHETIC SPOKESMEN FOR THEIR

CIA  
NSA  
DOD  
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IGA  
AID  
E

PAGE TWO RUSBAE 040 ~~CONFIDENTIAL~~  
RESPECTIVE COUNTRIES AMU COUNTRYMEN. THIS ADVANCES HER IMAGE AT  
HOME, EVEN THOUGH A FEW VOICES SUGGEST OUTCOME IS DUE AS MUCH  
OR MORE TO PRES JOHNSON'S SYMPATHETIC ATTITUDE AS TO HER  
QUALITIES.

RSR

3. THE AURA OF GOOD FEELING IS SYMOBLIZED BY PRESIDENT'S  
GRACIOUSNESS AND ESPECIALLY HIS STAYING ON FOR DINNER. IT IS  
GIVEN SUBSTANCE BY ANNOUNCEMENT OF INDO-AMERICAN FOUNDATION  
PROJECT, AND BY HIS MESSAGE TO CONGRESS. THERE IS, THUS PLENTY  
OF ROOM TO ACCOMMODATE NAOPRAL QUESTION ABOUT SPECIFICS OF  
FUTURE ECONOMIC RELATIONSHIPS ESPECIALLY AID SINCE THE STYLE  
AND FRAMEWORK ARE JUDGED RIGHT, THERE IS WILLINGNESS TO BE  
PATIENT ABOUT THE SPELLOUT. CARPING AND TENSION WHICH CHARACTERIZED  
PRESS POLITICAL AND OFFICIAL VIEW OF INDIAN-AMERICAN RELATIONS  
AS RECENTLY AS A FORTNIGHT AGO HAVE FOR THE PRESENT BEEN  
RELIEVED, ALTHOUGH INEVITABLY THERE ARE SKEPTICAL POLITICIANS  
WHO WONDER ALOUD WHETHER THE VISIT COULD HAVE BEEN AS SUCCESSFUL

DECLASSIFIED

E.O. 13292, Sec. 3.4

State Dept. Guidelines

CONFIDENTIAL

By *pc*, NARA, Date *1-5-04*



CONFIDENTIAL

-2- 2651, APRIL 1, FROM NEW DELHI

AS REPORTED BY THE PRESS. ONE NOW IS THAT THE ROUTE AHEAD IS MARKED AND THAT BOTH INDIAN AND US (AND OTHERS), MUST GET ON WITH ODE JOB OF PROCEEDING DOWN IT.

4. FORMAL PARLIAMENTARY DISCUSSION AWAIT MRS GANDHI'S RETURN.

PAGE THREE RUSBAE 40 ~~C O N F I D E N T I A L~~  
MANY MPS AND OTHER POLITICIANS COMMENT PRIVATELY THAT OUTCOME IS FAR BETTER THAN THEY EXPECTED. THEY STATE THAT VISIT HAS CREATED MUCH BETTER UNDERSTANDING BETWEEN INDIAN AND US. THOSE FAVORABLY DISPOSED TO US ARE PARTICULARLY PLEASED THAT THEIR EARLIER APPREHENSION THAT US WOULD PRESSURE INDIAN RADICALLY TO ALTER ITS ECONOMIC POLICIES AND CHANGE ITS STAND ON VIETNAM AS QUID PRO QUO FOR ASSISTANCE HAVE NOT MATERIALIZED. THEY REPORT THAT ONLY COMMUNISTS AND FELLOW TRAVELERS IN CONGRESS ARE DISPLEASED WITH OUTCOME. MAJORITY SHARE LOK SABHA SPEAKER'S REPORTED VIEW THAT PRIMIN'S VISIT HAS BEEN SILVER LINING ON DARK CLOUD OF TROUBLES BESEETING INDIA.

5. MINISTERS OF OFFICIALS ARE ANXIOUS TO GET DOWN TO BUSINESS ON FOUNDATION AND DEVELOPMENT ASSISTANCE AS SOON AS POSSIBLE, AND ASSUME THIS WILL BE SOON AFTER MRS GANDHI'S RETURN ON APRIL 3. THERE IS REALIZATION THAT A LOT OF THE HARD PROBLEMS REMAIN, EVEN THOUGH SUBMERGED IN THE STYLE AND FRAMEWORK ESTABLISHED IN WASHINGTON, AND THAT AMONG THESE ARE PAKISTAN AND PERHAPS EVEN VIETNAM. BUT THIS REALIZATION DOES NOT RPT NOT DEROGATE FROM THE OVER-ALL FEELING OF RESTORED CONFIDENCE AND DIGNITY IN A RELATIONSHIP IN WHICH IT IS EXPLICIT THAT EACH COUNTRY NEEDS THE OTHER. GP-3 GREENE  
BT

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# OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT  
☐ CHARGE TO

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00104

83

45-43

Origin

CPR

Info

ACTION: Her Excellency  
Indira Gandhi  
Prime Minister of India  
Carlyle Hotel,

Madison Avenue and 76th Street  
New York, New York

C/O CHIEF OF PROTOCOL

~~xxxxChiefxxxxProtocol~~

APR 1 12 51 PM '66

SS

G

NEA

P

USIA

NSC

*Gandhi visit India*

Dear Prime Minister Gandhi:

May I say again as you leave for home how honored we have been to have had you with us. I want you to know how much I enjoyed our conversations; especially as you came with all the opportunities and problems of a great sister democracy. I am sure that you have learned once more how deeply interested we all are in India. And I need not say again how much we value your friendship. I for one am <sup>wholly</sup> ~~wholly~~ confident that India under your leadership will find increasing value in its great human resources. For as so often in the past, today's concerns will be tomorrow's strength. We shall continue to need each other's help. You can count on ours.

Mrs. Johnson and I were both concerned that the heavy schedule here might be overtaxing your energies, despite the

*109 to pmgandhi 4/1/66*

Drafted by:

Tel. Ext.

Telegraphic transmission and

Text received from White House Classification approved by: S/CPR:James W. Symington

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buoyancy and good cheer you displayed. Do take a day or two to rest when you return.

You may be sure I have your very kind invitation to come back to India very much in my mind. I hope it will be possible to accept.

Sincerely,

Lyndon B. Johnson

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Approved in S  
4/11/66

DEPARTMENT OF STATE

Memorandum of Conversation

5747

*Procedures*

Part 1 of 4

DATE: March 31, 1966  
Time: 5:00 p.m.  
Place: The Secretary's office

SUBJECT: Visit of Prime Minister Gandhi

*Gandhi visit*

PARTICIPANTS: The Secretary  
Thomas M. Judd, EUR/BNA

Sir Patrick Dean, British Ambassador  
Nigel C.C. Trench, Counselor, British Embassy

COPIES TO:

S/S	NEA	G/PM	AmEmbassy KARACHI
S/P	FE	INR/OD	AmEmbassy NEW DELHI
G	E	CIA	AmConGen HONG KONG
IO	AID	White House	
EUR	ACDA	AmEmbassy LONDON	

Ambassador Dean said he had had a special request to ask the Secretary about Mrs. Gandhi's visit. Mrs. Gandhi would be arriving in London shortly.

The Secretary replied that the combination of the Communique and the Presidential message to Congress covered the business of the visit. Mrs. Gandhi did not go into any subject fully. She confined herself to a few sentences on each of the major problems raised. She did not bring any of her ministers with her and clearly did not come with a Cabinet briefing. This was perhaps deliberate to permit her to avoid major discussions.

The major purpose of the visit was to establish atmosphere and to make herself known. In these regards the visit had been a success. We thought her speeches here had been helpful.

The Secretary went on to say that on general economic matters we were leaning heavily on George Woods and the International Bank to get matters sorted out so that the Consortium could consider renewing aid on a normal basis. We were interested in such matters as a liberalized import policy, adjustment in exchange rates, and

/the encouragement



CONFIDENTIAL

- 2 -

the encouragement of investment from abroad, but we would not negotiate on a bilateral basis on these matters. We felt it was better for India to deal directly with the Bank.

Ambassador Dean asked if Mrs. Gandhi seemed to fear a Chinese attack. The Secretary replied that there was no immediate fear based on fresh information. The Indians had expressed concern over the deterioration of the atmosphere in Pakistan since Tashkent. The Indians said they would try to continue in their present general mood of calmness. There was absolutely no disposition on their part to make concessions on Kashmir, but they hoped to sort out as many of the other problems with Pakistan as possible.

Ambassador Dean inquired regarding the Indian attitude on the nuclear problem. The Secretary said that the Indians continued to maintain they would not take the nuclear route. They favored a non-dissemination agreement. L.K. Jha, one of Mrs. Gandhi's entourage, had said that this policy was coming under increasing criticism in India. He had hinted that this would not always be Indian Government policy.

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# OUTGOING TELEGRAM Department of State

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☐ CHARGE TO

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*Gandhi visit India*

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Info

ACTION: USUN  
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IMMEDIATE

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MAR 31 10 05 PM '66

Please deliver the following Presidential message to Mr. King: QUOTE Prime Minister Indira Gandhi, c/o Mr. Samuel L. King, Assistant Chief of Protocol, Carlyle Hotel, Room 34-B, Madison Avenue and 76th Street, New York City, N.Y., Dear Prime Minister Gandhi: May I say again as you leave for home how honored we have been to have had you with us. I want you to know how much I enjoyed our conversations; especially as you came ~~we~~ with all the opportunities and problems of a great sister democracy. I am sure that you have learned once more how deeply interested we all are in India. And I need not say again how much we value your friendship. I for one am wholly confident that India under your leadership will find increasing value in its great human resources. For as so ~~as~~ often in the past, today's concerns will be tomorrow's ~~strength~~ strength. We shall continue to need each other's help. You can count on ours. <sup>PARA A</sup> // Mrs. Johnson and I were both concerned that the heavy schedule here might be overtaking your energies,

*208  
To  
Gandhi  
3/31/66*

Drafted by:  
Text received from White House

Telegraphic transmission and  
Classification approved by:

S/S-O:Mr. Sacksteder

Clearance

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2321  
despite the buoyancy and good cheer you displayed. Do take a day or  
two to rest when you return. <sup>Para.</sup> You may be sure I have your <sup>very</sup> kind invitation  
to come back to India very much in my mind. I hope it will be possible  
to accept. Sincerely, Lyndon B. Johnson END QUOTE

END

RUSK

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DRAFT TELEGRAM

86 Gandhi  
visit

Prime Minister Indira Gandhi  
c/o Mr. Samuel L. King  
Assistant Chief of Protocol  
Carlyle Hotel, Room 34-B  
Madison Avenue and 76th Street  
New York City, N. Y.

Response to HHS  
memo of 3/31 through  
Moyers. This was  
probably revised by  
President himself  
or Valenti.  
7d.

Dear Prime Minister Gandhi:

May I say again as you leave for home how honored we have been to have had you with us. I want you to know how much I enjoyed our conversations; especially as you came with all the opportunities and problems of a great sister democracy. I am sure that you have learned once more how deeply interested we all are in India. And I need not say again how much we value your friendship. I for one am wholly confident that India under your leadership will find increasing value in its great human resources. For as so often in the past, today's concerns will be tomorrow's strength. We shall continue to need each other's help. You can count on ours.

Mrs. Johnson and I were both concerned that the heavy schedule here might be overtaxing your energies, despite the buoyancy and good cheer you displayed. Do take a day or two to rest when you return.

You may be sure I have your very kind invitation to come back to India very much in my mind. I hope it will be possible to accept ~~some~~

Lyndon B. Johnson



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CLASSIFICATION

DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT

March 31, 1966

Date

Mr. Bromley Smith  
The White House

The enclosed is for White House  
clearance prior to transmission.

*BR*  
Benjamin H. Read  
Executive Secretary

Enclosure:

Draft telegram to Prime Minister  
Indira Gandhi, New York

UNCLASSIFIED  
CLASSIFICATION

*87*  
*Gandhi visit*  
*See H. H. S. memo to*  
*Bill Moyers 3/31/66*  
*with H. H. S. memo to*  
*President + revised*  
*draft telegram*



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1966 MAR 31 PM 12 34

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INQUIRY GROUP, NEW YORK  
DEPT. OF JUSTICE TO BUREAU MEMPHIS

Enclosure:

Enclosure 2-10-66  
New York N. York

Enclosure 1-10-66  
The enclosed is for Mr. George

The Mr. George  
N.Y. Bureau 2-10-66

Date  
March 31, 1966

EXHIBIT 10-10-66  
DEPARTMENT OF JUSTICE

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87a

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ACTION: Prime Minister Indira Gandhi  
c/o Mr. Samuel L. King  
Assistant Chief of Protocol,  
Carlisle Hotel, Room 36-B,  
Madison Avenue and 76th Street,  
New York City, New York.

Dear Prime Minister Gandhi:

May I say again as you depart our country how honored we have been to have had you in our midst. It was a great pleasure for me, both officially and personally, to talk with you again, the more so ~~at~~ this time because you have come as the leader of your people and our great sister democracy, ~~India~~. You carry back with you the reassurance of the American people that this country's interest in India is continuing and deep. We look forward to increasing friendship, understanding, and cooperation ~~[through the years]~~ as India <sup>works</sup> ~~marches~~ toward the full development of its human talents and natural resources. My country stands ready to continue to play a helpful role in this progress, moved as we are by the conviction that your country's ultimate victory over need and want will contribute to peace and stability in Asia and in the world.

Lyndon B. Johnson

NEA/T:DBrown

5070

NEA - William J. Handley

SOA - Mr. McLaughlin  
P - Mr. McGlockey  
White House -

S/S - Mr. Ernest K. Lindley  
S/OPR - Mr. Carter  
S/S -

SOA - Mr. Schneider

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# INCOMING TELEGRAM *Department of State*

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FM AMEMBASSY NEW DELHI

TO RUEHC/SECSTATE WASHDC 2627

INFO RUFJKP/AMEMBASSY KARACHI 931

RUFJKP/AMCONSUL RAWALPINDI 192

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1966 MAR 30 AM 9 35

*Gandhi visit*

1. FIVE ENGLISH-LANGUAGE DELHI DAILIES MARCH 30 CONTINUE HEADLINE PRIMIN'S TALKS. ALL CARRY THOROUGH NEWS COVERAGE FROM WASHINGTON CORRESPONDENTS (NOW INCLUDING MARY HAGAN IN PATRIOT). COMMENT BY CORRESPONDENTS INCREASED AND TWO PAPERS CARRY EDITORIALS. HEADLINES AND ARTICLES HIGHLIGHT: PRIMIN'S FIRMNESS AND SUCCESS IN PRESENTING INDIAN VIEWPOINT, CONVINCING AMERICANS OF INDIA'S IMPORTANCE; INCREASED GOODWILL, CONFIDENCE AND UNDERSTANDING BOTH SIDES; PRESIDENT'S PLAN FOR INDO-AMERICAN FOUNDATION.

2. CONSIDERABLE FACTUAL COVERAGE GIVEN: PRIMIN'S PRESS CLUB SPEECH; MOYERS-VERGHESE BRIEFING ON FIRST PRIMIN/PRSS TALK; 3/28 PRIMIN'S MARCH 29 BLAIR HOUSE MEETING WITH SECSTATE RUSK, AMB BOWLES, ASST SECY HARE; PRIMIN'S MEETING WITH THREE DEMOCRATIC CONGRESSIONAL LEADERS; TALKS OF OFFICIALS ACCOMPANYING PRIMIN WITH THEIR COUNTERPARTS. I.E. PATEL-PANT MEETINGS WITH USG AND WORLD BANK OFFICIALS.

3. INDIAN EXPRESS EDITORIAL CALLS INDO-AMERICAN FOUNDATION "IMAGINATIVE GESTURE... GENEROUS AND IMAGINATIVE USE TO WHICH PRESIDENT JOHNSON HAS DECIDED PUT GOOD PROPORTION (US USES) RUPEES... WIDELY APPRECIATED BY INDIAN GOVERNMENT AND PEOPLE. HERE PERHAPS IN MOST INVIGORATING EXAMPLE OF WHAT PROMISES BE RICHLY FRUITFUL PROCESS INDO-AMERICAN COLLABORATION."

4. WASHINGTON CORRESPONDENT INDIAN EXPRESS STRESSES PRIMIN'S FIRMNESS: "AMERICANS ALL LEVELS DISCOVERING THAT FOR ALL HER FEMININE GRACE AND SOFT ACCENTS THERE IS STEELY QUALITY IN MRS. GANDHI WHEN INDIAN NATIONAL INTERESTS ARE TOUCHED."

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-2- 2627, March 30, From: New Delhi

5. WASHINGTON CORRESPONDENT HINDUSTAN TIMES STRESSES TALKS "PAVED WAY FOR RESTORATION MUTUAL CONFIDENCE AND NORMALITY TO INDO-AMERICAN RELATIONS... PRESIDENT UNDERSTOOD HAVE LAID PARTICULAR EMPHASIS ON REMAINING SUSPICIONS CONCERNING US ON PRESSURE TACTICS... REPORTEDLY TOLD PRIMIN HE SEEKING NO CHANGE IN INDIA'S POLICY ON VIETNAM OR ANY OTHER ISSUE."

6. PATRIOT SOUNDS LONE NOTE OF GLOOM, SUGGESTING IN NEWS ITEM THAT "NEW CULTURAL FOUNDATION MAY BE ONLY OUTCOME." ALSO EDITORIALIZES THAT "DURING HER TALKS MRS. GANDHI WILL HAVE TO EMPHASIZE REPEATEDLY FACT THAT WE PROPOSE FOLLOW OUR OWN ECON AND EXTERNAL POLICIES, IF SHE WANTS REMOVE FROM SELF-OBSSESSED AMERICAN MIND IMPRESSION SHE ON MISSION OF SURRENDER."

