

**LBJ LIBRARY DOCUMENT WITHDRAWAL SHEET**

<u>Doc #</u>	<u>DocType</u>	<u>Doc Info</u>	<u>Classification</u>	<u>Pages</u>	<u>Date</u>	<u>Restriction</u>
<del>006</del>	<del>memo</del>	<del>HHS [Saunders] to RWK [Komer]</del> (dup. #4 and 17, NSF, Files of Komer, India-Air Defense, box 24) <i>open 6/13/11 NLJ/RAC 11-13</i>	<del>S</del>	<del>1</del>	<del>3/31/65</del>	<del>A</del>
<del>007</del>	<del>memo</del>	<del>HHS [Saunders] to RWK [Komer]</del> (dup. #19, NSF, Files of Komer, India-Air Defense, box 24) <i>open 10/3/11 per NLJ 11-74</i>	<del>S</del>	<del>2</del>	<del>3/15/65</del>	<del>A</del>
<del>008</del>	<del>memo</del>	<del>Saunders to Bundy</del> <i>open 11-9-10</i> (dup. #19b, Files of Komer, India Air Defense, box 24; #22, Files of Komer, Bowles 11/3/63-1965, box 13)	<del>S-</del>	<del>1</del>	<del>3/10/65</del>	<del>A</del>
008a	cable	Bundy to Bowles (dup. #19c, Files of Komer, India Air Defense, box 24; #22a, Files of Komer, Bowles 11/3/63-1965, box 13) <i>sanitized 10/3/11 per NLJ/RAC 11-11</i>	S-	1	[3/65]	A
<del>011</del>	<del>memo</del>	<del>RWK [Komer] to Mac [Bundy]</del> (dup. #32, NSF, Files of Komer, India-Pakistan 12/63-3/66, box 26) <i>Dup. #456, Papers of Komer, Box 4, Chron. July-Dec 64 open 2/22/12 per NLJ/RAC 11-12</i>	<del>S</del>	<del>1</del>	<del>7/22/64</del>	<del>A</del>
<del>025</del>	<del>memo</del>	<del>Komer to General Taylor</del> (dup. #80, NSF, CF, India, vol. 2, box 128 - SANITIZED 1976; #4, Files of Komer, MAP-Pakistan, box 42) <i>Dup. #216, Papers of Komer, Box 4, Chron Jan-June 64 open 2/22/12 per NLJ/RAC 11-12</i>	<del>S</del>	<del>1</del>	<del>4/21/64</del>	<del>A</del>
029	cable	Komer to Bowles (dup. #41, Files of Komer, India-Pak 12/63-3/66, box 26 - SANITIZED 2002; #43, NSF, CF, India, Exchanges w/Bowles, box 134; FRUS, 64-68, vol. 25, #21-SANITIZED) <i>same sanitization 6-13-11 NLJ/RAC 11-14</i>	S	1	2/27/64	A

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**Folder Title** "MAP - India (December 1963 - March 1966)"

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7/28/2006

*JC*  
Initials

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035	report	re India's defense plan - <del>EXEMPTED March 2004</del> exempt 5/21/12 per NLJ 11-74	TS	112	3/64	A
<del>037</del>	<del>memo</del>	<del>Hoopes to McNaughton - EXEMPTED March 2004</del> (dup. #16, NSF, Files of Komer, MAP-Pakistan, box 42) open 5/16/2012 per NLJ 11-74	<del>S</del>	<del>3</del>	<del>9/17/65</del>	<del>A</del>
<del>043</del>	<del>report</del>	<del>Commercial Arms Supplies and Gnat Components</del> OPEN 9/19/08	<del>S</del>	<del>1</del>	<del>11/18/65</del>	<del>A</del>
<del>047</del>	<del>memo</del>	<del>Solbert to Komer - EXEMPTED March 2004</del> (dup. #27, NSF, Files of Komer, MAP India/Pak, box 41) open 5/16/2012 per NLJ 11-74	<del>S</del>	<del>2</del>	<del>6/16/65</del>	<del>A</del>
<del>048</del>	<del>memo</del>	<del>Bowman to Hal [Saunders] - EXEMPTED March 2004</del> open 10/3/11 per NLJ 11-74	<del>S</del>	<del>1</del>	<del>5/19/65</del>	<del>A</del>
<del>048a</del>	<del>report</del>	<del>Military Assistance to India</del> open 6/13/12 per NLJ/RAC 11-15	<del>S</del>	<del>3</del>	<del>5/5/65</del>	<del>A</del>
<del>048c</del>	<del>report</del>	<del>re MAP for India - EXEMPTED March 2004</del> open 5/16/2012 per NLJ 11-74	<del>S</del>	<del>4</del>	<del>[5/65]</del>	<del>A</del>
<del>052a</del>	<del>list</del>	<del>re India's defense plan - EXEMPTED March 2004</del> open 5/16/2012 per NLJ 11-74	<del>S</del>	<del>2</del>	<del>[10/64]</del>	<del>A</del>
<del>061</del>	<del>memcon</del>	<del>Final Plenary Session, Chavan Advance Party - EXEMPTED March 2004</del> open 5/16/2012 per NLJ 11-74	<del>S</del>	<del>11</del>	<del>5/18/64</del>	<del>A</del>

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<del>066</del>	<del>report</del>	<del>Summary of and Comment on Indian Five Year Plan - EXEMPTED March 2004</del> <i>open 5-22-07 NLS 06-249</i>	<del>S</del>	<del>5</del>	<del>[1964]</del>	<del>A</del>
<del>067</del>	<del>report</del>	<del>Air Force Requirements - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>4</del>	<del>[1964]</del>	<del>A</del>
<del>068</del>	<del>report</del>	<del>Naval Requirements - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>2</del>	<del>[1964]</del>	<del>A</del>
<del>086</del>	<del>report</del>	<del>Third Country Aid to India - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>5</del>	<del>4/28/64</del>	<del>A</del>
<del>087</del>	<del>report</del>	<del>Military Assistance Sales Program - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>2</del>	<del>5/19/64</del>	<del>A</del>
<del>091</del>	<del>report</del>	<del>Defense Production Items... - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>3</del>	<del>[1964]</del>	<del>A</del>
<del>091a</del>	<del>report</del>	<del>Engineering Survey - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>1</del>	<del>[1964]</del>	<del>A</del>
<del>094</del>	<del>report</del>	<del>Defense Production - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>3</del>	<del>[1964]</del>	<del>A</del>
<del>094a</del>	<del>report</del>	<del>Air Defense Requirements - EXEMPTED March 2004</del> <i>open 5/16/2012 per NLS 11-76</i>	<del>S</del>	<del>2</del>	<del>[1964]</del>	<del>A</del>

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Doc #	DocType	Doc Info	Classification	Pages	Date	Restriction
<del>403</del>	<del>report</del>	<del>Prospective Development of the Indian HF-24 Fighter - EXEMPTED March 2004</del> open 5/16/2012 per NLJ 11-76	<del>S</del>	<del>1</del>	<del>[1964]</del>	<del>A</del>
<del>404</del>	<del>report</del>	<del>HF-24 Mark II Engine Assistance - EXEMPTED March 2004</del> open 5/16/2012 per NLJ 11-76	<del>S</del>	<del>1</del>	<del>[1964]</del>	<del>A</del>
107	report	biographic sketch - EXEMPTED 2000 sanitized 3-4-11 NLJ/RAC 11-16	C	3	12/6/63	A
108	report	biographic sketch - EXEMPTED 2000 Exempt 3-4-11 NLJ/RAC 11-16	C	2	4/20/64	A
<del>409</del>	<del>letter</del>	<del>Bowles to Komer</del> (dup. #120, NSF, Files of Komer, Bowles 11/3/63-1965, box 13) open 10/3/11 per NLJ 11-75	<del>S</del>	<del>4</del>	<del>5/11/64</del>	<del>A</del>
<del>411</del>	<del>memo</del>	<del>Taylor to Secretary of Defense</del> open 1/24/12 per NLJ/RAC 11-15	<del>S</del>	<del>3</del>	<del>5/1/64</del>	<del>A</del>
<del>411a</del>	<del>report</del>	<del>Appendix</del> open 1/24/12 per NLJ/RAC 11-15	<del>S</del>	<del>6</del>	<del>[5/64]</del>	<del>A</del>
<del>412</del>	<del>memo</del>	<del>Taylor to Komer</del> open 1/24/12 per NLJ/RAC 11-15	<del>S</del>	<del>2</del>	<del>4/30/64</del>	<del>A</del>
<del>416a</del>	<del>report</del>	<del>History of the Development of the HF-24</del> open 1/24/12 per NLJ/RAC 11-15	<del>S</del>	<del>6</del>	<del>3/31/64</del>	<del>A</del>
<del>416b</del>	<del>report</del>	<del>Possible Aircraft for Grant Aid or Sale - EXEMPTED March 2004</del> open 5/16/2012 per [redacted] NLJ 11-76	<del>S</del>	<del>3</del>	<del>3/31/64</del>	<del>A</del>

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<del>446e</del>	<del>report</del>	<del>F-6A Aircraft estimates - EXEMPTED March 2004</del> open 5/16/2012 per NLS 11-76	<del>PCI</del>	<del>2</del>	<del>3/31/64</del>	<del>A</del>
<del>119a</del>	<del>memo</del>	<del>Hilbert to Assistant Secretary of Defense (ISA)</del> open 2-23-07 NLS 06-249	<del>C</del>	<del>3</del>	<del>1/17/64</del>	<del>A</del>
<del>119b</del>	<del>memo</del>	<del>From Hilbert to OSD/ISA</del>	<del>S</del>	<del>1</del>	<del>2/10/64</del>	<del>A</del>
119c	cable	from New Delhi sanitized 6-13-11 NLS/RAC 11-17	S	1	2/8/64	A
119e	cable	from New Delhi sanitized 6-13-11 NLS/RAC 11-17	S	1	2/19/64	A
<del>121a</del>	<del>memo</del>	<del>Taylor to Secretary of Defense</del> open 1/24/12 per NLS/RAC 11-15	<del>S</del>	<del>1</del>	<del>12/26/63</del>	<del>A</del>
121b	report	Appendix sanitized 1/24/12 per NLS/RAC 11-15	TS	6	[1963]	A

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~~SECRET~~

September 1, 1965

*Judea map*  
*X Pak map*

MEMORANDUM FOR UNDER SECRETARY MANN  
ASST. SECRETARY McNAUGHTON

Attached is a memorandum on the question of military aid to India and Pakistan on which the President would like the best analysis he can get. What he has in mind, of course, is less a historical reprise than our best views on the policy choices described by Bowles. I suggest we handle this rather informally.

R. W. Komer

~~SECRET~~

Attach. Bowles ltr to President 8/19/65 att.  
Memorandum-Observations on MilAid  
to Indian Subcontinent

RWK Note to Mann: "Tom-I gather you have this on the side. I keep telling Bowles not to harrass the President but he never seems to stay put long."

RWK Note to McNaughton: "I've talked w/Hoopes about this. I suspect Bob N. got a copy too."

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *rye*, NARA, Date 7-25-06

~~SECRET~~

August 28, 1965

2  
India map  
x India Air

Mac -

Bowles and the rest of us want to sell the Indian Air Force two DC-9s as replacements for their Presidential transports. We are competing with French Caravelles.

One reason I'm for this transaction is that we're having trouble meeting the \$50 million annual military sales ceiling because we won't sell fancy equipment which could be used against the Paks. So here's an opportunity to sell a US plane which won't bother the Paks and will help our balance of payments.

The problem is the WH rule against any new FY 66 commitments until the aid bill is passed. Unfortunately, our FY 65 credits are fully committed.

My solution would be to tell the Indians privately we're quite sympathetic if they can simply hold off till the aid bill is passed. This might not work but it's worth a try. Any objections?

RWK

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *rg/jc*, NARA, Date 7-25-06

~~SECRET~~  
RWK:

*India Map  
x India Air 3*  
August 27, 1965

FY 65 sales credit for India is committed to the hilt. (The Indians actually asked for \$80 million, and we had to pare them down.) So we can't finance the DC-9s within the FY 65 \$50 million ceiling. MAP funds are also committed, and anyway there would be a problem justifying aircraft for this civilian use.

However, Kuss does have a revolving fund with FY 65 money that could finance the DC-9 sale if we made an exception to the \$50 million ceiling. We might argue the exception on grounds that this really isn't a military sale, since the Indian Air Force is buying the planes for civilian use.

A variation of this theme would be to make the offer, knowing that we have the money in the revolving fund. Then tell the Indians this would be part of their FY 66 \$50 million. After the freeze is lifted, move this sale into the Indian program.

The big problem with this approach is that it circumvents the President's policy of holding off new items for India. Do we want to be in that position? Defense feels it's enjoined against doing anything new for India without the President's OK.

