

LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET

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Doc #	DocType	Doc Info	Classification	Pages	Date	Restriction
011	memo	Saunders to John Reilly [sanitized 2004]	S	1	3/4/66	A
019	letter	Komer to Bowles [sanitized 2002] (duplicate #3 and #6, Files of Komer, Bowles, Chester 1966, box 13; #158, NSF, CF, India, Exchanges w/ Bowles, box 134) <i>Dup. #122, Papers of Komer, Chron Feb. 66, Bx 6</i> <i>open 8/21/13 per NLJ 12-245</i>	S	2	2/9/66	A
029	memo	Komer to the President [sanitized 2003] (duplicate #9, NSF, Name File, Komer Memos, Volume 2, box 6) <i>Sanitized NLJ/RAC 10-245</i> <i>Dup. #14, Papers of Komer, Chron Feb, Jan. 66, Bx 6</i>	S	4	1/27/66	A
038	memo	Memorandum for the Record (duplicate #100, this file; near duplicate #39, this file) <i>open 4/1/13 per NLJ/RAC 12-1</i>	G	4	1/17/66	A
039	memo	Memorandum for the Record (near duplicate #38, 100, this file) <i>open 4/1/13 per NLJ/RAC 12-1</i>	G	5	1/17/66	A
041	cable	Komer to Bowles [sanitized 2001] (dupl. #97d, 97e this file; #25, NSF, CF, India, Exchanges w/ Bowles, box 134) <i>Dup. #6, Files of Komer, India-Rupees, Bx 26</i> <i>Dup. #69, Papers of Komer, Chron File, Jan 66, Bx 6</i>	S	1	1/15/66	A
056	airgram	A-163 from Madras <i>open 3/6/13 per NLJ/RAC 12-2</i>	G	9	3/23/66	A
076	memo	Carol Laise to Komer <i>open 3/6/13 per NLJ/RAC 12-2</i>	G	3	2/4/66	A

Collection Title National Security File, Files of Robert W. Komer

Folder Title "INDIA - 1966 (to March 31)"

Box Number 24

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3/26/2004

JC

Initials

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Doc #	DocType	Doc Info	Classification	Pages	Date	Restriction
079a	report	Scenario for India (sanitized 2002) (duplicate #179, NSF, CF, India, Volume 7, box 131)	S	6	1/25/66	A
						<i>open 6-3-04</i>
079b	report	Scenario for Pakistan (duplicate #169a, NSF, CF, Pakistan, Volume 6, box 152)	S	6	1/25/66	A
						<i>open 6-3-04</i>
083	report	India <i>exempt 9-24-07 exempt 8/6/13 per NLJ/RAC 12-367</i>	S	2	1/24/66	A
092	report	Research Memorandum RNA-5 <i>open 3/3/14 per NLJ/RAC 12-366</i>	S	10	1/21/66	A
097c	cable	Bowles to Komer	S/	1	1/17/66	A
097d	cable	Komer to Bowles (sanitized 2001) (duplicate #41 and 97e this file; #25, NSF, CF, India, Exchanges w/ Bowles, box 134)	S/	1	1/15/66	A
097e	cable	Komer to Bowles (sanitized 2001) (duplicate #41, 97d this file; #25, NSF, CF, India, Exchanges w/ Bowles, box 134) <i>same sanitization 8/6/13 per NLJ/RAC 12-367</i>	S	1	1/15/66	A
099b	memo	Raymond Hare to the Secretary	C	3	1/18/66	A
400	memo	Memorandum for the Record (duplicate #38, this file; near duplicate #39, this file) <i>open 4/1/13 per NLJ/RAC 12-1</i>	C	4	1/17/66	A

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102	memcon	with Kaul and Hoopes- <i>Exempt 9-24-07 open 3/13/14 per NLJ 12-6</i>	C	3	1/15/66	A
403	report	A Memorandum on the Kashmir Problem. <i>open 3/6/13 per NLJ/RAC 12-2</i>	C	4	1/19/66	A
104d	letter	Sudhir Ghosh to Hubert Humphrey	PCI	2	9/25/65	A
109	report	The Succession Stakes in India	C	3	1/10/66	A
410	report	Intelligence Note - 25 <i>open 3/6/13 per NLJ/RAC 12-2</i>	C	3	1/10/66	A
416	report	Intelligence Note - 3 <i>open 3/6/13 per NLJ/RAC 12-2</i>	C	3	1/3/66	A

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3/26/2004

Initials

MEMORANDUM
DECLASSIFIED

Authority ALJ 94-255 (#171)
By John NARA, Date 3-25-04

THE WHITE HOUSE
WASHINGTON

Hal Secorder
India
1

SECRET

March 25, 1966

MEMORANDUM FOR RECORD

President's meeting with Ambassador B. K. Nehru. The President's Tuesday (March 22) appointment with B. K. Nehru was quite informal and largely social in character. The President first took Ambassador Nehru on a long tour of the White House grounds, during which he met several of Mrs. Johnson's luncheon guests, and then had Ambassador Nehru to lunch with Secretaries Rusk and McNamara and members of the White House staff.

During this period the President made several points to Nehru along the following lines. First, he said that he was not asking India to go into the Dominican Republic or Vietnam; all we wanted was greater Indian understanding of our problems in such areas and such help as they could give in bringing peace. We did not want to command or direct the Indian Government, nor even to make a "trade" with it.

However, there were two things which we needed in order to be able to help India. Above all, we needed the support of the U. S. Congress, especially on food. It was essential to get other countries to help meet India's famine needs so that the Congress would not feel we were being called upon to do the whole job. We needed to be able to say to our people that we and the Indians had explored all other avenues. Moreover, we had to make an equitable proposal to the Congress -- we could start out by saying that we would do half the remaining job if others would contribute half. If this didn't work we could say we would do two-thirds. If this didn't prove feasible, then we might have to do yet more.

The second essential prerequisite was self-help. Anyone we were working with must be able to demonstrate that they were doing the most that they could for themselves. Subramaniam had made a big impression here by describing what India intended to do for itself in agriculture. Now the President wanted to move at Mrs. Gandhi's pace. But he had to be able to convince our people that Mrs. Gandhi was doing the best for her country first. Ambassador Nehru replied that India was doing more for itself than any other country in the ^{free} world. He offered to prove to the President that India was financing more of its own development effort than any other country, and was receiving far less per capita aid than most.

The President said that he had to prove three things to the Congress: first, that others were fully participating in help for India; second, that India was doing everything that she could do for herself; and third, that in providing aid for India and Pakistan, we were not fueling an arms race.

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PRESERVATION COPY

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-2-

3/25/66

On the political side, the President said that he understood the Indian position on China and wanted India to understand ours. In order to support Mrs. Gandhi we wanted to throw all of her enemies off balance. To this end, we would do the opposite of what people were claiming we were going to do in terms of pressing India. Ambassador Nehru replied that India was prepared to accept the World Bank's advice if the World Bank were prepared to put up the cost. He explained briefly how India would need a cushion of aid if it were to liberalize the economy.

The above were the highlights of a rather disjointed conversation. Later Ambassador Nehru left with Mr. Komer a set of charts which he had planned to give to the President to demonstrate that India's own development effort was extensively self-financed; that India's economic progress had indeed been substantial; and that India's recent economic growth compared quite favorably to that of Pakistan. He also left a memo on Indian aid requirements for the Fourth Plan which called for gross consortium aid during the 5-year period of \$8.65 billion; deducting debt service charges of \$2.6 billion during the period left a net aid requirement of roughly \$6 billion.

RWK
R. W. Komer

cc: Amb. Hare
Mr. Handley
Mr. Macomber
Mr. Saunders ✓

~~SECRET~~

PRESERVATION COPY

file.
2

March 25, 1966

India
x Pakistan
x Kashmir

Dear Mr. Adamson:

Thank you for your letter of March 19 addressed to Mr. Moyers expressing your concern over continued tension between India and Pakistan. It is indeed one of the Johnson Administration's warmest desires to see peace and productive cooperation between these two great countries.

We also appreciate your ideas on how a Kashmir settlement might be engineered. I have passed your thoughts on to those who are most deeply involved in the details of this problem.

Yours sincerely,

Harold H. Saunders

Mr. Ian Adamson
250 East 53rd Street
New York, N. Y. 10022

cc: Carol Laise
Bill Moyers

file
India

3/

March 22, 1966

RWK:

FYI. Senator Tydings plans to give this speech Thursday. Jim Thomson gave it to us for comment.

It's a good speech, with a couple of exceptions. It says and underlines everything we'd like said--India is crucial and we ought to spend more. In phoning my comments, I suggested softer treatment of our past Pak policy (using your line) and getting away from "start-stop" description of the past year's aid program. Tydings' drafter said these parts of the speech had been toned down.

No need for you to read, but I thought you should know this is around.

HHS

Att: Ltr from Sen. Joseph D. Tydings to James Thompson, 3/18/66, att. Preliminary Draft of Speech by Sen. Joseph D. Tydings on March 24, 1966.

cc: James Thompson

DECLASSIFIED
E.O. 13292, Sec. 3.4
State Dept. Guidelines
By jc, NARA, Date 3-27-04

4 India

~~SECRET~~

New Delhi 2493
From Ambassador Bowles

March 21, 1966

1. Late Saturday afternoon I called on Foreign Minister Swaran Singh for a final review of outstanding questions before Mrs. Gandhi's departure for the U.S. Because the discussion reflected a general uneasiness which has developed within the Cabinet the last few days I shall report in full. Exchange developed along the following lines.

2. Swaran Singh expressed the fervent hope that Mrs. Gandhi's visit would be successful. There were, he said, several basic reasons why this visit was vital to India's development as a democracy.

A. India's economy and indeed its whole political system is under very heavy pressure. The effect of the drought on food production and hydro-electric power (now down 40 percent) coupled with the cutback on non-project aid for spare parts and industrial materials has drastically curtailed all sectors of the economy.

This steady economic deterioration combined with the emotional aftermath of the war and the pressure of various language groups to establish new states within the Indian union has created a political opening for the extreme left that has caused deep forebodings within the government.

B. At the same time recent statements by Pak leaders, particularly Bhutto, following on the heels of the Rawalpindi impasse, have placed the "Tashkent spirit" under heavy pressures from the extreme right.

India, he said, had gone to Rawalpindi with three Cabinet ministers and six senior civil servants determined to make the meeting a success. However, from the very outset Bhutto had assumed an inflexible posture. The sole issue the GOP was prepared to discuss was Kashmir which India, with a national election looming only ten months away, was in no position to negotiate.

C. Swaran Singh's understanding is that Pakistan is now determined to take the Kashmir issue to the Security Council. The results, he believes, will be emotional, contentious speeches which in turn will produce a renewal of the "plague on both their houses" reaction among us and other observers, and intensification of nationalistic sentiment in India.

D. The State visit to Pakistan of Liu Shao Chi and Chen Yi, in his opinion, has been timed to coincide with Mrs. Gandhi's visit to the U.S. Bhutto's objective, he surmised, is to arouse U.S. fears that the

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- 2 -

Paks may move further into the Chinese camp. The GOP, he believes, calculates that these fears, once aroused, will inhibit U.S. willingness to assist India in meeting its economic difficulties.

E. Swaran Singh asserted that recent reports to the Indian Government from Washington (Note: He implied but did not state that these came from Ambassador Nehru) had aroused fears that the U.S. may be drifting back into its former "balanced" approach to the subcontinent which brackets smaller Pakistan with much larger India without regard to the genuine efforts of the Indian Government to establish a new and affirmative relationship.

F. The Indian Government, he said, is particularly concerned by reports in the U.S. Press two weeks ago that the U.S. intends to renew arms shipments to Pakistan. If these rumors are correct, almost impossible political pressures will be brought to bear on Mrs. Gandhi and her Government.

3. A. In regard to Swaran Singh's first two points I stated that top officials of the US Government are greatly concerned about India's economic difficulties and are anxious to do all we can to ease them. We are also aware, I said, of India's difficulties at Rawalpindi and the impact of recent Bhutto speeches on the Indian right-wing; we appreciate the continuing moderation of the Indian Government in the face of these pressures.

B. What the Indian people and the Indian Government needed right now, I suggested, was confidence in India's future. Since independence in 1947 India has many significant accomplishments to its credit and a firm economic and political basis had been created for future progress.

C. Although the recent agitation in the Punjab and elsewhere for the redrawing of the state lines was admittedly troublesome, it is conceivable, I said, that in the long run it may be a healthy thing. If America had been made up of only 16 larger states, each as politically powerful as California, Texas and New York, the efforts of our own Federal Government to build a viable democratic society would have been seriously undercut. Similarly India may find that the administrative problems of the central government will be significantly reduced if a larger number of weaker states should evolve.

D. In regard to India's fears that a U.S. swing towards its old approach to the subcontinent is in the cards and that it will renew lethal arms shipments to Pakistan, I said he was needlessly exercised.

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SECRET

- 3 -

E. In regard to a solution to Kashmir the U.S. had taken no precise position. We understand Mrs. Gandhi's lack of elbow room in this crucial election year. However, the Kashmir issue was in some aspects similar to Alsace-Lorraine which had led to three wars involving France and Germany, in two of which the US had become involved at great cost.

Although the U.S. had no official opinions of the rights or wrongs of the Alsace-Lorraine issue, its impact on Franco-German relations was a hard fact that we could not readily ignore. Therefore, while fully understanding India's political and strategic difficulties in offering concessions to the Pakistanis on the Kashmir valley at this time, we are fervently hopeful that as soon as the election has been settled a way can be found to defuse the issue even though a completely tidy solution may remain impossible for the foreseeable future.

F. In regard to Swaran Singh's fears of a Pakistani move towards the Security Council, I suggested (speaking unofficially) the alternative possibility of reconvening the Tashkent Conference. It would be logical, I said, for the conferees to review the progress of the last three months and to reaffirm and perhaps expand the understandings which had been reached in the January meeting.

4. Swaran Singh seemed relieved by my response and explanations. He stated that he fully understood and accepted the relevance of the Alsace-Lorraine analogy.