7. JOINT COMMUNIQUE RECEIVED TOO LATE FOR PRESS PUBLICATION, BUT COVERED MORNING BROADCAST ALL INDIA RADIO. GREENE

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89

Complete Set of Papers as found in

Briefing Books - 4/4/66

Actual Briefing Books returned to  
Bromley Smith's office 4/5/66



MARCH 29, 1966

Tenders

89a

## Office of the White House Press Secretary

THE WHITE HOUSEGandhi  
visitTEXT OF JOINT COMMUNIQUE BY  
PRESIDENT LYNDON B. JOHNSON AND  
HER EXCELLENCY INDIRA GANDHI,  
PRIME MINISTER OF INDIA, FOLLOWING  
TALKS IN WASHINGTON, D. C.

At the invitation of President Johnson, Mrs. Indira Gandhi, Prime Minister of the Republic of India, has been on an official visit to the United States of America. During her visit, Prime Minister Gandhi met the President and members of the United States Government.

The President and the Prime Minister discussed India's efforts for the improved well-being of its people. Prime Minister Gandhi emphasized the high priority which India attaches to economic development. President Johnson assured Prime Minister Gandhi of the deep interest of the Government and the people of the United States in participating in international efforts, particularly those under the leadership of the International Bank for Reconstruction and Development, to assist India in its own massive efforts to raise the living standards of its people within the framework of a parliamentary democracy.

The President and the Prime Minister discussed India's emergency food grain requirements resulting from last year's unprecedented drought. They agreed that the problem should be viewed not in isolation but in the context of an incipient world-wide food deficit, a challenge to humanity as a whole that merits the sustained and serious attention of all nations.

The Prime Minister described measures which the Government of India is taking to achieve self-sufficiency in the nation's food production. The President assured her that, Congress willing, the United States will continue to participate generously in the international effort to alleviate India's immediate food deficit problem. The President told Mrs. Gandhi that he intended to send a special message to Congress shortly to seek its endorsement of such U.S. assistance. Both of them agreed that further participation of other countries in meeting India's emergency food needs is also highly desirable.

Prime Minister Gandhi welcomed the President's proposal for the establishment of an Indo-U.S. Foundation to promote progress in all fields of learning. The President and the Prime Minister look to this cooperative endeavour to develop new teaching techniques in farm and factory, to advance science and to increase research.

President Johnson and Prime Minister Gandhi agreed that following the Tashkent Declaration there had already been considerable progress toward re-establishing the conditions of peace in the subcontinent and that it is necessary that this process continue in order that the peoples of both countries may concentrate their energies once again on the urgent tasks of national development. They also agreed on the importance of continuing to give full support to the United Nations objectives of refraining from the use of force and of resolving conflicts between nations through peaceful means.

MORE



During their discussions, President Johnson and Prime Minister Gandhi reviewed recent developments in South and Southeast Asia in the context of the universal desire of men and women everywhere to achieve peace that respects liberty, dignity and the pursuit of a better way of life. In this connection the President explained the policies the United States is pursuing to help the people of the Republic of Vietnam to defend their freedom and to reconstruct their war-torn society. The Prime Minister explained the continuing interest and efforts of her country in bringing about a just and peaceful solution of this problem.

Prime Minister Gandhi affirmed the determination of her nation to defend the freedom and territorial integrity of India and explained the challenge presented to it by the aggressive policies of the people's Republic of China. The Prime Minister and the President agreed that such aggressive policies pose a threat to peace, particularly in Asia.

The President and the Prime Minister consider that the visit has reaffirmed the strong bonds of friendship between the United States and India, based upon a shared commitment to constitutional democracy and a common revolutionary heritage. Their highly informative, frank, and friendly discussions have contributed to a valuable personal understanding between their two countries and their two peoples.

Prime Minister Gandhi extended a warm invitation to President Johnson to visit India. The President expressed his gratitude for the invitation and his hope that he could visit India again.

# # #



*Gandhi Visit*

From Handley:

Secretary's suggested paragraph on the foundation:

Prime Minister Gandhi welcomed the President's proposal for the establishment of an Indo-U.S. Foundation to promote progress in all fields of learning. The President and the Prime Minister looked to this cooperative endeavor to develop new teaching techniques in farm and factory, advance science and encourage research.

NOTE: They have not put in the \$300 million reference. The Indians would prefer not to have it. Do you feel strongly that it should be there?

Mr. Handley would like to have your comments within 20 minutes.



90a  
Gandhi Visit

Mr. Handley left the following message for you:

The Secretary would very much like to have something specifically mentioned in the communique about the role of the World Bank, and he is proposing that the paragraph dealing with aid in the present communique be amended as follows:

The third sentence of that paragraph would read as follows:

"President Johnson assured Prime Minister Gandhi of the deep  
and  
interest of the Government/the people of the United States in  
participating in international efforts, particularly those under  
the leadership of the International Bank for Reconstruction  
and Development, in assisting India in its own massive efforts  
to raise the living standards of its people within the framework  
of a parliamentary democracy. "

The Secretary had the impression that he wanted to put the monkey  
on the World Bank's back.



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NEWS CONFERENCE

#388-A

Saunders  
FYI / or files  
from Ken  
3/30/66

AT THE WHITE HOUSE

WITH BILL MOYERS AND  
B. G. VERGHESE

Gandhi  
visit

6:20 P.M. EST

MARCH 29, 1966

TUESDAY

MR. MOYERS: We will give you a couple of minutes to read the communique. Mr. George Vergheese and I will be happy to try to entertain any questions that you have about it.

Let me clarify, in advance, one question that I know will arise. That relates to the statement in the communique that the President intends to send a special message to Congress shortly to seek its endorsement of U.S. assistance to meet India's immediate food deficit problem.

That message will go up tomorrow morning. There will be an interpretive session on it at ten o'clock tomorrow here in my office.

Q When will it be available here?

MR. MOYERS: It will probably not be available until just around ten o'clock which will necessitate giving you an opportunity to read it before we have a briefing on it. It definitely will not be available before 9:45.

Q Do you have any idea as to length?

MR. MOYERS: About 1500 words.

Q Is that to be in terms of numbers, tonnages?

MR. MOYERS: Yes, and I would hold up any further comment on the message until tomorrow.

Q Did you say Congressional approval of a special aid to India program?

MR. MOYERS: That is what it says here in the fourth paragraph.

Q Where does it say a special program?

MR. MOYERS: It says "send a special message to Congress shortly to seek its endorsement of such U.S. assistance."

Q Does that refer to the food deficit problem or to aid generally?

MR. MOYERS: This is food.

Q On aid generally, how about the second paragraph? It said, "President Johnson assured Prime Minister Gandhi

MORE



of the deep interest of the Government and the people of the United States in participating in international efforts, particularly those under the leadership of the International Bank for Reconstruction and Development, to assist India in its own massive efforts to raise the living standards of its people within the framework of a parliamentary democracy."

What does that imply? Is there a World Bank scheme for meeting their needs for credits?

MR. MOYERS: Yes.

Q Can you tell us anything about that scheme?

MR. MOYERS: No. As everyone knows, this Government made a decision, following Tashkent, to resume its program of economic assistance. There are a considerable number of specific details to be worked out by the Government of India, officials of the World Bank, and other donor countries. Those discussions are to continue rather soon, I understand. Those details are being left to those particular considerations.

Q Bill, if that is the Consortium that you are referring to, do you know when it will meet?

MR. MOYERS: No, I don't, Carroll.

Q Bill, there was approximately \$250 million of American economic aid that was held up last summer. Has that been released?

MR. MOYERS: I think I mentioned following Tashkent we did begin our economic program again. Fifty million dollars was announced in December for fertilizer purposes and \$100 million was released in program funds when Vice President Humphrey was in New Delhi.

Q I think at the last World Bank Consortium the United States placed 430 or 435 of which 135 has been released. Does that mean the balance is going to be released now?

MR. MOYERS: I don't have that answer now. As I say, a lot of these answers will come out of the officials of the World Bank and the Consortium.

Q Do you have any idea what "very soon" means?

MR. MOYERS: No.

Q Bill, formerly this was described as, you know, just a decision to give that much aid and not a decision to resume. The distinction was made between the two.

MR. MOYERS: I think the fact that everyone knows that this Government began, following Tashkent, to resume aid that I have already discussed, plus the tone and spirit of this communique answers your question.

Q Bill, on that special message to Congress tomorrow, would that be endorsement of emergency food shipments above and beyond that for which we have already been committed?

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MR. MOYERS: Bob, I just refer you back to what the communique says here. "The President assured her that, Congress willing, the United States will continue to participate generously in the international effort to alleviate India's immediate food deficit problem. The President told Mrs. Gandhi that he intended to send a special message to Congress shortly to seek its endorsement of such U.S. assistance."

What the totals and the figures are will be revealed in tomorrow morning's message.

Q Bill, can you tell us what the deficit is?

MR. MOYERS: George?

MR. VERGHESE: The deficit isn't any absolute figure. These are estimates which are dependent on the Indian crop. We expect that the production this year will be around 76 to 78 million tons as compared to about 88.4 million tons last year. On that basis, the deficit would be the difference between these two figures, that is, 10 to 12 million tons.

But at the same time it is still only an estimate because the winter harvest is yet to come in and a final estimate can't be forecast yet.

Q Bill, why must you go up with the special message to Congress? Do you not have sufficient authority under the present law to carry out this food program?

MR. MOYERS: If I recall correctly, the President mentioned in a press conference that he talked with Ambassador Nehru about this and that he looked forward to talking with the Prime Minister about it and following the visit he was considering going to Congress on a program this massive to put the complete stamp of the U.S. Government behind it.

Q Bill, does the second paragraph refer to the long-term authorization proposal that the Administration is trying to get through Congress?

MR. MOYERS: Which particular part of paragraph two?

Q The economic development and aid part. It says "in participating in international efforts, particularly those under the leadership of the International Bank for Reconstruction and Development." I assume there are other efforts. Does it also include the long-term authorization effort?

MR. MOYERS: Yes, which is already before Congress. Our overall economic aid program has already been sent to the Congress this year.

Q Coming back to the second paragraph in the context of participating in the World Bank, etcetera, if I remember right, the plan was frozen in the World Bank. Does this mean you want the World Bank to start it again, or is it a question of an economic mission being sent to India?

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MR. MOYERS: This would refer to whatever money is in the pipeline through the World Bank and whatever additional money the U.S. plans to put through the World Bank.

Q Mr. Verghese, does the Prime Minister feel she accomplished her purposes in this visit?

MR. VERGHESE: I think she is generally very satisfied with the results of the visit.

Q Bill, the President said earlier that the U.S. might have to ship to India as much wheat as the U.S. consumes in one year. That is roughly 17 or 18 million tons, I found out. Is that figure correct?

MR. MOYERS: I don't know anything about that figure, Bill. The answer to your question will be in the text tomorrow morning.

Q Bill, in the first paragraph at the top of page 2, regarding Vietnam, "The Prime Minister explained the continuing interest and efforts of her country in bringing about a just and peaceful solution of this problem."

What are some of these efforts? Is this collateral, part of the ICC, or what?

MR. VERGHESE: This is part of India's chairmanship of the ICC. As Chairman of the ICC and as a country, too, we are willing to take whatever initiative we can, whenever any opportunity offers, to explore every possible avenue towards a settlement.

Q Does this anticipated assistance apply to Pakistan, too?

MR. MOYERS: This relates to India.

Q Do you have any idea that such kind of assistance would be extended to Pakistan when the assistance to India will start?

MR. MOYERS: No.

Q Bill, was there any discussion in the meeting between the President and Mrs. Gandhi about the World Bank's recommendation that India take off the economic and import tolls that it has had so many years as an incentive to outside investment?

MR. MOYERS: I don't believe they got into that kind of a specific.

Q Did the advisers?

MR. MOYERS: It is quite possible they did.

Q Can you tell us about any conclusions that were reached?

MR. MOYERS: No.

Q Bill, I got in late and this question may have

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been asked. Was there anything in the discussion that led the Indian Government to feel that our post-Kashmir war restrictions are now gone?

MR. MOYERS: I am not sure that I understand the question.

Q Well, the restrictions on economic aid that we put on during the recent war in Kashmir. Are those now ended?

MR. MOYERS: I don't know what restrictions you are referring to. I think everyone is aware of the President's feeling that through self-help measures it is possible for recipient nations to increase the effectiveness of our assistance. I think, also, everyone is aware that the President is concerned that assistance which goes to any country is used for national development rather than other purposes.

I think that is touched upon in the communique. The President quite strongly applauded India's efforts in the field of self-help measures, particularly agriculture. Again, that will be a subject touched upon in the message tomorrow. I think that was one of the last points the President made in the meeting in the Cabinet Room a minute ago, that from --

MR. VERGHESE: -- 1950 to 1965 there has been a 75 percent increase in agricultural output in India, food grains output in India.

MR. MOYERS: It is that kind of increasing activity on the part of the Government that the President believes best enables our assistance to be utilized.

Q Bill, we note that Mrs. Gandhi extended a warm invitation to the President to visit India. Will he?

MR. MOYERS: This was the last thing he said to her as the meeting broke up that he would like to do it, if the situation presents itself and circumstances permit it.

Q There is no definite date?

MR. MOYERS: No definite date or time. She did not even propose a specific time.

THE PRESS: Thank you.

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DEPARTMENT OF STATE

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Approved in S 4/12/66

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Memorandum of Conversation

Authority NLS.032R.022.003/9

By NARA Date 12-7-10

DATE: March 28, 1966

*Handley visit*

SUBJECT: Indo-US Talks: Vietnam, Communist China and Tashkent

PARTICIPANTS:

India

H.E. B. K. Nehru, Ambassador of India  
Mr. L. K. Jha, Secretary to the Prime Minister  
Mr. C. S. Jha, Foreign Secretary, Ministry of External Affairs

Mr. P. N. Haksar, Deputy High Commission of India to the United Kingdom  
Dr. P. K. Banerjee, Minister, Embassy of India  
Mr. B. G. Verghese, Information Advisor to the Prime Minister  
Mr. Ashoke Chib, First Secretary (Political), Embassy of India

United States

The Secretary  
Ambassador Raymond A. Hare,  
Assistant Secretary, Bureau of Near Eastern and South Asian Affairs  
Ambassador Chester Bowles, Ambassador to India  
Ambassador James W. Symington, Chief of Protocol  
Mr. Jack Valenti, Special Assistant to the President  
Mr. Robert Komer, Special Assistant to the President  
Mr. William J. Handley, Deputy Assistant Secretary, Bureau of Near Eastern and South Asian Affairs  
Miss Carol C. Laise, Director, Office of South Asian Affairs

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The Secretary noted how much we have been looking forward to this visit. He stated that we were interested in the Indian observations on the things that were high on their agenda. He inquired about the food riots and Mr. L. K. Jha responded there were two sides to this matter. The riots themselves are under control but there is talk of carrying on the agitation with a strike on April 6. If this should take place there is always the possibility of things cropping up in a pre-election year. Calcutta and Kerala are sensitive areas. The Secretary wondered whether the origin of this was food, to which L. K. Jha replied that it did stem

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out of problems of food and oil, but it basically took the form of a demonstration against the Government of West Bengal and the center.

The Secretary asked if the Indian delegation left Delhi before the Chinese had announced they were not going to Moscow. The reply was yes. The Secretary went on to comment that these are interesting weeks: the Chinese are undertaking important assessments, they must be experiencing a sense of frustration, and the question for all of us is whether they will become more sober or more dangerous. We don't know how things will move, and he asked whether the Indians have any feel for the situation.

Mr. C. S. Jha inquired whether the Secretary was referring to the review in the last few days or one that took place some little time ago. The Secretary indicated that we haven't heard what has happened from the earlier meetings except remarks of the Russians. Mr. C. S. Jha then commented that the Chinese do not admit to any setbacks; The Peoples Daily continues to indicate that the tide of revolution is irresistible. He said he doesn't know whether anything has happened to change this in the last ten days, but sometime ago it certainly appeared that they had every intention of keeping Sino-Indian relations hot. He thought they would be militarily reticent but politically active. Perhaps, he said, this explains what is going on in Thailand and possibly in the Calcutta riots. He noted that the Indians had had a meeting with the Japanese a month ago. Their conclusions had been the same; that is, that the Chinese are turning from the military to the subversion tack. Ambassador Bowles observed that the Chinese must be upset by North Korea and North Vietnam going to Moscow; he hoped that the Russians won't outdo the Chinese at the meeting. C. S. Jha saw no basis for this.

The Secretary stated that we see no serious indications of efforts to bring peace to Southeast Asia. Indeed, Hanoi seems to formulate its position in harder terms than ever. He said we are curious as to why Hanoi did not use the bombing pause to put out some peace feelers. Instead they came back very simply and directly to reject every effort. We had had a little sample of the Chinese doctrine in the Western Hemisphere at the Havana Tri-Continental Conference. We were a little surprised that they Conference seemed to go along with the Chinese theories and it was interesting to note that the Soviets were still trying to explain their position.

Mr. L. K. Jha intervened to say that China at the moment seems to focus on three countries as the main factors with which it has to deal, balance, fight or keep at bay. They are the U.S.A., U.S.S.R. and India. Each represents one type of challenge. India's challenge is democracy in Asia and the developing world where liberty is part of the growth pattern. One of the things coming out of the reports from China is how steadily

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India is featured in the press and statements as a country to attack and criticize. India visualizes its role as a one of constituting a major political challenge to China. It keeps looking at the problem of peace in Vietnam from this perspective. In this situation the question India asks is what is the precise role India can play in bringing about peace.

The Secretary said that we agree that the very presence, stability and progress of India is a substantial factor in the total situation; therefore the success of India is important to peace in Asia and Southeast Asia. To answer the question raised by Mr. L. K. Jha, we might look briefly at the four hopes of Hanoi: (1) they think they can achieve military victory in the South; at the present time they may be having second thoughts because of recent setbacks but they still have hopes; (2) they hope that South Vietnam will disintegrate, and this hope has been sustained by what is going on there now and the demonstrations. The fact of the generals, who are the present leadership of South Vietnam, turning to a political solution has led to political maneuvers which inevitably give hope to the other side; (3) Hanoi hopes that international opinion will build up to change the U.S. commitment. We don't see this; international attitudes are pretty well stabilized with some 70 countries supporting us, 20 uninvolved, and 20 Communist. The peace offensive which we undertook had helped to clarify things; (4) there is hope in North Vietnam that internal differences in the U.S. would force us to change our commitment. This is the result of naivete. The question is whether Hanoi knows enough about the United States to put the demonstrations here in perspective.