If we have to sell this to the President as an exception, we have a good case (which unfortunately Solbert doesn't mention). The longer range stake we're angling for is to sell American planes to the Indian Airlines Corporation, which Bowles hears (New Delhi 331 attached) may soon be in the market for DC-9 type aircraft to replace Viscounts as they retire. So we could argue this as a sale in its own right with a good market development angle.

HHS

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *jd/jc*, NARA, Date *7-25-06*

~~SECRET~~

July 12, 1965

*India map*  
*+ Pak map*  
*+ India*  
*+ Pak*

**MEMORANDUM FOR UNDERSECRETARY MANN**

Here is a copy of an info memo from McNamara to the President with a covering note from me. We don't like to hold up the President's mail, but you'll note I suggested avoiding any action till we could get a position worked out.

My own sense is that we should on the one hand avoid pushing either Paks or Indians too hard, but on the other hand keep stalling on key new programs till we see the whites of their eyes. Many bureaucrats in all agencies seem to be running scared, especially when the Paks growl back at us, but I feel this is no time for panic reactions. It isn't easy to make our clients come to us; it will take time and delicate handling. If we cave before the issue is joined, however, we'll have lost the ballgame.

R. W. Komer

~~SECRET~~

- Attach: (1) McNamara Memo to President 7/5/65, subj. Pakistan and India
- (2) RWK Memo to President 7/9/65, MAP for India and Pakistan

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *jdk*, NARA, Date 7-25-06

~~SECRET~~

July 9, 1965

*not ref*  
*Jawa* + *Pos*  
*Jawa* + *Pos*  
*Pos*

Mac -

Weekend reading? I don't like to hold up McNamara's mail too long, but he came in without recommendations and we ought to give Tom Mann a swing at this too.

I favor the "second alternative" and in a way we already have LBJ's authority to stall. But I think we ought to touch base with State and DOD first, while still cluing the President as to the options.

RWK

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *je/je*, NARA, Date 7-25-06

~~SECRET~~

5a  
/

July 9, 1965  
11:15 am

MEMORANDUM FOR  
THE PRESIDENT

MAP for India and Pakistan. Attached is a longish memo from Secretary McNamara describing our current programs. It breaks down into three categories: (a) FY 65 and prior programs still undelivered--roughly \$50 million for Pakistan and \$70 million for India; (b) FY 66 programs (roughly \$46 million for Pakistan and \$50 million for India), which have not yet been approved by DOD and passed as firm to the recipients; and (c) various other requests such as Ayub's recent plea for submarines, F-104s, and tanks. There are also certain dollar credit sales, which I presume we would not want to interfere with (e. g. the sale of \$8 million in ammo to the Paks which you recently approved).

There are political risks in holding up MAP. It has traditionally been most sensitive to the Paks, who regard it as essential vis-a-vis India, and whose military are a major political force. As to the Indians, we could spook them to buy more from the USSR. There is also a real question of whether we want or need to hit either Paks or Indians harder than we have already, lest we trigger an open confrontation by pushing too hard.

Thus there is a case for continuing business as usual, except for continuing to hold off on key items such as F-5s for India and F-104s or submarines for the Paks.

A second alternative would be to handle MAP as you have economic aid: (a) continue with deliveries under FY 65 and prior grant programs for which the funds have been appropriated and commitments in effect made; (b) defer telling either we approve the FY 1966 programs, on the grounds that the funds have not yet been appropriated; (c) simply not respond on major additional requests until we have better indications as to the future attitudes of India and Pakistan.

We are not recommending any action till we can get the views of State and Defense. In the meantime, however, DOD will hold off telling the Paks and Indians about any FY 66 program approvals.

DECLASSIFIED  
Authority FRUS, Vol. XXV, #145  
By    NARA, Date 8-5-05

~~SECRET~~

*India map + air 16*

RWK:

March 31, 1965

JCS still hasn't signed off on its study of F-5's for India. We ought to try to break it loose; it's been put off at least two weeks now. (Bowman can't see what's holding it up; I told him about Bowles' 1781 and urged him to stir things up.) McNamara promised Nehru an answer on F-5's and HF-24 by 20 April (see attached memcon), and Bowles is pressing for decision before Ayub's visit.

Attached (purple) outlines requirements as the Indians see them: 8 squadrons of interceptors (6 of which by 1970 would be MIG-21's); 4 squadrons of fighter reconnaissance aircraft; 18 squadrons for close ground support.

The big gap, as they see it, is in close support. It's their greatest need, and the HF-24 Mark I which they plan to use in this role won't come off the production line fast enough. By 1970, they'll still be least 8 squadrons short. So they'd like 6 squadrons (16 planes each) of F-5's by 1970.

Jack Stoddart (speaking personally) thinks JCS could probably buy something close to the Indian targets. Also, our restrictions on what military equipment we can send India are so narrow that we'll have trouble using the \$50/\$50 million credit/grant total unless we broaden them or get into aircraft. However, DOD is leery of duplication among the HF-24, F-5 and MIG-21. Besides, we're not quite sure how the UK offer of Hawker-Hunters will affect the numbers. So the first thing we need is a clear picture of what makes military sense.

Then we get to the big political question--whether we want to put any more strain on the US-Pak tie by sending jet fighters to India. I think we ought to do what makes most political and military sense in India and then adjust to Pak pressures as necessary when we see how Ayub responds here. As far as the MIG's are concerned, I'd take a chance that something will go wrong with the production scheme over the next couple of years. The advantages (cementing role with Indian military, meeting military requirement against Chicoms, nudging MIG's aside) seem to me to overshadow the problems (Pak reaction, cost, co-mingling) if we're sure the F-5's are technically sensible.

DECLASSIFIED  
E.O. 13526, Sec. 3.5  
By *idl* NLJ/RAC 11-13  
NARA, Date *5-25-11*

HHS

~~SECRET~~

Bowles rejects McConaughy's argument that giving F-5's to India will necessarily exacerbate our relations with Pakistan. He argues that we've gained a substantial voice in the size and shape of the Indian defense budget to Pakistan's advantage. He argues Soviets would have stepped in in a big way if we'd left the door open. The other side of the argument is that if we give F-104's to Ayub and nothing to India, we'll hurt ourselves in India.

DOD's problem is that F-5A would overlap the roles of both the HF-24 and the MIG-21 and waste precious Indian resources. However, new info which DOD has just received on Indian plans to retire aging aircraft may clarify the problem. I'll have more on this after I see Stoddart Wednesday.

HHS

~~SECRET~~

80

~~SECRET~~ [REDACTED]

1.4(c)

TO: AMBASSADOR BOWLES  
Amembassy New Delhi VIA CAS

FROM: McGeorge Bundy

Bob Komer and I are not ignoring your wires on the F-5 problem. However, as you know from Gov. Harriman, Bob has been involved in ticklish business elsewhere and will be returning only this weekend. In his absence, we have started wheels turning to get a Defense position by early next week, so we have not been wasting time. Also, when he and I have had a chance to chat, we will want to answer your long letter.

[ You might add a sentence about McCloy if you have seen or intend to see him. ]

~~SECRET~~ [REDACTED]

1.4(c)

SANITIZED  
E.O. 13526, Sec. 3.5  
By id NLJ/RAC 11-11  
NARA, Date 9-21-11

~~SECRET~~

July 30, 1964

9

*India map*

MEMORANDUM FOR PHIL TALBOT  
PETER SOLBERT

Spurred by Delhi 314, I'm going to indulge in a little sour grapes. If we'd pushed the HF-24 angle hard from the outset, and had gotten the dope in Delhi 314 several months ago, we might have had a much better chance of blocking the MIG-21 deal.

Even now I'd urge that we get the survey team's report before the GOI fastest (before Chavan goes to Moscow). Of course, this to be without commitment, since I am sure we all agree with Delhi's point that we should only assist on HF-24 if Indians abandon MIGs. But it's certainly worthwhile to let Indians know pronto that this option is available. What say?

R. W. Komer

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *rgj/c*, NARA, Date 72506

~~SECRET~~

July 23, 1964

*India map* <sup>10</sup>  
*XUK*

Mac -

Fine! Note the few minor add-ons I suggest. In fact LBJ may not be fully aware that as result of tough bargaining we got Indians to cut their 5-year defense plan by \$600 million without in fact committing any more than same level of aid (\$50 million) previously given.

RWK

*attach: draft (m 86) LBJ  
ltr to Home on India map*

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *rg/c*, NARA, Date 7-25-06

~~SECRET~~

July 22, 1964

<sup>11</sup>  
India Map  
X India Pak

Mac -

Home's response to LBJ's note of July 4 on India-Pak matters is depressing. Home said he had a long talk with Ayub but I note that Pickard (an honest man) says Brits had no opportunity at any level for meaningful talks with Paks and that while Home briefly raised the subject with Ayub, their planned longer meeting never came off.

It would be natural for LBJ to focus on Home's comment wondering whether "we ought not to review the scale of aid to India's defense effort." Of course our MAP to India is political, not military, just as our MAP for Pakistan. Should LBJ react, however, you might assure him that we will review aid to both India and Pakistan right after the election as he suggested.

RWK

~~SECRET~~

DECLASSIFIED  
E.O. 13526, Sec. 3.5  
By NLJ/RAC 11-12  
NARA, Date 1-30-12

~~SECRET~~

DECLASSIFIED

Authority FRUS-Vol. XV, #57  
By ly NARA, Date 8-5-05

June 16, 1964

*Rusk* 12  
*Judha Nay*

MEMORANDUM FOR THE PRESIDENT

Chet Bowles is back full of vim and vigor. He's quite optimistic about the new Shastri cabinet, which he sees as more practical and less woolly-minded than Nehru's. You should get his slant.

The chief pending item of Indian business is whether we should include in our longer term military program an air defense package designed to preempt their MIG deal with Moscow. Proposal is that we offer to sell or grant India (within proposed MAP ceilings--so no added cost to us): (a) 72 surplus F-6As; (b) help in making their own homegrown HF-24 supersonic; and (c) if HF-24 doesn't pan out, we'd provide 24-36 F-104s a few years from now; all this only on condition that India give up MIG-21 production.

Most of us are convinced that India is much too far down the road to renege on MIG deal (only Bowles differs--and he's climbing down now too). Thus we'd get all the political benefit of showing the Indians they're not second-class citizens (i. e. we're willing to give F-104s to them as well as Paks) without ever having our offer taken up. Or, if we were all wrong, and Indians bit, then we have the great plus of getting non-aligned India to reject MIGs. This would also protect the Paks, since a few squadrons of Indian F-104s would be less dangerous than a whole MIG production line.

McNamara has come around to buying this deal. He says let's offer F-104s to both India and Pakistan or to neither. State, however, is more equivocal; it sees an air offer to India as upsetting the Paks just when Ayub is coming around to a conciliatory policy. So State says let's hold off awhile (see their brief attached).

But one of the factors bringing Paks around (aside from Nehru's death) is that we're finally getting through to them that they can't have a veto on our Indian policy. Also this air offer is a non-starter anyway, so why all the worry? At any rate, you might hear argument from Bowles, and then take issue up at lunch if you see a case.

Only other issue is State's proposal you give Shastri an open-ended visit invite. I told them you couldn't do this before election, but suggest instead you allow Bowles to tell Shastri this, and to say that if elected you'd much look forward to seeing him at some mutually convenient time thereafter.

Attach. Rusk Memo to President 6/15/64  
subj. Apptmt w/Amb. Bowles Tuesday 6/16

R. W. Komer

~~SECRET~~

~~SECRET~~  
June 11, 1964

*India map* 13

Mac -

Rusk to Delhi 2572 saying "don't talk about air package" was expressly designed to forestall Chet saying more than he already has (plenty) before coming home Friday. Nonetheless, Talbot, who has Rusk's ear, has turned against any early air offer on grounds Indians relatively happy now and, above all, let's not risk Pak explosion when there are signs of Pak-Indo reconciliation. McConaughy is back too.

But Grant and I think we must go ahead within a few weeks (before Indians go to Moscow) or we lose glorious prospect of a free ride: (a) once Indians have taken yet another step toward MIG production, US pre-emptive offer would look too transparent; (b) we doubt Indians would publicize offer because it would embarrass them to turn down MIGs, so don't see big risk of Pak reaction; (c) McNamara finally agreed reluctantly that we should offer 104s to both sides or neither. Since we've already offered to Paks, he grudgingly agrees to a few for India.

My instinct is not to arouse State. Instead let's just quietly bring up at next Tuesday lunch, and see if you and Bob can't out-argue Rusk before the final arbiter.

RWK

*clue me  
Henry  
McG.B.*

~~SECRET~~

~~SECRET~~

June 8, 1964

14  
India map  
x India

Peter -

Here's the chit of mine that Mac sent to Bob McN. It's privileged, of course, so use with discretion.

RWK

Attach. RWK Memo to McGB dtd 5/27/64 re F-104s for India

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By SP, NARA, Date 7-25-06

~~SECRET~~

*Indira P  
+ Indira  
+ Chavan*

*14a*

June 3, 1964

MEMORANDUM FOR THE PRESIDENT

McNamara has approved attached US/Indian Memorandum of Understanding on military aid to India resulting from the Chavan visit. We merely want to check it (and accompanying press release) with you before sending it out.