In respect to my suggestion on Tashkent he said that the Government of India would prefer not to become dependent on the Soviet Union to bail them out of their difficulties. However, he agreed that if India is faced with a choice between Tashkent or the Security Council, a second Tashkent meeting would be preferable.

5. Comment: I believe that Swaran Singh's nervousness and obvious sense of insecurity reflects the current immense pressure on Mrs. Gandhi's Cabinet which Singh outlined.

6. Similar concern has been expressed to me in the last few days in somewhat different terms by Chavan, C. S. Jha, the able new Minister of Irrigation and Manubhai Shah and others. However, we have no indication that Mrs. Gandhi herself shares the uncertainty of her associates. Indeed on my last visit with her she seemed remarkably confident and assured.

SECRET

India
x India Econ
5

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

March 14, 1966

MEMORANDUM FOR RECORD

Luncheon with Ambassador Nehru. I had an hour's luncheon chat with B.K.Nehru at his invitation. First off, I told him that we desired to confirm Indian agreement in principle to the long-standing Binational foundation project, because we were thinking of announcing this at the time of Mrs. Gandhi's visit. BK was not up on the matter, but promised to check right away. He then expressed his own personal reservations about the project as meaning a permanent American presence in India. I soft-soaped him a bit and pointed out that, at a minimum, endowing a foundation with US-uses rupees on a major scale would sterilize a large chunk of these. Nonetheless, BK is not a friend of this project.

He then hit me hard on the million tons of PL 480 milo which the President had recently authorized. Aside from many other problems such as moisture content, Subramaniam was very worried about taking so large a quantity as a million tons because it would add to the clogging of Indian port facilities. As BK put it, milo could only be unloaded at a rate 60% that of wheat. Ergo, the more milo we insisted on shipping before the monsoon season, the harder it would be to meet the optimum 1.2 million per month rate of shipment through Indian ports. Since milo had a higher rate of spoilage we also risked stories about US air cargoes spoiling -- which would do neither country any good. I urged that he take this problem up with Secretary Freeman, who was the President's agriculture expert.

BK was quite concerned over our intentions on resumption of economic aid. He thought this an urgent matter and was concerned lest Mrs. Gandhi and the President could not reach a full meeting of minds. As BK understood it, the Indians were prepared to do what the International Bank proposed -- but this economic medicine simply could not be usefully taken without the cushion of aid resumption. I confined myself to expressing mild optimism that if Mrs. Gandhi could convince the President of India's determination to move forward, she would find us comparably responsive.

DECLASSIFIED

E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines
By jc/p, NARA, Date 3-25-01

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- 2 -

I pointed out, however, the parallel importance of a political meeting of minds along the lines discussed by Nehru and Secretary Rusk last week. I told BK that I could add little to this constructive discussion except to worry a bit over BK's statement (and a parallel one by C.S. Jha in Delhi) that India objected to any resumption of military aid to Pakistan. Stressing that we had made no policy decision whatsoever on military aid, and expressing my doubt that this would become a live issue for the next months, I nevertheless emphasized that India and the US had a strong common interest in providing Pakistan an alternative to undue ties with Peiping. If the Pak military, who were Ayub's power base, became convinced that there was no hope of any more MAP from the US this would powerfully risk their moving closer to the Chicoms. We Americans felt that India had for too long left it to the US to deal with Pakistan; it was about time that India joined us in the realization that a Pak/Chicom combination remained the greatest single threat to the stability of the subcontinent.

BK retreated a bit and ended up by saying that what was really needed was some kind of ceiling on Pak arms expenditures to avoid a reciprocal arms race. He said he was speaking personally, but alleged that both India and Pakistan should avoid excessive arms expenditures directed against each other and put their primary focus on development. I told him that this was close to our own preliminary thinking, since we were not in the business of indirectly fueling arms races by allowing the diversion of external resources which we and other Western donors had contributed for economic purposes. He agreed that this was quite legitimate.

At this point we were interrupted by Mrs. Nehru and I took the opportunity to leave for another meeting. However, BK indicated he would like to talk further before Mrs. Gandhi arrived. I noted that the Secretary planned to talk with him about economic matters.

RWK

R. W. Komer

cc: Amb. Hare
Mr. Handley
Mr. Hoopes

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~~SECRET~~

March 11, 1966

MEMORANDUM FOR THE RECORD

Nigel Trench came in this morning for a tour d'horizon, mostly on South Asia. He started out by describing London's recent efforts on the Indian food crisis. Prime Minister Wilson has now written to Prime Minister Holt. The British Embassy in Ottawa has talked to Martin and to the Deputy Under Secretary of Commerce there. The Canadians say they'll try to do more but feel that now may be the time for some sort of international meeting of donors. The Canadians feel very strongly that the whole burden of the Indian emergency should not fall on the big food producers -- that some of the other industrial nations with strong foreign exchange positions should also help.

He asked about the Gandhi visit, and I gave him a general rundown of our approach. I mentioned the kind of broad political understanding we hoped for -- parallel views of India's role in Asia and reassurance that India will pursue rapprochement with Pakistan. On the economic side, I said we would push the self-help theme as hard as we could and probably would focus on agriculture and population, import liberalization, and improving the climate for the foreign investment, I told him this description was not intended to be all-inclusive, but was indicative of what we had in mind.

When he asked about military assistance, I told him we really hadn't made up our minds but would be thinking comprehensively about this problem in the next few days. He said London hadn't thought the matter through to a conclusion yet either. This subject seemed uppermost in his mind because he asked several specific questions about the kinds of equipment we included under our term "non-lethal". I made only a very general response, saying I was not the best authority on details of military sales.

He pushed this subject one step further, trying to get some feel for what we would think if the British went ahead and resumed military aid on their own. We discussed the pros and cons without reaching any conclusion.

He turned then to the Middle East and said London appreciates our efforts with Nasser on its behalf. I noted that Ambassador Battle had not yet been able to see Nasser but expected to within the next few days. Trench knew that the Ambassador had talked with Foreign Minister Riad, and I said I thought that Battle had done a good job on Britain's behalf. The rest of the conversation was taken up with a brief description of the first British meeting with FLOSY leader Asnaj. Though that meeting turned up little concrete, Trench was not completely pessimistic.

DECLASSIFIED

E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines

By je, NARA, Date 3-25-04

Harold H. Saunders

~~SECRET~~

India
x Gandhi Visit
7

~~SECRET~~

March 11, 1966

RWK:

Status of Gandhi visit planning. Here are (a) State's strategy paper and (b) one on MAP for India and Pakistan. You already have Hoopes' MAP paper.

One thing missing is a paper on aid options. We probably won't want to do anything in connection with the visit, but we ought to have something in hand in case the President wants to see in concrete form what his possible next steps are. I've suggested this to SOA but thought any request to Macomber ought to come from you (though I'll be glad to pass the message).

State's strategy paper is OK as a working base, but it's now much too long to leave a very sharp picture in the President's mind, though maybe we want to do that ourselves in any case.

My skeleton outline goes like this:

Key question. The basic question the whole exercise will try to answer is: Can we do business with India over the next 5-10 years? This breaks into two areas where we want to reach a meeting of minds:

1. Where is India going politically?
 - How does India view its role in Asia, particularly in relation to China?
 - How serious is India about coming to terms with Pakistan? (How does India plan to give Ayub a graceful out?)
 - What are India's intentions about nuclear weapons?
2. Where is India going economically?
 - How is Subramaniam's program coming? Will it receive full political backing?
 - How hard will Mrs. Gandhi push to achieve looser import controls?
 - What is Mrs. Gandhi going to do to improve climate for private investment?

DECLASSIFIED

E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines

By *plc*, NARA, Date *3-25-01*

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- 2 -

Lesser questions by comparison ought, it seems to me, to be left for Rusk and Bell to pursue. It's risky to try to crowd too many things into the LBJ-Indira talks. These include:

- Nepal
- Military aid
- Specifics on investment climate
- Deal on import liberalization

We can obviously flesh these out, but I'd prefer building on a simple outline.

HHS

~~SECRET~~

*India
+ Gandhi Visit*

LIMITED OFFICIAL USE

BKS:

March 9, 1966

Shouldn't this be checked out with the
social side of the White House rather than
with us?

HHS

LIMITED OFFICIAL USE

*we can do this but don't
you want to co-ordinate
with Social Office?*

BKS.

Att: Read-Smith memo, enc. draft telegram
to New Delhi re Gandhi Visit 3/8/66
(WH-641)

RWK:

March 5, 1966

9 India

FYI. During Fulbright-McNamara exchange in Foreign Relations Committee, Fulbright argued that Indians had started 1962 fracas with China and that China withdrew of its own accord. McNamara maintained it was a case of Chinese aggression but said he wanted to insert a more detailed analysis into the record.

State provided the paper for the record, putting 1962 in the perspective of the 1959 land grab. So the Administration's position will stand clearly that China is the aggressor.

However, Fulbright insists on releasing this testimony and plans to make a speech on China, probably Monday. So we will probably have some loud press next week with Fulbright saying India was the aggressor against China.

Carol Laise is warning Bowles of all this now. There will be some disturbed Indians—especially those who would like to follow Fulbright's position on Vietnam. My view is that this may be healthy in exposing Indian schizophrenia and pointing out that they can't have it one way in Vietnam and another in the subcontinent. Of course, the Paks will applaud.

HHS

file

India

10

March 4, 1966

Dear Chet:

Albert and Roberta Wohlstetter are planning a visit from April 14 or 15 to April 21 or 22, 1966. You are familiar with their work on problems of nuclear weapons and foreign policy. Roberta Wohlstetter, is the author of the prize-winning book, Pearl Harbor: Warning and Decision and an accomplished research worker in her own right.

They are travelling under the auspices of the Carnegie Endowment for International Peace and the University of Chicago, following what may come to be known as the nuclear proliferation route, with Japan, India, and Israel as key stopping points. Their two major areas of interest are (1) to interview and gather material on national incentives and drawbacks to the acquisition of nuclear weapons, and (2) to learn something about the beginnings of strategic studies in Asia and the Middle East. While Albert and Roberta are not travelling for the government on this trip, they are both government consultants, have top secret restricted data clearances, and the results of their work should be of interest to several parts of the government.

They would both be delighted to meet you and have a chance to talk about these matters with you and with members of your staff. They would also appreciate any help from the Embassy staff in making contacts for the interviews. Albert remembers the difficulty and sometimes flat impossibility of locating some Indians on his last trip in 1962, even after exchanges of cables and letters. They would be grateful if some interviews could be set up before they arrive. They would like to see a few key people in the Foreign Office, Ministry of Defense, the AEC and possibly the Space Institute, the military, and perhaps some newspaper or magazine editors: initially Gopal of the Ministry of External Affairs, Poplai of the World Affairs Council, Soundararajan in the Ministry of Defense, all of whom Albert has met. Also if he is going to be in Delhi, Bhabha's successor (otherwise they will try to see him in Bombay); Vikram Sarabhai, a physicist from the Indian Space Institute; Ashok Mehta, Minister of Planning. Albert is writing to Poplai offering to give a talk on the costs and effects of small nuclear strike forces, in which he may present some of the sobering experiences of the third and fourth nuclear powers.

I'd appreciate the Embassy extending them the normal courtesies. Look forward to seeing you soon.

Sincerely,

Honorable Chester Bowles
US Ambassador to India
American Embassy
New Delhi, India

R. W. Komer

cc: Albert Wohlstetter 3/4/66

SECRET

March 4, 1966

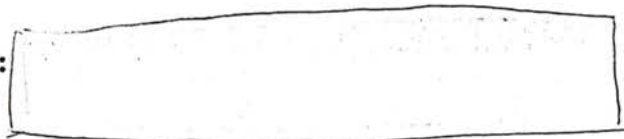
Mr. John Rielly
Vice President's Office
Room 176, EOB

Bob Komer asked me to send this
to you.

Harold H. Saunders

SECRET

Att:



SANITIZED
with guidelines &
Authority NLJ-032-024-1-1
By jc NARA, Date 3-25-04

12 India

March 1, 1966
Tuesday, 11:30 a. m.

MEMORANDUM FOR THE PRESIDENT

Attached talk between Bowles and No. 2 man in India's Foreign Ministry is quite interesting in relation to your own thinking about new US initiatives in Asia. For once, Bowles doesn't overstate the case.

RWK

~~SECRET~~

12a
Tuesday, March 1, 1966

Text of Cable from Embassy New Delhi 2233, February 28, 1966

1. During my discussions with C.S. Jha Friday evening, February 25, I asked how he would like me to follow up suggestion Swaran Singh made to Vice President Humphrey that we start a dialogue prior to Mrs. Gandhi's visit to the U.S. on areas where the U.S. and India agree in regard to Southeast Asia, and those where we may disagree but which maybe bridgeable.

I suggested that the Ministry of External Affairs and the Embassy each put together a memorandum stating the position of its Government and underscoring those questions on which further exploration seems to be needed. Jha replied that while he felt discussion was timely and necessary he would hesitate to use written papers as they would sooner or later hit the press. He then proceeded to offer what he described as some preliminary thoughts which included the following:

A. In various parts of Asia the U.S. has been forced by circumstance and permitted by its massive resources to play a dynamic and forward role in containment of China. The Government of India is generally sympathetic to our efforts and keenly aware of its own stake in our success.

B. As the Indian economy becomes stronger and India's political foundation more solid, India will eventually be in a position to play an increasingly broad and more effective role in counter-balancing China which might eventually include public military guarantees to its neighbors against Chinese aggression (He spoke particularly of Burma, Nepal and Thailand).

C. In the meantime India can make a significant contribution by maintaining its unity by making a major developmental effort under a democratic government. The very fact that India exists as a going concern helps to establish an alternative to China in the minds of the Asian people and reassures those who otherwise might feel that China is the wave of the future.

D. Although at this stage of its development the Government of India is in no position to assume a major role in the containment of China it is prepared (1) to defend its own country against Chinese aggression along its 2400-mile borders; (2) to defend Nepal if Nepal is attacked by China; (3) to assist Burma against Chinese aggression if help should be requested.