The Secretary said we feel these four points should be disclosed to Hanoi as lacking in validity and that things are not moving in their direction. If India were to play fully its role as Chairman of the ICC--and this was his principal suggestion--it might stress full support for the 1954 and 1962 Agreements, full support for peaceful settlement and full support for negotiations in any forum. On two points both sides are saying the same things: the Geneva Agreements of 1954 and the Geneva machinery is appropriate machinery. This is worth building on. Whether India, Canada and Poland informally can push this he didn't know. It depended on Poland and on Hanoi's interest in a peaceful settlement. Mr. C. S. Jha referred to the Canadian suggestion for an ICC initiative. He said that India and Canada had consulted Poland but the Poles had said the time was not ripe. As regards implementation of the Geneva Agreements, there is great difficulty in operating with the Poles, who are obstructionists, and with the DRV, which takes a position that the ICC is acceptable if they don't interfere. Not much evidence is available under these circumstances. India finds this role frustrating but considers that the ICC should maintain its presence. He acknowledged that the countries represented on the ICC can take initiatives outside of the ICC.

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However, the Co-Chairman of the Geneva Agreements have opposite views. The financial situation is tenuous and this creates difficulties in operating the Geneva machinery. However, he stated, India was entirely in agreement that the Geneva Agreements offer a ray of hope and a point of departure for a political solution. One can discourse on this but there are no answers at the present.

The Secretary said we had hoped the Poles would be more active diplomatically as they are not immobilized by Communist Chinese criticism. The Vice President and Kosygin talks in Delhi indicate that the Soviets don't want to talk with us. Perhaps this is because, even if we could agree, they can't deliver, as the Laos experience demonstrated. It, therefore, seems clear that the U.S.S.R. cannot talk to us when Peiping is charging conspiracy between us against Hanoi. Poland, however, isn't in the same position. Mr. C. S. Jha acknowledged that the Poles have good relations with the DRV and are anxious not to jeopardize relations. Nevertheless, they do offer a possibility of playing a role. In all the talks which the Indians have had with the Poles, the Polish views are more moderate and sensible; they are willing to play a role but are very cautious. The question is when is the time ripe. It seems to India that such a time might come suddenly, provided there is a petering out of intensity. This is a delicate problem. The U.S. peace offensive is in the right direction and it brought out DRV obstinacy. This raises the question as to whether China stands in the way. (In an aside, Mr. Jha said their talks with the Japanese indicated they had a common view. However, while the Japanese realize the danger of China, they have a soft corner for China due to the desire for trade and owing to the attitude of the Japanese Socialist Party.)

Mr. L. K. Jha wondered if it were realistic to believe that Poland can take action without prior clearance with the Soviets; the identity of views between Warsaw and Moscow is well known. He, therefore, thought we cannot expect Poland to move without reference to the U.S.S.R. In this he saw the U.S.S.R. inability to deliver the goods as the reason for the U.S.S.R. reserve. He asked whether it would not be a better way to deal with the problem by inspiring the Soviets to make an anti-U.S. statement and couple it with demands on the U.S. for peace in Vietnam. The U.S. could then play its cards to respond to a Soviet demarche. This would enable the Soviets to say to Hanoi that they were able to deal with an aggressive United States if Hanoi would cooperate. The Secretary responded that it was possible that this sophisticated formula could have worked in 1952, but now that both the Soviet Union and the U.S. were nuclear powers it would be very dangerous to invite such a sharp confrontation, even if some pre-arrangement were possible. The Secretary believed there was one other element to consider. He recognized that Poland and Hungary would not do much that the U.S.S.R. was unaware of, but Moscow and Hanoi could avail themselves of a fig leaf provided by the Poles. He noted that in the pause in the bombing several Eastern

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European countries were in touch with Hanoi. There was no public exposition of this. He thought maybe the "charade" would be a useful device. Referring to Mr. Jha's point about "intensity," the Secretary said we have tried to explore how to achieve a reduction of intensity on a private basis but no interest had been shown. Instead during the bombing pause North Vietnam went on with their movement toward the South (truck convoys, etc.). We had received no indication that Hanoi was willing to give de facto recognition to the desirability of decreasing the intensity. The Secretary said the United States would be prepared to cooperate with a de facto stand-down; it would not have to be an agreement with the U.S., a reliable third party could arrange this.

Mr. C. S. Jha observed that he was not thinking of de-escalation as being one sided; he thought it might be worth watching when the other side was slackening, and said that in Asia the question of face was very important. When there is any detection of slackening this may be the time to move to develop a de facto acceptance of the reduction in intensity. He acknowledged the Secretary's observation that this point has not yet been reached but he felt this may yet be the way out. The Secretary again said the factual situation on the ground points the other way: Hanoi has built additional routes; orders for POL are twice as large as last year. Given the source of information we have, we could react promptly to change on the other side but during the bombing pause everything went the other way. All this, the Secretary noted, was to be held very close. Mr. C. S. Jha replied that if this is the situation, then a diplomatic offensive (although he preferred a more subtle word for this) from the U.S. side could help to veer Hanoi's course to the direction of a modus vivendi. India has information that it might be possible to contact the NLF; the DRV has increasingly said to talk to the NLF and there are reports of a more independent attitude by the NLF. Would it be possible for the U.S. or the South Vietnamese to make this sort of contact? The Secretary said, in a pragmatic sense, there is no lack of contact with the NLF on many things (e.g., when "Big Minh" was on the scene his brother was on the other side and there were conversations). The problem is not one of contact but of determination and purpose.

Mr. C. S. Jha noted that the Government of India had lately seen in the press a certain amount of attention in the U.S. being given to the need for the U.S. to adjust its China policy; he wondered what this meant. The Secretary acknowledged that with the Congressional hearings, at al., more public attention was being given to the problem of China. He said this was all to the good but there is a missing piece in the public discussion. None of it has the background of the 129 bilateral talks with the Chinese in Warsaw. He said it is hard to overstate the implacability of these talks. In the last talk we had conducted it with a full awareness of the reappraisal going on

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in China and the Moscow meeting. We had tried to probe the Chinese intentions, to remove their fears of us, to indicate fields in which we could improve our relations. The Chinese had said nothing was possible unless we agree with them on Formosa, Vietnam and disarmament. Earlier the stumbling block had been only Formosa, but the other two conditions had been added. The public discussion does not include knowledge of this. We are, of course, in a special position because the Chinese hold the U.S. responsible for the creation of Formosa, but the same issue will arise in the UN where there are many countries that do not accord with the Chinese position on Formosa. Mr. C. S. Jha indicated the Indian assessment was that the Chinese attitude is likely to be implacable for a long time to come, especially on Sino-Indian relations. They see no signs of relenting and India proceeds on that basis. For that reason, India is concerned with what the Chinese are doing in Pakistan. Mr. Jha referred to his conversations with Ambassador Bowles on the Ministerial meetings with the Paks. He said that the Indians had been disappointed that the Paks had put Kashmir as a roadblock; naturally Pakistan could be expected to raise Kashmir and India was willing to talk, but it considered the rollback of the measures connected with the war needed to be tackled straight-away. This was the first category of problems as the Indians saw it. The second category of problems was those of long-standing and the third category related to positive measures to improve relations. The Pakistan delegation had said that progress must be simultaneous on all fronts. The Indian delegation had noted that at this session there seemed to be little difference in point of view between Aziz Ahmed and Bhutto on the one hand and President Ayub on the other; this was a change from Tashkent. After this meeting the Pakistan leaders had gone on to make a number of statements which had caused dismay. India understood the need for a bow to internal problems but they considered Bhutto's statement to the National Assembly as violent and out of tune with Tashkent. Also, President Ayub, at the Muslim League Council meeting, had used very strong expressions. Mr. Jha stated, however, that so far as India is concerned, it would not be provoked into saying things counter to Tashkent.

The Secretary asked whether the Soviets had shown any interest in these developments. Mr. Jha indicated that the Government of India had kept the Soviets informed, as they had us, but they had not asked for any help. He did not know whether the Soviets have spoken to the GOP. However, in Mr. Jha's own talks with the Soviet Ambassador in Delhi, he had shown some concern and asked if the Indians thought there were any external influences responsible for the Pak attitude. As an aside, <sup>Mr. Jha</sup> he noted that it was significant that only one country had denounced Tashkent, and that was China. Mr. Jha stated that when the Indian delegation was in Rawalpindi for the Ministerial talks, the whole floor above them in the hotel was full of Chinese. It seemed as though there was quite a lot of Chinese activity going on in Pakistan

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and he thought it was possible the pro-Chinese element may be having some influence.

The Secretary returned to the subject of China and asked what the Indian impression was of the next generation of Chinese. Mr. Jha noted that it was the view of their Charge in Peiping, in whom they have considerable confidence, that the Chinese leadership was worried about the future generation going soft and not living up to the revolutionary tradition. They were, therefore, taking great pains to educate that generation. While India hoped that a mellowing might come about, this was not an immediate prospect. The two people most widely regarded as possible successors to Mao are hardliners. They are Lin Biao and Peng Chen. At this point in the conversation, the President and the Prime Minister joined the group.

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MARCH 28, 1966

## OFFICE OF THE WHITE HOUSE PRESS SECRETARY

AS ACTUALLY DELIVERED

THE WHITE HOUSE

EXCHANGE OF TOASTS BETWEEN THE PRESIDENT OF  
THE UNITED STATES AND PRIME MINISTER GANDHI  
OF INDIA

THE PRESIDENT: Madame Prime Minister:

I have heard -- and do in part believe -- that Queen Victoria -- speaking in a different age and under different circumstances -- once gave the following estimate of two of her prime ministers.

"Mr. Gladstone," said she, "talks to me as if I were a public meeting -- but Mr. Disraeli speaks to me as if I were a woman.

Tonight I am very pleased to tell our friends who have assembled here that we have spoken to our gracious visitor not only as a woman with an understanding heart -- but also as a leader with a sense of vision -- and a builder with a valued view of faith.

India is a vast and varied land. The roots of freedom and justice run deep in the Indian past. Its culture was full and strong centuries before the dawn of the Christian era.

The world has listened to the wisdom of India spoken through the voice of an eloquent leader.

Once many years ago he said: "Democracy demands discipline, tolerance and mutual regard. Freedom demands respect for the freedom of others. In a democracy changes are made by mutual discussion and persuasion and not by violent means."

These were the words of Prime Minister Nehru. This was the belief of Prime Minister Shastri. Their fidelity to freedom's cause created, with Mahatma Gandhi, a new nation -- conceived in struggle, grown strong in sacrifice.

Now tonight Prime Minister Gandhi comes to this house and to this table, the custodian of her nation's hope, and the steward of her nation's dreams.

Today we here in the White House talked about the work and the sacrifice that is needed to make those dreams a modern reality. Together we discussed the practical ways that India and the United States can help to build a world where life is hopeful and where life is happier for all peoples, as well as the peoples of all lands.

MORE



Prime Minister Gandhi's goal is to weld the Indian nation into a land where the words of its founding fathers come true and their views of its future are real.

There is much that binds India and the United States together. Both our nations have the deep-felt obligation to the basic dignity of man -- and the conviction that people can solve their problems by free choice far better than they can by any arrangement of force. There is in India and this country the strong tradition of freedom that just will never die.

I remember very clearly tonight my visit to India in 1961.

I remember what I saw and what I felt and what I heard throughout that great land. The thousands of students along the roads and in the cities -- each of them quite impatient to know and to learn. I saw the teachers and the scholars -- the public servants -- and the people, searching, yearning, discovering, hoping. And I think of our young people here and what we have done in the last year to achieve a new revolution in education -- beyond the wildest dreams of just a decade ago.

Now, how can we bring into closer union the spirit and the courage of both our countries?

I have given a good deal of thought to that in the last few months, and tonight I would propose that we mark this historic visit of Prime Minister Gandhi with a lasting endowment for the benefit of inquiring young minds in the Indian nation.

So may we, Madam Prime Minister, with the permission of your government and the American Congress, launch a new and imaginative venture. We shall call it an Indo-American Foundation. I would propose that this Foundation be established in India, and that it be endowed with \$300 million in Indian currency owned by the United States. Other foundations all over the world will cooperate, I am sure, with an enterprise of this kind.

I would suggest that this Foundation be organized as an independent institution -- with the distinguished citizens of both our countries on its board of directors. I would propose that the new Foundation be given a broad charter to promote progress in all fields of learning -- to advance science -- to encourage research -- to develop new teaching techniques on the farms and in the factories -- to stimulate, if you please, new ways to meet old problems.

The journey to our future is over a very long and a very winding road. Every mile will be challenged by doubt. But together, Madam Prime Minister, we must avoid the detours that intrude on our safe journey toward a time when as your father promised, life will be better for all of our people.

MORE



So, ladies and gentlemen, let us honor those who are so welcome here tonight. Let us ask you to join in honoring the Chief of State whose wise and gifted Prime Minister we have enjoyed so much today, and that we welcome so warmly this evening.

I should like to ask those of you who are assembled here to join me now in raising your glass in a toast to the great President of India.

PRIME MINISTER GANDHI: Mr. President, Mrs. Johnson, your Excellencies, ladies and gentlemen:

Your words, Mr. President, were exceedingly moving. You have spoken of India and her wide variety. We who live there are naturally deeply conscious of it, while at the same time we are fully aware of the underlying and the basic unity which binds together all our people.

You have quoted some words of my father. I should like to quote something which you yourself have said. You said, Mr. President, "Reality rarely matches dreams, but only dreams give nobility to purpose."

In the United States, you have matched your dreams in many ways. Yet you still seek, and rightly, to offer the American people a better and a more purposeful life. You have called this idea "The Great Society". In India, we also have our dreams, which may seem trite to you who sit here, because they appear so simple -- food barely sufficient to keep one from hunger, shelter to keep out the wind and the rain, medicine and education by which to restore the faith and the hope of our nearly 500 million people.

But everything in life is rel-tive. There is an old proverb in my country. A person says, "I complained that I had no shoes until I met a man who had no feet."

Mahatma Gandhi said once, and it is something which my father often repeated, that we in India had to work to wipe the tear from every eye. That of course is a big task and I doubt if it can be done in any country. And yet we have been trying to do that for eighteen long years. Two centuries of subjugation cannot be washed away so easily. It takes time. It takes work. It takes courage. India is changing, as no doubt your advisors who have been to India have told you, Mr. President. Nowhere in the world can the contrast be so striking. We have not only different levels of development between the different states, but even within each state. We have often several centuries existing side by side. We have some of the greatest irrigation works in the world, and yet in parts of our State of Rajahstan, desert families store precious water under lock and key.

During a tour of some of these border areas a couple of months or so ago, I myself experienced the great hardship of doing without water and measuring the miles

MORE



from well to well. Some 12 million or more of bullock carts still churn the dust of our village roads. Yet in other parts of India, we are building three nuclear power plants.

Average agricultural yields are low, and at the same time there are areas where we obtain sugar cane yields that compare favorably with those in Hawaii or in Java.

A third of the illiterate people in the world are in India. Yet we are steadily conquering illiteracy.

In our State of Madras, village after village strives to achieve total literacy. Parents learn from their children so that the honor of the village. In Madras people have banded together to improve their schools. They have given 100 million rupees beyond what the government spends on their schools.

In the Punjab, little workshops make lathes and pumps that have revolutionized the countryside.

The seeming inconsistencies and conflicts of India are legion. The setbacks, and we have had many, are heartbreaking. Yet the signs of change are clear and constantly growing.

Sometimes critics point to an example of success and say, "This proves nothing. This is a mere drop in the ocean of Indian poverty." How wrong this is, for every success reinforces the prospect of further success. It shows that success is possible. The example and the confidence it generates radiates outward.

This, Mr. President, is really our major problem. Years ago when we visited the villages to persuade people to try for a better life, they turned to us and said, "There can be no better life. God wills it this way." This is our lot and we have to suffer it." Today not a single voice be heard like this. There is only one demand, that we do want a better life, we want better schools and more schools. We want bigger hospitals and more hospitals, and all the other signs of progress and signs of raising the standards of living.

This I think is a very big achievement.

You talked of democracy. May I tell you one more story which I shared with the Vice President a short while ago. It happened during our first election. I had gone to speak in a village where just the day before the leader of an opposition party had spoken. When my speech was ended, an elderly gentleman got up from the audience and said, "We have listened very carefully to what you have said, but just the day before somebody came -- so and so came -- and he said the exact opposite. Now, which of you was telling the truth?"

MORE



Now, this you can understand is an extremely tricky question to ask a public speaker. I said, "Well, I think that what I said was the truth, but I have no doubt that the gentleman thought that what he said was the truth."

"The whole point of democracy is that everybody should say whatever he thinks is the truth, and you, the people, have to really judge which is the correct version, and which is the right version or the right thing for you."

Well, this was rather a difficult explanation for them, and they said, "Now, you tell us, do you belong to the Congress Party?" I said, "I do." "Is your party in power? Is it forming the government?" I said, "Yes, it is." "Then what business have you to send somebody here who tells us incorrect things. It is your business to keep them away."

This was one of the stops where I was supposed to stay only ten minutes, but where I stayed for two hours trying to argue the whole point out about elections, freedom of expression, and so on. I can't say that I got any further at the end of two hours.

But now, years later, we find that we have gotten further. Nobody today in India would put such a question. They know that the different parties have their points of view, and these points of view are put before the people, and the people judge, not always rightly, but I think they try to judge rightly. Certainly, from election to election they have shown a great maturity.