It falls far short of what Bowles wants, but will still be a plus noise in India at a time when we want one. In fact, Shastri has already described Chavan's visit as "successful." Nor will the Paks be too unhappy because we haven't given much yet.

The Memorandum commits us only on FY'65 MAP (\$50 million). In accord with your NSAM 279, we reserve on any 5-year promise till Indians have revised their plan (though we say that for planning purposes only they can assume continuation at same level). We had considerable success in getting Indians to cut \$332 million in foreign exchange out of their plan, and McNamara intends to keep working for more cuts, especially on air side. However, to meet Indian political sensibilities, he has at Chavan's request put his reservations in a separate letter to Chavan (also attached).

Only new feature is our willingness to provide credit for sales up to \$10 million in FY'64 and \$50 million in FY'65, if Indian plan is satisfactory. This means in effect that we'll get a fair share of the hard currency the Indians intend to spend anyway, instead of it flowing to the Soviets, UK, or someone else.

Air package which Bowles badly wants is not included in attached, but Bundy and I hope you'll hear argument on this shortly. We see some real political mileage to be gained at little cost.

Recommend your early approval, as Chavan has urged we make press release Saturday before new Indian cabinet leaves to scatter Nehru's ashes.

*Rev by RWK  
See 6/4/64  
memo*

R. W. Komer

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *slj/c*, NARA, Date *7-25-06*

Attach. Tab A - Memo of Understanding Rev. Draft dtd 5/27/64

Tab B - Ltr McNamara to Chavan and Press Release

June 4, 1964

~~SECRET~~

146  
India Map  
+ India  
+ Chavan Visit

MEMORANDUM FOR THE PRESIDENT

McNamara's talks with Indian Defense Minister Chavan went quite well, until interrupted by Nehru's death. Indians had produced a 5-Year Defense Plan at our request, and we managed to squeeze the key foreign exchange component down \$332 million (about 20%) on grounds deleted items were militarily unnecessary and too great a burden on the economy.

In turn McNamara has agreed to \$50 million MAP in FY'65 for mountain warfare equipment, communications, and defense production. He has withheld any 5-year MAP promises until he can work over their plan some more, especially on the air side. We did, however, tell Indians they could assume for planning purposes roughly same level in future years.

McNamara also agreed to sell on credit terms up to \$10 million in FY'64 and \$50 million FY'65 certain items to be agreed. Since the Indians intend to spend some of their own hard currency anyway, this neat device meant that much of it will flow to us rather than to the Soviets or UK.

Both we and Indians regard this exercise to date as successful and want to tape it down in a Memorandum of Understanding (Tab A), which McNamara has OKed. Chavan has himself appealed to us to OK it, so that he can run it through Indian cabinet, and we can put out a brief announcement on success of talks, a good gesture in India just now.

The Memo, and proposed bland press release (Tab B), fall far short of what Bowles wants (but will be a plus in India even so). For example, it does not include any US jet offer designed to pre-empt Indian MIG deal with Soviets. Bundy and I hope you'll hear argument on this separately later

We simply want to give you the final word on this before going ahead. It's only an early stage in a long and painful dialogue with the Indians but both sides are happy with progress to date. Nor will Paks be too unhappy, because we haven't given much (we've kept them clued).

Recommend your early approval. Indians hope to get it so their cabinet can act before it goes Saturday to bury Nehru's ashes.

R. W. Komer

Approve \_\_\_\_\_

McG. Bundy

Disapprove \_\_\_\_\_

DECLASSIFIED  
Authority FRUS. UseXU, #53  
By 17 NARA, Date 8-5-05

15/ file

India Map

~~SECRET~~  
McGB:

June 4, 1964

What are your thoughts on pushing Indian air package issue before LBJ? You seemed quite eager two days ago; however, one Indian item a week is probably enough for LBJ.

May I put out that you want this on agenda for Tuesday lunch? Or shall we wait till Bowles comes back next weekend?

My own sense is that Indians are satisfied for the moment. But one good reason for pressing forward is chance of getting a free ride--soon everyone will come to realize that MIG deal can't be turned off, so lose interest in making an offer.

Korean force cut item is on McNamara's desk but I haven't been pressing since other matters clearly overshadow this.

RWK

~~SECRET~~

~~SECRET~~

June 3, 1964

16  
India Map  
X India

Mac -

Here's the kind of memo you might want to put in LBJ's night reading as a teaser. I'll confess I've gotten discouraged but I'm always game for another try.

RWK

16a

SECRET

June 3, 1964

Mac -

I reread Delhi 3572 after talking with you, and must admit it's persuasive, even if a bit overdrawn. However, you and I are among the few people in this town who read Bowles' epistles for sense. He's so drawn down his credit that neither DOD nor the Seventh Floor in State really focus on his mail any more. Even the President seems to react adversely to Chet's over-bidding. This is Chet's fatal flaw and it's tragic in a way because India is big business, more so than all of SEA. LBJ knows this, but the inability of the top level in State or DOD to show statesmanship prevents us from putting up any firm recommendations to him.

So the real issue is not whether Bowles is right but whether we can sell his wares to a harassed President over the niggling objections of Rusk and Defense.

I'm more convinced than ever that India is so firmly committed to MIGs (see flat admission in Delhi 3569) that we get an absolute free ride by offering a pre-emptive package of surplus F-6As, help on HF-24 engine, and prospect of 104s if HF-24 doesn't pan out. But if Bowles is right and new Shastri regime actually rejects MIGs in favor of our package, it's an even bigger breakthrough for us. We win either way, at no extra cost to us.

So I've put DOD and State on notice to buck the issue up to the President pronto. It's worth the try, though I'm not optimistic because Rusk and McNamara just haven't focussed on Indian affairs. If only they would stop playing for peanuts in a really big game. After all, it's India's 450 million we're bidding for, and at a crucial break-point too.

RWK

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
NSC Memo, 1/30/95, State Guidelines  
By ju/y NARA, Date 8-8-05

17 file

India Map

~~SECRET~~

Mac -

June 2, 1964

Shastri's victory is a definite plus for our side. He was the guy who had the guts to vote for letting Abdullah out of the clink. What remains to be seen, however, is whether Shastri can make that inchoate mass known as the Congress Party pull together, and whether he has the ability to lead.

Ayub's conciliatory noises yesterday are also a plus.

Meanwhile Talbot says Rusk wants to go slow on arms aid to India, till we see how Indians and Paks perform on SEA. In other words, let's not offend the Paks just now. Do you agree? I'm more inclined to agree with Bowles that now's the time for a gesture toward Indians.

RWK

~~SECRET~~

DECLASSIFIED  
Authority FRUS, Vol XXV, # 51  
By rs, NARA, Date 8-8-05

~~SECRET~~

May 28, 1964

*India map  
x Pak*

Mac -

I may have spoken just a little too soon. Just this morning I got Karachi 2293 (attached) in which Bhutto grabbed McConaughy just before he left for US and said in effect "Oh by the way, Ayub wanted me to remind you that we're still very unhappy about US military aid." This was probably generated by inflated reports appearing in US and local press about huge new 5-year MAP program for India including F-104s.

I stick to my guns that Paks are coming around (State experts have same view), and regard this latest generated by immediate tactical problem above.

RWK

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *gje*, NARA, Date 7-25-06

19 file

Judea Nap

May 27, 1964

Bob -

While I know how flinthearted you are on fancy birds for the underdeveloped, let me try out on you the political side of the case. Here's a note to me from Bob Komer, which I find quite persuasive. Rusk is going to talk with Bowles and perhaps Chavan on the plane, and perhaps wire us his own view.

McGeorge Bundy

20 file

DECLASSIFIED

Authority FRUS. Vol XXV, # 48  
By lg NARA, Date 8-8-05

~~SECRET~~

Mac -

May 27, 1964

While Bob McNamara is dead right that F-104s are too rich for India's blood (and that F-5 is far better suited than F-104 to most of our indigent clients), I suspect he'd agree that issue really turns on political grounds:

1. Indians are determined to get supersonics somewhere, most likely MIGs. To have a fighting chance of pre-empting them we have to offer something they think comparable.
2. All of us except Bowles feel that India is already so signed on to MIG deal that it couldn't back out now. Thus odds are we'd get the political credit for being forthcoming without really having to give. All-important here is not to make Indians feel they're second-class citizens, i. e. they can't have F-104s when Paks already have them.
3. True, F-104s are wasteful but they need involve no extra out-of-pocket cost to us. We'd merely substitute 104s for other credit items. Since Indians are going to waste money on supersonics anyway why not let it flow back to us?
4. While pre-empting MIG production isn't absolutely crucial, it is a sensitive sector. More important, since Indians are passionate about 104s (Chavan was simply afraid to raise it with Bob), it would put capstone on a highly successful Pentagon exercise in which we've brought Indians a long way.
5. Soviets are picking up too many options we let drop--Bokaro, VOA transmitter, supersonics, etc. An F-104 offer is about only big gesture we have currently available--at a crucial time of indecision following Nehru's death.

-----

On all these scores, I'd argue for a package proposal of: (a) F-6As as interim help; (b) all-out help on HF-24; (c) if this doesn't pan out, 2-3 squadrons of F-104s a few years from now--all predicated on India not going ahead with MIGs (except rounding out one squadron they have). I'll bet this offer (which probably wouldn't be taken up) would produce enough real political plus to justify the military loss. And Paks, though mighty unhappy, couldn't complain too much; they're getting F-104s too, and they'd face supersonics in any case--better our 104s than a lot more MIGs.

cc: Salter  
w/ Rwt memo  
6/8/64

R. W. Komer

~~SECRET~~

21 file  
India Map

~~SECRET~~  
Mac -

May 26, 1964

Rusk is now fully briefed on Indian air defense matter. So, of course, is Bob. A few key reminders:

1. This is our last chance to forestall MIG production in India. Their team goes from here to Moscow, probably to tape down MIG deal.

2. State agrees with me, not Chet, that Indians are probably too far along to renege on MIGs. So odds are we get a free ride.

3. Threat to Paks is greater if Indians assemble larger number of MIGs than if we control number of 104s.

4. F-104 has become a symbol. If we keep offering them to Paks, but not to Indians we give Soviets the free ride.

5. We've done very well in bringing Indian defense plan down to reasonable proportions. Sole major unresolved issue is US help on air defense. If we show goodwill here, we gain a lot politically, at no more out-of-pocket cost.

RWK

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By slj/c, NARA, Date 7-25-06



22  
May 25, 1964

*Indira Chopra*  
*Indira Chopra*

Mac -

Indian air defense decision. Question of a contingent aid offer to Indians if they'll scrap MIG-21 production plan will probably be main subject your talk with Bowles tomorrow, and I hope come up at LBJ lunch, so we can say something to Chavan Thursday.

Context is important. With lowering of direct US/USSR temperature, Khrushchev is obviously going in for increased competitive effort in those key third countries where we've had successes--first India, Algeria, now UAR, tomorrow perhaps Iraq, Indonesia. In many cases he's picked up things we've been reluctant to sponsor--Bokaro, VOA transmitter, arms aid, heavy industrial projects. He sees a way to get real political mileage at relatively modest cost because he knows Passmanism makes it hard for us to compete these days.

I see merit in F-104 proposal not just to pre-empt Soviet MIGs (I doubt that we can). Instead I see it as the key symbolic gesture we can make at this point to maintain the momentum of our Indian enterprise at a time when the Soviets are catching up from behind. Also important, when the Indians see Pakistan getting 104s for no better reason than they, they think we treat them as second-class citizens.

The State/Bowles proposal is clever. We tell Chavan:

- a. To meet your immediate needs we'll give you 72 surplus F-6As (\$25 million only).
- b. For the longer run, we'll break our backs to make your own HF-24 supersonic.
- c. If after a good try at this HF-24 doesn't pan out, we'll sell you 2-3 squadrons of F-104s.
- d. Of course, this fully meets your air need as we see it, so no point in going ahead with MIG-21 production. To do both would be unjustifiable extra foreign exchange drain on your economy. So we pre-empt MIGs except for say one squadron Indians buy.

Most of us are convinced India is so far along on MIG deal it can't renege, so we get credit for 104 offer without having to make good. But say Chavan bites (his air chief would greatly prefer 104s to MIGs). We would still be providing F-104s within grant or sales ceilings we're setting now, so they would be a substitute, not an add-on. No extra out-of-pocket cost to us.

SECRET

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
NSC Memo, 1/30/85, State Guidelines  
By: *w/7* NARA, Date 8-8-05

~~SECRET~~

2.

Paks would be mighty unhappy, but they'll be getting F-104s too. And if we refuse 104s to India, then go ahead with Paks, we'll just have same problem in reverse.