~~SECRET~~

DECLASSIFIED
E.O. 13292, Sec. 3.4
State Dept. Guidelines
By *plp* NARA, Date *3-25-01*

PRESERVATION COPY

~~SECRET~~ -2-

Jha expressed personal view that the most likely area for Chinese aggression was in Nepal. The Indian-Nepalese border is almost wholly undefended and once the Chinese forces break through the northern boundaries of Nepal where the passes are less forbidding it could quickly present itself on the northern edge of the Indian Plain.

Although it was Jha's feeling the Chinese are now stretched rather thin and probably will not take action along these lines in the near future, there is no doubt in his mind that Nepal is the most vulnerable area of the long Indo-Chinese border.

E. Jha expressed the hope the U. S. would patiently understand Indian limitations under present circumstances and do what we can to speed the day when India can play a affirmative role in regard to China and thus begin to relieve us of some of our responsibilities.

F. Jha expressed the hope that before Mrs. Gandhi left for the U. S. I could have further talks with him and Swaran Singh on this and related subjects as a background for the talks which would be held in Washington.

2. Comment: This was the most frank and forthcoming talks I have had with C. S. Jha and I believe it reflects to some extent result of Vice President's visit.

However I suspect that in large measure these are still the personal views of C. S. Jha, shared by a few other senior officials such as L. K. Jha, but not yet Government of India policy.

Still the timing would appear to be ripe for private discussions with Government of India concerning longterm role which India should play in Asia, and we shall continue to work along these lines.

Bowles

~~SECRET~~

PRESERVATION COPY

file

1. India
2. PD
3. Gandhi visit

13

Wednesday, February 23, 1966
7:45 p.m.

MEMORANDUM FOR

THE PRESIDENT

Indira Gandhi visit. She has asked her Embassy here to inquire informally whether Monday, 28 March, would meet your convenience. If so, then she will officially propose this date and we can officially acknowledge. May we say OK?

Approve

Prefer

R. W. Komer

cc: McGB

14

X

*India
* Pakistan
* Arthur Dean*

February 23, 1966

Dear Arthur:

It strikes me that a letter from you to the President citing George Woods' views and adding your own would be useful on two scores. First, it would remind him that as his lawyer you are staying in close touch on Pak/Indian matters. Second, giving him independent views through an independent channel is often more useful than my packaging it with the official word.

Mrs. G's visit is now firming up for late March, so we'd like to get you back in the act. I'll be sending you another package shortly.

Cordially,

R. W. Komer

Mr. Arthur Dean
Sullivan and Cromwell
48 Wall Street - 19th Floor
New York, N. Y.

File
India

15

February 16, 1966

MEMO FOR BILL MOYERS

More to this idiotically handled Fulbright on Pak loan affair. Doug MacArthur got Marcy to issue a public retraction but in the process Marcy apparently let out the \$100 million Indian loan which Humphrey is to announce in Delhi about 9:30 tomorrow our time. I told Doug to get it killed the minute I heard, but the damage may have been done. Fortunately it probably won't reach the Delhi papers till after Humphrey has announced.

If anyone wants more on this whole comedy of errors, I have the story.

R. W. Komer

cc: MacBundy

16a

~~SECRET~~

AmEmb

Info Delhi for Ambassador

Karachi for Ambassador

EXDIS-VP

Further to Deptel _____ on what you might take up in India and Pakistan, the President suggests the following additional points.

1. You might tell Mrs. Gandhi that it was in response to her most recent letter, and the President's two (repeat two) talks with Ambassador Nehru, that he decided to authorize a prompt \$100 million program loan. He understands why, given the necessary delay in summit talks here because of Prime Minister Shastri's untimely death, all such matters cannot wait until Mrs. Gandhi can visit here. So he decided to comply as best we could with Mrs. Gandhi's urgent request.

2. It would be most worthwhile to get an up-to-date briefing on India's current food problems, and to show the utmost in sympathetic interest. But it is also important to make clear that the President does not feel able to do anything further until he has touched his Congressional base, and gotten the necessary endorsement of US participation in the international effort which is essential to meet this unprecedented need.

3. The President is inclined to favor appropriate public announcement of the program loans by you in Karachi and Delhi, subject to your own view and that of our Ambassadors. Septel will follow on pros and cons and suggested form of announcement.

DECLASSIFIED
E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By RC, NARA, Date 3.25.01

February 10, 1966
Thursday 9:50 a.m.

MEMORANDUM FOR THE PRESIDENT

Here are the VP's negotiating instructions for the Pak/
Indian loans. See particularly p. 2 on what he might say on
your behalf.

We will ask the VP to expose the conditions under which
we'll give these loans, but tell our AID missions to work out
the time-consuming details.

Query -- May the VP specify that Arthur Dean will probably
come out to Pakistan after the Gandhi visit here? We could
easily leave this vague to retain your flexibility.

R. W. Komer

Approve _____

See me _____

~~SECRET~~

DECLASSIFIED
E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By jc NARA, Date 3-25-01

PRESERVATION COPY

17
-file
1. Pak.
2. India
Return
annotated
copy to
Komer

President
approved
5:40 p.m. 10 Feb
with amendments

18

India
x India Food

February 10, 1966

Mr. McGuire:

As you requested, here is the text of the President's letter to the Pope which we sent for his signature on February 8. I gather from Bob Komer that the President has now signed it.

Harold H. Saunders

SECRET/EYES ONLY FOR
AMBASSADOR VIA
CLASSIFIED POUCH

19
File
1. India
2. Bowler
February 9, 1966

Dear Chet:

Many thanks for keeping me so well posted on matters Indian -- lack of response does not mean we're standing idly by.

Would that I could catch a ride on one of the many safaris to India. You might chide our good friend the VP for not taking a good liberal Democrat (as well as India-lover) along.

Despite the buffetings of fate, I am confident that our Indian affairs are still on the upgrade. Given our success so far, I see the President is determined to keep playing a reasonably tough game with both Paks and Indians, but easing up gradually in response to their performance. The 3 million tons was entirely his doing -- much more than recommended. But we must get India to badger Pearson, Holt, and de Gaulle -- not just leave it all to Uncle Sugar.

Your 1865 on your talk with Indira was very favorably received here from top to bottom. I hope you can get across to Mrs. Gandhi that there will inevitably be unfavorable references in the US press to past associations, etc., but that as she seizes hold this will all pass into history.

What is most needed is still for the GOI itself to take major new steps and then to come to us saying "look what we have done, now how will you respond?" Incidentally, in giving Indira your three point formula for good relations with the US, you left out China. At a time when Vietnam is so much the preoccupation here, we must get across to the Indians that they cannot expect us to believe they are taking the Chicom threat seriously if they continue to employ a double standard with respect to Vietnam. Nothing would convince the President more of India's bona fides than a more forthright stand on Vietnam. Nor, I am convinced, need such a stand get India into undue trouble with the USSR. The Soviets would be annoyed, but they are India's prisoners much more than we; they simply cannot afford to draw back from India, despite what it says about Vietnam, for fear of leaving Asia's key prize to the US.

By the way, your mention of "covert support activities" in your long cable recommending a new interim aid program caused many raised eyebrows. I am much of your persuasion and am trying to move this forward, but don't let the left hand know what the right hand is doing.

DECLASSIFIED
E.O. 13526, Sec. 3.5

SECRET/EYES ONLY FOR AMBASSADOR

NLJ 12-245

By UCK

NARA, Date 07-06-2013

SECRET/EYES ONLY FOR
AMBASSADOR VIA
CLASSIFIED POUCH

Page 2

The sooner Indira comes the better, as the President reiterated a half dozen times to BK. Nor was he pleased with BK's comment that we'd already paid for our wheat, so might as well give it away. Nothing will succeed like a little honest gratitude especially with a President who quite rightly believes (as do many of us) that nations like India have come to take US generosity all too much for granted.

I still believe that my 4 January letter to John Lewis, with some changes, would make as good a scenario for India as for Shastri. I enclose another copy just in case. Do get Carol Laise's perceptive thinking too (but I have not told State of our private correspondence).

All the best, and expect to see you in late March.

Warm regards,

R. W. Komer

**Honorable Chester Bowles
US Ambassador to India
American Embassy
New Delhi, India**

SECRET/EYES ONLY FOR AMBASSADOR

20
file
India

February 9, 1966

Dear Mr. Birla:

Many thanks for your most informative letter of February 2, which I just received. One cannot but be heartened by the many favorable signs you see.

I gather that the Indian Government is proceeding forcefully with the agricultural measures outlined by Mr. Subramaniam last December. In particular, I understand that steps to increase greatly India's own fertilizer production capacity are well underway.

We here also look forward to the Prime Minister's visit, hopefully in late March. I share your hope that many things will be clarified when the President and Prime Minister meet. Finally, I can only applaud your emphasis on the vital importance of family planning and on India's need for a "great push" in this direction. Is it presumptuous to suggest that the Birlas could do much toward stimulating such a push--as the Rockefellers have in this country?

With warm regards,

R. W. Komer
Deputy Special Assistant
to the President for
National Security Affairs

Mr. B. M. Birla
Birla Brothers Private Limited
15 India Exchange Place
Calcutta 1, India

Mr. Komer

*21
India
Pres
letter*

February 9, 1966
Wednesday, 7:00 P. M.

MEMORANDUM FOR THE PRESIDENT

You have just received the attached letter from Mrs. Gandhi. After thanking you fulsomely for the three million tons of food grains, she reinforces B. K. Nehru's plea for interim economic aid.

The \$100 million program loan should prove a more than adequate answer when the Vice President reaches Delhi. I will clear with you the instructions on this matter, either this evening or tomorrow morning.

R. W. Komer

JJ called Komer and told him to tell Bell to be sure to caution these people. That we haven't decided on the program yet. Humphrey is ^{to be} in New Dehli to negotiate.

2/9/66
11 a.m.

Did so
RWK

22a 1. Pak
2. India
3. Pres. dec.

Wednesday, February 9, 1966
10:15 A.M.

MEMORANDUM FOR THE PRESIDENT

On Indian/Pak loans, Dave Bell says he forgot to mention the need for Hill consultation as promised by us last year before we resumed.

We have time before the V.P. hits Delhi, and propose to touch base with Mansfield, Hickenlooper, Fulbright, Albert, Morgan, Mrs. Boltan, and Mahon. However, Bell wants your okay before doing so.

RWK

O.K. ✓

Add following --

If called Komer and told him to tell Bell to be sure to caution these people, that we haven't decided on the program yet. Humphrey is to be in New Delhi to negotiate

2/9/66

11:00 a.m.

Did so
RWK.

~~SECRET~~

India

23

DECLASSIFIED

E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines

By *js/jw*, NARA, Date 3-25-04

Saturday, February 5, 1966

10:30 a.m.

MEMORANDUM FOR

THE PRESIDENT

To respond to your recent queries, you can rely on it that no significant India or Pak aid gets through without my flagging it. In fact, most requests die in my office as inconsistent with your policy.

I sensed that you were surprised Thursday evening to hear that of the \$435 million we tentatively pledged India for FY '66, only your \$50 million December fertilizer loan had moved. In fact, we still have about \$85 million in prior year loans authorized but held up.

The Pak story is the same. We programmed for \$212.5 million in FY '66, but have released \$0. The five projects we released for Ayub were from FY '65.

On military aid, the same is true. Nothing (except admin. costs) has flowed from FY '66, and we have held up a big backlog from prior years (over \$100 million in all).

To remind you that we here don't just serve as a transmission belt, here's what our ambassadors are pleading for. McConaughy recommends about \$200 million in economic aid (an \$80 million commodity loan and the \$120 million Karachi steel mill loan), plus food and maybe a little military aid. He feels Ayub's gentle pressure for resumption of military aid.

Bowles recommends \$247 million in economic aid, apart from food, and \$75 million in non-lethal MAP. Most of that is \$150 in non-project loans with \$97 million for projects.

Even if we ease up considerably, we'll actually spend this year on India and Pakistan way below what the agencies estimated to Congress. I'd guess we could end up saving about \$500 million (including MAP). Of course, if we get onto a better political track with both countries, we ought to spend more -- but then we'd get more for our money.

~~SECRET~~

cc: McGB

R. W. Komer

India
x India food
24
/

February 4, 1966

MEMO FOR S/S

Attached are two copies of my
memorandum on the President's recent
talk with Ambassador Nehru.

R. W. Komer

~~SECRET~~

February 3, 1966

MEMORANDUM FOR RECORD

Subject: President's Meeting with Indian Ambassador Nehru

The President greeted Ambassador Nehru warmly, saying that he thought the new cabinet was off to a good start. He well understood India's succession problem, having gone through the same tragic situation himself. Nehru replied that Mrs. Gandhi was touched by the President's message and sent warm greetings to him. The President commented jocularly that with a woman Prime Minister in India, the pressure was now on us. We would have to do something more for our women. Nehru riposted that the women of India were "impossible" now.

Commenting that talks were long overdue, the President was anxious to see Mrs. Gandhi as soon as possible. He was troubled because he had an incipient revolt on his hands in Congress. He did not want to go to Congress on future aid to India till he had talked things over further with Mrs. Gandhi. In the meantime he had asked our best people to get up a program; then he would ask the Congress to join in it. The President wanted to go this route because he was getting tired of the charges that he was running everything, even though he kept asking for Congress' views (as on Vietnam).

The President then discussed multilateralizing our aid, including food. He didn't wholly agree with Senator Fulbright on doing everything via multilateral rather than bilateral means. The best argument against multilateralism, as the AID people kept claiming, was that we didn't get credit for the aid we gave. Yet given the UN's success in dealing with the Pak/Indian cease fire, he wondered if it might not be best to use the multilateral route in meeting Indian food needs. We might make a substantial contribution to the World Food Program or the UN itself and ask every other country to come in appropriately. We put in 50% of the World Food Program now. We could even say that we would increase this proportion if others would do the same, not necessarily in wheat alone but in its equivalent. The Ambassador commented that the US was the only country which had food to spare, and it didn't cost the US anything to send it abroad. The President bridled at this, retorting that we did have to pay for every nickel's worth of wheat or other commodities. He had just seen figures from the Budget Bureau indicating that we had to pay \$60-80 per ton for wheat.