India very definitely is on the move. Mr. President, the United States has given India valuable assistance in our struggle against poverty, against hunger, against ignorance, and against disease. We are grateful for this act of friendship. But we also know that our own "Great Society" must and can only rest securely on the quality and the extent of our own effort.

This effort we are determined to make; We owe it to our friends, and even more so we owe it to ourselves.

Nevertheless, I believe that it is of the greatest importance, to use your own words, to bring into closer union the spirit and courage of both our countries. I welcome your intention to set up an India-American Foundation, which will give tangible shape and form to this union.

The present-day world offers the possibility of bringing together one people with another. The young men and women of your Peace Corps are well known and well loved in our country. Every endeavor to sustain and enlarge this people to people partnership is a good effort and is welcome.

Friendship with America is not a new thing for us. Those of us in India who have been involved with the struggle



for freedom have known from our earliest days your own struggle here. We have been taught the words of your leaders, of your past great Presidents, and above all we were linked in friendship because of the friendship with which President Roosevelt showed us, the understanding which he showed during some of the most difficult days of our independence struggle. I have no doubt it was also this understanding and friendly advice given to the British Government which facilitated and accelerated our own freedom.

But there again the major effort had to be our own, and this is what we want today, that we should bear our burden, as indeed we are doing, but that a little bit of help should come from friends who consider it worthwhile to lighten the burden.

Because, Mr. President, India's problems today are her own, but they are also the world's problems. India has a position in Asia which is an explosive position. India, if it is stable, united, democratic, I think can serve a great purpose. If India is not stable, or if there is chaos, if India fails, I think it is a failure of the whole democratic system. It is a failure of many of the values which you and I both hold dear.

That is why, Mr. President, I welcome your words and I welcome this meeting with you, which has been most valuable to me.

I invite you, ladies and gentlemen, to join with me in drinking a toast to the President and Mrs. Johnson, our friends, the American people, and the Great Society, not just for America, but for all who dream of it, for all who struggle to transform those dreams into reality.

END



AT THE WHITE HOUSE

WITH ROBERT FLEMING

1:15 P.M. EST

MARCH 28, 1966

MONDAY

MR. FLEMING: The President and Mrs. Gandhi were together in his office alone for an hour and 15 minutes of conversation and discussion. Then they joined the advisors for about 20 minutes more, before her afternoon luncheon engagement.

Q In the Cabinet Room?

MR. FLEMING: In the Cabinet Room. The President walked over to Blair House with Mrs. Gandhi.

On our side the advisers were: Secretary Rusk; Raymond A. Hare, Assistant Secretary for Near East and South Asia Affairs; Ambassador Chester Bowles; Miss Carol C. Laise, of the Office of South Asia Affairs; Robert Komer, who was there as the Security Council staff member on India; Ambassador Symington; Jack Valenti; and Bill Moyers.

In the Indian party were: Ambassador B. K. Nehru; the Secretary to the Prime Minister, Mr. Lakshmi Kant Jha; The Foreign Secretary of the Ministry of External Affairs, Mr. Chandra Shekhar Jha; Mr. Parmeshwar Narain Haksar, who is Deputy High Commissioner of India to the United Kingdom; Mr. B. G. Verghese, Information Adviser to the Prime Minister; and Mr. Aquil Ahmad, Press Attache for the Indian Embassy here.

We will have something of the substantive material for the four o'clock briefing.

Q You have nothing now?

MR. FLEMING: That is correct.

Q And nothing before then?

MR. FLEMING: That is correct.

Q Bob, is the President going to remain here this afternoon?

MR. FLEMING: As far as I know.

Q He is not going to the luncheon, or anything like that?

MR. FLEMING: No.

THE PRESS: Thank you.

END



MARCH 28, 1966

## OFFICE OF THE WHITE HOUSE PRESS SECRETARY

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Gandhi  
visit

## THE WHITE HOUSE

EXCHANGE OF REMARKS BETWEEN  
THE PRESIDENT AND  
PRIME MINISTER INDIRA GANDHI OF INDIA  
ON THE SOUTH LAWNAS ACTUALLY DELIVERED  
AT 11:10 A.M. EST

THE PRESIDENT: Prime Minister, we are very glad that you are here. I feel very privileged to welcome you as the leader of our sister democracy. I have even greater pleasure in welcoming you as a good and gracious friend.

Someone has said that all pleasure is edged with sadness. Only two months ago we looked forward to receiving your gallant predecessor here in our Capital in Washington. We shared your grief in his sudden and untimely death.

We are reminded that three American Presidents -- Abraham Lincoln, Woodrow Wilson, and Franklin D. Roosevelt, -- were similarly stricken while engaged in that most demanding of all public tasks, the task of working the hard passage from conflict back to peace. It is good to know that this task which Prime Minister Shastri had so ably begun is now in your strong and sympathetic hands.

Our thoughts also go back to the visit of another great Indian leader, those in 1949, 1956, and 1961, of your great father. Few have ever held a larger place in the hearts of the American people, and few ever will. We like to think, Mrs. Gandhi, that he belonged to us, too.

My countrymen and yours will be asking what we shall talk about during these next few days. Perhaps, with your permission, I may say just a word about that now.

I think they can be reasonably sure that we will not be wasting any of our time. Our concern will be with very practical questions. I look forward to getting your thoughts, Prime Minister, on how peace can be obtained or made more secure in Asia and throughout the world. I shall seek your counsel on the problems of Southeast Asia, where India, under the Geneva Accords, has for so long played such a special role.

I will speak of my deep desire, which I know you share, for the continued improvement in relations between India and her great sister nation Pakistan. The United States values deeply the friendship of both India and Pakistan. Nothing, we know, is more painful or more costly to all concerned than a falling out between one's friends.

I shall look forward, Mrs. Gandhi, to getting a better understanding of the urgent economic and social problems with which your government is now concerned. I will welcome that frankness and candor and detail that always marks conversations between good friends.

MORE



Economic stability and political tranquility depend on how well we accomplish commonplace tasks, the production of food, its transportation, the supply of fertilizer, family planning, electricity for farm and village, the realization of economic growth and opportunity.

We shall be concerned with these essentials. The solution of these problems lies, we know, with the Indian Government, but the United States believes in backing the efforts of those who are determined to solve their own problems. We know, Prime Minister, that India under your leadership will have such determination.

We want to learn how we can best help you and how our help can be used to the very best effect. Your people and ours share the conviction that however difficult the problems, there are none that a strong and a vigorous democracy cannot solve.

You have long been aware, Prime Minister, of the fascination that Indian culture holds for Americans. This extends from the Hindu Epics to the modern Indian novelists, and from the painters of the Ajanta Cave and the Ak Bar Court to your brilliant film producers of the present day. I venture to think that there is much about the United States that your students find equally interesting. Before our conversations end, I hope to be able to announce an imaginative new step to encourage and to facilitate these common interests.

Well, so much for our work in the days ahead. I hope there will be time for something more, for Mrs. Johnson and our daughters and I look forward to renewing an old friendship, to matching, if possible, in warmth and spirit your own hospitality in the years past.

Let me say once more how much we appreciate your making this long journey at this busy time to visit us here in the United States. I think I speak for every American when I say that we are very proud and very honored to have you today as our guest in this country.

THE PRIME MINISTER: Mr. President, Mrs. Johnson, Your Excellencies, Ladies and Gentlemen:

I thank you, Mr. President, for your warm words of welcome and for this gracious reception to me. I have had the privilege and the great pleasure of visiting America many times. Each visit has been an education, an enlarging of the circle of friends, and a deepening of understanding.

I come today as a friend, and I bring with me the greetings and good will of the Indian people.

Mr. President, you have visited India with Mrs. Johnson. We have very pleasant and happy memories of that occasion. You are known in India not only as a great President of a distant country, but as a man of high idealism and a warmhearted friend who has come to our help in a time of need.

You have mentioned your interest in peace, Mr. President. We in India are greatly interested and concerned about peace, for to us it is not only a question of an ideal,



but one of very practical necessity to give us time and opportunity to deal with those other problems and questions which you have mentioned; that is, to be able to develop our country, to give opportunity to our own people to stand on their feet, to deal with the many obstacles and difficulties which a longstanding poverty has imposed on us.

I am grateful to you for your kind invitation. As I meet you again, I recall your moving words on the theme of poverty. Declaring unconditional war on the pockets of poverty in your own country, you have said "We want to give people more opportunity. They want education and training. They want a job and a wage. They want their children to escape the poverty which has afflicted them."

May I say, Mr. President, that important as these words are for the American people, they cannot mean as much to them as they do to us in India who have so long been denied the very basic decencies of life. We know that in our own war on poverty we have a noble friend, one who believes that the distant sufferer is his own brother.

India and the United States cannot and should not take each other for granted or allow their relations to drift. As friends committed to common ideals, they can together make this world of ours a better place in which to live.

Mr. President, may I express my gratitude not only for the welcome you have given me, but for the kind words which you have said for my father and our late Prime Minister, Mr. Shastri. I know how greatly Mr. Shastri was looking forward to his visit here. I hope that I shall be able to fulfill what he had in mind and what he had hoped to do.

Mr. President, may I greet you and the American people on behalf of the people of India.

END

(AT 11:18 A.M. EST)



March 27, 1966

*Hal Saunders*

A Note on the Indian Talks

*Gandhi  
visit*

*96*

A. Domestic Issues

1. I believe that after 15 years of industrial growth at about 8 percent a year and agricultural growth averaging 3 percent, the Indian economy is in better basic shape than the monsoon's failure and the present slowdown suggest. I also think the causes of the slowdown are not mysterious and can be countered.

2. These causes are:

- (a) relative neglect of agriculture
- (b) over-administration
- (c) faulty foreign trade policies

3. Agriculture: There are a hundred ways of improving agriculture but I think the most speedy and effective way is to improve the market. If higher farm prices offer incentives to the farmer and give him enough margin to buy fertilizer and invest in tube-wells, all the evidence suggests that he will seize the chance. There is already a fertilizer "black market"; enterprising farmers pay the earth to get it. In West Pakistan -- a reasonably comparable area -- the policy of paying incentive-prices and subsidizing fertilizer and tube-wells raised farm output from a 2 percent to a 4 percent growth rate in two years. Of course, this change will be accelerated by better extension methods, but this will continue to be a slow, long-term effort in over 500,000 villages. The market works at once. The farms will also be influenced profoundly by the availability of more fertilizer and by the building of ~~more~~ fertilizer plants, public and private; but this point is concerned with the second issue of over-administration. The main reason for lagging fertilizer production has been the desire to keep it under public control.

4. Over-administration: Like the British between 1945 and 1950, the Indians distrust the market. They have not yet caught up with the "Libermann revolution" in the Soviet bloc under which country after country is giving up the attempt to plan everything centrally and is returning to market signals of demand and supply to do part of the "planning." This change, which, thanks to the Communist revolution, is no longer an ideological issue, is what India chiefly needs -- in farming, in industry, in foreign trade. It means less centralized oversight, less licensing, less intervention, less bureaucratic checks and delays. It can be sold, I think, not as an attack on planning but as a plea to India to recognize that its vast economy has reached a scale of dynamism and sophistication which makes over-administration a real drag on rapid progress.



5. Foreign Trade: One has to be sensitive here since Western policies do not exactly encourage the growth of non-Western exports -- all textile exports operate under quota systems, for instance, to check their entry into Atlantic countries. But the rupee has been over-valued, export incentives are still insufficient, the key export role of agriculture not only in tea and jute but in such categories as oil seeds, has been neglected. Devaluation is administratively the best approach although there are some real problems here of prestige.

However, no Indian effort, given the general bias and structure of world commerce, is going to make a very quick breakthrough in foreign trade. Shortage of foreign exchange will remain the biggest brake on Indian expansion. And the case for the "Marshall Plan" approach -- a doubling of aid over a shorter period -- is quite simply that nothing will so speed Indian growth as the full use of existing capacity. And this in turn implies full scale imports of materials and spare parts while local supplies and exports are built up.

#### B. Issues of External Relations

1. On Vietnam, Mrs. Gandhi is, I feel, under too much domestic political pressure to take any direct initiative or make any immediate gesture. But the Indians should be urged to consider the long-term security of South East Asia. America can only play the policeman's role, making sure the area is not overrun. In the longer run, South East Asia has to be internationally guaranteed, drawn together and developed. What ideas have Indians on these points?

2. I think the crucial point on Kashmir is to get the Indians to see that Ayub is their last chance. If they do not give him a lifeline, he will go and the Paks may well enter the slippery slope that leads to a "People's Democracy" linked to China.

Kashmir can't, of course, come up before the Indian election -- but the Paks need to be reassured that it can come up later. Meanwhile, my impression, on the basis of talks in December, is that Mrs. Gandhi is personally perturbed about Sheik Abdullah and believes her father had intended to move in and find a solution to the whole Kashmir problem just before he died. Could one encourage her to feel that a settlement over Kashmir would be the greatest monument to his memory and put a seal upon his international reputation and his standing in history?



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*Francis Butcher*

Sunday, March 27, 1966

*F*  
*Gandhi visit*  
*97*

Francis:

Mrs. Gandhi will stop off London 2 April and see Wilson (if he wins). See London 4532.

Assuming visit goes well, suggest an LBJ/Wilson side wire Wednesday or Thursday. If visit had gone well, am sure President would want to describe nature of big economic deal he made -- by which if India takes World Bank medicine we intend to contribute generously through consortium -- and urge Wilson to tell her he'll do the same (it will be the 1964 Pak deal in essence -- if they decontrol consortium will provide a handsome program loan plus rollover). Since we want UK to back any such deal, an LBJ pitch to Wilson is mighty useful. But it won't get done unless you push it.

*done*

RWK

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E.O. 13292, Sec. 3.4  
NSC Memo, 1/30/95, State Guidelines  
By *jc*, NARA, Date *1-6-04*



DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT

March 25, 1966

TO: Mr. Robert Komer  
The White House

FROM: *Shostal for*  
Benjamin H. Read  
Executive Secretary

SUBJECT: Draft Joint Communique

Attached as you requested from SOA  
is the revised draft communique for the  
Gandhi Visit.

APR 1 1966



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VISIT OF PRIME MINISTER INDIRA GANDHI OF INDIA  
March 28-30, 1966

DRAFT JOINT COMMUNIQUE

At the invitation of President Johnson, Mrs. Indira Gandhi, Prime Minister of the Republic of India, has just completed an official visit to the United States of America. During her visit, Prime Minister Gandhi met the President and members of the United States Government.

During their discussions, President Johnson and Prime Minister Gandhi reviewed recent developments in South and Southeast Asia in the context of the universal desire of men and women everywhere to achieve peace that respects liberty, dignity and the pursuit of a better way of life. The two leaders agreed that at the present period of history, the primary threat in the area to the general achievement of this aspiration was posed by the aggressive and expansionist policies of Communist China. In this connection the President explained the policies the United States is pursuing to help the people of the Republic of Vietnam to defend their freedom

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Authority Date 4-17-78  
By g/ehw NARA, Date 1-6-04



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and to reconstruct their war-torn society. The Prime Minister explained the continuing interest and efforts of her country in bringing about a just and peaceful solution of this problem.

Prime Minister Gandhi in turn affirmed the determination of her nation to stand up with the utmost firmness to the Chinese Communist challenge to India. In this connection the Prime Minister and the President agreed that all free and peace-loving nations share responsibility for resisting this challenge wherever it may take place.

The President and the Prime Minister discussed India's emergency foodgrain requirements resulting from last year's unprecedented drought. They agreed that the problem should be viewed not in isolation but in the context of an incipient world-wide food deficit, a challenge to humanity as a whole that merits the sustained and serious attention of all nations. The Prime Minister described measures which the Government of India is taking to achieve self-sufficiency in the nation's food production. The President assured her that <sup>Congress willing,</sup> the United States <sup>hopes to</sup> ~~intends to continue to meet its responsibilities in the~~ <sup>contributing more than its share of an</sup>

international

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international effort to alleviate India's immediate food deficit problem. It was agreed that further participation of other countries in this effort is desirable.

President Johnson and Prime Minister Gandhi agreed that there had already been considerable progress toward re-establishing the conditions of peace in the subcontinent and that it is necessary that this process continue in order that the peoples of both countries may concentrate their energies once again on the urgent tasks of national development and building an international great society. They also agreed on the importance of continuing to give full support to the United Nations and to its objective of resolving conflicts between nations through peaceful means, such as was recently demonstrated by mutual reaffirmation of both India and Pakistan of their obligations under the UN Charter.

The President and the Prime Minister discussed India's efforts for the improved well-being of its people. Prime Minister Gandhi emphasized the high priority which India attaches to economic development. President Johnson assured Prime Minister

Gandhi

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Gandhi of the deep interest of the Government and the people of the United States in assisting India in its own massive efforts to raise the living standards of its people within the framework of a parliamentary democracy.

The President and the Prime Minister consider that the visit has reaffirmed the strong bonds of friendship between the United States and India, based upon a shared commitment to constitutional democracy and a common revolutionary heritage. Their highly informative, frank, and friendly discussions have contributed to a valuable personal understanding between their two countries and their two peoples.

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THE SECRETARY OF STATE  
WASHINGTON

March 26, 1966

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MEMORANDUM FOR THE PRESIDENT

Subject: The Economic Bargain with Mrs. Gandhi

Discussions held since the submission of our strategy and talking points papers have indicated the desirability of restating in brief and specific terms the economic bargain we hope to strike with Mrs. Gandhi, if we reach the desired understanding on political issues.

In sum the proposition is this:

1. On the economic front the basic issue is confidence: confidence on our part that India will press forward aggressively to accelerate its economic development through liberal economic policies and emphasis on agriculture; and confidence on Mrs. Gandhi's part that the U.S. can be counted on to provide necessary financial support.