So I see problem as 90% political. While McNamara is right in saying 104 is too rich for Indian (or Pak) blood, fact is they (and everyone else) love these flashy supersonics. So if it doesn't cost Bob anything (but injured pride), why not get credit for a gesture that probably is free, or that won't cost extra if Indians nibble?

Could I urge you talk directly with McNamara on this before seeing Bowles tomorrow?

RWK

P.S. Phil Potter was in this afternoon, asking about Chavan visit. Saying he gathered F-104 (being touted by Indians) was fairly remote, he said "we really ought to go ahead with it for basically political reasons." Listen to him, if you won't to me.

~~SECRET~~

23 file

India Map

May 23, 1964

X India  
Chavon

~~SECRET~~

Mac -

McNamara took rather hard line during Chavan visit, but did not get into airplane matter at all. He emphasized importance of shaving Indian defense effort to reasonable size, particularly on air side. If Indians would do so along lines we suggest, he'd allow \$50 million in arms credits for FY'65 (on top of planned \$50 million MAP). At my suggestion Chavan will see him again Thursday before seeing LBJ.

McNamara was pretty firm with Rusk on opposing 104s for India as wasteful and unnecessary. In fact, Bob's against any more 104s for Paks either although we've in effect "committed" ourselves to two more squadrons if political climate is right.

So air aid to India needs to be discussed at Tuesday lunch. Issue still shapes up along lines I described. In essence, It's a political decision. If the Indians want 104s they'll have to give up MIGs. If the Indians won't give up MIGs, they don't get 104s, but we get credit for offering them. In either case, net out-of-pocket cost to us is no greater-- in other words any provision of supersonics to India will have to be within existing MAP or credit ceiling.

Meanwhile I'll try to head off Bowles from over-agitating this issue. It's OK if he works on Rusk when he sees latter Monday, but not McNamara or LBJ. I also intend to tell him he shouldn't try to see LBJ until after he comes back from vacation.

RWK

~~SECRET~~

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
NSC Memo, 1/30/95, State Guidelines  
By July, NARA, Date 8805

SECRET

May 21, 1964

24

*Judea Map  
x Judea Map*

Mac -

Indian Defense Team talks here have boiled down to two issues, which may be decided when McNamara talks with Chavan tomorrow morning.

A. FY'65 arms credit ceiling. Indian 5-Year Defense Plan called for \$1.9 billion foreign exchange outlays 1965-69. By some tall talking about how to get more defense for less and overriding need to protect development program, we've brought Indians down to \$1.5. We think proper level ought to be about \$1.3 billion, a cool one-third cut (but we can probably get Indian Finance Ministry to do this).

Issue turns on whether we should now offer Indians up to \$50 million in FY'65 MAP credit sales (on top of \$50 million MAP grants we plan). Since Indians will spend foreign exchange anyway, credit offers mean they'll buy from us rather than Sovs (or Brits, etc.) thus limiting purchases they can make from Sovs (pre-emption in fact). DOD wants to tell Indians now, so they can plan properly. State wants to hold off firm credit offer as lever to bring Indian ceiling down from \$1.5 to \$1.3. I don't feel strongly but lean toward State, especially since we could give 3/4 % terms which makes Indian mouths water.

B. Should we offer F-104s? We're convinced Indians won't buy our aid package of 75 surplus F-6As plus help on HF-24 designed to pre-empt MIG deal. If not, McNamara would like to offer his favorite F-5. But Indians don't want it; like everyone else they want flashy 104s (Lockheed went out and sold them again). Bob says "never!" From a purely military viewpoint he's dead right. F-5 or F-6A is cheaper, easier to handle, maintain, etc.

But issue turns on political grounds (and NEA hopes to get Rusk to talk to Bob). NEA would like to tell Indians let's see if HF-24 deal can be worked out in lieu of MIGs. If not, we'll help you get alternate 2-3 squadrons of 104s within next 3-4 years, provided you don't build MIGs. Argument runs:

a. This gives fighting chance of blocking MIG production (1 in 5 is my guess). But if Indians don't bite, as all too likely, then we at least get the credit for having been forthcoming. We've convinced them at least that we don't regard them as second-rate citizens vis-a-vis the Paks (who get 104s). So we get a free ride.

b. True 104s are "wasteful", but they involve no extra out-of-pocket cost to us. All we'd do is substitute 104s for other items, not add them on. Since Indians are going to waste money on supersonics anyway, why not let it flow back to us rather than to Soviets?

DECLASSIFIED  
Authority: PRUS. Vol. 11, # 441  
By: NARA, Date: 8/8/05

SECRET

~~SECRET~~

2.

c. Bowles is right, after all, that Sovs are mounting a major new Indian aid effort (in response to ours, by the way). We'll have to live with it, and it partly serves our purpose, but after the big upward push of 1961-63 why let the Soviets gain too much kudos by picking up every option--supersonics, BOKARO, new VOA transmitter--we let drop.

d. We know we're going to give Paks two more squadrons of 104s, even though we're playing hard to get just now. Are 104s for Paks more sensible than for Indians? Hell no.

- - - - -

I've carried this as far as I can with DOD. Would you entertain calling Bob on this before he sees Chavan tomorrow? Bob's right that 104s are wasteful, but I think you'll agree that's not the point.

At minimum I'd like to see Bob avoid saying "no" till you, he and Rusk could talk with LBJ next Tuesday lunchtime. LBJ sees Chavan Thursday. He could make some real Indian mileage by offering 104s in lieu of MIGs, an offer which probably wouldn't be picked up, which wouldn't cost extra if it was, and which is no more than we're already doing for no better reason for Pakistan.

RWK

~~SECRET~~

~~SECRET~~

MEMORANDUM FOR

April 21, 1964

GENERAL TAYLOR

May I raise most informally the JCS treatment of India and Pakistan in the FY 65-70 MAP Guidelines. It seems a bit misleading to lump Pakistan with the other "allied" countries which should receive priority MAP treatment consistent with the threat, while saying that proposed MAP for India is excessive.

Despite its allied status, Pakistan makes very little real contribution to SEATO or CENTO. What we do get from Pakistan are some highly important facilities, but little else. Nor does the threat to Pakistan through Afghanistan seem a very high priority contingency these days. Indeed, most of the Pak forces are targeted on India. However essential this may be from the Pak viewpoint, it certainly isn't a high priority interest of the US. So in effect our MAP to Pakistan is rent for facilities, not a priority military need.

While India in contrast is "non-aligned", it has been awakened by an actual Chicom attack. Thus we have the paradox of technically neutral India being much more alive to the chief threat to the subcontinent than allied Pakistan. And in supporting India against China during 1965-70, we are bidding for the only country in Asia whose size and long-term power potential is comparable to that of China itself. This objective alone is so important to long-term US interests, military as well as political, as to make one wonder why the JCS comment that our MAP guidelines for India appear "excessive." Moreover, I'm told that there is still foot-dragging at the staff level on MAP for India, and equally strong pressure for speeding up MAP for Pakistan.

I'm writing you because I believe the above is consistent with your own views, as I recall them from last December. If our aim is to "capture" India without losing Pakistan, we also need for the moment a fairly stiff line with the Paks to dissuade them from leaning too far toward China, plus a fairly forthcoming line with India to keep it from going too far with the Soviets. So it's worrisome to see the old conventional wisdom, and I hope you won't mind my expressing my concern.

DECLASSIFIED  
E.O. 13526, Sec. 3.5  
By *sil* NLJ/RAC 11-12  
NARA, Date T-30-12

R. W. Komer

cc: Mr. McNaughton

*Mv. Bundy*

~~SECRET~~

25  
file  
(revised)  
*Judew mop*  
*x Rob Map*

SECRET

26  
India  
map  
Bowles  
April 2, 1964

MEMORANDUM FOR THE PRESIDENT

Chester Bowles, whom you're seeing at 5:30, is in good spirits and should be no problem. We've met his immediate needs within the guidelines you laid down earlier, and he's not asking for anything more. So a friendly hearing and reassurance you're backing him will fill the bill.

The Navy's current phasing out of the old F-6A interceptor has fortuitously permitted McNamara to put together a minimal air package as a means of at least partly pre-empting Soviet SAM and MIG offers. It involves mainly 75 surplus F-6As. While not as good as the F-104s the Paks have (which will mute their reaction), the F-6 is plenty good enough to meet the Chicom air threat. Total cost with spares, etc. would be only \$15-25 million out of planned MAP (not extra). Alternatively, Indians can have two squadrons of F-5As, but not till 1965-67. We and UK will also try to find an engine to power India's homegrown HF-24 fighter, as an alternative to their producing MIG-21s in India.

Bowles is happy; he thinks this package good enough to show the Indians we genuinely want to help, though there's only a fighting chance they'll actually bite. Beyond this, he's made three points back here:

1. With Nehru on his last legs, this is a time of maximum weakness and indecision in Delhi. The emerging leadership, especially Shastri--the heir apparent, looks good from our viewpoint. Now is the time to encourage them, and to minimize the risk of a swing back toward Menonism.

2. It's also no time for the Paks to lean on India over Kashmir. First, this tactic won't work, because Indians will just crawl into their shells. Second, it diverts Indian eyes from the Chicom threat and back toward Pakistan as Enemy No. 1, which is just what we don't want.

3. The Indians feel we drew back after our first spurt of help to them when the Chicoms attacked. But our new MAP program should help recapture lost ground.

The first draft of the Indian five year defense plan we asked for is, as expected, grossly inflated. But it's an asking price, not a final one, and Bowles will go back hard to get it trimmed. Even if cut back to what we think reasonable, however, it will entail more foreign exchange outlays than we and UK are willing to cover under military aid. So to pick up some of this business and help our gold flow, we'll offer reasonable credit terms for some dollar sales.

SECRET

DECLASSIFIED  
Authority: FRUS, Vol. 11, #433  
By: [Signature] NARA, Date: 2/8/05

SECRET

2.

Bowles has a scheme for using a large chunk of the over \$300 million in surplus rupees we're holding to set up a bi-national foundation for all sorts of people-to-people programs. Since these rupees are valueless to us, we can't lose. The only real problem is to shepherd this through Congress, on which a friendly word from you may be needed.

Attached is a State background piece. I'll sit in, if you've no objection, as the usual precaution against visitors overstating what is said.

R. W. KOMER

SECRET

27 file  
Indea Map  
X Bowles

INSERT FOR LETTER TO Bowles:

February 29, 1964

Incidentally, we were rather non-plussed by Jerry Green's response to our private query on the Orpheus XII engine. If he'd simply digested our message, he would have realized that we had obviously read all of your cables and were asking for another strong needle from you. We were the ones who stimulated the queries to London and, of course, we had already asked Talbot to push. But to move the Brits and our bureaucracy here takes repeated strong prods as you realize so well. So I was quite disappointed that Jerry missed the bus and, worse yet, suggested that we go back and read your previous mail. I like Jerry a lot and so would prefer your not taking this up with him, but it was a waste of government time.

India Map <sup>28</sup>  
X India

~~SECRET~~  
MEMORANDUM FOR BILL BUNDY

February 27, 1964

The President has read Delhi 2457 and is concerned by Bowles' point about how the Soviets are moving in on the Indian military establishment. At the same time we here feel, as I'm sure you do, that the Bowles idea of giving SAMs to India is out (a few supersonics would be difficult enough).

By all odds the best ploy, both to limit or if possible squelch a MIG deal and to reduce any likely demands on us, seems to be the HF-24. An additional virtue in Indian eyes would be that it's a homegrown product. As to the Paks, all concerned seem to feel that in this particular case they wouldn't be too concerned over such a marginal Indian fighter.

But holding up any move on the HF-24 is the old problem of the Orpheus XII engine. We were ready enough to help finance this in mid-1962 when we were trying to block the original MIG deal. Now why shouldn't we exert maximum pressure on the UK to go ahead on its own?

Phil Hilbert tells me that for under \$1 million or so Bristol could put two engines in flyable condition for a test. Bristol is reluctant to do so until the question of the up to \$20 million for further development and tooling up is resolved. But HMG certainly ought to be able to put the blocks to Bristol (I note Core Booth is also pressing the HF-24 idea). Peter Solbert too is sympathetic.

The potential gains here are so great compared to the minor sums involved that we ought to really push. Time may be of the essence, since the GOI is apparently making up its mind about MIGs. But what seems needed most is a good high level prod to the UK. Inertia on all sides seems to be the enemy. What say?

R. W. Komer

cc: McGeorge Bundy  
Alex Johnson  
Peter Solbert  
James Grant

~~SECRET~~  
DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By ylp, NARA, Date 7-25-06

*file*  
*India Map*  
29

~~SECRET~~

February 27, 1964

3.3  
(b)(1)



For Bowles from KOMER

Bundy and I can't help but feel that Orpheus engine for HF-24 is our secret weapon for sidetracking Soviet MIG and possibly SAM deals. You yourself have pointed out how going ahead with HF-24 would also pander to Indian nationalism, while being the course least painful to the Paks. This track is also a lot easier than SAMs from here, which are out.