DECLASSIFIED

~~SECRET~~

Authority FRUS 64-68, vol. 25, #289

By jk NARA Date 3-25-04

24a

file
1. India
2. India food
3. Ruk-
India Food

~~SECRET~~

- 2 -

The President wanted to sit down with the new Prime Minister and discuss what he could do for India as well as vice versa. Then he would tell the Congress what he wanted to do in bushels and dollars. This had not been budgeted yet. He noted that he was being severely criticized right this minute for feeding Vietnam refugees, while cutting out \$600 million in military construction here. We could get results from the Congress if we consulted it. Congressmen kept claiming that they were not consulted enough. Senator Fulbright kept saying that when the President acted without the Congress he was being ostentatious and dictatorial.

The President then raised the question of promises vs. performance. He described how in 1961 we had committed \$300 million to Brazil for social projects. The Brazilians were to do several things in return. They passed a number of resolutions, but didn't perform on a single one. Then he, President Johnson, had doubled aid to \$550-600 million, but Senator Morse claimed that we were less liked in Latin America now than ever. The President suspected that a good deal of this problem was our "image", created by Vietnam and the Dominican Republic. So we had to figure out--the quicker the better--what to do for India and then put it up to the Congress. He was trying to get a five-year authorization for aid, but doubted that he would get it in an election year.

The President told Nehru to evolve--with Komer and others--a sensible program. Then we would send our people--including Secretaries Rusk, Freeman and Gardner--up to testify. The first program we would undertake under the new AID/Food Message was the Indian emergency. At the moment the President thought we should act through the UN, perhaps after an interim allocation to keep things going. Senator Fulbright was right that we got no credit for what we did bilaterally.

Ambassador Nehru interjected that handling food this way was difficult. But economic aid had to be given with conditions, which were more acceptable if exacted through multilateral agencies. Mrs. Gandhi had asked him to say that she would like to come in the second half of March. The Indian Parliament would still be in session then, but she thought she could get away. The President asked the Ambassador to tell her that there was no one in the world who understood her problem in taking over better or with more sympathy. Mrs. Johnson and he would see her on no notice at all, at any time she could come. It was essential that they meet as early as possible so he could get ahead with what he wanted to do. Nehru should tell Mrs. Gandhi just to wire when she was coming.

~~SECRET~~

~~SECRET~~

- 3 -

The Ambassador mentioned that Mrs. Gandhi had asked him to tell the President how much she appreciated the peace moves on Vietnam. She was greatly disappointed at the lack of response. Nehru commented on India's contribution through talking with Kosygin at Tashkent. He added, "I don't know if you know yet, but we also made some approaches through our Consul General in Hanoi." However, the North Vietnamese were not responsible. We also sent our ICC Chairman to Hanoi. He reported that there were two parties in the NVN Government. The moderates were gaining ground but were still in the minority. Nehru repeated that Mrs. Gandhi was "very distressed" at the lack of response to these approaches.

The President then explained at length our decisions on the pause and the many efforts we had made to establish contact and generate a response. He explained how the Soviets and others had said something would come of a pause if we stopped ten days or so, but it didn't work. He "appreciated very much" what Shastri said at Tashkent with Kosygin. However, the net of the whole exercise was that the President was worse off than a month ago. His basic problem was not with the peace lovers but with those who argued for a yet tougher line.

The President indicated that he was "terribly proud" of what India did at Tashkent in moving toward reconciliation with the Paks. "Shastri died the right way in the cause of peace, not at the end of a gun barrel." Ambassador Nehru replied that Mrs. Gandhi had asked him to tell the President that "India was going all-out to make Tashkent work." The Indians hoped to withdraw well before 25 February. They were also proposing resumption of ministerial meetings and of transit overflights. Meanwhile, anti-Pak propaganda had been stopped.

The President discussed Ayub's problems, remarked that one of these was that he had ended up almost an "advocate of India". But Ayub had many difficulties with his own people. When he came to the US he was a chastened man, but also a proud one. He didn't rebel or even argue, when the President told him he had to settle with India. Nehru remarked that what the President had done with Ayub had had considerable effect on Tashkent. The President hoped that Ayub wouldn't lose his job as a result; Bhutto and others seemed to be a serious threat. Nehru said that the Indians realized they had to help Ayub, but India had a few problems of its own at home with hardliners.

~~SECRET~~

~~SECRET~~

- 4 -

The Ambassador then made "two specific emergency requests." The first was food. The US had given India 1.5 million tons in December, and the last would be shipped this week. Could the US give a firm public commitment on more, to cover at least till the end of June? If the US were unable to make a public commitment, it would promote hoarding and riots--as in Kerala. Of course, the Kerala crisis was partly food and partly politics. He explained that if the Indian people lacked confidence that sufficient wheat was coming, they would not give up their own stocks of rice and wheat for distribution. If India could have 5 million tons of wheat now, "it would take us up through June." Second, the Ambassador claimed that there had been a freeze on all US aid, including what was pledged last year--about \$500 million was outstanding. The Indian economy was running out of raw material. Factories were operating way below capacity and unemployment was up. Since it took eight months between the signing of a loan agreement and the actual arrival of the goods involved, India's economic problems were bleak unless aid was started up again. These two problems were so urgent that the Prime Minister had asked Nehru to take them up right way. India also intended to talk with the World Bank shortly about its broader economic problems.

The President replied that he understood the urgency of these matters. His problem was whether he could borrow on his own prestige by going ahead without the Congress on these matters. He didn't know how soon this bank would run out. So his judgment was that he should make no commitments till there was an understanding between our two countries, and till he got the approval of the American people via the Congress. Otherwise, he was just asking for more problems. So on food in particular, he desired to send a message and legislation to the Congress on what we could do and what we thought others should do. To act in any other way would jeopardize the future relations between our two countries--and the President's own relations with the Congress.

Nehru asked how India's short term emergency needs could be met in the meantime. The President replied that he might take some action before the Congress moved, but could only afford the utter minimum. He did not want to make new agreements until he could both touch his Congressional base and talk with Mrs. Gandhi. Nehru pointed out that if Shastri hadn't died, he would have been in Washington this very day. Circumstance had prevented a US/Indian meeting of minds. The President reminded him that we had planned on the 1.5 million tons carrying us till Shastri came, and pointed out that it had lasted till this time. However, he thought that we might be able to make another interim

~~SECRET~~

~~SECRET~~

- 5 -

allotment to carry us past the time when the Prime Minister came, because he didn't want her to be under pressure to come here. He would get the appropriate Congressional leaders together before the week was out, and then announce an interim allotment. The President thought that the American people would come through, but the Indian people had to understand that we Americans had our problems too. If the President sent a message to Congress and there was full public discussion Indians must realize that they were going to be criticized during this discussion. Nehru thought that Indians would understand.

The President then re-emphasized that the Prime Minister should come--the sooner the better. The two of them could work out an understanding. The President would get a food message up to Congress right after, and we would get it through in thirty days.

Nehru again made a plea for economic aid; "defreezing" economic assistance was as important as food. The President said he would talk with Nehru again on this. He had made up his mind that there would be no new aid till we had agreed on a new course with both India and Pakistan. He thought he had such an agreement with Ayub, but had been holding up any new initiatives with Pakistan till the Indians could visit. Indeed, he believed that his talk with Ayub had more to do with the success of Tashkent than almost anything else. Ayub knew from his talks here that war with India or ties with China were "inimical to US interests". Ayub had said that he would not do anything inimical to the interests of the US.

The President then said that he would deal with the Kerala problem (another interim food allotment) without Mrs. Gandhi asking him. He was going to treat Mrs. Gandhi as he would want her to treat him. He knew her problem better than she might think he knew it, since he had gone through a similar succession crisis. The President then walked Ambassador Nehru out through the Lobby.

R. W. Komer

~~SECRET~~

~~SECRET~~

January 28, 1966
Friday, 6:45 p.m.

25
India
X P.D.
X Pak

MEMORANDUM FOR THE PRESIDENT

I will stand by to talk Pak/Indian matters
at 1 p.m. Saturday.

Ambassador Nehru is due back Tuesday
afternoon. Would you like to see him on
Wednesday? *yes*

AID tells me that we've now reached the
point where shipping chartered by India to keep
wheat moving will stand idle unless more wheat
is made available. A simple administrative
device to help maintain optimum flow, and ease
the pressure on you for new allotments, would
be a private Freeman letter telling the Indians
that if and when we make any further PL 480
allocations, we will use them to replace whatever
they buy in advance with their own scarce
foreign exchange. This would help overcome
natural Indian hesitancy to keep booking shipping
in advance without knowing when the next PL 480
wheat will be available. It would encourage them
to buy wheat to fill the bottoms they charter,
instead of sitting around and wringing their hands
waiting for US action. No US commitment or
dollars involved. ✓

I'll see Nehru 2 February _____

OK on Freeman letter _____

Wait till our discussion _____ ✓

~~SECRET~~

R. W. Komer
inf B

26

file

moyers
Bill -

January 28, 1966

India

Would the President sit still for the first page of this, or do you think it would just annoy him?

R. W. Komer

Att: Memo from Leonard H. Marks, USIA,
to Robert Komer, 1/26/66, att.
USIA Research and Reference Service
R-181-65, 12/65, Subj: The Standing
of the Major Powers in Indian Public
Opinion (World Survey III Series)

27

file

January 28, 1966
Friday, 4:30 p.m.

Mac -

If you didn't send Indira Gandhi's
inaugural speech to LBJ, how about
sending this one page summary? It
makes good reading before he sees
B. K. Nehru.

Indira

RWK

Att: Typed copy of
New Delhi 1926, 1/27/66

~~SECRET~~

January 27, 1960

India

Mac:

Lloyd Hand tells me that the President doesn't want to go to the 30 minute Shastri Memorial Service at Cathedral Friday (he did go to Nehru service) unless Rusk, Bundy, Komer, or Hand feel it would be a great mistake.

With all the things LBJ has done (sending VP, writing Indira, etc. etc.) and fact VP will give the eulogy, I cannot believe that President's absence would lead to any more than some minor grumbling for a day or two. These things get no coverage in India anyway.

So I told Lloyd that I simply would not brace the President on this matter. Do you feel otherwise?

RWK

DECLASSIFIED
E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *jc*, NARA, Date *3.25.04*

~~SECRET~~

29
January 27, 1966
Thursday/4:30 pm

MEMORANDUM FOR THE PRESIDENT

A Pak-Indian Scenario. Here are my best thoughts on next steps. They reflect both my sense that Ayub and Indira Gandhi continue to move in our direction and my belief that nevertheless we ought to continue using your carrot and stick strategy, since it has worked well so far.

So the following is based on three key principles which I hope reflect your own thinking: (1) Since Ayub is moving toward us, though slowly, it is time to give him some new incentives; (2) Similarly, Indira Gandhi has started off surprisingly well, so it is wise to show responsive confidence; but (3) in both cases we ought to proceed gradually, building up expectations that we'll respond to performance but continuing to reserve much of our aid for later release on this principle. In short, let's give enough carrots now to keep up momentum, but keep the remainder dangling till we get more concrete performance.

Our case before Congress and the electorate for doing some things now is that (1) Tashkent and actual troop withdrawal (which seems in hand) are a big step toward peace and reconciliation, and justify some response on our part; (2) India's self-help performance, especially in agriculture, is encouraging; (3) there is a special and urgent need to cope with Indian famine, together with other countries.

A. Steps to help Ayub. While normally we want to get away from the idea that every time we do something for India we have to do the same for the Paks (or vice versa), in this case failure to help Pakistan when we do things for India could weaken Ayub's position that his visit here was successful in clearing the air, and just when his Tashkent reconciliation policy is under fire. We also want to keep Ayub thinking that if he keeps coming our way he'll find us responsive. So I'd favor the following steps at the same time you see BK Nehru:

1. An interim PL 480 agreement. Pakistan is much better off than India, but is pressing for food too as it sees India getting so much. We could move pronto with an \$18 million extension of the old agreement, or make a new 3 month deal for \$26 million (300,000 tons wheat and 25,000 tons oils). Latter takes a few weeks, but you could tell Ayub now.

2. \$50 million program loan, for fertilizer and raw materials to speed up Pak economy, would be a major gesture and make good economic sense. We'd tie stiff economic conditions (same as for India below).

SANITIZED

~~SECRET~~

Authority NLI/RAC 10-245
By Chm/L, NARA, Date 3-7-11
JdeG

3. Ease up on military aid. Ayub just raised this issue. The Pak military are hurting and disgruntled; we want to ease their pressure on Ayub and guard against the Paks buying a lot from the Chicoms. On the other hand, it's hardest to justify restoring MAP yet (this would also be the most ticklish with Congress). But we could lift our ban on non-lethal military commercial sales, plus telling Ayub we'd entertain requests for MAP credit sales once the 25 February troop withdrawal takes place. This would be well received; the Paks want to buy two civilian C-130s, have about \$3 million in orders for commo equipment stacked up, and need a lot of spare parts. Easing up will whet their appetites (and earn us some gold).

4. Hornig Medical Mission you promised Ayub will leave shortly, and be a good gesture hopefully costing mostly surplus rupees.

The above package should hold Ayub for at least two months (till after a Gandhi visit) and generously match whatever you do for India. But it would still leave at least \$30 million in FY'66 aid, \$85 million from EXIM for the Karachi steel mill, and PL 480 to be doled out later. I'd dress up the first package via a letter to Ayub--no use wasting this on the Pak Ambassador here. Later you could send out Arthur Dean to discuss terms and conditions prior to further help.

B. Package for India. Because of famine, Shastri's death, and the sheer size of India, what is needed here is more complex. The following is carefully graduated to give Indira a clear sense now that we want to do business, but again save the bulk of our AID money and PL 480 for later.

Response to BK Nehru. He'll be back next week, no doubt with an urgent plea from Mrs. Gandhi for both famine relief and emergency economic aid to keep India's faltering economy going. We could respond with:

1. Another PL 480 Allocation. The Indians have now fully caught on how acute the famine prospect really is. So Mrs. Gandhi will undoubtedly have told BK to plead for a pledge covering the whole emergency period. Our problem is to be responsive enough so that no one can say we're being niggardly, but not to let India off the hook. I'd tell him you'll allocate at least 1.5 million tons to keep the pipeline full (there's even a case for 2 million tons just to show we recognize the famine was getting worse), and will seek from Congress promptly a Joint Resolution endorsing a major US anti-famine effort, in conjunction with others (draft Resolution at Tab A--but you know the hookers in going this route).