2. We believe Mrs. Gandhi is prepared to make the following points:

- a. India plans to liberalize its import control policies and its internal price, marketing and other business controls and to adjust its exchange rate and tax policies to support such liberalization. If assured of U.S. support, India is ready to work out the details of these measures with the World Bank and IMF and to take the necessary actions this spring.
- b. In order to move rapidly toward self-sufficiency in food production, India will follow through on emphasizing agricultural development, including making adequate fertilizers available to farmers and vigorously seeking to attract foreign private investment in fertilizer production.
- c. India has already made a good start on family planning and will accelerate its efforts to control population growth.

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Authority FRUS 64-68, vol. 25, #304

By ja NARA, Date 1-6-04



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3.- We would recommend the following U. S. response:

We realize that a liberalized import program is possible only with assurances of substantial Consortium financial support. The U. S. will provide its share of that support in coordination with the World Bank and the rest of the Consortium. We suggest that India's key finance and planning people come to Washington as soon as possible to work out the details with the World Bank and the IMF. We will work with them and talk to our key consortium partners.

Our financial support for FY 1967 would involve about \$385 million A.I.D. loans and \$50 million EX-IM loans - the same levels as pledged in recent years - and \$35 million as the U. S. share of readjustment of Indian debt. In future years A.I.D. loans may go up a bit, if Indian performance warrants.

\* \* \* \* \*

4. While the foregoing would be the key points in any bargain, the following points are also important:

- a. We are disappointed that India has not moved forcefully enough to attract foreign private investment in fertilizer production. No special financial backing is needed for action on this score; and the vigor of Indian performance in seeking fertilizer investments will certainly affect our judgment as to how vigorously we can expect India to move on other economic fronts. We do not expect India to accept unreasonable terms from foreign investors, but we do expect India to make every effort to tap this large resource of financing and know-how. We are not doctrinaire on the public sector-private sector question; we have financed public sector plants and may well again, but only after we are sure India is doing all it can to capitalize on available private resources.
- b. Congratulations might be offered on India's promising initiation of its family planning program.

*Dean Rusk*

Dean Rusk

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DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D. C. 20523

OFFICE OF  
THE ADMINISTRATOR

MAR 25 1966

MEMORANDUM FOR THE PRESIDENT

SUBJECT: World Bank Views on India

George Woods is in Europe, but we have talked to his Vice President, Geoffrey Wilson, and to the World Bank officials principally concerned with India matters. We understand the Bank shares our hope that Mrs. Gandhi will indicate India's willingness and ability to make the basic economic policy changes recommended by the World Bank, the IMF and ourselves. If Mrs. Gandhi undertakes (a) to liberalize import controls with necessary exchange and tax adjustments, (b) to proceed vigorously with the new agricultural program and (c) to keep up the momentum of the population control program, the World Bank would, we believe, offer its full support.

The World Bank team, which has been working with the Indians for the past year, could work out the details of the new Indian program in a few weeks in cooperation with the IMF and ourselves. At the same time the World Bank and ourselves should be helping the Indians line up the full support of Canada, the U.K., Germany and Japan, our key India Consortium partners.

George Woods is expected back Sunday night, and I will check with him personally then or Monday morning to verify the accuracy of these views.

*William S. Gaud*

William S. Gaud  
Acting Administrator

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Authority Stat H. 4/17/78  
By xlhw NARA, Date 1-6-04

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March 25, 1966  
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declassified 12 years after date of origin)

TO: IBS - Mr. Modic  
IPS - Mr. Sayles  
ICS - Mr. Vogel  
IMV - Mr. Findlay

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Authority Group 4

FROM: IOP - John Pauker *JP*

By *JP*, NARA, Date 2-19-93

~~BUNDY-SMITH~~  
~~BATOR~~  
~~BOWDLER~~  
~~BOWMAN~~  
~~CHASE~~  
~~COOPER~~  
~~JESSUP~~  
~~JOHNSON~~  
~~KEENE~~ M  
~~KRUMER~~  
~~MOODY~~

News Policy Note No. 4-66

Visit of Indian Prime Minister to the U. S.

Prime Minister Indira Gandhi of India will visit the United States officially March 27 - April 1 at the invitation of President Johnson.

Mrs. Gandhi's visit comes in a period of relaxing tensions and renewed confidence between the U. S. and India, after severe strain and misunderstanding during the August-September 1965 Indo-Pakistani fighting over Kashmir. President Johnson invited her to "discuss the many momentous problems we both face." Their meetings will represent a continuation at the summit level of many U. S. efforts, both before and since the Kashmir hostilities, to re-establish full cooperation with both India and Pakistan in order to help them (1) live at peace with each other, and (2) develop economic and social resources in the interest of a better life for their peoples.

Mrs. Gandhi has visited the U. S. many times (see BACKGROUND). Her predecessor, the late Prime Minister Shastri, was to come in early February, but his death intervened. Earlier Shastri postponed an April 1965 visit at President Johnson's request.

Prime Minister Gandhi will arrive at Williamsburg, Va., March 27; will proceed to Washington, D. C., March 28 for a two-day stay; will travel to New York City March 30, and leave April 1 for New Delhi.

TREATMENT

Mrs. Gandhi's visit promises to be an occasion for full news, audio and visual coverage--particularly to India, but also to the rest of Asia and other areas. Your coverage should convey Presidential and national:

-- Respect for the Indian Prime Minister and her views.

-- Friendship and admiration for India, its people, and the successful nation-building programs they have mobilized.

-- Involvement in India's continued social and economic development, as evidenced by massive U. S. food and other economic aid (the largest U. S. aid program) to India since its independence.

-- Commitment

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-- Commitment to the pursuit of peace on the Asian subcontinent and throughout Asia.

-- Appreciation for India's part in meeting obligations under the September 20, 1965 resolution of the U. N. Security Council and the Tashkent Agreement of January 1966. While not avoiding mention of the Tashkent initiative you should emphasize especially the U. N. role in promoting Indian and Pakistani reconciliation.

-- Broad support for UNSC efforts to help settle divisive issues between India and Pakistan. (While in New York, Prime Minister Gandhi will meet U. N. Secretary General U Thant and will receive the Permanent Representatives to the United Nations--a good opportunity for you to review the Indian and the U. S. record of outstanding cooperation with the U. N., and the crucial U. N. role in achieving and stabilizing peace and encouraging reconciliation between India and Pakistan.)

-- Appreciation for the growing maturity and stability of Indian democracy as a vital factor in the service of common interests and mutual understanding between the U. S. and India--the world's two largest democracies.

Other guidelines:

Look for opportunities to recall the common interests and experience of the U. S. and India in containing the Chinese Communists along the India-China borders.

Focus on current Johnson Administration policies towards India but, when appropriate, show that they represent a continuation of policies grounded in the Roosevelt, Truman, Eisenhower and Kennedy Administrations (the Kennedy image still has great popular appeal to Indians).

Cautions:

(1) President Johnson and Mrs. Gandhi will not discuss specific Indian aid requirements. Do not associate her visit directly with U. S. aid to India. This does not rule out, however, appropriate recall of massive U. S. economic and other aid to India since its independence.

(2) Although the U. S. seeks greater Indian support for its Viet-Nam policies, do not anticipate Indian responsiveness or draw attention to any lack of it. Let official statements suffice for output on this subject.

(3) Mrs. Gandhi prefers to be regarded as the Prime Minister of India--not the woman Prime Minister of India. Commercial media will probably overplay the femininity angle; you should limit treatment of it to the minimum which recognition of the obvious requires.

(4) Beyond the requirements of credibility, do not dwell on (a) the seriousness of the Kashmir problem, (b) India's language riots or other internal problems, (c) India's food emergency. In the latter context, avoid the term "famine" if possible. To Indians the word connotes widespread catastrophe and death.

(5) Keep references

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(5) Keep references to India and Pakistan in the context of constructive, efforts towards their reconciliation. Avoid comparisons of the two countries or of U. S. attitudes towards them.

(6) Avoid any suggestion that the U. S. now either supports or opposes renewed UNSC consideration of the Kashmir problem. The U. S. has backed past U. N. peace-making efforts in the subcontinent, but we should not speculate about future U. N. involvement.

#### BACKGROUND

Prime Minister Gandhi's visit comes at a time of renewed forward movement in U. S.-Indian relations, after severe setbacks during 1965 culminating in the suspension of U. S. military aid and curtailment of U. S. economic aid to India (and to Pakistan) directly after the outbreak of Indo-Pakistani hostilities.

The meetings between President Johnson and Prime Minister Gandhi will not labor under pressure for specific accomplishment, but will serve as an opportunity for better understanding between the two leaders. The U. S. values its cooperative relations with India. But this relationship depends upon (1) the prospects for a lasting peace on the Asian subcontinent, and (2) India's effective use of U. S. aid in working toward national self-sufficiency--a basic requirement of U. S. policy throughout the world.

President Johnson, in his message of congratulations to the Prime Minister upon her election, said: "The relations between our two countries are firmly grounded in our common dedication to the principles of human dignity, human welfare, democratic institutions and peace. Under your leadership, I look forward to broadening and deepening this community of interests and pledge our friendship and cooperation to this end."

We expect no major policy statements from President Johnson or Prime Minister Gandhi during the visit. A gesture of further mutual involvement may be an announcement of a proposed large, joint U. S.-Indian binational foundation.

Mrs. Gandhi visited the U. S. three times in the company of her father, the late Prime Minister Nehru; again, in 1962 on a lecture tour; in 1963 to open the Indian pavillion at the New York World's Fair; and in 1965 to open the Nehru Memorial Exhibit in New York. She also has made a number of private visits to the U. S.

The Department of State will release the advance text of a joint communique, and statements on the arrival and departure of the Prime Minister.

See Field Message No. 65 of March 10, 1966 from USIS India for its suggestions and guidance on media coverage. See also NPN 23-65, September 29, 1965--"Indian-Pakistani Cease-Fire."

IOP/WJMiller/Code 182-x5440

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OFFICE OF THE VICE PRESIDENT  
WASHINGTON

March 25, 1966

Memorandum of Conversation between the  
Vice President and Ambassador B. K. Nehru.  
The meeting took place at the Capitol Office,  
Friday, March 25, 1966.

The following attended the meeting: The Vice President, Ambassador Nehru and John Rielly. Ambassador Nehru said that in his view, the visit of the Prime Minister to Washington should focus on two major areas: (1) the Indian position in Asia; and (2) the Indian economic situation.

In regard to the first, he explained this involved India's relations with China, Pakistan, and with Vietnam. On China there is no problem as both India and the United States share a common understanding of the threat posed by China. On Vietnam, India continues to feel that as Chairman of the ICC it must remain neutral if it is to serve the cause of peace. Afro-Asian nations would resent any Indian participation on the side of the United States in Vietnam. If India has any influence with these countries she would lose her ability to exert that influence by being involved with one side or the other. For that reason, India is not inclined to send a medical team into South Vietnam unless it also sends one to North Vietnam.

On Pakistan, the Ambassador stated that during the last two weeks there have indications that the Tashkent Agreement is being scrapped by the Pakistanis. Bhutto made a strong speech recently justifying wars of liberation and applying the principle to Kashmir. This violates the whole spirit of the Tashkent Agreement. After Tashkent the Indian Government had instructed all its missions around the world not to criticize Pakistan. This order has been scrupulously followed. When the three Indian Ministers were sent by the Government to Rawalpindi to negotiate a normalization of relations with Pakistan, their efforts proved unavailing. Now the Paks have openly flaunted both the Indians and the United States by inviting the Chinese to visit Pakistan at the time the Indian Prime Minister is in Washington and secondly by displaying Chinese tanks openly in a recent parade. Indian leaders hope that the United States

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E.O. 13292, Sec. 3.4

By g, NARA, Date 1-6-04



will not take the position that unless both India and Pakistan work out a Kashmir settlement the United States will not give aid to either country. This in effect would give Pakistan a veto on U.S. aid to India. In effect this would permit one party to sabotage the Tashkent Agreement and force a penalty on the other party.

In regard to Kashmir, the Ambassador stated that India is not prepared to yield territory. If the United States requires this as a precondition for aid, then there will be no aid. In his view, the U.S. should decide who is war-mongering, who is not living up to the Tashkent Agreement. The Ambassador stated that he believes that both India and Pakistan are interested in avoiding wasting scarce resources for military purposes. Because of the Chinese threat to India, India must have a certain level of military power. The threat posed by Pakistan doubles the military threat to India. Pakistan however is under no threat from either China or the USSR. In the foreseeable future, one can't do anything about the military threat posed by China except be prepared to meet it. Hopefully, one can reduce the military threat from Pakistan. If an agreement with Pakistan could be reached to limit arms expenditures, to de-escalate, India would be permitted to reduce the portion of her budget devoted to military expenses, and could concentrate on needed economic development. India is prepared to give guarantees to Pakistan on this score, a guarantee which could be backed up by the United States Government if necessary.

Switching to the economic side, the Ambassador stated that the U.S. must understand that India faces not only a short term food problem due to a drought this year, it also faces a long range economic problem requiring long term development assistance. The next Five Year Plan (the fourth) is scheduled to begin April first of the year. Some long term assurance of economic assistance is essential if India is to go ahead with this plan. In the past they have had this assurance from the consortium that has backed Indian economic development. If this economic aid is to be effective the volume must be much larger than before (the Ambassador then showed the Vice President a chart indicating the amount of per capita aid that various developing countries had received around the world). He stated that the charts indicated



that despite development problems, India has done well. Nevertheless, Pakistan gets credit for performing much better in the field of economic development. The charts indicated in his view that India has done just as well as Pakistan. Similarly, India has made great strides in the fields of education and health which are of great interest to President Johnson.

The Vice President responded that on the question of China there is no problem. The United States understood India's position and has long believed that there must be a powerful free nation in Asia to offset the power of China, and that that nation is India.

He stated that Prime Minister Gandhi should understand the current environment in the United States. It is widely believed (even though it may not in fact be true) that Indian leaders hesitate to take a forthright anti-Communist stand. In this ambience, it would be very helpful if the Prime Minister got herself on record as being concerned about the militancy not just of China but of Asian Communism.

On Vietnam, the United States would appreciate some Indian interest, but not at the expense of her role as a peacemaker. At the same time the United States generally does not appreciate lectures by Indian leaders on what the United States is doing in Southeast Asia.

The Vietnam issue here beclouds most discussions. This issue stirs mixed emotions here and has many unpredictable side effects. It tends to color one's views on all of Asia. In this setting it is natural that the President would be very pleased by a sympathetic understanding on the part of the Indians of what the United States is doing in Southeast Asia- even though the Indians do not agree with some of the things we might do at some times.

The Vice President stated that he did not anticipate that any pressure would be placed on the Indians to extend their involvement in Vietnam.

What the United States is primarily concerned about is what India does internally. That is most important. We would be very happy to have India become active on Southeast Asian issues through the ICC. The Vice President stated that he believed that India may be too sensitive



to the views of the Soviet Union when it comes to the question of her role in the ICC.

The Ambassador replied that in his view the effectiveness of the ICC has long been destroyed by both sides. Both sides have openly violated it and it is hopelessly ineffective.

The Vice President concurred that the ICC had been weakened. Nevertheless he noted that President Radakrishnan told him, when he was in New Delhi, that he, the President of India, would continue to discuss solutions to the Vietnam problem with the Soviet Union. The Vice President stated that perhaps it was just as well that the President do that rather than the Prime Minister as she is so burdened with internal political problems.

In regard to Pakistan, the Vice President stated that any proposal to reduce military expenditures would be welcomed here in Washington. The President is very strong on the Tashkent Agreement. He feels that he was able to exert influence on Ayub to accept a Tashkent type settlement. It is quite possible that the President might look upon the willingness on the part of the Indians and Pakistanis to de-escalate as an opportunity for the United States to use its good offices. We are not unaware of what Mr. Bhutto has been up to recently, the Vice President added.

The Vice President quoted Reuters dispatch this week out of London indicating that the Prime Minister would be coming here with a shopping list of aid items. He stated that as the Ambassador well knew the presentation of a specific list would be disastrous. If the Prime Minister comes prepared to discuss the basic principles involved, she can be sure that the President at the appropriate time, and in his own way, will raise the question of assistance. If, on the other hand, the Indians come in with a detailed list and the President doesn't respond to its every point, the press will say that the Americans turned the Indians down. This would be very bad for both.

Ambassador Nehru stated that the Prime Minister has no intention whatsoever of presenting a list of specific requests and expressed surprise at the Reuters dispatch. He readily agreed that it would be wholly unwise for the Prime Minister to come here with cup in hand.



The Vice President told the Ambassador that he had had a long talk with George Woods, President of the World Bank, last week and had passed on to the President a memorandum summarizing that conversation. The Vice President stated that he was sure the Ambassador was familiar with the views of Mr. Woods who favored a substantially larger investment in the subcontinent in the coming years.

The World Bank does not take a "plague on both your houses" position regarding India and Pakistan. He doubted that the United States Government would either.

Therefore, if the Indian Government indicated that it would be heavily influenced by the position of the World Bank, it would have a great deal of influence here. Ambassador Nehru stated that Indians understand what the World Bank wants the Indian Government to do and is prepared to do it. They accept the Bank idea of de-controlling the economy, but they insist that it will cost more money. If the Bank is to impose this condition, the Bank must be prepared to raise the extra money needed.

The Vice President stated that Mr. McNamara has strong views on the subject of India's expenditures in the defense field. He was very much interested in military de-escalation in the India-Pakistan conflict. He believes McNamara would be interested in offering the good offices of the United States to bring the Paks around on this issue.

The Vice President stated that he had discussed with the Prime Minister the subject of private capital, not just U. S. capital. He indicated that many people in the United States believe that the socialist tendencies of many Indian leaders have led to a climate in India that is hostile to private capital of all types. This widespread belief that restrictions on private capital are due to an ideological commitment on India's part to restrict the activity of private capital has important consequences here. If it is untrue, the Indians should make very clear during this visit that this is not the case. They should make clear what their view is on the whole subject of private capital and its role.