We understand that if UK would only get Bristol to put two of the test engines into flyable conditions, it should cost less than \$1 million. Bristol of course is holding out for commitment on full development and tooling up cost first but surely HMG could make them see the light. Why shouldn't this be top priority claim on UK military aid?

We've been touting this here, and have gotten DOD to raise in London. But it badly needs another big push from you and Gore Booth now, if we're not to shut the barn door just after the horse is gone.

SANITIZED  
E.O. 13526, Sec. 3.5  
By *isl* NLJ/RAC 11-14  
NARA, Date 6-8-11

~~SECRET~~

~~SECRET~~

February 7, 1964

*India map* <sup>30</sup>  
*X India/Pak map*  
*X Pak map*

Walter,

Attached is revised India/Pakistan NSAM  
omitting the sentence on dollar figures. I  
hope we can get quick signature, since this  
has been hanging fire quite a while.

Old version also attached.

R. W. Komer

~~SECRET~~

*Signed on*  
*NSAM 279 2/8/64*

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *ry/pe* NARA, Date 7-25-06

~~SECRET~~

NATIONAL SECURITY ACTION MEMORANDUM NO. \_\_\_\_\_

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE

SUBJECT: Military Assistance to India and Pakistan

I have no objection to going forward with exploratory approaches looking toward possible five year MAP programs for India and Pakistan under the conditions described in the Secretary of State's 16 January memorandum to me.

However, I do not believe that we should yet discuss MAP levels with either country. Until we have a clearer idea of the prospects for the FY 1965 aid program, it seems to me premature to indicate to India or Pakistan how much military aid they might be able to count upon, regardless of how tentatively we put it. Instead, we should indicate to both governments that they should prepare austere minimum five year programs. Then, as their plans mature and as we get a better reading on Congressional attitudes, we can make a final decision on what MAP to provide.

Furthermore, in the course of these discussions I desire that the following precautions be observed:

1. We should make clear to both countries what we expect of them in return for prospective long-term military aid. As to India, we particularly want it to hold foreign exchange diversions from development to defense to a reasonable level, lest we end up indirectly helping finance an excessive defense effort via aid which we provide for quite another purpose.
2. In the case of Pakistan, our MAP help should be appropriately linked to satisfactory performance with respect to its alliance obligations and to our intelligence facilities.

~~SECRET~~

DECLASSIFIED  
Authority FRUS, Vol. XLV, # 13  
By 17 NARA, Date 8-8-05

~~SECRET~~

Page Two

3. Both governments must be made to understand that no irrevocable five year MAF commitments can be undertaken by the US, both because aid levels each year will depend on Congress and because our actual aid each year will depend on continuing Pakistani and Indian performance.

4. Our approaches to India and Pakistan should be timed for optimum impact. For example, I do not believe that we should initially approach Pakistan until we have assessed the results of the Chou En-lai visit.

With these caveats, I approve proceeding along the lines of the Secretary of State's 16 January proposals.

cc: The Administrator, AID  
The Director of Central Intelligence

~~SECRET~~

~~CONFIDENTIAL~~

February 10, 1964

*File  
India map  
X Pak 31*

India/Pakistan. This is not a key item; however it would be worth telling Home that we intend to continue helping arm India against the Chicoms, and hope they will too (we hear the UK might be good for \$12-15 million a year, which would reduce the burden on us and help block out the Soviets). An expression of your desire that we keep this a joint enterprise would help tape the UK down.

As to Pakistan, it's worth saying that we're determined to keep our Pak ties, but feel that slightly cool treatment is indicated to warn Ayub off his China kick.

RWK/jk

~~CONFIDENTIAL~~

*Written for  
Klein for  
LBJ/ Home butg.*

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *g/r* NARA, Date 7-25-06

~~SECRET~~  
MEMORANDUM FOR

January 22, 1964

THE PRESIDENT

I have revised the draft NSAM on India-Pakistan the way Bill Moyers tells me you want. First sentence now specifies a \$50 million annual ceiling for India and \$40 million for Pakistan.

DOD had struck the "40" from Rusk's memo because it thought we might be able to get by for less. I've protected their freedom of action, and yours, by caveat saying "always subject to further review". This no more than states the facts of life.

R. W. Komer

~~SECRET~~

*file*  
*India Map*  
*X Pak Map*  
*32*

32a

~~SECRET~~

NATIONAL SECURITY ACTION MEMORANDUM NO. \_\_\_\_\_

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE

SUBJECT: Military Assistance to India and Pakistan

I generally approve the line of action proposed in the Secretary of State's 16 January memorandum to me, and find acceptable for this purpose a MAP level of around \$50 million annually for India and of \$40 million for Pakistan, always subject to further review. However, in proceeding to work out a meeting of minds with these countries, I desire that the following precautions be observed:

1. In approaching both, we should make clear what we expect of them in return for prospective long-term military aid. As to India, we particularly want it to hold foreign exchange diversions from development to defense to a reasonable level, lest we end up indirectly helping finance an excessive defense effort via aid which we provide for quite another purpose.
2. In the case of Pakistan, our MAP help should be appropriately linked to satisfactory performance with respect both to its alliance obligations and to our intelligence facilities.
3. Both governments must be made to understand that no irrevocable five-year MAP commitments can be undertaken by the US, both because aid levels each year will depend on Congress and because our actual aid each year will depend on continuing Pakistani and Indian performance.
4. Our approaches to India and Pakistan should be timed for optimum impact. For example, I do not believe that we should initially approach Pakistan until we have assessed the results of the Chou En-lai visit.

cc: The Administrator, AID  
The Director of Central Intelligence

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By rg/jc, NARA, Date 7-25-06

~~SECRET~~

SECRET

7-111 India map  
x Pak map  
33  
January 21, 1964

MEMORANDUM FOR THE PRESIDENT

DECLASSIFIED

Authority FRUS. Vol XXV # 8

By NARA, Date 8-8-05

Tab A is Secretary Rusk's proposal on how to handle MAP for India and Pakistan. It is based on Taylor's recommendations following his December trip, and concurred in by McNamara and Bell.

In essence, they say let's put the bee on the Indians to come up with a sensible five-year anti-China program, telling them that if it is satisfactory India can plan on around \$50 million MAP per annum from us. Bowles thinks this sum much too small given the strategic stakes involved (Tab B). State, Bundy and I wanted to go a bit more his way; even with only \$1 billion annual MAP we could easily find another \$10 million by marginal cuts in other countries which are far less important. But we caved when DOD was adamant on \$50 million.

We'd also work out a 5-year plan with the Paks, as a means of protecting our Pak assets. Of course, neither proposal really involves a big new outlay we wouldn't be undertaking otherwise. As long as we have a MAP, we'd presumably want to invest so much in India and Pakistan. So all that is really proposed is to package our MAP in five-year terms rather than annual increments in order to maximize the needed impact and get the most leverage.

Moreover, we suggest in both cases only an opening gambit. Then we check our bets until we see their responses. And even if both agree to our terms, we'd make clear there can be no irrevocable five-year "commitments." We'd of course declare our Executive Branch intent, but make clear it is dependent on annual Hill action and Pak/Indian performance.

The options are to: (1) remand the proposal again for further study if you have reservations; (2) simply delay action further on grounds that time is still not ripe; (3) approve going ahead with initial approaches. The chief reasons arguing for (3) are to get a handle on the Indian buildup and to show India, now in disarray over Nehru's illness, that we're still backing it against China. The post-Nehru leadership could be far more pro-US than Nehru. These are big stakes. And if we go ahead with India, we also want to protect our flank with the Paks.

You could either have a meeting or, in view of inter-agency agreement, just sign off along the lines of Tab C (which embodies certain cautionary words I think you'd want).

Attach.

Tab A - Rusk Memo to Pres. 1/16/64

Tab B - Delhi's 2140

Tab C - NSAM

R. W. KOMER

SECRET

~~SECRET~~

NATIONAL SECURITY ACTION MEMORANDUM NO. \_\_\_\_\_

MEMORANDUM FOR THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE

SUBJECT: Military Assistance to India and Pakistan

I generally approve the lines of action proposed in the Secretary of State's 16 January memorandum to me on this subject. However, in proceeding to work out a meeting of minds with India and Pakistan, I desire that the following precautions be observed:

1. In approaching both governments, we should make clear what we expect of them in return for prospective long-term military assistance. As to India, we particularly want it to hold foreign exchange diversions from development to defense to a reasonable level, lest we end up indirectly helping finance an excessive defense effort via aid which we provide for quite another purpose.
2. In the Pakistani case, our MAP help should be appropriately linked to satisfactory performance with respect both to alliance obligations and to our intelligence facilities.
3. Both governments must be made to understand that no irrevocable five-year MAP commitments can be undertaken by the US, both because aid levels each year will depend on Congress and because our actual aid each year will depend on continuing Pakistani and Indian performance.
4. Our approaches to India and Pakistan should be timed for optimum impact. For example, I do not believe that we should initially approach Pakistan until we have assessed the Chou-En-lai visit.

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *ryj/pe*, NARA, Date 7/25/06

cc: The Administrator, AID  
The Director of Central Intelligence

~~SECRET~~

*India  
map*

January 15, 1964

~~SECRET~~

Mac -

DOD is now sliding backwards on amount of MAP for India. Taylor came back recommending \$50-\$60 million, but now has acquiesced in JCS position that \$50 million per annum is enough. WPB is strongly of this persuasion. Since State is holding out for \$50-\$60 million level, Bill is taking issue to McNamara perhaps today. I can't argue with Bill that the \$10 million extra will provide \$10 million more effective defense (though it will be at least as well spent as most of our other MAP handouts). Nor can I argue that with more money Chet would get more conditions out of Indians. What I do argue, however, is that the importance of our Indian enterprise more than justifies an investment of \$60 million out of a billion dollar total program. The gut issue to me is whether that marginal \$10 million would be more effectively spent, in terms of our overall objectives, some place else. DOD cannot legitimately so argue.

Could you invest two minutes in a call to McNamara or at least WPB, citing Bowles in Delhi 2140. My fear is that if LBJ is presented with a State/Defense split, he'll back Bob. Therefore, I'd like to get prior DOD/State concensus on grounds LBJ then likely to buy. In fact, I don't see why we have to sign off now on a firm \$50 or \$60 ceiling; these things are merely guidelines. Why couldn't we tell Indians \$60 and let WPB manipulate so that actual out-of-pocket cost to us is as much lower as he get away with?

RWK

INCOMING TELEGRAM *Department of State*

36

—BUNDY-SMITH  
—BATOR  
—BOWDLER  
—CHASE  
—COOPER  
—GESSUP  
—JOHNSON  
—KENNY  
—KLEINER  
—MODDY

45  
Action

SS  
Info

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INFO RUCJHK/CINMEAFSA PRIORITY  
RUEKDA/DOD PRIORITY  
STATE GRNC  
BT  
~~SECRET~~ DECEMBER 13

*India map*

029

REF: (A) DEPTTEL 951  
(B) STRCC 11766 DTG 080332Z

1. WE BELIEVE CONSIDERATION OF THE FUTURE OF MILITARY ASSISTANCE TO INDIA SHOULD START FROM ESTABLISHED PRINCIPLE THAT SUCH ASSISTANCE IS FOR PURPOSE OF ENHANCING INDIAN CAPABILITY TO DETER OR MEET CHICOM AGGRESSION. IN TRANSLATING THIS INTO SPECIFIC DISTINCTION MAY BE MADE BETWEEN PROGRAMS PERTAINING TO FY 65 AND PRIOR YEARS, NOW SUSPENDED, AND THOSE PERTAINING TO FY 66 AND FOLLOWING YEARS.

2. WITH RESPECT TO FY 65 AND PRIOR PROGRAMS, WHILE GROUPING OF

PAGE 2 RUSBAE 583 ~~SECRET~~  
PROJECTS INTO CATEGORIES MAY PROVIDE ORDERLY CHECK LIST, WE CANNOT SEE ANY REASONABLE BASIS FOR A PHASED PACKAGE APPROACH. AT SUCH TIME AS POLITICAL CLIMATE JUSTIFIES RESUMPTION OF DELIVERIES, AN ATTEMPT TO GAIN NEW AGREEMENTS OR TO PIECE-MEAL RESUMPTION CAN DO MORE HARM THAN GOOD. FIRST, UNLESS THE TIME INTERVAL BETWEEN PACKAGES IS UNREALISTICALLY *LONG*, THE COMMITMENT OF PACKAGES WILL HAVE LITTLE RELATION TO THE DELIVERY IN INDIA OF THE CONTENTS OF A GIVEN PACKAGE. SECONDLY, EFFORTS TO DIVIDE PROGRAM INTO LETHAL AND NON-LETHAL SUFFER FROM DEFECT THAT THEY ARE NOT RATIONALLY RELATED TO THE PURPOSES OF HAVING ANY MILITARY AID PROGRAM AT ALL, I.E. DEFENSE AGAINST COMMUNIST CHINA. AND, THIRDLY, ATTEMPT TO DELAY ITEMS OF GREATEST IMPACT TO LONG RANGE ASPIRATIONS OF GOI (AS IN REF B) IS COUNTER-PRODUCTIVE TO MAP POLICY OF ASSISTING RECIPIENT NATION TO ACHIEVE SELF-SUFFICIENCY AS SOON AS POSSIBLE. THIS POLICY IS ESPECIALLY RELEVANT TO NEXT FEW YEARS, IN THAT TO EXTENT IT SUCCEEDS IT WILL DECREASE OR ELIMINATE POLITICAL DILEMMAS FOR US AND AT SAME TIME DECREASE OR ELIMINATE SOVIET ROLE IN INDIAN MILITARY.