~~SECRET~~~~SECRET~~

~~SECRET~~

Page 3

2. \$100 million Program Loan. India's industry is running down badly owing to lack of raw materials. So this loan now would reap important dividends, while still reserving the bulk of our aid (\$85 million from FY'65 and earlier, at least \$70 million from FY'66, and massive PL 480) for later parleying with Indira. As a means of bringing home to Mrs. Gandhi what we expect of her, we'd tie on stiff conditions: (a) India must match our \$100 million from its own foreign exchange; (b) the money must be used for revving up existing capacity, partly in private sector, not to start new projects; (c) re-assurance--via review of India's own foreign exchange budget--that Indians won't siphon off too much for defense; and (d) reopening of India's dialogue with the World Bank, which is our ally in getting better Indian performance.

3. Ease up on military commercial and MAP credit sales. This will help Pakistan more than India, but ought to be symmetrical.

4.

EO 12958 3.4(b)(1)>25Yrs
EO 12958 3.4(b)(6)>25Yrs
(S)

Mrs. Gandhi's Visit. It looks as though she'll come as soon as possible (probably mid-March), especially if we go no further than the above now. By the time she comes we'll have the Joint Resolution on food, troop withdrawal, and other clues to India's economic performance. So if she says the right things, and India's self-help so warrants, we'd have available for use then or shortly after:

1. Further step on PL 480. The previous allocation would have permitted optimum rate of shipment through her visit.

2. Release of remaining FY'66 aid in whole or part. Whatever we do, our FY'66 economic and military aid will be way down from last year.

3. Binational Foundation (excess rupees).

~~SECRET~~

4. Gradual Resumption of MAP, though I see a case for holding this up yet longer, or merely going ahead with old commitments initially.

At the same time (mid or late March) we'd take parallel steps with Pakistan, assuming that via the Dean mission or in other ways we were assured of adequate Pak performance.

C. Conclusions. I am reasonably confident that the steps outlined will serve the purpose of easing up enough now to keep Paks and Indians moving the right way, but retaining plenty of chips to play yet another hand when Indira comes, and after. The measures outlined could be juggled several other ways--depending on how events go in the meantime. I've also left out most of the conditions we'd exact, but we'd insist on a two-way street. Lastly, we ought to consult the leadership on the loans, but I'd foresee no trouble unless we included military grant aid.

State/Defense generally buy this scenario (short of Rusk and McNamara, simply because they haven't been involved yet). Would you like to talk with me more about it, or even have a larger meeting?

Talk with me ✓

Call a meeting

Looks OK; draft letter to
Ayub and talking paper for
BK Nehru meeting

R. W. Komer

*Forwarded but not
yet read - 8:30 p.m.
mgB*

29a

DRAFT

JOINT RESOLUTION

To support United States participation in relieving victims of famine in India and to enhance India's capacity to meet the nutritional needs of its people.

Whereas the Congress has declared it to be the policy of the United States to make maximum efficient use of this nation's agricultural abundance in furtherance of the foreign policy of the United States;

Whereas the Congress will be considering legislation to govern the response of the United States to the mounting world food problem; and

Whereas critical food shortages in India require special response and provide an important immediate opportunity to attack the food problem in an area where it is now most acute: Therefore be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the Congress approves and supports the President's initiative in organizing substantial American participation in an urgent international effort in India designed to:

- (a) Help meet the immediate food shortages;
- (b) Combat malnutrition, especially in mothers and children;
- (c) Encourage and assist the measures which the Government of India is planning to expand India's own agricultural production.

Set specifics
in terms of
what

SB 8
1/28

January 26, 1966

India

RWK:

AID tells me Ed Lindbloom will be in town Friday. He's the Yale economist who served in India for two years through last summer and is just back from a quick trip out there. He was one of the principal authors of the "big push" studies. He was also father of the paper on import liberalization and made a specialty of agriculture.

He saw Freeman before he left and will see him again Friday (if Freeman is here). He'll also see Bell and he'd like to talk with you.

Sounds like a good man to get a current reading from. Do you want me to set something up?

HHS

Yes _____

No _____

31 *file*
January 26, 1966

MEMORANDUM FOR JACK VALENTI

India
The Indian Minister (BK is away) called to reinforce Dean Sayre's invitation to the President and Mr. Johnson to attend the Shastri memorial service at Washington Cathedral 11 a. m. Friday.

Given all the other courtesies already extended by the President, I do not see his presence as essential. The VP will give the eulogy. Rusk will go. Mac Bundy (and certainly I) may go from here. So this memo is just to be sure the matter hasn't been overlooked.

R. W. Komer

cc: McGBundy

32

file

January 25, 1966

MEMORANDUM FOR PRESIDENT

Attached condolence message to Indian President Radhakrishnan on crash of Air India airliner (117 deaths) makes good sense. It is not essential, however, given all our other Indian business.

R. W. Komer

Yes _____

No _____

Att: Read to Bundy message 1/24, Subj:
Condolence Message to President
Radhakrishnan of India on Air Disaster

India

X O.D.

~~SECRET~~

33
January 24, 1966

The Next Steps in India. Bowles insists, and other signs bear him out, that a big gesture now would pay real dividends with the new Indian cabinet. Sending a quite high level group right now would be just the ticket.

But no point in sending big people unless we make a comparably big commitment. Our credibility on food is at the point of eroding rapidly, because we've done nothing since the 1.5 million tons in early December.

On the other hand, no point in giving away all our goodies before Mrs. Gandhi comes in mid-March. Let's go just far enough now to fill India's ports up to the time the monsoon hits in late May. Let's also go just far enough on program loans to give India the incentive to utilize idle capacity more efficiently. But let's not go back into business full tilt until we've seen more performance:

Here's my formula for meeting these criteria:

1. Next food commitment. Our best guess is that _____ million tons would fully utilize Indian port capacity before the monsoon hits. This is the target to shoot at to: (a) restore Indian confidence that they aren't going to starve yet; (b) permit the most efficient and cheapest Indian rescue operation; yet (c) retain massive leverage, since we will still have met less than half of India's calendar 1966 food deficit.

So why not make a million ton allotment (food and feedgrains in any proportion Freeman wants), and say it is designed to meet India's famine problem through May, when the monsoon hits. I have deducted an estimated 500,000 tons from the uncovered deficit to allow for what other nations can and should do (Canada, Australia, etc. have already allotted _____ tons); we ought to say this too. I would also tie it to a renewed Indian pledge (given to our group when it is in India) of continued highest priority to agriculture--including some specifics (e. g. on fertilizer contracts).

2. A \$100 million program loan. India's industry is also badly running down because of lack of raw materials. This could wait until Mrs. Gandhi comes, but a major gesture now would reap important dividends, while not depriving us of much leverage. In fact, we could use it as a means of bringing home to Mrs. Gandhi what the President will expect of her, if we tied certain conditions to it: (a) India must match the \$100 million from its own foreign exchange; (b) it must be used for spare parts and raw materials to utilize existing capacity, not starting new projects; (c) we need reasonable assurance--via review of Indian foreign exchange budget--that Indians aren't siphoning off

DECLASSIFIED

E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines
By jc, NARA, Date 3-25-04

~~SECRET~~

~~SECRET~~

Page 2

too much for defense, and that part of new loan will go to private sector; (d) Indians must agree to restart the dialogue with the World Bank, which we can hint will be essential to any full scale US aid resumption.

3. Authorize Freeman to write that letter telling the Indians we'll reimburse for any dollars they spend on wheat now if, as and when we make any new allotments. This doesn't overcommit us, but rather gives us more maneuverability because it encourages India to plan rationally and allocate its own foreign exchange.

4. Parallel moves for Pakistan. Ayub faces, though to a much smaller extent, the same problems of food deficit and general running down of his economy. We also want to shore up his position against those criticizing his Tashkent policy by showing that his visit here produced results.

While we ought to get away from going to Pakistan every time we go to India (or vice versa), in this case I'd see marginal advantage in doing so, with the following package:

a. An interim PL 480 deal for about \$50 million in commodities (including 75,000 tons of wheat). We just don't know enough yet about Pak food needs to go further.

b. A \$50 million package loan for fertilizer and industrial raw materials, on the same conditions as those for India, would be a major gesture and make economic sense.

- - - - -

The above would be quite a forthcoming package for both India and Pakistan with (1) healthy impact on their attitudes toward us; (b) enough hookers to keep the pressure on both; (c) still small enough to keep both Gandhi and Ayub moving our way.

R. W. Komer

~~SECRET~~

~~SECRET~~

January 20, 1966
Thursday/2:30 pm

34

India
X P.D.
X Rupees

MEMORANDUM FOR THE PRESIDENT

A National Library for India as a memorial to Shastri. Neither State/AID nor the rest of us can drum up much enthusiasm for this idea. Only Bowles was all for it when I checked with him.

Even he, however, noted that (1) we haven't yet contributed to a Nehru memorial because the project (a Nehru university) was only recently selected; (2) a real national library would need dollars as well as rupees for a good collection of books. State also worries that Russian and Chinese books would have to be included; and notes that there already is an Indian national library of sorts. Nor would a gesture of this sort be much more than a one-day wonder in India, which is much more interested in food these days.

Using our surplus rupees for the binational foundation which Doug Cater is looking into would seem more sensible, and would certainly better serve our own long-term interest in educating Indians. We could call it a "Nehru/Shastri memorial" if we chose, and use it to endow libraries and English-language teaching.

If you're strong for the Shastri Library idea, however, we could easily make a gift of a few million rupees as a contribution.

R. W. Komer

~~SECRET~~

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Authority State Ltr. 5/15/78; NSC 14/22/78
By jc/isp NARA, Date 3-25-01

~~CONFIDENTIAL~~

January 19, 1966

MEMORANDUM FOR BILL BOYERS

Here's a copy of the letter to Indira Gandhi, though I'd underline again the inadvisability of releasing ti until we know it has been delivered.

I'd hope it would suffice to say that the President has warmly congratulated Indira and renewed his invitation for a visit, either on 1 February or some-time soon thereafter (Don't overstress the "soon", because the signs are that she may be unable to come till April/May).

R. W. Komer

35
India
/ Gandhi Visit

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By jc/pe, NARA, Date 3-25-01

~~SECRET~~

RWK:

January 18, 1966

India 36
file
This is to flesh out your "What now on India?" and to lay out the framework for answering Bowles' 1835 and sidewire. My point is simply that we need to tell Bowles right away we still want to keep the pressure on economic performance. This can be done whether the PM comes in February or April without being too harsh. Bowles' recommendations tend to sacrifice what our tough tactics have gained by assuming our toughness has fully done its job.

Here are the key economic facts that will influence what we do (always remembering that Pak aid resumption depends on sorting ourselves out in India):

1. We're talking about interim aid for economic as well as political reasons. Bowles leans too far toward assuming that our tough line has accomplished its economic purpose. We've never seen the Fourth Indian Plan; the IBRD still has a mission pending to review it. We still have to know how the GOI will handle the discontinuity caused by the last 9 months. So until we get our feet on solid economic ground again, we're not talking about full-scale development aid. Actions speak louder than words, and the new PM's budget decisions next month will be worth a thousand words.

2. We still have a little time to maneuver. Though Bowles is right in pointing out that India will soon face unemployment on top of famine, State and AID here are a little more willing to say that the GOI could increase maintenance imports in an emergency as quickly as resumed aid could by loosening foreign exchange controls and drawing down its reserve a little. (Reserves are the highest in 6 years because India has met its exchange problem since mid-1965 by clamping down on imports.) Pakistan could get over short-term difficulties by tightening import controls briefly. (Pak reserves are the lowest in 5 years because they've met their problem by drawing down reserves.)

3. The choice is mostly political. AID is asking its missions for their current analyses of what would make most economic sense if we resume aid ad interim. But I don't get any feeling that there will be powerful economic arguments for one level over another (or even for one date over another). That will come only if and when we're ready to get squarely back on the development aid track.

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E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines

By *jc*, NARA, Date 3-25-04

SECRET

~~SECRET~~

Page Two

4. Program loans will make most sense. They're needed, can be well used and are quickest to negotiate. A \$50 million loan for maintenance imports would do a lot more to help the Indian economy get moving again than picking up a few projects (though fertilizer plants are a good target). The same is true in Pakistan; our approval of the five projects was more a political than an economic gesture.

5. On both sides are pressures pushing us to break a measured resumption, but we can handle these independently. The Indian food crisis with its own momentum forces our hand there, despite our need for more time to sort out the post-Shastri period. The hanging consortium session leaves Pakistan doubly behind--aid freeze and no pledge yet for FY 1966 plus disruption of its consortium. Too much waiting on the Indian sorting out could cause more damage to the consortium than we want, but another few weeks is probably tolerable.

Where do these facts lead us?

1. We still need top level affirmation of present trends in economic policy. Bowles argues the Indians have made enough economic progress to warrant our going ahead. That's probably a fair argument in economic terms. At least, it's fair to say that they've moved enough to justify our getting back into the negotiating process. Whether that's worth \$100 million as Bowles suggests or \$50 million as Sober guesses (AID is trying to get some facts to base a guess on) is a toss-up today. But we still need affirmation by the new PM of current directions. The February-March budget presentation is the timely vehicle.

2. But I suspect economic progress isn't enough. The tougher question is how we confirm political directions. The two key issues are Pakistan and China (including Vietnam). By the end of February we'll have an earnest of good intent in the Kashmir withdrawals. We probably can't expect anything so quick (like Shastri's ambulance corps) on Vietnam, although a few public statements on our peace offensive might help sooner than we expect.

What this boils down to is that (as you told Mulgaokar) we don't yet have quite everything we need from the GOI even for an interim aid resumption. We want (a) confirmation of economic progress in the budget presentation, (b) confirmation of the Tashkent spirit by withdrawal, and (c) some indication of the new team's attitude on China-Vietnam.