The Ambassador stated that India will do what it can to de-control the economy and to facilitate an inflow of private capital. In his view, however, this will not realize any great benefits for India. Private capital flows to developed countries not to undeveloped countries. Faced with the choice between investing in Germany or India, the investor will almost always go to Germany. Therefore, he is never likely to realize large amounts of private capital in the immediate future. Nevertheless, India has altered its policy on foreign capital since 1947. The Indians believe they have done what they were asked to do. On the other hand, they cannot provide the conditions that exist in a developed country. He pointed out that both George Woods and Eugene Black of the World Bank had tried to interest the United States Steel Company in investing in India. They had no success whatsoever.

The Vice President concluded that in his view it would be highly advisable for some member of the Prime Minister's party, if not the Prime Minister herself, to discuss this subject very frankly with the President and with other U. S. leaders.

In concluding, the Ambassador said that he had been thinking that it might make a lot of sense for India to propose entering into some kind of multi-lateral project involving India and Pakistan. This could be patterned on the President's proposal in Southeast Asia to support regional development that would include and benefit both North Vietnam and South Vietnam. This might be something like a Mekong River Valley project. Would the United States be interested in supporting something like this? The Vice President said that he thought this would receive very sympathetic consideration here and he encouraged the Ambassador to advise his Government to raise the subject during the conversations.



3/25

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Mr Saunders,

RWK asked that copy be sent to you.  
(orig went to Carol Laise for inclusion in  
President's briefing book.)

mz



INTERNATIONAL SECRETARIAT FOR VOLUNTEER SERVICE

1000 16TH STREET, N. W.  
WASHINGTON, D. C. 20036

102a  
Gandhi  
visit

COUNCIL:

Argentina  
Denmark  
Germany  
India  
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Norway  
Philippines  
Thailand  
United States

March 23, 1966

WILLIAM A. DELANO  
Secretary General

Cable Code: VOLUNTEER  
Telephone: 382-8480

MEMORANDUM TO THE HONORABLE BILL D. MOYERS

FROM: William A. Delano, Secretary General

SUBJECT: Visit of Prime Minister Indira Gandhi.

I know the agenda for talks between President Johnson and Prime Minister Indira Gandhi will be crowded. Not all subjects, however, would be as felicitous as President Johnson discussing Vikas Dal (Indian VISTA effort) progress. ISVS has been helping India on this and stands ready to do more.

India receives volunteers from eight countries in the world.

As you know, India pioneered with five Reverse Peace Corps volunteers to the United States.

With this vast experience and interest in volunteers, New Delhi would make a perfect (and neutral) spot for the 1966 Assembly of ISVS in late November or December.

Critics might use the predicted famine to discourage India's hosting of this conference. However, such an effort by India at this critical juncture might be the very dramatic triggering necessary to bring life to Vikas Dal. If so, India would lead Asia with this type of self-help effort by volunteers.

The Indian Embassy relayed my request for India to consider this question in February. A mention of Vikas Dal and ISVS by President Johnson might turn the trick.

India as you know is a Council member. Incidentally, couldn't the vast amount of counterpart funds in India be used to defray the cost of hosting this conference. We figure the host country has to be prepared to put up at least \$100,000 for a conference with between 60 and 80 countries present.

ASSEMBLY:

Argentina  
Australia  
Austria  
Belgium  
Bolivia  
Brazil  
Canada  
Chile  
Colombia  
Denmark  
Dominican Republic  
Ecuador  
El Salvador  
Ethiopia  
France  
Germany  
Honduras  
India  
Israel  
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Ivory Coast  
Jamaica  
Japan  
Liberia  
Malaysia  
Nepal  
Netherlands  
New Zealand  
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Norway  
Pakistan  
Philippines  
Sierra Leone  
Sweden  
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Thailand  
Tunisia  
United Kingdom  
United States  
Venezuela

OBSERVERS:

Finland  
Switzerland

Sure



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1. IRG/NEA  
(This is the NSC SIG)  
2. Gandhi visit  
103  
IRG file

IRG/NEA 66-3  
March 24, 1966

INTERDEPARTMENTAL REGIONAL GROUP  
FOR NEAR EAST AND SOUTH ASIA

Record of Agreements - IRG/NEA Meeting, March 23, 1966

The meeting of March 23 was devoted to India. It was:

Agreed that it should be recommended to the Secretary of State to send a Memorandum to the President, prior to the arrival of Prime Minister Gandhi in Washington on March 28, proposing a course of action on economic aid. It would propose that, if Mrs. Gandhi indicated that India was prepared to act on a variety of self-help steps (including some import liberalization, exchange reform, and incentives to private enterprise, in addition to higher priority to agriculture), the President indicate to her that the United States would be willing to provide a total aid package on the order of one-half billion dollars in U.S. FY 1967, in addition to food assistance. The bargain could be effected through subsequent but early discussions between Indian representatives and the World Bank and the International Monetary Fund. The U.S. contribution for FY 1967 would include some \$385 million of AID funds, loans from the Export-Import Bank, and the U.S. share of an Indian debt roll-over.

Agreed that it would be desirable to hold out to India the prospect of some later, further increase in U.S. economic aid, if such an increase proved to be necessary to support an Indian program based on sound self-help concepts and actions.

Agreed that any U.S. agreement to participate in a roll-over of the Indian debt will have to be checked out with appropriate Members of Congress.

Agreed that it would be desirable to make an early new allocation of PL-480 grain for India, as well as an allocation of 327,000 bales of cotton as India has requested.

Agreed that it would be desirable to conclude a pending credit contract, under AEC legislation and financing, for the initial supply of fuel for the nuclear power plant being built at Tarapur, India under AID financing.

Agreed

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E.O. 13526, Sec. 3.5

NLI/IRAC-12-369

By UW NARA, Date 11-13-12



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-2-


Agreed that, if Congressional soundings prove favorable, it be recommended that the President announce during Mrs. Gandhi's visit his decision, subject to the formal approval of both governments, to endow the establishment of a Binational Foundation to promote science and education, including activities in the field of agriculture, in India. The endowment would amount to \$300 million in Indian rupees, out of the excess holdings of U.S.-owned rupees now reserved for United States Government use.

Agreed that a paper on Economic Aid Options, outlining further early economic aid actions which the President might wish to consider, should be incorporated among the background papers in the President's briefing book for Mrs. Gandhi's visit.

Members present:

Executive Chairman: Amb. Hare  
AID: Mr. Macomber  
CIA: Mr. Critchfield  
DOD: Mr. Hoopes  
JCS: Brig. Gen. Sibley  
NSC: Mr. Komer  
USIA: Mr. Carter

Agriculture: Mrs. Jacobson  
State (NEA): Mr. Handley  
State (SOA): Miss Laise  
Staff Director: Mr. Sober

  
Sidney Sober  
Staff Director

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DEPARTMENT OF STATE  
WASHINGTON

March 23, 1966

MEMORANDUM FOR MR. BROMLEY SMITH  
THE WHITE HOUSE

Subject: Participants in Meetings Between the  
President and Prime Minister Gandhi

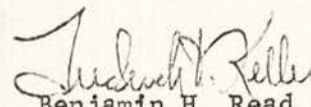
According to the latest available information, the following individuals plan to be present for the initial meeting between the President and Prime Minister Gandhi at the White House, March 28 at 11:20 a.m.:

U.S.

The Secretary  
Ambassador Symington  
Assistant Secretary Raymond Hare  
Ambassador Chester Bowles  
Deputy Assistant Secretary William Handley  
Miss Carol Laise, Director, Office of  
South Asian Affairs (note taker)

India

Ambassador B. K. Nehru  
Mr. L. K. Jha, Secretary to the Prime Minister  
Mr. C. S. Jha, Foreign Secretary  
Dr. P. K. Banerjee, Minister of Embassy  
Mr. P. N. Haksar, Deputy High Commissioner, London  
Present for the Communique meeting on March 29 at  
5:00 p.m. will be the same individuals.

*for*   
Benjamin H. Read  
Executive Secretary

MAR 24 1966

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1-Kommu  
2-Ret.

Gandhi Visit



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E.O. 13292, Sec. 3.4

State Dept. Guidelines

By *jc*, NARA, Date *1-6-04*

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## OUTGOING TELEGRAM Department of State

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Following summary FYI only and NOFORN. It is unclassified and subject to amendment upon review of memcon:

Ambassador Nehru met with Secretary, Gaud, Assistant Secretary Hare March 21 to complete discussion relating to Prime Minister Gandhi's visit. Following are highlights.

(1) Secretary gave Ambassador Aide-Memoire indicating how GOI could bring about more effective ICC operations. (summarized septel)

(2) Gaud outlined our concerns on fertilizer production and economic policy. Ambassador Nehru promised to report progress on ~~meeting~~ meeting fertilizer targets. On other economic matters he stated GOI accepted necessity of reforms proposed by International Bank, but said its ability to accept this advice was dependent on Bank being able to assure necessary foreign exchange. His estimated ~~low~~ cost would be high. His own calculations were that fourth Five Year Plan (which ~~was~~)

*Gandhi visit*

Drafted by:

3-22-66

NEA:SOA - Carol C. Laise:cff

Clearances:

Telegraphic transmission and

classification approved by:

NEA - Raymond A. Hare

A/Aid - Mr. Gaud *CLL*

S/S - Mr. Thompson

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Bank had regarded as reasonable) would require foreign exchange amounting to \$8,650 million gross, \$6,050 million net as compared to \$5,500 million gross and \$4,400 million net for Third Five Year Plan. This would be 50% increase in net figures.

XXXXXXXXXXXX

Secretary noted question of priorities entered into such calculations. Matter was left that further discussions of ways and means of resuming relationship would have to await Presidential talks.

(3) On food question Ambassador Nehru again urged we distinguish between emergency requirements and long term needs. For short run problem, India only seeks from other countries what is surplus to their domestic requirements. India cannot ask others to tax themselves because of India's own bad luck and mismanagement; if there is shortfall India is prepared to face hardship. But India must look to others for capital assistance to develop and solve its long term problems.

(4) Ambassador Nehru made an official demarche expressing GOI's growing concern over adverse trends that seem to be developing in Pakistan -- intransigence at Ministerial talks, resumption of propaganda on Kashmir, breakdown of cultural exchanges and other forms of communication, public flattery of Communist China and Bhutto's handling of foreign affairs debate in Dacca National Assembly. In sum, things are beginning to look as though Tashkent Declaration had never been signed.

GP 3.

RLSK

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# INCOMING TELEGRAM *Department of State*

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JOHNSON  
KEENE  
KOMER  
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~~CONFIDENTIAL~~ MARCH 22

*Gandhi visit*

1966 MAR 22 AM 9 02

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REFERENCE: NEW DELHI'S 2443 TO DEPARTMENT

1. EMBOFF ASKED QUAI'S CHIEF SOUTH ASIAN AFFAIRS MARCH 21  
WHAT QUAI EXPECTED FROM FORTHCOMING VISIT MADAME GHANDI.  
IN REPLY, SOURCE GAVE FOLLOWING:

A. VISIT RESULT MADAM GHANDI'S INITIATIVE AND IS IN LINE WITH  
AGREEMENT REACHED IN FEBRUARY 1965 AT TIME OF FRENCH PRIMIN'S  
VISIT TO INDIA THAT PERIODIC EXCHANGES OF VIEWS BETWEEN TWO  
COUNTRIES WOULD TAKE PLACE.

PAGE 2 RUFNCR 1203 ~~CONFIDENTIAL~~ MARCH 22

B. FRENCH EXPECT VERY INFORMAL VISIT AND NO AGENDA DRAWN  
UP FOR MEETINGS WITH EIGHER DEGAULLE OR POMPIDOU. DEGAULLE  
WILL HOST LUNCH ON MARCH 25 AND POMPIDOU WILL RECEIVE MADAME  
GHANDI AFTERNOON 5:00 P.M. SO FAR NOTHING SCHEDULED FOR EVENING  
MARCH 25 AND MARCH 26 WILL BE FREE IN ACCORDANCE WITH  
PRIMIN'S REQUEST.

C. MEETING WITH DEGAULLE WILL PROBABLY GIVE RISE TO BROAD  
REVIEW INTERNATIONAL SCENE AND SOURCE SPECULATED DEGAULLE MAY  
ASK MADAME GHANDI ABOUT TASHKENT AGREEMENT WHILE SETTING  
FORTH OWN VIEWS ON AREAS SUCH AS SOUTHEAST ASIA AND CHINA.

D. BILATERAL ISSUES, IF DISCUSSED AT ALL, WILL BE RAISED IN  
MEETING WITH PRIMIN. FRENCH HAVE NO SPECIFIC PROBLEMS TO  
RAISE IN THIS CONNECTION. IF INDIAN FOOD SHORTAGE DISCUSSED,  
SOURCE OPINED FRENCH MIGHT EXPLAIN ACTIVITIES OF RECENTLY FORMED  
FRENCH PRIVATE COMMITTEE DESIGNED ALLEVIATE INDIAN FOOD PRO-  
BLEM, WHICH IS ADDITIONAL TO LIMITED FRENCH GOVERNMENT ASSIS-  
TANCE.

2. EMBOFF ALSO INFORMED QUAI OFFICIAL THAT IN LINE WITH  
CUSTOMARY COURTESIES EXTENDED TO VISITING DIGNITARIES ON WAY

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Authority Group 4  
By je NARA. Date 1-6-04



~~CONFIDENTIAL~~

-2-6089, March 22. From PARIS.

TO US ON OFFICIAL VISIT, EMBASSY PLANS TO BE REPRESENTED AT AIRPORT UPON MADAME GHANDI'S ARRIVAL AND DEPARTURE.

PAGE 3 RUFNCR 1203 ~~C O N F I D E N T I A L~~

3. IN SEPARATE CONVERSATION, MANAC'H, QUAI'S ASIAN DIRECTOR, TOLD EMBOFF THAT INDIAN FOREIGN MINISTER WILL VISIT FRANCE IN JUNE IN RETURN FRENCH FONMIN'S VISIT LAST YEAR. GP-4. BOHLEN

NOTE: Reference lists Italian delegation.

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DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON

March 22, 1966

MEMORANDUM

To: The President  
The White House

From: Orville L. Freeman  
Secretary of Agriculture

Following are some of the key points in the memorandum prepared for Mrs. Gandhi's visit:

1. Minister Subramaniam is doing a yeomanlike job of trying to push through the program we agreed upon in Rome. In so doing, he has taken it on the chin politically. The Indian Government is in deep trouble on the food issue. As a result, there is a great deal of pressure to sacrifice Subramaniam to appease the opposition. Mrs. Gandhi should be cautioned on this. Subramaniam is one of the top two or three members of the Indian Cabinet. There is no replacement in sight.
2. Mrs. Gandhi has taken a weak, equivocating position on the key food issues. She must be prepared to acknowledge before the world that India is desperately in need of external supplies of food on concessional terms. Some countries have virtually withdrawn their offers of emergency assistance as a result of her statements minimizing the situation. If she continues to be defensive and apologetic about the Government's earlier decision to encourage foreign investment in fertilizer plants some foreign corporations may have second thoughts about investing in India.
3. American grain is moving satisfactorily at the rate of a million tons per month. Despite rather widespread riots related to the lack of food, especially the lack of rice, the food situation is under control and not desperate at this point. It will get worse before the next harvest brings relief in November.
4. India will need another 6 million tons of grain in order to carry out its plan to allocate and distribute food throughout the country so as to avoid famine between now and the next major harvest beginning in November. Without this imported grain to distribute the Central Government may well lose control of the situation.
5. Other countries can and should do more to help India in the current emergency. Now that the first round of requests is past, it is time to start again. In my meeting with the Canadians early this month

MAR 23 1966

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Gandhi Visit*



2--The President

I pushed them to contribute a million tons as compared to their initial commitment of about 150,000 tons of wheat and flour. They have agreed to reconsider and make a further contribution but we do not know yet how large it will be.

6. The need for fertilizer for next year's crop needs to be emphasized strongly. The weather for next year's crop cannot be controlled but the amount of fertilizer to be used can be. By holding the Indians to the targets we agreed to in Rome, we both increase the use of fertilizer next year and impress upon Mrs. Gandhi the importance we attach to the acceleration of India's agricultural development. This continues to be the main shortfall.

Enclosure





DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON

March 22, 1966

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Gandhi Visit  
108*

MEMORANDUM

To: The President  
The White House

From: Orville L. Freeman  
Secretary of Agriculture

Subject: Basic Agricultural Matters for Discussion with Prime Minister  
Gandhi

I. Prime Minister Gandhi's Support of Agricultural Development

The relationship between Minister Subramaniam and Mrs. Gandhi appears to be good. Mrs. Gandhi has generally supported Minister Subramaniam's new agricultural development program as it evolved from our discussion in Rome last November. She relies heavily on Subramaniam for advice on a wide range of matters going far beyond agriculture. She also uses him as her personal emissary in problem situations, most recently in strife-torn West Bengal.

Her principal weakness is her failure to back necessary policies solidly. Over the past month, Subramaniam has been strongly attacked by both the opposition parties and his own Congress party on food and agriculture problems in general and the Government's decision to encourage foreign private investment in fertilizer production in particular. Subramaniam has shown determination and courage in carrying forward our Rome agreement.

Mrs. Gandhi, instead of assuming a strong, positive stance, has chosen to be defensive and apologetic. This contrasts with the strong, even brutal measures, used to suppress the food riots. Early in March at an informal meeting with Members of the Press Association of India and the Foreign Correspondents Association, Mrs. Gandhi responded to criticism about encouraging foreign fertilizer investment by relaxing restrictions as follows: "Certain commitments were made by the Government and I do not know how far it is proper to go back on these commitments." Following this she said, "Besides, we are in very urgent need of fertilizer. At that time (the time the decision was taken), the Government felt the need so important and so urgent that it tried to get it in whatever way was possible." Statements of this nature do not encourage foreign private investment in India.