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *gjc*, NARA, Date *7-26-06*

~~SECRET~~

~~SECRET~~

-2- 1482 December 13 from New Delhi

3. IN SHORT, WHEN DECISION IS MADE TO RESUME AID TO INDIA, IT IS OUR OPINION THAT ALL FY 65 AND PRIOR YEAR PROGRAMS SHOULD

PAGE RUSBAE 586 ~~SECRET~~  
BE RE-IMPLEMENTED AS EXPEDITIOUSLY AS POSSIBLE.

4. WITH RESPECT TO FY 66 AND ANY FUTURE PROGRAMS, WE BELIEVE THERE IS NEED FOR RECONSIDERATION AND RENEGOTIATION OF 6 JUNE 64 MEMORANDUM OF UNDERSTANDING, BASED ON A RE-EVALUATION OF THE NATURE OF FUTURE AID TO INDIA, AS AN OUTGROWTH OF A REAPPRAISAL OF US INTERESTS IN INDIA AND THE SUBCONTINENT. THE HOOPES REPORT OF SEPT 1965 FORMS A LOGICAL BASIS FOR THIS PURPOSE. SECONDLY, IT MAY ALSO BE PRUDENT AT SAME TIME TO SPECIFY IN DETAIL AGREED PROCEDURES WHICH US LAW AND POLICY REQUIRE BE COMPLIED WITH. PRECISE NATURE OF THESE CAN BE DETERMINED IN LIGHT OF RE-EVALUATION NOTED ABOVE. BOWLES

GP-3  
BT

NOTE! HANDLED NIMDIS PER S/S-O.

033

~~SECRET~~



INTERNATIONAL SECURITY AFFAIRS

~~SECRET~~

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

37  
1

1- P h m p  
2- India MAP  
17 September 1965

MEMORANDUM FOR MR. McNAUGHTON

SUBJECT: Military Aid to India and Pakistan

Following are further thoughts on India and Pakistan deriving from a further attempt to wrestle with the question of establishing criteria for a resumption of military aid, particularly on the Pak side.

Assuming either a mere de facto cessation of the fighting or a formal cease-fire, it is very doubtful whether we would wish to resume military aid to the Paks. The basic reason would be that, until the Kashmir issue is settled, we would have to assume that the Paks are still willing to use any means (including arms) to force a Kashmir solution. This assumption might be tempered by the apparent failure of the Pak military adventure over the past six weeks, but it would remain the basic calculation.

There would however be political risks to permanently cutting off all MAP aid to the Paks. We would have to expect that, as a sovereign nation dwelling in the anarchic community of nation states, Pakistan would be compelled to regain some kind of respectable military posture, whatever the cost; and it appears it could command sufficient international credit to sustain arms purchases of perhaps \$25-30 million a year. It would first try the Western arms sources (Germany, France, England), and would probably hesitate to seek major Chinese help so long as Ayub or some other reasonable man remained in power. We might therefore face the problem of a rearming Pakistan over which we had forfeited whatever degree of influence and control goes with being the primary arms supplier. The foreseeable difficulties here, and the attenuation of US influence, would argue for resuming MAP aid of some kind--in order to control the source and level of Pak arms. Within the frame of a relatively positive and friendly restoration of US-Pak relations, which included US resumption of some economic aid and evidence of a genuine Pak willingness to rebuild its ties to the West and to hold the Chinese relationship at arms length, a low level of MAP aid might serve the US interest better than a total cut-off. Any MAP resumption should be conditioned on a Pak agreement to hold total forces at a modest level, and the equipment given should be defensive in

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E.O. 13526, Sec. 3.5 NLJ 11-76

By JedG NARA, Date 2/16/12

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SEP 17 1965

~~SECRET~~

character (no modern armor or aircraft). The US ability to enforce such conditions would be limited, however, and Pak willingness to comply would depend on its estimate of the whole range of its relations with the US. A US guarantee of Pak borders against unprovoked Indian aggression might be helpful, and the US could employ the ultimate lever of economic aid.

Mr. Rostow and others have been addressing the problem of devising sufficient inducements and pressures to bring about enough Indian concessions on Kashmir to produce a settlement. But if, as seems now almost a foregone conclusion, the military situation puts India beyond our leverage on this issue, it might be more profitable to devise compensations for the Paks that would help them to accept continued Indian control of Kashmir. These might include increased economic aid and lesser but positive evidences of US interest in the integrity and growth of Pakistan (student and cultural exchanges, trade fairs, etc.). The argument can of course be made that the Paks are inconsolable on Kashmir, that the issue is in certain respects the principal unifying force in Pak national life. Nevertheless, ingenious thought about inducements that would in fact compensate the Paks for their continued inability to get Kashmir might be a more profitable use of intellectual energy than trying to develop inducements and pressures on the Indians. This is the case because adequate inducements cannot be developed; and because the pressures we can put upon the Indians are the ultimate ones (economic aid and food) which, if applied, could quickly destroy our position in India, open the way to increased Soviet influence, and probably not budge the Indians on Kashmir. The levers on India, then, are almost too consequential to consider seriously.

Granted the absence of a Kashmir solution precludes a unified approach to the defense of the subcontinent, this may nevertheless be the reality we must continue to live with. And if, as appears, it is not in our interest to force the Indians to concessions, then we should work toward cauterizing the Kashmir borders and preventing the Paks from having the capability to reopen the issue militarily. To keep them from having such a capability argues for our somehow controlling the level of their military establishment; this in turn suggests some kind of US military aid. If we do reopen the question of military aid, we should tell the Paks bluntly that they must forego their military pretensions vis-a-vis India, that even qualitative equality is out of the question, and that Pak security must be found in accommodation with India and good working relations with the US.

~~SECRET~~

~~SECRET~~

On the Indian side, I agree with your view that our interests will be served by a resumption of economic and military aid immediately following a cease-fire. These should be major moves in a broad effort to restore our relations with India and to renew the joint effort to develop the nation and improve the defense of the subcontinent against the Chinese threat.

SIGNED

Townsend Hoopes

cc: Mr. Komer ←  
Mr. Rostow  
NESA Region

~~SECRET~~

JOINT MESSAGEFORM

SECURITY CLASSIFICATION

~~SECRET~~

38

SPACE BELOW RESERVED FOR COMMUNICATION CENTER

DIST: SECDEF-5 ASD/ISA-9 W/HOUSE-3 STATE-1 CSA-2 CNO-2 CSAF-2 FILE-1  
(25) G/R

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E.O. 13292, Sec. 3.4

By *mk*, NARA, Date 7/26/06

DTG: 151928Z JUL 65

PRECEDENCE	TYPE MSG (Check)			ACCOUNTING SYMBOL	ORIG. OR REFERS TO	CLASSIFICATION OF REFERENCE
ACTION PRIORITY	BOOK	MULTI	SINGLE	FAM	Original	
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FROM: OSD WASH DC

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DOD DIR 5200.10

TO: CINCMEAFSA  
D/A /ZEN  
CNO /ZEN  
CSAF /ZEN

INFO: CMAAG KARACHI PAKISTAN  
CUSMSMI NEW DELHI INDIA  
STATE /ZEN  
WHITE HOUSE /ZEN

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Coordination:  
J. Stoddart  
NESA/ISA

~~SECRET~~ NOFORN DEF 5899 FROM OASD/ISA

Message in Three Parts.

Part I for ALL.

1. The Secretary of Defense has issued the following instructions regarding Military Assistance <sup>to</sup> in Pakistan and India: Without disclosing the decision to the Paks or the Indians, defer until further notice approval of any portions of the FY 66 program of military assistance to those countries. This issue will be reviewed on or about 15 August 1965.

Part II for CINCMEAFSA

2. Procedure to implement this decision influenced by following: FY 66 CRA MAP Orders were issued on 6 July 1965 and pursuant

P. Feigl  
ILN/ISA  
H. Larson  
SAMAA, JS  
Informed  
Mr. C. Laise  
STATE  
Gen Pinkston  
P&P, ISA  
5-147  
ODMA/ISA

SYMBOL  
OASD/ISA/ODMA/A&M Division  
TYPED NAME AND TITLE (Signature, if required)  
Col. L. A. Simon, USA Director  
PHONE X 55459  
PAGE NR. 1 NR. OF PAGES 2  
SECURITY CLASSIFICATION  
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SIGNATURE  
Robert J. Wood  
TYPED (or stamped) NAME AND TITLE  
ROBERT J. WOOD  
General, USA  
Director of Military Assistance

**-JOINT MESSAGEFORM-CONTINUATION SHEET**

SECURITY CLASSIFICATION

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FROM: OSD WASH DC

to this authority actions are under way to implement these orders. These actions include: (a) requisitions for spare parts initiated by host country personnel; (b) country personnel being selected and ordered to CONUS for training. Hence it must be assumed that this CRA element of the FY 66 Program has been communicated to Paks and Indians. Therefore, to preclude disclosure to Paks and Indians, implementation of all actions authorized by CRA will continue.

3. Further discussions in New Delhi and Karachi with host country personnel on FY 66 MAP should not be initiated, but, if requested on Pak or Indian initiative, discussions may be conducted on a low key "business as usual" basis without commitment. Other than CRA MAP Orders already issued, approval of additional FY 66 MAP will be deferred.

4. Regarding GOI FY 66 credit sales USMSMI should proceed with its review of GOI submission. USMSMI should limit its contacts or consultations with GOI representatives to minimum and limit such contacts to low level business as usual approach. Any GOI requests for urgent processing of items under FY 66 credit sales program should be accepted without comment or commitment by USMSMI and forwarded through usual channels with its recommendations.

Part III for Military Departments

5. Continue delivery of programs approved and funded in FY 65 and prior years MAP Orders.

GP-4

SYMBOL	PAGE NR	NR OF PAGES	SECURITY CLASSIFICATION	INITIALS
OASD/ISA/ODMA/A&M Division	2	2	<del>SECRET</del>	

# OUTGOING TELEGRAM Department of State

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39

INDICATE:  COLLECT  
 CHARGE TO

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Origin  
55  
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~~SECRET~~

ACTION: Amembassy NEW DELHI 2084  
INFO: Amembassy KARACHI 1099  
Amembassy LONDON 6330  
CINCMEAFSA

- DUNDY-SMITH
- PATOR
- ROYMAN
- CHASE
- COOPER
- HAYNES
- JESSUP
- JOHNSON
- KEENE F
- KIEN
- KOMER
- MOODY
- REEDY
- SAUNDERS
- SAYRE
- THOMSON

Apr 5 4 12 PM '65

LIMDIS  
JOINT/STATE/DEFENSE  
Embel 2781 (being repeated Karachi)  
FOR AMBASSADOR BOWLES

*India*

041

Your messages and recommendations on military aid to India have been of very great value to us as we have been going through complex process of balancing US aims and interests in South Asia. Far from being relegated to backburner, this important matter has been receiving most careful scrutiny, and your ideas and comments are being taken fully into account as we seek to define and put into effect a military policy which will best enhance US interests.

As we informed Chief USMSMI in DEF 007612 message, Secretary McNamara asked Ambassador Nehru at Marth 19 meeting if US decision on HF-24 and F-5 aircraft in about a month would be satisfactory. Nehru found this entirely acceptable. Ultimate decisions are dependent in part on study of Indian Air Force by Joint Chiefs which should be finished shortly. Following receipt that study, decision can be made here. It is our present judgement that US decision, if favorable, should be passed to Ayub at or about the same time

38

Drafted by: <b>DOD/ISA: Col. C.P. Miller</b>	Telegraphic transmission and classification approved by: <b>NEA - William J. Handley</b>
<b>NEA: SOA: FJCrawford: dnm 4/5/65</b>	

SQA - Mr. Cameron  
G/PM - Mr. Warrenn(subs)  
DOD/ISA - Mr. McNaughton (draft)

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E.O. 13292, Sec. 3.4  
By *g/jc*, NARA, Date 7-26-06

~~SECRET~~

~~SECRET~~

as the information is transmitted to the Indians. Ayub visit in late April appears <sup>unable see</sup> the best time to pass on such information. We/~~cannot~~ object to this order of events if we give the Indians a favorable decision/~~on~~ the F-5. We are also giving urgent consideration to question of aircraft for Pak Air Force preparatory to Ayub visit.