~~SECRET~~

~~SECRET~~

Page Three

What's the very next step? The economic bureaucracy is cranking up its effort to give us by 10 February sensible numbers if we decide to resume. But we need a complementary effort on the political side. I'd suggest it in the form of a response to Bowles' cable this morning--either straight from you or a Rusk-cleared deptel--laying out the political scenario. This means that if Bowles can get the right message across to the Indians, we might be ready to begin interim aid by the end of February, even if the new PM can't come till April. If we set the standard now (as you did for the Shastri visit in your letter to Lewis) a Dean-Komer mission in mid-February would have something to measure.

If you want, I'll be glad to draft something for Bowles.

HHS

~~SECRET~~

~~SECRET~~

January 18, 1966

37

Mac

Does this fill the bill? My redraft is editorially different from State's, but cleared with them.

New subject. I would not have sent that Indonesian chit without checking with Chet. But I should have so indicated. Will send it back over his name.

*India
X Gandhi Visit*

RWK

Attach. RWK Memo to President 1/18/66 4 pm
att. msg to new Indian PM w/invite

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *HP*, NARA, Date *3-25-01*

~~SECRET~~

January 18, 1966
Tuesday/4:00 pm

37a

MEMORANDUM FOR THE PRESIDENT

It might be a nice gesture to be first under the wire with a message to the new Indian PM. So here's a message you might want to send out tonight, telling Bowles to deliver as soon as appropriate.

It's most likely to be Indira Gandhi, but whoever it is isn't likely to be able to come before the budget session of India's parliament, which begins 14 February (and lasts till 13 May). So you could also safely make the gesture of renewing the 1st February invitation but adding that the invite is also good for a later, more convenient time. State agrees.

Attached draft message would do the trick. Then Bill Moyers could put out, say in response to a question, that you had congratulated the new PM and renewed the invitation.

R. W. Komer

Approve _____

See me _____

~~SECRET~~

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *jc/x* NARA, Date *3-25-01*

Attach. Read/Bundy Memo 1/18/66, subj. Msg of Congratulations to India's new PrimeMinister

376

LIMITED OFFICIAL USE

January 18, 1966

AMEMBASSY NEW DELHI IMMEDIATE

FOR AMBASSADOR

Deliver following message soonest to new Prime Minister from President Johnson:

QUOTE: Dear Madam Prime Minister:

Let me offer my warm congratulations on your appointment and wish you every success as you assume leadership of the world's largest democracy. 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 a broadening and deepening of this community of interests, and pledge our friendship and cooperation to this end.

You know how much I had been looking forward to seeing Prime Minister Shastri, under whom your government has made such great efforts to bring a better life to India's millions. I will be delighted if you can come on 1 February, but realize that your new burdens of office may make this difficult. If you cannot come then, I hope that we can reschedule your visit for an early date, so that we can discuss the many momentous problems we both face. Mrs. Johnson and I remember with much pleasure our earlier meetings with you, and look forward to seeing you again soon.

If Mrs. Gandhi not rpt not chosen as Prime Minister, change salutation to QUOTE Dear Mister Prime Minister UNQUOTE and omit final sentence of text beginning QUOTE Mrs. Johnson and I UNQUOTE.

White House does not plan release of message but has no objection if GOI desires to do so.

Exempt.

End

file
India 38

CONFIDENTIAL

MEMORANDUM FOR THE RECORD

January 17, 1966

S. Mulgaokar, editor of The Hindustan Times, came in to discuss matters Indian on the afternoon of 13 January. We naturally began by sharing laments over Shastri's death. When Mulgaokar had finished elaborating on the negative aspects of India's persistent bad luck, I said I did not see recent events so much as bad luck as rather part of a tempering process. We had seen a succession of difficult events recently. I felt that even the recent Pak Indian war had had its positive results. For instance, the Paks had been forced to choose between the US and China and had come to realize that they could not settle the Kashmir issue by force. On the Indian side in the more distant past the Chicom attack had had somewhat the same effect in making clear to India where its longer range interests lay.

We turned to the succession problem. Mulgaokar expressed the view that Moraji Desai will be a formidable contender. He said he would be badly worried by Morarji's rigidity on Pakistan issues, though he admitted in many other ways Morarji might be the best choice. Mulgaokar said he couldn't trust Chavan because one never knows where Chavan stands. When I asked about Kamaraj, Mulgaokar said that he would undoubtedly try to knock Morarji, that he would be a good team manager, but that his credentials as Prime Minister are questionable.

I said I hoped for an outward looking Prime Minister, and Mulgaokar said he just did not see such a man. I said I was afraid Chavan had showed himself unaware of larger issues, and during the recent war, had shown himself quite emotional on some issues. We agreed in summary that Shastri's death is unquestionably a tremendous setback but that our job and the Indians' now is to surmount this obstacle.

I then went on to philosophize that India and China are the last two isolationist powers left in the world. I said India is much like the United States in the Nineteenth Century, though our oceans were wider and we did not have our Pakistan. When people asked me why India does not understand the wider implications of our war in Vietnam, I tell them that this is no different from our failure to understand in the Nineteenth Century that our security depended on the British fleet. Mulgaokar pointed out that today's faster communications make a big difference, but I said I thought that India's inward focus still explains a lot of things. It certainly explains why Nehru ignored the Chinese

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E.O. 13526, Sec. 3.5

CONFIDENTIAL

NLJ/RAC 12-01

By UCL NARA, Date 12-4-12

~~CONFIDENTIAL~~

- 2 -

threat as long as he did. We both saw signs that India has begun to take a little more interest in the nations around it--Burma, Nepal, Thailand.

I said it bothers me to see Indians blame us all the time for our pro-Pak attitude. In historical perspective I thought it would turn out to appear that the US had done India a great service in buying off Pakistan while India got its feet on the ground. I admitted that was not our initial motive but the fact is that we have made Pakistan a lot less dangerous to India. Turning to the present, I said I felt that it was essential if the US and India are to have a real meeting of minds, for the Indians to recognize that it is their responsibility as well as ours to keep Pakistan from going off the deep end.

I asked Mulgaokar how he felt about the food crisis. He said the big problem is that only 1/5 of Indian food production moves into the market so all of the shortfall must come out of that 1/5. I asked whether it would be possible for the Federal Government to impose greater control over the States, but he said nobody is moving in that direction.

Mulgaokar felt the real crunch would come in March when we will not only know the true agricultural picture but also when the pipeline of industrial orders will begin to run dry and unemployment will begin to set in.

When he raised the question of how much longer US aid would be frozen especially if no visit is possible until June, I gave him a candid picture of where we thought we stood until Shastri died. I said we felt that Shastri would come with his mind made up on economic policies and on the Fourth Plan. I felt that we had enough confidence in his plans to have gotten back on the track rather quickly. I pointed out the necessity of having a new bargain between us. PL-480--as much from our errors as from India--had become a crunch rather than a support for strong Indian agricultural policy. This was just an example of how both of us had to change our approach as the Fourth Plan got under way.

Mulgaokar said he couldn't see a visit before June. The new Prime Minister would not be chosen much before February. Then the budget session of Parliament would demand his attention. After that, we would have to renew the invitation, discuss dates, etc. I said, speaking very personally, that if this were the case, we would have to think what the Indians and the US can do in the interim to prevent too much fall-off

~~CONFIDENTIAL~~

CONFIDENTIAL

- 3 -

of momentum. We certainly can't just underwrite Indian deficits in the interim; we must have some interim indication that India is moving in the direction both we and the Indian experts feel is right. What we are looking for is the kind of initiative that Subramaniam took when he was here--an Indian idea of where India should go that we can ride along with. Mulgaokar said he felt that it would be difficult to produce this kind of initiative because the Indians have a new Finance Minister and he doesn't see who else might produce this sort of program. I said it seemed to me that there were plenty of good ideas already around that could be picked up, and he agreed. When he asked what sort of indications I had in mind, I said it was far too complex a matter for me to spell out, but our ideas played in the direction of liberalizing the economy and getting it moving again. I said another key indicator would be the rapid building of fertilizer capacity.

Mention of fertilizer derailed us in a discussion of the mistakes on both sides in trying to establish private American investors in Indian projects.

I turned to the broader political problem. I said that despite the current hiatus I am confident that the US and India would be able to put together a mutual understanding of the economic front. I said I was less optimistic, however, of the possibility of a political meeting of minds. I just didn't see indications that India had begun to understand the larger implications of what we are doing in southeast Asia. Basically we are buying time so India and Japan can take responsibility for this part of the world, and we are looking for indications that the Indians understand this. So far we see few. Mulgaokar said that he understood what I was talking about and admitted that developments in this area were taking longer than they should. However, he did see some little progress.

I explained to him our political problem in pursuing the Vietnamese war. I said I saw a psychology developing here in Washington that is much the same as existed during the Korean war. Such an effort naturally narrowed the focus here in Washington so that gestures of support on Vietnam turn out to be important far beyond their practical contribution to the Vietnamese war.

CONFIDENTIAL

~~CONFIDENTIAL~~

- 4 -

I said I saw one difference with Ambassador Bowles. He still sees the possibility of rapproachment between the Soviet Union and Communist China. I said I thought the split was getting deeper. I said I felt that the Indian Government often leans too far in feeling that the Soviets will pull back and restore normal relations with China. I said that past experience in the UAR, Iraq, and Indonesia suggested that the Soviets are very much prisoners of their past policy. They won't cut off their aid to India so the Indians can afford to be bolder than they have been. I said I felt that both Bowles and the Government of India often underestimate the freedom of India to act independently.

In parting I expressed the hope to be in India soon and said I would like to see Mr. Mulgaokar if I come. He said he would welcome the opportunity for a further exchange of views.

R. W. Komer

~~CONFIDENTIAL~~

39
file

India

CONFIDENTIAL

DECLASSIFIED
Authority NLS/KAC 12-01 FWH/Kudelin's
By ly, NARA, Date 3-28-13

MEMORANDUM FOR THE RECORD

January 17, 1966

S. Mulgaokar, editor of The Hindustan Times, came in to discuss matters Indian on the afternoon of 13 January. We naturally began by sharing laments over Shastri's death. When Mulgaokar had finished elaborating on the negative aspects of India's persistent bad luck, I said I did not see recent events so much as bad luck as rather part of a tempering process. We had seen a succession of difficult events recently. I felt that even the recent Pak Indian war had had its positive results. For instance, the Paks had been forced to choose between the US and China and had come to realize that they could not settle the Kashmir issue by force. On the Indian side in the more distant past the Chicom attack had had somewhat the same effect in making clear to India where its longer range interests lay.

We turned to the succession problem. Mulgaokar expressed the view that Morarji Desai will be a formidable contender. He said he would be badly worried by Morarji's rigidity on Pakistan issues, though he admitted in many other ways Morarji might be the best choice. Mulgaokar said he couldn't trust Chavan because one never knows where Chavan stands. When I asked about Kamaraj, Mulgaokar said that he would undoubtedly try to knock Morarji, that he would be a good team manager, but that his credentials as Prime Minister are questionable.

I said I hoped for an outward looking Prime Minister, and Mulgaokar said he just did not see such a man. ^{and} I said I was afraid Chavan had showed himself ~~xxxxxxxxxx~~ unaware of larger issues/ during the recent war, had shown himself narrowing

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quite emotional on some issues. We agreed in summary that Shastri's death is unquestionably a tremendous setback but that our job and the Indians' now is to surmount this obstacle.

I then went on to philosophize that India and China are the last two isolationist powers left in the world. I said India is much like the United States in the Nineteenth Century, though our oceans were wider and we did not have our Pakistan. When people asked me why India does not understand the wider implications of our war in Vietnam, I tell them that this is no different from our failure to understand in the Nineteenth Century that our security depended on the British fleet. Mulgaokar pointed out that today's faster communications make a big difference, but I said I still thought that India's inward focus still explains a lot of things. It certainly explains why Nehru ignored the Chinese threat as long as he did. / ^{We both saw signs that India has begun} ~~With~~ a little more interest in the to take nations around it--Burma, Nepal, Thailand.

I said it bothers me to see Indians blame us all the time for our pro-Pak attitude. I said that in historical perspective I thought it would turn out to appear that the US had done India a great service in buying off Pakistan while India got its feet on the ground. I admitted that was not our initial motive but the fact is that we have made Pakistan a lot less dangerous to India. Turning to the present, I said I felt that it was essential if the US and India are to have a real ~~meaning~~ meeting of minds, for the Indians to recognize that it is their responsibility as well as ours to keep Pakistan from going off the deep end.

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- 3 -

I asked Mulgaokar how he felt about the food crisis. He said the ^{is} big problem/that only 1/5 of India ~~xxxx~~ food production moves into the market so all of the shortfall must come out of that 1/5. I asked whether it would be possible for the Federal Government to impose greater control over the States, but he said nobody is moving in that direction.

Mulgaokar felt the real crunch would come in March when we will not only know the true agricultural picture but also when the pipeline of industrial orders will begin to run dry and unemployment will begin to set in.

When he raised the question of how much longer US aid would be frozen especially if no visit is possible until June, I gave him a candid picture of where we thought we stood until Shastri died. I said we felt that Shastri would come with his mind made up on economic policies and on the Fourth Plan. I felt that we had enough confidence in his plans to have gotten back on the track rather quickly. I pointed out the necessity of having a new bargain between us. PL-480--as much from our errors as from Indian--had become a crunch rather than a support for strong Indian agricultural policy. This was just an example of how both of us had to change our approach as the Fourth Plan got under way.

Mulgaokar said he couldn't see a visit before June. The new Prime Minister would not be chosen much before February. Then the budget session of Parliament would demand his attention. After that, we would have to renew the invitation, discuss dates, etc. I said, speaking very personally, that if this were the case, we would have to think what the Indians and the US ~~could~~ can do in the interim to prevent too much fall-off of momentum. We certainly

~~XXXXXX~~ CONFIDENTIAL

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- 4 -

can't just underwrite Indian deficits in the interim; we must have ~~have~~ some interim indication that India is moving in the direction both we and the Indian experts feel is right. What we are looking for is the kind of initiative that Subramaniam took when he was here--an Indian idea of where India should go that we can ride along with. Mulgaokar said he felt that it would be difficult to produce this kind of initiative because the Indians have a new Finance Minister and he doesn't see who else might produce this sort of program. I said it seemed to me that there were plenty of good ideas already around that could be picked up, and he agreed. When he asked what sort of indications he had in mind, I said it was far too _____ but our ideas played in the direction of liberalizing the economy and getting it _____ again. I said another key indicator would be the rapid building of fertilizer capacity.