MAR 23 1966



## 2--The President

The Government has also been strongly criticized for going to other countries and asking them for food. This is often described as "begging" and an "embarrassment" of India before the world. This appears to have struck a sensitive political note. The Government is damned if it does and damned if it doesn't. If it doesn't go after food from other countries, it's faced with serious shortages, riots and famine. If it does go after food and succeeds in avoiding famine, it comes under fire for its "beggars" approach to solving the food problem. In a democratic country with free expression this is to be expected.

However, instead of a firm position with positive statements that the drought has triggered the need for worldwide assistance, Mrs. Gandhi has several times minimized the seriousness of India's food shortages. If she expects other nations to make meaningful contributions, she must face the fire firmly at home. So far she has equivocated on this.

## II. The Dialogue with Minister Subramaniam

As you know, extensive and detailed discussions between Minister Subramaniam and myself have been held. A week in Rome late in November and several days here just before Christmas enabled us to pretty well "thresh out" the issues. Since then the Indian Cabinet and Parliament have publicly outlined a meaningful program.

The problem now is to implement these announced programs and policies. It appears that Subramaniam is proceeding energetically to carry them forward. However, at the moment he is falling short of some of our targets. In May, I expect to go to India to check on-the-scene progress personally and in detail.

## III. Evaluation of Progress

### A. Food Situation

#### (1) Logistics

At this point, grain is moving from here to India in a rather regular flow. Arrivals of grain in India should average more than one million tons per month in March, April and May. Everything indicates Indian ports should, with a little extra effort, be able to handle this much.

There has been some difficulty with grain sorghum. You may recall that the 3 million tons of food grain you made



### 3--The President

available in early February consisted of 2 million tons of wheat and 1 million tons of sorghum. The Indians immediately expressed reservations over their ability to take large quantities of sorghum. They claimed the moisture content of grain sorghum would be too high and that it would not store well under Indian storage conditions. The first shiploads of grain sorghum have arrived and were in excellent condition as far as moisture was concerned. A second objection was that grain sorghum could not be handled as rapidly as wheat. Once the elevators were properly adjusted for sorghum, they handled almost as much sorghum as wheat, largely removing this objection.

The third objection was that consumers might not accept sorghum as a substitute for the local grains to which they were accustomed. We have not yet moved enough grain sorghum into India to test consumer acceptance on a large scale. They protest that riots like those in Kerala will result if we try to substitute sorghum for rice or wheat. We have urged the Indian Government to lower the retail price level of sorghum as needed to move the quantities we are providing. They have agreed to do this. We have had to push very hard to get them to take the allotted sorghum. The Ambassador and even the Prime Minister may complain that I have been unreasonable and excessively demanding. Even so we will still have some carryover of sorghum to ship after all the wheat has moved.

#### (2) Current Estimate of Crop

On February 15 the Indian Government was to have released another estimate of this year's crop. Because of an unresolved disagreement between the Center Government and some of the state governments on the actual level of food-grain production in these states, this report has not yet been released. If the Center Government prevails in this dispute, the crop estimate will probably remain unchanged at 76 million tons compared with 88 last year. If the state governments prevail, the crop estimate may decline by 1-2 million tons. It is our best judgment that as the crop estimate becomes firmer, it is more likely to decline than rise.



#### 4--The President

### (3) Contributions of Other Countries

The efforts of the Indians, backed by our support and that of the United Nations, have yielded some results although so far response to the Indian request has not been overwhelming. However, the cumulative contributions of some 20-25 countries are now becoming meaningful.

To date, the value of all contributions, including food, fertilizer, etc. totals some \$80 million. This still covers only a small fraction of India's food-fertilizer deficit, but it is nonetheless a start. If both we and the Indians keep the pressure on other countries, I think we can elicit further contributions.

Canada has promised to come through with another contribution of wheat which may be larger than the modest one made in January. The next major opportunity to press this issue with other countries is at the forthcoming meeting of the OECD scheduled to be held early in April in Europe. I plan to have a special representative there to impress upon the Europeans the need to assume much more responsibility not only for India this year but for the outcome of the world-wide food-population race.

### (4) Food Needs for the Remainder of 1966

We have thus far made available some 5 million tons of grain for shipment to India in 1966. This is against their official request of 11 million tons. An additional 6 million tons is still required.

Some urge that we sign an agreement for a quantity of grain approaching this amount to carry the Indians through the remainder of this calendar year. They argue that such an assurance is necessary to stabilize prices and control the political situation, particularly Communist inspired riots. I would not recommend this for we would lose the leverage we so badly need to get the Indians to take some of the tough, politically difficult decisions -- decisions which become increasingly difficult as they move closer to the national elections to be held in February of 1967.

An agreement carrying to the end of the year would reduce the pressure to get other countries to contribute more food and fertilizer.



5--The President

In my opinion, it would be better to announce some kind of a formula challenging the rest of the world to match our effort. A modest allotment could be made while Mrs. Gandhi is here or shortly after she leaves.

B. Basic Agricultural Long-Term Improvements

(1) Fertilizer

(a) Consumption targets

As of mid-March, the estimated availability of fertilizer for the 1966-67 crop is still well below target. Availability of nitrogenous fertilizer is now estimated at 850 thousand tons -- 400,000 tons of domestic production and 450,000 tons of imports. This is half again as large as the availability for the previous crop but still well below the target of 1 million tons set in Rome.

The estimated availability of phosphatic fertilizers is about 250,000 tons against a consumption target of 370,000 tons. For potash, availability is estimated at 100,000 tons against a target of 200,000 tons.

There is a very good prospect that the 1966-67 crop will not be up to normal because of the carryover effects of this year's monsoon failure. Thus, in order to minimize the prospective large grain import deficit for 1967, we must press the Indians hard to do everything possible to ensure fertilizer consumption at least as high as the targets.

There are various ways of getting the additional fertilizer. The Indians could use some more of their own foreign exchange. They should press other advanced industrial countries harder asking each of them to provide some fertilizer on concessional terms much in the same way we provide food. If Mrs. Gandhi would agree to using these two sources to fill half of the remaining fertilizer gap, we might then consider offering a loan to fill the other half. Without such an inducement, it is doubtful they will go much farther than they have so far.



6--The President

(b) Getting fertilizer plants to full capacity

For one reason or another, fertilizer plants in India have never operated at much more than two-thirds of full capacity. Last year actual output was only 63 percent of capacity. Faulty plant designs, a failure to allocate enough foreign exchange to obtain both the necessary spare parts and necessary fertilizer raw materials were all contributing factors.

Over the past few months, assurances have been obtained from the Indians that efforts would be made to use more effectively their productive capacity. Gassification units, needed to get some of the plants with faulty design up to full capacity, are now on order and should be installed and operative within 18 months.

In addition to the factors preventing the effective utilization of plants in the past, there are some further factors hampering output this year. These include shortages of electric power deriving from the partial failure of the monsoon this year, and tight world supplies of phosphate rock and sulfur. They seem to be trying hard to increase production capacity but we must continue to push hard. You might impress upon Mrs. Gandhi the seeming incongruity of a country facing a serious and continuing food shortage on the one hand while tolerating such inefficiencies in their own government controlled and operated fertilizer plants on the other.

(c) Building fertilizer plants

One of the conditions under which the \$50 million fertilizer loan was made available last December 10 was a commitment by the Indians to do all they could to sign up by July 1, 1966 private sector plants with a combined production capacity of 1 million tons of nitrogen. There are four plants which may be signed up by July 1. These are:

- |                                                            |              |
|------------------------------------------------------------|--------------|
| 1. Amoco Plant in Madras                                   | 200,000 tons |
| (All major hurdles believed cleared in these negotiations) |              |



7--The President

2. Armour-Birla Plant in Goa 160,000 tons  
(Negotiations largely concluded but further progress now stalled allegedly because of U.S. aid suspension)
3. Imperial Chemical Industries in Kanpur 200,000 tons  
(Probably the most advanced of all prospective investors; expect to be on stream early in 1969)
4. Delhi Cloth Mills in Kotah 130,000 tons  
(This is entirely an Indian private sector venture except for financing arranged through Japanese sources)

The total capacity of these plants will be 690,000 tons, still well below the 1 million ton commitment. None of these four plants is a certainty at this point, but each is a reasonable prospect for signing up by July 1, 1966.

Negotiations with other private investors are not moving forward satisfactorily at present. If Mrs. Gandhi continues to make wishy-washy statements about the government's attitude toward foreign private investment, India could even lose some of the prospects listed above.

Subramaniam is prepared to send a team of top level government officials through Western Europe, Canada, U.S. and Japan in an effort to interest more private foreign investors in India. In addition to fertilizer, they need pesticides, farm implements and improved seeds. The Indians claim that they have been creating the proper climate for foreign investment. The proof of the pudding, however, is in the eating and foreign investors so far have been passing India by, investing at record levels in other countries. It is claimed that restoration of our aid will make it possible to get the economy moving and that such is a necessary assurance for large investment.

Mrs. Gandhi may make this point in requesting a resumption of our aid. If she does, you might point out that had India been successful in attracting more foreign private



## 8--The President

investment in the past, it now might be reducing its dependence on external existence rather than increasing it. Her attention might also be drawn to her own weak statements.

### (2) Other Agricultural Problems

In 1960 we signed an agreement with the Indian Government to provide 16 million tons of wheat and 1 million tons of rice over a 4 year period. This time was to be used to improve their agriculture and reduce their dependence on concessional food imports.

We kept our end of the bargain, shipping the agreed upon quantities of food during the specified time, but the Indians did not keep to their end of the bargain. Instead of reaching self sufficiency, the Indians are now more dependent on food imports than ever before.

Last year we shipped close to one-fifth of our 1964 wheat crop to India. This year the official import request of 11 million tons is equivalent to nearly one-third of an average U.S. wheat crop.

In addition to shortfalls in fertilizer production, there are other serious problems in Indian agriculture. One of the areas in which the Government of India is not coming through as they had agreed to is in the area of farm credit. To date they have relied on cooperatives to provide farmers with credit.

At present farmers are receiving only one-fourth of their credit through these cooperatives. For most of the remainder they must go to the moneylenders who charge interest rates of 25-30 percent per year.

The Government of India should establish a nationwide farm credit organization, somewhat similar to our own Farmers Home Administration. We could assist them in this effort by offering to provide local currencies to finance such an organization.

Irrigation has not received the attention it deserves. Vast investments in major irrigation projects are not being fully utilized because no one has assumed the full responsibility



## 9--The President

for getting the available water to the farmers on a systematic basis at the time they need it. This major source of inefficiency and waste could be removed by simply correcting the existing organizational and administrative defects.

Although the fourth Five Year Plan is not yet complete all indications are that agricultural investment during the Fourth Plan Period (1966-71) will be at least double that of the preceding Plan Period. This commitment was made in Rome and it now appears that they will be fulfilling it.

### IV. Foodgrain - Cotton Substitution Possibilities

Mrs. Gandhi may express some concern over this issue. Bob Poage's demand in open hearing that India should shift part of its cotton land to the production of foodgrains was widely reported in India. It was labeled by the political opposition as another example of U.S. intervention in India's internal policy making.

Actually the possibilities of substituting cotton for foodgrains in India are limited. In the Northern wheat growing regions, cotton is grown in the summer and wheat in the winter as part of a double cropping rotation. Wheat will not grow during the summer in India's sub-tropical climate.

Very little cotton is grown in the rice growing regions of India since the climatic requirements of the two crops are so different.

Cotton, the most drought resistant crop grown in India, does compete with jowar (a sorghum) in the semi-arid regions of Central and Western India. In these regions some cotton land could be shifted to foodgrains by making the price of sorghum more favorable relative to that of cotton. Price appears to be the only practical way to accomplish such a change in the cropping pattern. The Indian Government simply doesn't have the machinery to make production adjustments like we do.

This could be done by providing larger quantities of cotton under Public Law 480. Cotton prices have been exceptionally strong in recent years because the Government has not had adequate stocks to prevent the sharp price rises. We are considering providing India with much larger quantities of cotton to push cotton prices down. This would encourage the shift of cotton land to the production of food grains. If we do this, some countries now supplying cotton to India will complain bitterly.



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Gandhi Visit

THE SECRETARY OF STATE  
WASHINGTON

March 21, 1966

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MEMORANDUM FOR THE PRESIDENT

Subject: Briefing Papers for the Visit of  
India's Prime Minister

I recommend for your consideration the attached  
Strategy Paper and Talking Paper for Prime Minister  
Gandhi's visit.

Subject to your approval, these papers will be  
included in the Briefing Book which will be submitted  
shortly.

*Dean Rusk*

Dean Rusk

Attachments:

1. Strategy Paper
2. President's Talking Paper

DETERMINED TO BE AN  
ADMINISTRATIVE MARKING  
NOT NAT'L SECURITY  
INFORMATION, E.O. 12356,  
SEC. 1.1(a)

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BY *ju* ON 2-18-93



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VISIT OF PRIME MINISTER INDIRA GANDHI OF INDIA  
March 27 - April 1, 1966

STRATEGY PAPER

I. Purpose of the Visit:

A. We have asked Mrs. Gandhi to come to Washington so that we can reach a clear understanding with her, at the highest level:

- On a principle: our relationship is a two-way street, and as we help India meet its vital needs, so should India be responsive to ours;
- On a definition, of what each of us really requires from the other;
- On an appreciation, of the problems each of us faces in meeting the other's priority requirements; and finally,
- On a bargain: in broad outline, what we will undertake to do for India and what India will undertake to do for us in the months and years ahead.

B. The bargain we seek to strike is a general one, producing no immediate, quantifiable results, but rather setting the stage for a gradual evolution in our relations, during which our community of interests will increasingly be translated into specific complementary actions.

II. The Setting:

A. Mrs. Gandhi has been in the United States a number of times, but never before as her country's leader. She will arrive sharing our view of the importance of her visit and anxious to make it a success. At the same time she will be uncertain of how far she can carry her country in any understanding she may reach with us, since she has been in power less than three months, is still very much feeling her way, and is mindful of the fact her Government will face general elections early next year.

B. She arrives, therefore, very much in need of our understanding:

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GROUP 3: Downgraded at 12-year intervals;  
not automatically declassified.

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E.O. 13292, Sec. 3.4  
State Dept. Guidelines  
By jc, NARA, Date 1-6-04



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- of the difficulties she faces in sustaining present movement toward a lasting accommodation with Pakistan, as that reconciliation process goes beyond the frills to the gut issues of national power, national security, and Kashmir;
- of the immensity of the food and economic problems her country faces;
- and of the serious internal political problems she faces in attempting to carry out some of the steps that she and we agree need to be done (especially, economic self-help measures her critics will portray as "sellouts" to big business, and gestures toward Pakistan implying softness on Kashmir).

C. She arrives amid a waning of the trend toward reconciliation in South Asia: Ayub's visit here, Ayub's and Shastri's statesmanlike performance at Tashkent, and the steps that both countries have since taken to reknit their relations have been giant steps toward re-establishment of peace, but the pace is slowing as the two countries are brought face to face with the underlying issues.

- Progress to date has helped us to take certain limited but responsive steps in the economic and military assistance fields, culminating in those announced in connection with the Vice President's trip to India and Pakistan.
- But continuation of a favorable trend will require a continuing dialogue between India and Pakistan, a dialogue in which each is sympathetic to the minimum political requirements of the other and in which there is a genuine will to succeed and the political courage to see it through.

D. She arrives at a time when both we and the USSR are reassessing the roles we will play in Asia at large and in South Asia in particular.

- Moscow is seeking to build on the influence its success at Tashkent and its large-scale assistance vis-a-vis the Chinese have brought it in India, while at the same time capitalizing on the new "independence" in Pakistan's foreign outlook to improve its position there.
- Meanwhile, we are increasingly caught up with our conflict in Southeast Asia; we are asking more of the free Asian nations

we are

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we are assisting in our mutual interest at the same time that our recent policy in South Asia has demonstrated to both India and Pakistan just how much they need our support if their future is to be richer and better than in the past.

E. She arrives at a time when her Government has already agreed to certain basic changes in its economic policy (new priority for agriculture, including stimuli for chemical fertilizer) which we have been urging, but has not yet committed itself to a broader program of economic reforms which we, the World Bank, the IMF, and other Consortium members believe are also necessary to growth and effective aid utilization.

F. She arrives to continue at the highest level the dialogue we have already begun on the future of Indo-U.S. relations. The stage has been set for the President's talks by Food Minister Subramaniam's visit here in December, by our exchanges in preparation for the Shastri visit, by our talks with Ambassador Nehru here and Ambassador Bowles' talks in New Delhi, and last month, by the Vice President's talks with Mrs. Gandhi in New Delhi.

### III. Our Assumptions:

A. This is a friendly visit. We and the Indians have our gripes, but we also share broad common interests in wide areas with this Indian Government as with its predecessors.

- We share a strong commitment to the independence of free nations and to the democratic process.
- We share and encourage India's determination to work toward peace in the subcontinent while firmly resisting China's efforts to dominate Asia.
- We have given ample evidence that we share India's determination to better the life and the lot of her peoples.
- And, we share India's disinterest in a formal alliance.

B. Our major problem in Asia today is to contain Communist China with the minimum commitment of U.S. resources.

C. Because

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C. Because of its potential as a counterweight to China, India is more central to our interests than Pakistan. But India's ability to function in this positive context in Asia depends on how effectively it masters its economic problems, particularly food, and how it plays its hand vis-a-vis Pakistan.

D. India will continue to regard China as the prime, long-term threat to the subcontinent. India will also continue to cultivate close and cordial relations with the USSR; it sees its survival in any future Sino-Indian confrontation resting not only on U.S. support but also on a Soviet stance that is at least neutral. Within reasonable limits, a friendly Indo-Soviet relationship is not inconsistent with our own interests.

#### IV. What does Mrs. Gandhi Seek?

A. Above all other considerations, Mrs. Gandhi seeks from her visit here a strong reaffirmation of American interest in the future of the Indian Union.

- She will not beg for this, however; she is a nationalist, a proud woman, and the daughter of a great world figure.
- She is acutely conscious, moreover, of the limitations on her freedom of maneuver imposed by her new and delicate political position at home, more especially so in an election year.
- But she knows and we know that without tangible and continuing American interest in the future of the Indian Union, that Union does not have much of a future.