At Secretary McNamara's meeting, Ambassador Nehru suggested might be valuable have meeting between GOI and USG Defense personnel. Secretary McNamara suggested in response that aircraft question be resolved first, then we could meet to discuss military assistance arrangements for future. <sup>ff</sup> We would as indicated Memorandum of Understanding be happy consider longer range planning. It has been our feeling in conferences to date that Indians are more interested in dollar level our assistance than doing any long-range planning with us. To date Indians have given us good information on their proposed expenditures of foreign exchange for ~~a~~ Defense purposes and so far as we can determine, they seem ~~to~~ be keeping within prescribed limits.

On matter of force levels we agree that confrontation unprofitable except possibly in area of IAF. If we are responsive on F-5's we believe, at a minimum, that we can expect some restructuring of the IAF and phasing out of older aircraft per Secretary McNamara's discussions with MOD Chavan last May. IAF seems disposed do this anyway and we believe judicious nudges from us would be helpful.

You have also raised question as to whether equipment provided India under credit sales should be directed against Chinese aggression. We have made it clear in DEP 004424 that, in general, credit sales should be directed against the Chinese

threat

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threat but that on a case-by-case basis we would be willing to consider exceptions to this. The major exception we have already made is defense production machinery which can produce ordnance which can be used against any aggression. In view of Pak problems next door, we consider it wise to review items on this case-by-case basis if they can be related to an aggressor other than the Chinese. Further, preamble to June 6, 1964 Memo of Understanding explicitly stated that McNamara-Chavan discussions on Indian defense plans related to ~~threat~~ threat of Chicom aggression. Not aware of any acute anxieties on part of GOI to alter basic thrust of our <sup>aid</sup> ~~aid~~ ~~grant~~ (grant and credit) toward threats other than Chicom.

GP-4.

End

BALL.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

~~SECRET~~

46  
Action  
55  
Info

QSA933SOA088  
RR RUEHCR RUEHEX  
DE RUSBAE 1607A 31/1245Z  
R 311140Z ZEA  
FM AMEMBASSY/NEWDELHI  
TO RUEHCR/SECSTATE WASHDC  
INFO RUEKDA/DEPT OF DEFENSE  
RUCAK/CINCMEAFSA  
RUFHDN/AMEMBASSY LONDON  
RUEHEX/WHITE HOUSE  
STATE GRNC  
BT

*m of*  
*J...*

2764804

1965 MAR 31 AM 8 44

- BUNDY-SMITH
- BATOR
- BOWMAN
- CHASE
- COOPER
- HAYNES
- JESSUP
- JOHNSON
- KEENE
- KATEN
- KOMER
- MOODY
- REEDY
- SAUNDERS
- SAYRE
- THOMSON

~~SECRET~~ SEONE OFTRE ACTION DEPT/2781 INFO DOD UNN CINC-  
MEAFSA UNN LONDON 668 WHITEHOUSE UNN MARCH 31, 6 PM.

LIMDIS

FOLLOWING FROM AMBASSADOR BOWLES

WE ARE KEENLY AWARE OF PRESSURES UNDER WHICH TOP OFFICIALS IN STATE DEPT., WHITE HOUSE AND PENTAGON ARE NOW WORKING AND ANXIOUS NOT TO ADD TO YOUR BURDENS. HOWEVER WE ARE GENUINELY CONCERNED OVER WHAT SEEMS TO BE EXTENDED PERIOD OF POLICY DRIFT IN REGARD TO MANY KEY ASPECTS OF INDIAN SITUATION.  
CFN 2781 668 31 6

PAGE TWO RUSBAE 1607A ~~SECRET~~

MOST IMMEDIATELY WE ARE CONCERNED ABOUT OUR GRADUALLY ERODING RELATIONSHIP TO INDIAN MILITARY DEFENSE WHICH JUDGING FROM LACK OF RESPONSE TO OUR CABLES APPEARS TO BE ON A WASHINGTON BACK BURNER.

I BELIEVE IT ESSENTIAL THAT WE NOT ONLY DEAL WITH THIS AD-

MITTEDLY COMPLEX SITUATION BUT THAT WE REMIND OURSELVES OF FRAMEWORK IN WHICH IT HAS EVOLVED SINCE CHINESE INVASION OF 1962. AT RISK OF COVERING FAMILIAR GROUND, FOLLOWING MAY HELP TO ESTABLISH A PERSPECTIVE FROM WHICH TO JUDGE THE CURRENT SITUATION.

1. OUR PROMPT SUPPORT OF INDIA FOLLOWING CHINESE ATTACK IN OCTOBER 1962 WON FOR US DEEP APPRECIATION OF INDIAN PEOPLE AND

OPENED DOOR TO POTENTIALLY IMPORTANT MILITARY RELATIONSHIP WITH SECOND MOST POPULOUS COUNTRY IN WORLD.

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DECLASSIFIED  
Authority: State Dept. 8-11-76  
24, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

~~SECRET~~

-2- 2781, MARCH 31, 6 PM FROM NEW DELHI (SECTION 1 OF 3)

2. IN EARLY 1963 WHEN INDIA SOUGHT TO SECURE OUR MILITARY ASSISTANCE ON LONGTERM BASIS WE STALLED ON ASSUMPTION THAT BY PLAYING IT COOL WE COULD MAINTAIN PAKISTAN AS MAJOR ALLY AND THAT SOVIET UNION WOULD REFUSE TO FILL INDIA'S MILITARY ASSISTANCE GAP FOR FEAR OF WORSENING ITS RELATIONS WITH CHINA.

PAGE THREE RUSBAE 1607A ~~SECRET~~

3. AFTER MY ARRIVAL HERE IN SUMMER OF 1963 AND AT REQUEST OF PRESIDENT KENNEDY I EXPLORED POSSIBILITY OF LONG-RANGE MILITARY UNDERSTANDING THAT WOULD PREVENT INDIA FROM DEVELOPING MILITARY RELATIONSHIP WITH COMMUNIST STATES AND STRENGTHEN OUR POLITICAL MILITARY TIES WITH GOI IN OPPOSITION TO CHICOMS. AFTER SERIES OF DISCUSSIONS WITH INDIAN LEADERS INCLUDING NEHRU, GOI GAVE XRRYBRA\* INDICATIONS TO ME IN NOV. 1963 AND TO GENERAL MAXWELL TAYLOR FEW WEEKS LATER THAT IT WAS PREPARED FOR SUCH RELATIONSHIP.

4. FOR VARIOUS REASONS DECISION WITHIN OUR GOVERNMENT WAS POSTPONED UNTIL VISIT OF INDIAN MISSION IN MAY 1964. AT THAT TIME AGREEMENT WAS REACHED BETWEEN SECY MCNAMARA AND DEFENSE MINISTER CHAVAN THAT SKETCHED GENERAL DIMENSIONS OF LONG-RANGE PROGRAM BUT DID NOT GO INTO SPECIFIC ITEMS.

ALTHOUGH STATE AND DEFENSE IN MID-JUNE 1964 WERE CLOSE TO AGREEMENT ON PROVIDING INDIA WITH 24 TO 36 F-104GS OR LARGER NUMBER OF F-5S THIS NEAR DECISION WAS NOT COMMUNICATED TO INDIANS ON GROUND THAT GOI WAS COMMITTED TO BUILDING OR RECEIVING LARGE NUMBER OF MIGS. IT WAS THIS MISSION'S FEELING AT THAT TIME THAT

PAGE FOUR RUSBAE 1607A ~~SECRET~~

INDIA DECISION IN REGARD TO MIGS WAS STILL PENDING AND THAT FORTHRIGHT U.S. PROPOSAL WOULD STILL HAVE ESTABLISHED CLOSE POLITICAL MILITARY RELATIONSHIP WHICH WAS OUR OBJECTIVE. SINCE THEN VALIDITY OF THIS JUDGMENT HAS BEEN ESTABLISHED IN PRIVATE CONVERSATIONS WITH GOI LEADERS HERE IN DELHI.

5. IN RECENT MONTHS GOI SWITCHED THEIR REQUEST FROM 104 S TO F5S ON GROUNDS THEIR PRIMARY NEED IS FOR MODERN GROUND SUPPORT PLANE TO INTERDICT CHINESE SUPPLY LINES AND AIR FIELDS.

HOWEVER THEIR REQUEST HAS THUS FAR GONE UNANSWERED AND INDIANS

~~SECRET~~

~~SECRET~~

-3- 2781, MARCH 31, 6 PM FROM NEW DELHI (SECTION 1 OF 3)

ARE NOW COMING TO BELIEVE THAT USG IS NOT WILLING TO GIVE THEM DEFENSE EQUIPMENT WHICH THEY NEED, PRESUMABLY BECAUSE OF OUR CONTINUING RELATIONSHIP TO PAKISTAN.

IN MEANTIME SOVIETS ARE PROVIDING SIGNIFICANT QUANTITIES OF URGENTLY NEEDED EQUIPMENT WITHOUT RESTRICTIONS TO INDIAN ARMY (ARTILLERY, TANKS) AND ALSO TO INDIAN AIR FORCE (MIGS, AN-12S SURFACE-TO-AIR MISSILES, HELICOPTERS).

PAGE FIVE RUSBAE 1607A ~~SECRET~~

6. SITUATION HAS BEEN FURTHER CONFUSED BY DIFFERENCES IN INTERPRETATION AND APPROACH THAT HAVE GRADUALLY GROWN UP BETWEEN GOI AND USG IN REGARD TO MILITARY ASSISTANCE. THESE DIFFERENCES CAN BE LISTED AS FOLLOWS:

A. WASHINGTON HAS ASSUMED THAT:

(1) USG HAS NO COMMITMENT IMPLIED OR OTHERWISE IN REGARD TO LEVELS AND NATURE OF ASSISTANCE FOR EACH YEAR OF INDIAN FIVE YEAR PLAN (FOR EXAMPLE, INSTEAD OF \$50 MILLION FIGURE FOR GRANT AID DOD PLANS FOR REMAINDER OF INDIAN FIVE YEAR PLAN ARE. FY-67, FORTY MILLION; FY-68, 27 MILLION, FY69, 27MILLION).

(2) INDIA MUST REDUCE FORCE GOALS AND PROVIDE DETAILS OF HOW THEY WILL MEET RUPEE AND FOREIGN EXCHANGE CEILINGS ON DEFENSE OUTLAY, BEFORE FIVE YEAR AID CAN BE DISCUSSED.

(3) CREDIT SALES TO INDIAN FORCES IN ADDTION TO MAP WILL BE RESTRICTED TO EQUIPMENT WHICH WILL UNDER NO CIRCUMSTANCES BE USED AGAINST ANY ADVERSARIES BUT CHINESE.

(B) INDIA HAS ASSUMED THAT: (1) U.S. IN PRINCIPLE HAD AGREED TO CONTINUE AID ON MULTI-YEAR BASIS THROUGH INDIAN FIVE YEAR PLAN (THROUGH 69) AT ABOUT LEVELS OF 1964, I.E., GRANT AID AT \$50 MILLION PER YEAR, WITH SIMILAR AMOUNT OF MILITARY SALES.  
GREENE

NOTE: PASSED WHITE HOUSE AT 9:15 AM 3/31/65

\* AS RECEIVED, WILL SERVICE UPON REQUEST.

~~SECRET~~

INCOMING TELEGRAM *Department of State*

~~SECRET~~

42  
Action

SS  
Info

RR RUEHEX  
DE RUSBAE 1607B 31/1430Z  
R 311140Z ZEA  
FM AMEMBASSY NEW DELHI  
TO RUEHCR/ ECSTATE WASHDC  
INFO RUEUPA/DEPT OF DEFENSE  
RUCJHK/CINCEAFSA  
RUFHON/AMEMBASSY LONDON  
RUEHEX/WHITE HOUSE  
STATE GRNC

CONTROL: 27802  
MARCH 31, 1965  
11:22 AM

042

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MEAFSA UNN LONDON 668 WHITEHOUSE UNN MARCH 31, 6 PM.

LIMDIS

FOLLOWING FROM AMBASSADOR BOWLES

(2) IN RETURN, AND AS BASIC PART OF BARGAIN, GOI HAD AGREED TO  
LIMIT RUPEE AND FOREIGN PROCUREMENT OUTLAYS.

(3) BASED ON DISCUSSIONS WITH DOD VISITORS, GOI ASSUMED THAT  
CREDIT SALES WOULD NOT BE RESTRICTED TO INDIAN FORCES FACING  
CHINESE, BUT WOULD BE USED TO BROADEN THEIR DEFENSE BASE  
AGAINST ANY AGGRESSOR.

CFN 2781 668 31 6

PAGE TWO RUSBAE 1607B ~~SECRET~~

7. IN OUR OPINION CONFRONTATION ON FORCE LEVELS, WITH LEVERAGE  
now AT OUR DISPOSAL, WILL BE COUNTERPRODUCTIVE. MORE THAN THAT,  
IT IS UNNECESSARY IF GOI ADHERES TO CEILINGS ON EXPENDITURES.