Mention of fertilizer derailed us in a discussion of the mistakes on both sides in trying to establish private American investors in Indian projects.

I turned to the broader political problem. I said that despite the current hiatus I am confident that the US and India would be able to put together a mutual understanding of the economic front. I said I was less optimistic, however, of the possibility of a political meeting of minds. I just didn't see indications that India had begun to understand the larger implications of what we are doing in southeast Asia. Basically we are buying time so India and Japan can take responsibility for this part of the world, and we are looking for indications that the Indians understand this. So far we see few. Mulgaokar said that he understood what I was talking about and admitted that developments in this area

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were taking longer than they should. However, he did see some little progress.

I explained to him our political problem in pursuing the Vietnamese war. I said I saw a psychology developing here in Washington that is much existed the same as ~~exhibited~~ during the Korean war. Such an effort naturally narrowed the focus here in Washington so that gestures of support on Vietnam turn out to be important far beyond their practical contribution to the Vietnamese war.

I said I saw one difference with Ambassador Bowles. He still sees the possibility of rapprochement between the Soviet Union and Communist China. I said I thought the split was getting deeper. I said I felt that the Indian Government often leans too far in feeling that the Soviets will pull back and restore normal relations with China. I said that past experience in the UAR, Iraw, and ^{AN}Indonesia suggested that the Soviets are very much prisoners of their past policy. They won't cut off their aid to India so the Indians can afford to be bolder than they have been. I said I felt that both Bowles and the Government of India often underestimate the freedom of India to act independently.

In parting I expressed the hope to be in India soon and said I would like to see Mr. Mulgaokar if I come. He said he would welcome the opportunity for a further exchange of views.

CONFIDENTIAL

January 17, 1966

RWK:

Last spring State (AID and BOB concurring) told Bowles we'd give 1 million rupees from US-use funds to the Nehru memorial once Bowles found out precisely what the project would be. There was some idea of an educational institute, but never clearly defined. State is still waiting to hear from Bowles and feels the ball is clearly in his court.

One factor in spurring us was the Indian gift of \$100,000 in dollars to the JFK memorial. But everyone here felt our million-rupee proposal was generous enough.

HHS

40
India
X Indian Rupees

SECRET

January 15, 1966

25X1A

TO NEW DELHI

[REDACTED]
FOR AMBASSADOR FROM KOMER

Has been suggested to President that we give GOI a national library to be built in Delhi primarily with PL 480 rupees. This offer would be made promptly as a memorial to Shastri. Strikes me as sensible and as harbinger of new policy starting to unfreeze surplus rupees. What say? Reply via this channel.

SANITIZED

Authority NLJ-032-024-1-8-4

By jl NARA, Date 3-25-04

January 13, 1966

RWK:

Sudhir Ghosh is in town (Cosmos Club-DU 7-7783) and called McGB for appointment.

McGB can't see him and told Alice to ask me to call back and say McGB is terribly sorry. McGB also suggested I see him.

I'd be glad to, but knowing that you have a feeler for Ghosh, do you want to phone Bundy's regrets? Or do you want me to phone the regrets and say you'll be glad to see him?

HHS

Lidea (gh)

400 Monday 1/17

January 12, 1966

RWK:

The Shastri condolence book will be open in the Indian Chancery (2107 Mass. Ave.) through 20 January.

Mrs. Rusk and Hare have already been up. SOA expects Ball to go and naturally hopes someone fairly high level will go from the White House.

HHS

India

~~SECRET~~

India X Pak X P.G.
January 12, 1966
Wednesday, 10:00 a.m.

MEMORANDUM FOR THE PRESIDENT

What now on India? South Asia is so important to our larger interests vis-a-vis the USSR, and even more Red China, that I'd like to develop where I think we stand at the moment and where we might go from here.

Though our strategy has been upset by unexpected tragedy, any reappraisal ought to start with recognition that this strategy has worked remarkably well to date. As an early convert (though an initial sceptic), I'll argue this with anybody. But I'm more impressed with the conversion of the key people in State and AID, along with John Lewis and even Bowles in Delhi. The apparent pulling back which you began last April did force both Paks and Indians to start coming toward us. It also put us in a good position to capitalize on another tragic circumstance, the Pak/Indian war, by making both countries realize that they'd better stop such nonsense if they wanted massive US help. Then yet another circumstance, the approaching Indian famine, gave us even greater leverage.

In Pakistan's case, the "short-rein" policy of holding up economic and then military aid helped stop Ayub's drift toward China. It forced Ayub, when faced with the ultimate choice between Washington and Peiping in the final hours of the Pak/Indian war, to reject the Chinese tie lest it mean a break with us. This process culminated in Ayub's visit, which halted the downward slide in US/Pak relations. Though no aid commitments were asked or given, Ayub made clear that he regarded us as his ally and would not tie up with China, in return for your promise that we would not let India gobble up Pakistan. The game is by no means over, and could be upset if Bhutto got rid of Ayub rather than vice versa, or if the Paks saw in Shastri's death (as they did in Nehru's) another chance to gamble on Indian disunity. But the odds are favorable if we resume aid just fast enough to convince the Paks that full resumption is in the cards if they behave, yet do so slowly enough to force Ayub to match it with performance.

In India's case, our handling of PL 480 (plus the imperative of approaching famine) have produced the opening stages of an agricultural revolution. In the last two months India has taken more far-reaching steps toward self-reliance in food than in the preceding 18 years. If India is important, and it is, we must skilfully maintain this momentum by continued use of carrot and stick.

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~~SECRET~~

Authority FRS 64-68, vol. 25-279
By jc NARA. Date 3-25-04

~~SECRET~~

Page Two

Yet the agricultural revolution is only part of the larger need to revolutionize India's approach to development--on the sound principle that a democratic, self-sustaining India serves our purposes in Asia (whether formally allied to us or not). There were abundant signs of a likely breakthrough here too, and that Shastri planned to say the right things when he saw you. Our getting off the hook of hinging our whole South Asia policy to the impossible goal of early Kashmir settlement powerfully stimulated this process (and was in effect accepted by Ayub in his talks with you).

Where now? We planned our Pak/Indian strategy around a series of benchmarks, most of them now passed. The September cease-fire was followed by Ayub's pilgrimage here and now the Tashkent agreements, which will hopefully begin an extended process of Pak/Indian reconciliation. But the culminating visit we envisaged before making the hard decisions on aid resumption has now been cast in doubt by Shastri's death. The nine months of education we invested in Shastri may have to be repeated with a less pragmatic and more nationalistic successor. Thus Shastri's death may turn out to be a major setback, though it is too early to tell.

So it is essential to start thinking about how to sustain the momentum of the enterprise. I'd prescribe a combination of generosity toward a nation in travail with continued emphasis on the imperatives of self-help and reconciliation with Pakistan, as most likely to keep the Indians coming toward us. They must do so for food at least--and no interim steps you authorize will really deprive us of much leverage here, since India's emergency need will grow faster than we can meet it.

The first requirement is to establish sympathetic contact with the new Indian Prime Minister once we know who he is (last time Nehru's successor was picked in 6 days). So I'd urge renewing the Shastri invite (perhaps for slightly later if it suited Indian convenience). The new Prime Minister might either be unable to come (his first priority must be to establish his own political base) or unable to make commitments if he did. Nonetheless, the gesture would be deeply appreciated.

If Shastri's successor cannot come soon, then you might consider sending Art Dean (and perhaps myself) quietly to Delhi as well as Karachi around mid-February to get some feel for how firmly the new leadership is prepared to follow the Shastri line. Depending on Dean's report, we could then decide on what interim steps, e. g. aid resumption, to take pending a later visit by the new Indian prime minister.

~~SECRET~~

~~SECRET~~

Page Three

In sum, I urge that we not let our Pak/Indian enterprise falter--despite our preoccupation with other pressing matters. South Asia is so important to us--especially at a time of growing confrontation with Red China--that we can't afford to do so unless there is no other alternative. If the general thrust of this paper makes sense to you, I will draw up (with State) a more detailed scenario.

R. W. Komer

I generally approve--go ahead _____

Let's wait till the picture clarifies _____

Rut →

This memo
was an
unusually
good one.

meqB.

Mc + K -

See me as soon as P. M. is selected
in India and we will formulate our plans -
L.

~~SECRET~~

PRESERVATION COPY

~~CONFIDENTIAL~~

RWK:

January 11, 1966

Indian thoughts. What the Indians do will obviously govern what we do. But it's worth sorting out some of our options.

The visit is one of the first questions. Obviously timing will depend on the succession and on the new man's readiness. From our end, the generous thing to do is to offer the Indians the choice. However, there are good reasons for trying to induce a postponement.

For postponement. Delay would give economic realities time to sink in and make the new man realize the importance of what we have to offer. Once everybody agreed to postpone a short while, we could gently go through the process of making him "come to us" again. Moreover, a man just taking over could hardly speak his own mind here, let alone speak authoritatively for India's future course, so a visit now would be largely a ceremonial buck-up operation.

For going ahead if the Indians are ready. The biggest argument is that Indian development has already been in suspense for 7-8 months, and further delay doesn't help anyone as long as we've made our political point. If the top cabinet officers in development fields stay on, they'll provide continuity, and an early crack at the new prime minister would give us a chance to educate him. Tactically, the Soviets are riding high right now, and we'd better keep our hand in. In terms of Indian politics, the succession will be even harder this time, so the new man will need all the support he can get.

How to decide? After almost a year of painful preparation, it seems a waste to forego a substantive visit for transitory propaganda advantage. Yet neither does it seem wise to leave our Indian programs on the shelf much longer. One way to handle this would be to tell the Indians we assume they'll want to postpone for a short time to get their feet on the ground. Then tell Bowles to let us know when he thinks the new man is ready to come saying the things you proposed in your letter to John Lewis. That will give us a yardstick for deciding when the new man is capable of selling India here.

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E.O. 13292, Sec. 3.4

NSC Memo, 1/30/95, State Guidelines

By jc, NARA, Date 3-25-01

~~CONFIDENTIAL~~

CONFIDENTIAL

- 2 -

Food shortages will force us to push ahead as if nothing had happened, at least with emergency shipments. This plus a Freeman visit (if that works out) may produce enough political mileage and support for the new PM to tide us over a short delay in the visit.

Ayub could get off on the right foot by saying publicly he'll carry out the Tashkent agreement and would like to continue the dialogue whenever the Indians are ready. We may not want to suggest this directly, but it's an idea worth having around in case the opportunity offers.

HHS

CONFIDENTIAL

January 11, 1966
Tuesday/9:45 am

MEMORANDUM FOR THE PRESIDENT

Attached State-drafted letters of condolence to Indian President Radhakrishnan and new PM Nanda seem quite suitable. If you approve, State will send them by wire.

*India
X P.W.*

R. W. Komer

Approve _____

Redo _____

Attach. Read/Bundy Memo 1/11/66, subj. Suggested ltrs of condolence from President... to President of India and new PM

India

47

January 10, 1966

Our entire nation mourns the death of Prime Minister Shastri of India. As the leader of the world's largest working democracy, he had already gained a special place in American hearts. His tragic loss, just following amicable discussions at Tashkent and on the eve of his visit here, is a grievous blow to the hopes of mankind.

Prime Minister Shastri, in only 19 months in office proved a fitting successor to India's Pandit Nehru by holding aloft the torch of Indian democracy in particularly trying times. His personal humility in his great office was a lesson to all public men. The world is a smaller place without him, and our hearts go out to our Indian brethren at this time of travail.

CONFIDENTIAL

January 10, 1966

*India
x newspaper*

MEMORANDUM FOR BILL MOYERS

We Middle Easterners not only manage our news, we even get corrections from the Times. Note attached from 6 January NYT; I insisted on it (through Greenfield) lest it create a minor flap.

I'm also still tracking down the unusual 7 December AP story from Delhi reporting Indian press criticism of LBJ. While one can never pin these things down, the evidence strongly suggests that the President was dead right in suspecting AP did cook up this story in retaliation. Spender Davis of AP strongly implied to State's ME press man that there was a flow of AP cables back and forth about this story, and that the AP man in Delhi was told to dig out all that he could. So the latter strung together quotes lifted from nine articles over a five month period. Everyone else -- Indian and American, press and official -- pooh-poohed the story. Davis also implied that this was in retaliation for some mess down at the Ranch (logically the exclusion of AP from your backgrounder). But pinning it on them is another matter.

R. W. Komer

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DECLASSIFIED
E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *je*, NARA, Date *3-25-01*

~~SECRET~~

January 4, 1966
Tuesday/7:00 pm

MEMORANDUM FOR THE PRESIDENT

Here is another brilliant, though awfully wordy, report on India famine by Freeman. It boils down to the fact that the most efficient and cheapest way to minimize famine (there will be some in any case) is to schedule an optimum flow into Indian ports before their capacity drops sharply when the rainy season begins in May. Otherwise we and other donors will have to resort to expensive emergency measures at that time.

The 1.5 million tons have already been purchased and are being shipped as fast as possible. But there will be a gap in the pipeline and a sharp shortfall from the million tons a month we'd like to get in before the rains come unless we either (a) authorize at least another 500,000 tons shortly, or (b) at least tell the Indians privately we will so they can firmly book shipping ahead.

Freeman reports that India is urgently requesting help from others, and getting some responses, but the evidence is that no one besides ourselves and Canada has much wheat (and Canadian ports get frozen over).

Frankly, one problem is that Freeman and the rest of us hesitate to hit you so soon again on Indian food. However, would there be some appropriate place in the series of messages you are planning for a new dramatic announcement shortly?

Freeman is sending a technical mission to India Thursday and would like to go briefly himself around 20 January (perhaps en route to Vietnam). Would this merit a White House announcement along with another 500,000 or million tons of food?

Draft WH announcement _____

Draft para. for aid message _____

Tell Indians privately we'll allocate an additional million tons before Shastri comes _____

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Authority FRUS 64-68, vol. 25 #274

By jc, NARA, Date 3-25-07

Attach. Freeman Memo to President 1/4/65,
subj. Follow up on Indian Food and Agric.
Situation

R. W. Komer

*India's
1st Visit*

January 4, 1966
Tuesday, 10:30 a.m.