B. More specifically, she will use the occasion of the visit to convince us of India's determination to overcome centuries' old ignorance, poverty, hunger, and despair, and to stand on its own feet. She will acknowledge the importance of U.S. help and express the hope that the U.S. will continue to find it in the U.S. interest to provide:

- long-term economic assistance;
- Consortium pledging on which Indian planners can count;
- continued PL-480 food assistance.

C. She

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C. She will also seek to demonstrate the compatibility of India's foreign policy views with our own, even though our differing interests prevent them from being identical. In the process she may wish to identify the U.S. and Indian community of interests vis-a-vis China.

- She will emphasize India's concern for our continued support of India in its contest with Communist China.
- She will hold that India's neutral position in the ICC prevents it from openly taking sides in the Vietnam conflict, but that India will do all in its power to bring Hanoi to the negotiating table.
- She may seek to learn how we view our future relationship with Pakistan, especially in the area of military assistance; whether our past relationship with Pakistan will continue to lead us to equate India and Pakistan, despite India's greater size and importance in the confrontation with Communist China.
- She may try to get a sense of how wedded we are to a Kashmir settlement and to what extent our interest takes account of the "realities" of power--as seen by India--established in the conflict between India and Pakistan last fall.

#### V. What do we Seek?

We seek to use the visit to ensure that Mrs. Gandhi draws the conclusion from all that has taken place that the future of our relationship depends on reciprocity.

A. Specifically, this means that India has an obligation to do everything in its power in its own behalf to strengthen its economy:

- by following through in its recent decision to give higher priority to efforts to achieve self-sufficiency in food production;
- by following through on its new approach to fertilizer production and distribution;
- by mounting a massive effort to control population growth;
- by cooperating with the International Bank and the IMF on fiscal, import decontrol, and other related measures aimed

at freeing

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at freeing up the economy, stimulating the private sector, and encouraging private foreign investment in India.

B. Specifically, this means that India has an obligation to do everything in its power to create and sustain the conditions for a lasting peace in the subcontinent:

- including a recognition of Kashmir as an issue that must be explored from a standpoint of preserving the national interest of both India and Pakistan;
- including efforts to deal rationally with Pakistan's fears about the military imbalance between India and Pakistan; and
- including a willingness, as the larger and more important power, to go the extra mile in that search for an enduring peace in South Asia.

C. Specifically, this means that if India is to win its long-term contest with Communist China, it must give first priority to internal economic development and social progress.

- India's military force levels and its military spending should be kept to the minimum consistent with this goal and with the threats as they actually are;
- India should forego the development of an independent nuclear weapons capability, for the same reasons.

D. Specifically, this means also that India must show that it recognizes that the Chinese Communist problem is Asia-wide, that it does not end at the eastern end of the McMahon Line in Assam.

- we appreciate the role India is playing in South Asia to contain the Communist Chinese;
- we recognize the limitations on India's ability to help us directly in Vietnam in terms of its position as neutral Chairman of the IOC's set out in the Geneva Accords, but we think this position would command greater respect if India would deal more forthrightly with evidence of North Vietnamese aggression;

--we also

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- we also understand India's reluctance to risk serious alienation of the USSR in view of India's valid interest in preserving Soviet support in its contest with Communist China;
- we recognize, moreover, that continuing Indian ability to communicate effectively with Moscow serves our mutual interests;
- nonetheless, we need private reassurance from India as to where it stands on the conflict in Southeast Asia, and we need some public sign that in any major conflict of interests between China and the U.S., India stands with the U.S.

E. Specifically, this means that the Government of India refrains from publicly criticizing U.S. policies and that when there are disagreements, they are dealt with privately.

#### VI. Tactics:

A. Tactically, our approach should take account of the fact that the Indian Parliament will be looking over Mrs. Gandhi's shoulder while she is here. She will be concerned that the price she will be asked to pay for our continuing support of India will be more than any democratic leader in India can afford to pay.

- Thus we should emphasize the common paths we have followed in charting our own courses as new and independent nations, the interests we now share, and the bonds we now have, including our dedication to peace and progress, our commitment to the strengthening of democratic institutions, our vision of an international Great Society, etc.
- We should assure her that we seek in our relationship with India a healthy, interdependent relationship between sovereign and equal states.
- And we should indicate understanding and sympathy for her need to deal with her constituency in India.
- But, we should also help her to understand that our support of India requires her to pay attention to the American as well as the Indian constituency; only then can we discuss in meaningful terms the gestures needed from India as the sine qua non of a reciprocal relationship.

B. Tactically,

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B. Tactically, we recommend that the President's talks with Mrs. Gandhi focus on the three broad areas in which we have already had extensive discussions with the Indian Government; these are at the heart of the visit and must be dealt with satisfactorily if the visit is to be successful. They are:

- Peace in the subcontinent;
- Economic Reform--the Food Problem and Self-help; and,
- Indian Policy vis-a-vis China and Southeast Asia.

C. More detailed discussions covering such items as an exchange of assessments on China, other questions, particularly those involving such matters as our military assistance policy in the subcontinent, disarmament, the question of nuclear proliferation, the Indian investment climate, etc., might appropriately be covered in talks at the second echelon.

#### VII. What then the Bargain?

A. Given the broad measure of agreement we already have with each other, the agreements already worked out here with Food Minister Subramaniam, our diplomatic consultations here and in New Delhi, and the Vice President's visit to New Delhi, we should be able to strike a bargain which is responsive to our needs and hers.

B. The bargain may be struck at either one of two levels:

1. If Mrs. Gandhi meets us on the political questions of primary concern to us, i.e.:

- If she is willing to conduct a meaningful political dialogue with Pakistan in a joint search for the basis of lasting peace;
- If she will entertain long-term measures to continue the demilitarization of the Indo-Pakistan dispute, such as limitations on defense spending and particularly on the foreign exchange component of such spending (in this connection we need some assurance that GOI will be candid in giving us relevant data);
- And if we can reach agreement on complementary roles in Vietnam.

Furthermore,

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Furthermore, if Mrs. Gandhi assures us there will be no backsliding in this election year on her Government's determination to give agriculture higher priority, including agreed measures relating to chemical fertilizer;

Then we should be prepared to move promptly toward

- Longer-term P.L. 480 programs, related to Indian agricultural performance;
- A phased resumption of other economic aid (but to something less than our former aid level), with the timing, magnitude and character of individual increments to be worked out later;
- Discussions on how we can help meet India's priority military requirements through a further relaxation of our commercial and credit sales policy.

2. If, in addition, Mrs. Gandhi commits her government to implement the wider program of economic reforms recommended by the IBRD and IMF, (including at the minimum import liberalization, exchange reform, and incentives to private enterprise), then we, in addition, should agree:

- to cooperate with the IBRD and other donors, through the consortium mechanism, with the aim of ensuring that external assistance required to enable these reforms to succeed will in fact be forthcoming in the needed amounts and kinds, and at the required times.\*

C. Whatever the bargain, Mrs. Gandhi will prefer that no public announcement be made during or at the conclusion of her visit regarding new U.S. aid commitments.

- She knows her political standing at home would suffer if the Indian public gained the impression she came here to bargain for our aid.

D. Mrs. Gandhi should emerge from this visit, regardless of the specifics of the bargain we strike, with an appreciation of what

we regard

\* (See attachment for explanation of what this means in terms of timing and magnitude of our commitment.)

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we regard as a sound and healthy basis for our relationship with India.

- that although we may differ at times on approach, we are committed to the common objectives of advancing the welfare of our peoples, and of others through the maintenance of peace, freedom, international order, and democratic societies.
- that performance on the part of the Indian Government is the only guarantee of performance on the part of the American Government.
- that while we will try to understand her problems, she must try to understand ours--the two-way street we want our relationship to become must have traffic moving in both directions, even if for the present the number of lanes in each direction is not equal.

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ATTACHMENT

Economic Reforms and Aid

Assuming favorable response on our political necessities regarding Vietnam, China and peace with Pakistan, and

If Mrs. Gandhi proposes or agrees to carry out a basic economic reform program incorporating not only high priority to agriculture, but also incentives to private investment, import liberalization, and related fiscal measures.

Recognizing that, although some reforms could and should be installed without promises of aid, some - particularly the vital step of import liberalization - must be accompanied by assurance of financial support, Mrs. Gandhi should be told:

- That she can count on our economic support;
- That her Government should prepare a detailed program for Consortium consideration as early as June;
- That we will work with the World Bank and other Consortium members to secure backing for the intended reforms;

In addition, we should:

- Open discussions with the members of the Consortium to reconfirm the previous consensus on the nature of needed reforms and to seek support for a general financial package adequate to the reform program;
- Advise both the Consortium and the Government of India, shortly after the bargain is struck at the top, that we believe the full reform program can be sustained by new Consortium aid no larger than that of the recent pre-hostility years - specifically that we believe that what is needed is:
  - Consortium aid at about the pre-hostility level of \$1 billion but with a shift in composition so that about two-thirds is program assistance, not limited to use on specific projects,
  - Debt accommodation to cover the approximate \$200 million a year of principal payments due, and
  - IMF support, perhaps only as a contingent standby to cover the initial rush of orders when imports are liberalized;

- Consider

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- Consider being prepared to make a contingent pledge of \$435 million at the proposed June Consortium meeting, with \$300-350 million to be available for commodity loans; if formal pledge is found to be inappropriate, we should be prepared to seek a formula for expressing our support to the reform program, using among other things the anticipated carry-over of FY 1966 development loan funds of \$150 million or more.

Parallel in Pakistan

Assuming consummation of a reform/aid bargain with India this summer,

And provided that Pakistan demonstrates responsiveness to our political imperatives,

We should be prepared to make an economic development deal with Pakistan also.

Such a deal:

- Would require less stress on economic reforms because of Pakistan's earlier moves;
- Would still call for restoration of reform policies suspended during hostilities (e.g., import liberalization) and for extensions to "match" the Indian advances;
- Would be supportable by financing analogous to the Indian program - Consortium aid at pre-hostility levels, debt accommodation, and IMF standby; and
- Would be facilitated by U.S. willingness to pledge aid this summer (\$212.5 million) but could probably be carried off without a formal pledge - use of \$150 million of FY 1966 funds to seal the Indian bargain would still leave \$65 million carry-over for possible early use to close a Pakistani deal.

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VISIT OF PRIME MINISTER INDIRA GANDHI OF INDIA  
March 27 - April 1, 1966

PRESIDENT'S TALKING POINTS

SUMMARY

We recommend that during his talks with Prime Minister Gandhi, the President touch on each of the following:

- 1) Shared interests and problems:
  - Let us better understand each other's internal problems, particularly as they touch on our bilateral relations.
- 2) China and Vietnam:
  - Our mutuality of interest (China) implies some degree of mutuality of policy (Vietnam).
- 3) Peace with Pakistan:
  - No peace, no aid.
- 4) Food, Economic Policy, and our Aid:
  - Our willingness to help India depends on India's determination to help itself, and limit defense spending.
- 5) India's "No Bomb" Nuclear Policy:
  - We admire Indian restraint, and if the Chinese nuclear threat to India becomes serious, we hope India will discuss it with us.

We have also included a sixth talking point on future U.S. military aid to Pakistan. We recommend that it be used only if Mrs. Gandhi raises the issue. (She is reportedly under some domestic political pressure at home to do so.)

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SHARED INTERESTS AND PROBLEMS

1. India's commitment to a federal, democratic government, a mixed economy, a free press, and individual freedom gives it a character and outlook fundamentally similar to ours. Similarities are strengthened by the fact we are both vast, variegated subcontinental states.
2. The important thing is that we each understand each other's internal situations, particularly as they limit or otherwise relate to the conduct of our bilateral relationship. As working democracies, we each have a constituency in the other's country, which we each must heed and nurture.
3. The President's ability to enlist the support of Congress and the public for positive relations with India is strongly affected by India's public position and performance on subjects of such deep concern to Americans, particularly Vietnam, peace with Pakistan, and self-help.
4. Similarly, the President would appreciate hearing Mrs. Gandhi's views on the ways in which our actions most directly bear on her ability to carry her nation toward a more constructive relationship with the U.S.

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CHINA AND VIETNAM

1. As a democratic country working for the welfare of its people, India has a great potential for influencing other developing areas, including those where Communist China is actively competing for influence. We also set great store by India's future power potential as an Asian counter-weight to China, as well as its present role as defender of a major sector of the free world boundary with China.

2. India knows it will have our support if Communist China should start serious trouble with it. This is a pragmatic political estimate, not a formal assurance. We are no more eager for a formal alliance against China than India is. For one thing, we understand the high value India attaches to its present ties with the USSR, in terms of its security interests in any future confrontation with China.

3. But where would India stand if we got into a direct confrontation with Communist China? We are conducting our operations in Vietnam with great care and will continue to do so, to minimize any chance of misinterpretation by Peiping. But even though we are doing our best to avoid a confrontation with China, it is important to us to know who our friends are, should Peiping choose to force a confrontation.

4. Mrs. Gandhi knows that our interests in Asia are peaceful and constructive ones, that our primary objective is to help build up the societies of the Asian nations and to assist in their economic and social revolutions. But the militant and expansionist tendencies of Communist China's leadership are posing challenges to some of these nations that cannot be countered by peaceful means alone. We see the struggle in Vietnam as the focus of a broad effort to restrain the attempt by Asian Communists to expand by force. Americans feel strongly that the mutuality of Indian and American interests toward China implies some degree of mutuality in our policies in Vietnam.

5. We recognize that India is in no position to give significant material support to our struggle in Vietnam: India has its own frontier with China to defend, it needs for the present to focus on developing its economy, and it does not wish to alienate the Soviet Union. Nevertheless, we need some clear sign that India recognizes our struggle in Vietnam serves Indian interests. We need a more forthright and effective Indian role in the ICC's in Vietnam, Laos, and Cambodia. And above all, India's leaders should refrain from taking public positions on developments in Vietnam that needlessly antagonize the U.S. Congress and public.

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PEACE WITH PAKISTAN

1. Progress toward rebuilding peace on the subcontinent since last fall's tragic conflict ended has been most encouraging and much credit is due to all parties involved, including the USSR.

2. But peace has not yet been secured. India and Pakistan must continue to maintain a process during the months ahead providing mechanisms for getting at the underlying issues which divide them, including Kashmir. The President needs Mrs. Gandhi's assurance that India will continue with constructive efforts to work for a peaceful solution of these issues, as a necessary contribution to its own prospects for development and for its security vis-a-vis Communist China.

3. Mrs. Gandhi should be clear on one point: if we should be forced to conclude that there were any appreciable prospect of renewed hostilities between India and Pakistan, it would be simply impossible for us to invest resources in either country on anything like the scale required for rapid economic development. And this would apply to both countries regardless of which one appeared primarily to blame. In an atmosphere of conflict, or an arms race between countries that should be friends, we would be unable to see how our efforts could be directed to constructive ends.

4. As the larger and stronger party to the dispute, India must be willing to go the extra mile in its search for an enduring peace with Pakistan.

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FOOD, ECONOMIC POLICY, AND AID

1. We intend to do what we can to help ease India's current food crisis. But we cannot keep on feeding India's growing millions indefinitely.

2. Our future aid will be linked quite directly to Indian performance on self-help measures. Specifically, we are most concerned with:

- Vigorous follow through on agriculture (particularly, more vigorous efforts to internationalize the current food relief operation, "hot pursuit" of foreign private investment in India's chemical fertilizer industry, and effective execution of the new policy on fertilizer pricing and distribution. (Population growth is, of course, the other critical element in the struggle to provide enough food.)
- Demonstration of priority for economic development through more rigorous limits on defense spending, particularly the foreign exchange component. We do not intend to finance an arms race between India and Pakistan. We hope we can shortly discuss this further at the technical level. We are levying the same requirement on Pakistan.
- Basic changes in economic policy, as recommended by the IBRD and IMF, designed to free up the economy, stimulate the private sector, stimulate exports and encourage private foreign investment through import liberalization, related fiscal measures, and incentives to private enterprise. (By contrast, the Indian Government's new Patent Bill seems to us a step in wrong direction.)

3. India can carry out most of these measures unilaterally. We recognize, however, that some - notably import liberalization - can only be undertaken on the basis of assurances that substantial foreign aid will be available when needed.

4. We seek

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4. We seek no final agreement during the visit on these matters, nor do we intend to work out specific new aid commitments. We quite understand that Mrs. Gandhi does not want her people to assume she came here to bargain for our aid. But we do want a general understanding as to how far Mrs. Gandhi is willing to go toward meeting these self-help requirements in this election year. With such an understanding we can work out specifics at the technical level.

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INDIA'S NUCLEAR POLICY

1. India deserves high praise for its wise policy of resisting pressures to acquire nuclear weapons and for not diverting its economic resources to a nuclear weapons program.
2. The President agrees that nuclear powers should try to work out some arrangements to safeguard the security interests of non-nuclear powers. As Mrs. Gandhi is aware, we have raised the matter privately with the Soviet Union, and it has also been a subject of continuing discussions at Geneva.
3. If a Communist Chinese nuclear capability should ever pose a serious threat to India, we hope Mrs. Gandhi will frankly discuss the question with us so that we could examine together possible means to meet that threat without nuclear proliferation, and without Indian assumption of the heavy economic and other burdens of a nuclear weapons program.

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FUTURE U.S. MILITARY AID TO PAKISTAN

NOTE: This is a contingency paper, recommended for use only if Mrs. Gandhi raises the issue.

1. We have not decided on what sort of a military supply relationship we may have with Pakistan in the future. As we have already made quite clear, we have no intention of fueling an arms race on the subcontinent or of providing arms which will be used by one side against the other.

2. Whatever policy we eventually do decide upon will be determined by what we conclude is required to strengthen and preserve the security of the subcontinent as a whole, an objective on which India and the U.S. agree.

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