Mr. President,

Attached for signature is a copy of the letter inviting Shastri which you approved and we sent by cable. State says that following up with a signed original is customary.

R. W. Komer

50a

1/4/66

Dear Mr. Prime Minister:

I am very pleased that you and Mrs. Shastri will visit Washington early in February and am looking forward with much anticipation to meeting you both then. Your visit comes at a most appropriate moment in the history of our two countries and will give us a valuable opportunity to get to know each other and learn more about the problems we both face. Our two countries have much in common, and we shall have much to discuss.

Secretary Freeman and I were very pleased with our discussions about your short and long-term agricultural problems with Food Minister Subramaniam. While firm commitments were neither asked nor given, he has enhanced our confidence in your determination to cope not only with India's grave agricultural difficulties but with its larger development needs. We are glad that you sent him here.

I should also like to take this occasion to thank you for your thoughtful message at the time of my recent illness. I do appreciate your kind wishes and warm expression of concern.

Mrs. Johnson joins me in sending season's greetings to you and Mrs. Shastri.

Sincerely,

His Excellency
Lal Bahadur Shastri
Prime Minister of India
New Delhi, India

15/ LBJ

LBJ:State:RWK:mtt 1/4/66

LBJ
to
Shastri
1/4/66

~~SECRET~~-PERSONAL

51 *file*
India X Sh Vail
January 4, 1966

Dear John,

Your 28 December memo was just what the doctor ordered. I am sending it to the President as a measure of the opportunity now before us --if we'll only seize it.

Much will depend on what Shastri says to the President. If he makes a solid impression, then it will be up to us to make an adequate response.

Therefore, my own sense is that Shastri ought to take the initiative in telling the President such things as:

- (1) India is serious about the Chicom threat in Asia, and intends increasingly to broaden its response--indeed we have a community of interest here;
- (2) India also understands the US problem in Vietnam (an ambulance corps offer here would be worth its weight in greenbacks), though it must not lean too far away from the Soviets who are India's second biggest benefactors;
- (3) nonetheless, despite non-alignment, Shastri regards India as unreservedly pro-Western and is determined to preserve the democratic way;
- (4) India also wants peace with Pakistan and has no intention of gobbling it up;
- (5) India cannot give up Kashmir, but can and will do everything short of this to promote a reconciliation with Pakistan;
- (6) indeed India recognizes that US help in keeping Pakistan from an unholy alliance with China serves India's interests too;
- (7) he, Shastri, is determined to make India's economy go (here he should outline a whole series of measures to this end--and say these are responsive to US advice);
- (8) India recognizes that the US has no obligation to provide massive aid, but is hopeful that if India on its own takes the self-help measures the US and Bank think essential, they in turn will provide the minimum external capital without which the effort cannot succeed;

~~SECRET~~-PERSONAL

SECRET

(9) on agriculture, Shastri is deeply grateful for US PL-480; he grants that it has been used as a crutch in the past, but is determined to use it only as a transitional device once the famine is licked;

(10) in particular he favors decontrol and new encouragement to private foreign investment;

(11) in sum, he is here to convince the President that it is worth betting on India--he, Shastri, is prepared to state categorically that so long as he is in power India will pursue vigorously the political and economic policies outlined above. He doesn't want to put the President on the spot by asking for aid any more than Ayub did, but what are the President's own views?

If Shastri can thus convince us that India is serious about both its domestic problems and the external threat, I believe that the President is prepared to be equally serious about India.

Nonetheless, I want to highlight one fact of life about Washington in 1966--Vietnam. It will not only be a competitor for foreign aid as well as domestic resources, but it is inevitably becoming a test of whether other countries are serious about the Chicom threat. India is in a conspicuously important spot in this respect, not only because of its own problem with China but because of the risk of US disillusionment over India's double standard, i. e. the Chicom threat to India is real so India should be helped but the Chicom threat to SEA isn't real so the US needn't be helped. This is why Shastri's statement and actions on Vietnam will be just as important as his economic promises.

However much one may deplore the way in which increasing US preoccupation with Vietnam might distort our response to other situations of comparable or even greater long term interest, it is a fact of life which neither the President nor the Indians can ignore. So I hope that you and Chet will preach this gospel wherever it will count, because the Indians must try harder to grasp our problems if they want us to grasp theirs.

Indians will reply that they can't afford to antagonize the USSR. By the time this reaches you Tashkent may have proven that Moscow is really Indian at heart. Even if not, however, we should argue strongly that the Sino-Soviet split is so fundamental as to minimize any risk that the USSR would shift away from India regardless of what stand it took on Vietnam.

SECRET

~~SECRET-PERSONAL~~

- 3 -

In fact the sooner world opinion joins the US in its effort to defend Free Asia, the sooner Hanoi and Peking will retreat--thus limiting the risks of escalation which would create the only circumstances under which the USSR might conceivably help China at India's and our expense.

This letter has turned out to be more political than developmental, but this is the measure of the problem. Our aid strategy is now reasonably clear, but that strategy (insofar as the chief contributor is concerned) will be powerfully influenced by India's international political responses--on Kashmir, on China, but most immediately on Vietnam. It's really up to Shastri to convince LBJ.

So do show this letter to Chet and Jerry Greene--and all of you work hard on LK, Darma Vira, and the PM too. Shastri's performance before he comes and when he gets here is now the key variable in a South Asian design which is otherwise slowly shaping up the way the President wants.

Happy New Year.

Sincerely,

R. W. Komer

Mr. John P. Lewis
American Embassy
New Delhi, India

Chet - This is my best advice. It's up to you and John now. In fact, I'd see far less point in your returning as early as 19 January than in your being on hand to work on our client up till practically the time he leaves.

~~SECRET-PERSONAL~~



S/S 4909

DEPARTMENT OF STATE
WASHINGTON

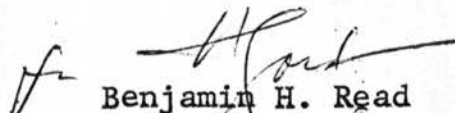
March 31, 1966

MEMORANDUM FOR MR. BROMLEY SMITH
THE WHITE HOUSE

Subject: Telegram of New Year's Greetings
to the President from Mr. S.
Krishnamurthy Rao of Mysore State,
India...

Reference is made to your memorandum of March 24, 1966, forwarding a copy of a telegram to the President from a Mr. S. Krishnamurthy Rao of Mysore State, India, expressing New Year's greetings to the President and the people of America.

We recommend that the telegram be sent by air pouch to the American Consulate General at Madras, India, for reply in the post's discretion. The sender's address, Mysore State, is in the Madras consular jurisdiction. If you approve, we will forward a copy of the telegram to Madras.


Benjamin H. Read
Executive Secretary

Enclosure:

Mr. Rao's telegram
to the President.

APR 1 1966

52
865
1-Paradus
2-Rit.

OK NKS 4/5/66
Ret'd BKS

India

COPY

52a

THE WHITE HOUSE

WASHINGTON

1966 MAR 24 AM 842

WN1 34 VIA RCA

CHADRAVATI PAPERTOWN 0820 MARCH 23, 1966

THE PRESIDENT

THE WHITE HOUSE WASHINGTON

GOD DATTATRAYAS BLESSINGS FOR THE NEW YEAR TO YOU AND THE PEOPLE OF AMERICA

S KRISHNAMURTHY RAO DATTOPASAKA GHANGAPUR (GULBARGA)

MYSORE STATE

S. K. Rao
to Z 39
3/23/66

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
CHARGE TO

LIMITED OFFICIAL USE

19209 53

*India
+ Gandhi
visit*

BATE
BOWDL
BOWMAN

COOPER
HAYNES
KEENE
KEENE

KOMER
MOLLY

SAUNDERS
THOMSON

Origin

ACTION: USUN

IMMEDIATE

2324

MAR 31

10 05 PM '66

LIMDIS

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. ^{PARA A} Mrs. Johnson and I were both concerned
that the heavy schedule here might be overtaxing your energies,

*LB
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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despite the buoyancy and good cheer you displayed. Do take a day or
two to rest when you return. ^{Para.} 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 END QUOTE

END

RUSK

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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.

3.

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Group 3

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By jc NARA, Date 3-25-01

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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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MEMORANDUM
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Authority FRUS 64-68 vol 25 #306

By jc NARA, Date 3-25-04

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THE WHITE HOUSE

WASHINGTON

Sunday, March 27, 1966

cc: Hal Saunders

1. Rusk chron
2. India
x Gandhi Visit

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MEMORANDUM FOR THE PRESIDENT

Final Notes on Gandhi Visit. This is my valedictory as your Mid-East hand, but fittingly so because I don't think there's been a more important substantive meeting since Kennedy met Khrushchev in Vienna. The flow of people and memos citing this as a historic opportunity to settle on a new course with 500 million Asians suggests that this is more than a Chet Bowles promotion.

Moreover, I think that we finally have the Indians where you've wanted them ever since last April -- with the slate wiped clean of previous commitments and India coming to us asking for a new relationship on the terms we want. Circumstances helped (famine and the Pak/Indian war), but seldom has a visit been more carefully prepared, nor the Indians forced more skilfully to come to us (note how little press backlash about US pressure tactics -- when it's been just that for almost a full year).

The proof is that India is now talking positively about buying all the World Bank reforms; its line is now that it wants to go boldly in this direction, but can only do so if the consortium will help pay the inevitable cost. This is precisely where we wanted to maneuver the Indians -- into saying they'll help themselves if we'll respond in turn.

The Nature of the Economic Bargain. This is aptly described in Dean Rusk's memo at Tab A. I'd only add two points. First, I'd break away from the old pledge figure (435) and talk privately in terms of around a half billion dollars from all US sources -- it sounds more generous while the arithmetic is the same -- plus at least half a billion in food. This is over \$1 billion -- a generous response in anyone's league.

Second, I'd stress that this can be a self-enforcing bargain -- in two critical respects. Most of our dollar loan aid plus debt rollover (and the consortium's as well) can be tied directly to import liberalization, as we did with the Paks. If India doesn't liberalize to our taste, it just doesn't get the dough. Similarly, you have already proved how our holding back on PL-480 can force India into revolutionizing its agriculture. Once the famine is licked, I'm for continuing to ride PL-480 with a short rein -- it will be painful but productive. If these points don't add up to requiring self-help, I'll eat them.

That tough-minded George Woods and the World Bank are with us is reassuring. You've read the VP's report on his talk with Woods, and at Tab B is Gaud's memo on his views. Woods talks about "double or nothing"

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being the only sensible course on India aid, and it's true that on any per capita basis our aid to India is very low (less than a dollar per person ex-food), while India's own self-help contribution to its development is higher than that of almost any other LDC (twice that of Pakistan).

But as I explained the other day I think we can get real results in the next two years without going to Congress for a lot more money.

Debt rollover is the backdoor financing key, and it's the same as aid. If India takes off as a result of our strategy, then we'll have a solid case to take to the Hill.

Political Conditions. We're not going to get as much from Indira on the political side, especially on Vietnam and Pakistan. She's new at being PM, scared of the coming elections, and lacking as yet in the confidence in her own position which would let her talk big. But we have a strong ally moving India toward us on these matters -- Mao Tse Tung. Just as he forced the Soviets in our direction, he's done the same with India. So the Indians are increasingly serious about China, and all we need do is nudge this trend along.

On Pakistan, the one thing that really gravels Indians -- Dinesh Singh and B.K. Nehru are prime examples -- is that we "equate" 500 million Indians with 100 million Paks. If you would just tell Mrs. Gandhi that we can count, it would reassure her enough about our basic intentions, that she'd stop any carping about our aid to the Paks.

If she raises military aid, I'd short circuit this by saying that it's far less important than economic issues and we plan no decisions for a while, beyond perhaps allowing sales. Nor do we intend to re-arm Pakistan to where it can threaten India. In fact, we favor both countries putting a ceiling on military outlays; we don't intend to finance an arms race indirectly via US economic aid. But India too must realize that forcing the Pak military to depend on Peking for arms would be folly from India's own viewpoint.

She's also ready to say in spades that India has no intention of taking over Pakistan. Get her to say so, and you can use it as powerful reassurance to Ayub. It's the best you can get him, because she simply can't give anything now on Kashmir (and it only creates useless trouble for us to try).

Emergency food is the trickiest problem. What's needed is both to give her reasonable confidence that Uncle Sam will help generously and to keep enough pressure on her to seek other help and push on with reforms. The best bet is to say you'll put it up to the Congress. But you should know that all your Executive Branch advisers are deeply worried lest Hill debate get out of hand, and create a sour aftermath to a successful visit. Even the sober Ellsworth Bunker reminded me of the 1951 experience when

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Mr. Truman went up for a \$190 million food loan to India; Bunker said the violent criticisms voiced in the debate set back our political relations far more than the food helped fill bellies. Ellender talking about sacred cows certainly won't help. You might ask Bunker about this.

You're the judge on Congress. I'd only urge that we design the message to create the least flap and give you the most room to maneuver. This means avoiding tight formulas which box us in, since the worst of the famine is yet to come. Also, what happens if you ask for only 3.5 million tons of wheat/milo, and then want to authorize another tranche around September when Congress is out of session?

Visit tactics. All those who know her urge you see her alone first, put her at her ease, and then trigger her spiel by asking where she sees India going.

If she says the right things, you have a whole range of responses. I'd be generous but general, telling her that if she does what she says we'll respond in kind. We'll abide by what India works out with the World Bank (up to around a half billion -- including debt rollover and EXIM).

The experts say there's a strong case for moving quickly in May/June, before India gets caught up in its election campaign and Indira loses room to maneuver. So you might urge that she send her economics ministers pronto to talk with the World Bank.

I'm also sending up State's briefing books, which have all the facts and background. You might want to reread the Strategy and Talking papers. I'll have an agenda for tomorrow's 10 a.m. pre-briefing session, at which we can clear up any last-minute points.

R. W. Komer
R. W. Komer

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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, Geoffry 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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jc NARA, Date 3-25-01

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