ON OTHER HAND IF WE DO NOT STICK TO JUNE 6 MEMO OF UNDERSTANDING  
AND IF WITHIN ITS SCOPE WE ARE UNRESPONSIVE TO WHAT INDIANS  
FEEL THEY NEED, OUR REMAINING CHANCES OF INFLUENCING SIZE,  
QUALITY AND POSTURE OF INDIAN FORCES ARE MINIMAL. THIS IS HEART  
OF QUESTION OF COMBAT AIRCRAFT, ACCENTUATED BY FACT GOI SEES  
RAPIDLY DECREASING FUTURE NEEDS FOR THE LIMITED TYPES OF ARMY  
EQUIPMENT THAT WE ARE WILLING TO SUPPLY.

~~SECRET~~

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SECRET

-2- 1781, March 31, 6 PM From New Delhi (SECTION TWO OF THREE)

8. LATTER FACTOR IS FURTHER AGGRAVATED BY RECENT DOD RESTRICTION ON CREDIT SALES, AS RESULT OF WHICH INDIA WILL BE VIRTUALLY FORCED TO ACQUIRE ELSEWHERE OR MANUFACTURE SUCH ITEMS AS TRUCKS AND RADIOS FOR NON-US SUPPORTED FORCES. IN INTERESTS BOTH OF US INFLUENCE AND ECONOMY, WE SHOULD ENCOURAGE STANDARDIZATION ON US EQUIPMENT IN NON-WEAPON CATEGORIES AND PROCEED ON CASE-BY-CASE BASIS REGARDING WEAPONS.

PAGE THREE RUSBAE 1067B SECRET

9. IN MEANTIME OUR EFFORTS TO PLACATE PAKISTANIS BY WATERING DOWN OUR INDIAN PROGRAM HAVE BEEN LESS THAN SUCCESSFUL. PAKISTAN HAS DRIFTED STEADILY CLOSER TO CHINA AND TO MOST IRRESPONSIBLE AND ANTAGONISTIC MEMBERS OF AFRO-ASIAN GROUP. AT SAME TIME PAKISTAN CONTINUES TO OVERLOOK FACT THAT INDIA HAS SEVERAL SOURCES OF MILITARY EQUIPMENT OTHER THAN US AND THAT GOI IS GENUINELY AND PROPERLY FEARFUL OF CHINA'S INTENTIONS AND CAPACITY.

OUR HESITANCY IN REGARD TO INDIAN DEFENSE EFFORT HAS LED INDIAN LEADERS TO ASSUME THAT WE ATTRIBUTE TO CHICOMS LIONLIKE QUALITIES IN SOUTHEAST ASIA AND SHEEPLIKE QUALITIES ALONG INDIA'S 2200 MILE BORDER OF HIMALAYAS AND BURMA.

IN RESPECT TO PAKISTAN, INDIANS ARE CONVINCED WE HAVE ESTABLISHED A DOUBLE STANDARD. WHILE EQUIPPING PAKISTAN DIVISIONS WITH EQUIPMENT DESIGNED NOT FOR MOUNTAIN WARFARE AGAINST COMMUNISTS BUT FOR PLAINS WARFARE AGAINST INDIA WE HAVE PLACED INDIANS IN A STRAIGHT JACKET THAT LIMITS THEIR MILITARY EFFECTIVENESS IN ALL AREAS.

PAGE FOUR RUSBAE 1607B SECRET

10. ALTHOUGH OUR PRESENT ATTENTION IS PROPERLY AND UNDERSTANDABLY FOCUSED ON SOUTH VIETNAM I BELIEVE IT WILL BE PROFOUND MISTAKE TO LOST OUR BEARINGS IN REGARD TO ASIA AS WHOLE. BASIC ELEMENTS SEEM CLEAR:

SECRET

~~SECRET~~

-3- 1781, March 31, 6 PM From New Delhi (SECTION TWO OF THREE)

A. TOGETHER WITH JAPAN AND AUSTRALIA, INDIA OFFERS ONLY SOLID BASE FOR LONGTERM COUNTERBALANCE TO CHINA IN ASIA. IF WE ALLOW THIS SITUATION TO SLIP AWAY FROM US NOW BECAUSE OF OUR CONCENTRATION ON MORE IMMEDIATE MATTER, I BELIEVE US WILL

PAY HEAVY PRICE IN YEARS TO COME.

B. WE CANNOT AFFORD TO BALANCE INDIA OFF AGAINST PAKISTAN. INDIA IS DEMOCRATIC NATION WHICH HAS DEEP WARMTH OF FEELING TOWARD AMERICAN AND AMERICANS. PAKISTAN ALTHOUGH IMPORTANT TO OUR INTERESTS IS MUCH SMALLER COUNTRY DIVIDED GEOGRAPHICALLY AND POLITICALLY AND UNDER UNPREDICTABLE LEADERSHIP WITH A DEQUALLE-LIKE OBSESSION TO EMBARRASS US. TO ALLOW PAKISTAN TO EXERCISE MAJOR INFLUENCE ON OUR INDIAN POLICY UNDER THESE CIRCUMSTANCES AND AT THIS CRITICAL TIME WOULD APPEAR TO BE NOT ONLY UN-PRODUCTIVE BUT DANGEROUS.

PAGE FIVE RUSBAE 1067B ~~SECRET~~

11. WITHIN THIS FRAMEWORK I URGENTLY REQUEST HIGHEST LEVEL CONSIDERATION OF PROGRAM EXPLAINED IN EMBTEL 2248, TO WIT:

A. THAT AUTHORITY BE GIVEN ME WELL IN ADVANCE OF AYUB KHAN'S VISIT TO US TO INFORM GOI THAT WE ARE PREPARED TO PROVIDE THEM THREE SQUADRONS OF F-5S WITHIN NEXT TWO FISCAL YEARS WITHIN FINANCIAL LIMITS WHICH WE HAVE ALREADY ESTABLISHED. IT WOULD BE UNDERSTOOD THAT THREE MORE SQUADRONS MAY FOLLOW AT END OF THAT PERIOD IF POLITICAL SITUATION DEVELOPS ALONG GENERALLY FAVORABLE LINES.

AS I HAVE SAID EARLIER (EMBTEL 2248) MIG PRODUCTION PROJECT MAY PETER OUT OR BE SWITCHED TO OTHER USES. HOWEVER, THE INDIANS CANNOT SAY SO NOW UNDER PRESSURE FROM US. IF WE TRY TO FORCE THEM BY MEANS OF AN F-5 SQUEEZE WE SHALL FAIL. THEY WILL GO WITHOUT F-5S AND WE WILL FACE BEGINNING OF END OF OUR MILITARY AID PROGRAM IN INDIA.  
GREENE

~~SECRET~~

INCOMING TELEGRAM *Department of State*

~~SECRET~~

42  
Action

Info

TQTX QSA986SBA137  
RR RUEHCR RUEHEX  
DE RUSBAE 1607C 31/1500Z  
R 311140Z ZEA  
FM AMEMBASSY/NEWDELHI  
TO RUEHCR/SECSTATE WASHDC  
INFO RUEKDA/DEPT OF DEFENSE  
RUCJHK/CINCEAFSA  
RUFHDN/AMEMBASSY LONDON  
RUEHEX/WHITEHOUSE  
STATE GRNC  
BT

28042  
MAR 31 042  
MAR 31 2 31

~~SECRET~~ SETRE OFTRE ACTION DEPT (2781) INFO DOD UNN CINC-  
MEAFSA UNN LONDON 668 WHITEHOUSE UNN MARCH 31, 6 PM.

LIMDIS

FOLLOWING FROM AMBASSADOR BOWLES

B. THAT I ALSO BE AUTHORIZED TO OFFER HELP IN FEASIBILITY  
STUDY OF HF-24 AS A WEAPONS SYSTEM AS OUTLINED IN EMBTEL 2248.

C. THAT WE PROMPTLY REVIEW WITH GOI OUR WIDELY DIFFERING VIEWS  
ON JUST WHAT WAS AGREED TO LAST SPRING BY MESSRS. MCNAMETA  
AND CHAVAN, INCLUDING STATUS OF INDIAN SPENDING. IF PRESENT  
CFN 2781 668 31 6

PAGE TWO RUSBAJ 1607C ~~SECRET~~  
DIFFERENCES ARE ALLOWED TO CONTINUE AND FESTER THEY ARE BOUND  
TO ERODE A MOST PROMISING RELATIONSHIP.

D. THAT PLANNING FIGURES FOR GRANT MILITARY AID REMAIN AS  
CLEARLY AGREED IN MCNAMARA-CHAVAN UNDERSTANDING -- \$50 MPKLION  
ANNUALLY THROUGH FY 69 SUBJECT TO AVAILABILITY, ETC.

E. THAT WASHINGTON AUTHORIZE US TO DISCUSS MULTI-YEAR AID  
PROGRAM THROUGH LIFE OF INDIAN FIVE YEAR PLAN (FY 69).

IT IS MOST IMPORTANT THAT AIR SHOULD BE CLEARED ON THESE  
QUESTIONS BEFORE AYUB KHAN VISIT U.S. IN APRIL. OTHERWISE INDIANS  
WILL ASSUME NOT UNREASONABLY THAT IN SPITE OF HIS FLIRTATION  
WITH CHINA, INDONESIA, ETC., PAKISTAN PRESIDENT REMAINS IN  
POSITION NOT ONLY TO BARGAIN WITH U.S. IN REGARD TO HIS OWN  
ECONOMIC AND MILITARY ASSISTANCE BUT ALSO IN REGARD TO THAT  
WHICH WE GIVE INDIA.

~~SECRET~~

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~~SECRET~~

-2- 2781, March 31, 6 P.M. (SECTION THREE OF THREE) From New Delhi

IT IS EQUALLY IMPORTANT THAT THESE MATTERS BE AFFIRMATIVELY ESTABLISHED BEFORE SHASTRI VISIT. IF THEY ARE NOT, THEY WILL OBSCURE OR DAMAGE PROSPECTS THAT VISIT PROVIDES OF FURTHER SOLIDIFYING IMPORTANT UNDERSTANDINGS WITH PRESET GOVT. OF INDIA AND OF POINTING WAY TO AGREED BASIS FOR BROADER AND MORE IMAGINATIVE APPROACH TO ASIAN AFFAIRS IN GENERAL AND TO CONTAINMENT OF CHINA IN PARTICULAR.

GP-3.

GREENE

BT

~~SECRET~~

41

# INCOMING TELEGRAM Department of State

- BUNDY SMITH
- BATOR
- BELK
- BOWMAN
- CHASE
- COOPER
- JESSUP
- JOHNSON
- KEENE
- KEIN
- KOMER
- MOODY
- REEDY
- SAUNDERS
- SAYRE
- THOMSON

~~CONFIDENTIAL~~

43  
 Action  
 NEA  
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1965 JAN 29 AM 5 19 8

P R I O R I T Y

FP RKEHCR  
 DE RUSBAE 1151A 29/0805Z  
 P R 290800Z ZEA  
 FM AMEMBASSY NEW DELHI  
 TO RUEHCR/SECSTATE WASHDC  
 INFO RUEKDA/DOD WASHDC  
 RUCJHK/CINCEAFSA  
 RUFHDN/AMEMBASSY LONDON  
 RJSBKP/AMEMBASSY KARACHI  
 STATE GRNC  
 BT

*India map*

DECLASSIFIED  
 Authority FRUS Vol XXV # 86  
 By *ry* NARA Date 8-8-05

~~CONFIDENTIAL~~ SECTION ONE OF TWO ACTION  
 DEPT PRIORITY (2113) INFO DOD WASHDC UNN, CINCEAFSA  
 UNN, LONDON 575, KARACHI 478, JANUARY 29, 130PM.

A NEW DEVELOPMENT HAS OCCURRED IN INDIAN MILITARY  
 PLANNING WHICH WE BELIEVE TO BE OF SIGNIFICANT  
 IMPORTANCE. FIRST INDICATION OCCURRED LAST FRIDAY  
 DURING COURTESY CALL ON DEFENSE MINISTER CHAVAN ON  
 WHICH I ACCOMPANIED GENERAL JOHNSON.  
 CFN 2113 575 578

PAGE TWO RUSBAE 1151A ~~CONFIDENTIAL~~  
 AFTER USUAL PLEASANTRIES CHAVAN STATED THAT IMPORTANT  
 CHANGES HAD OCCURRED IN GOI THINKING IN REGARD TO  
 AIR FORCE. AS RESULT HE WOULD LIKE TO RENEW AT FUTURE  
 MEETING HIS REQUEST FOR AMERICAN ASSISTANCE ON SOME-  
 WHAT DIFFERENT BASIS. CONSEQUENTLY ON JANUARY 28  
 GEN JOHNSON, JOHN MILLAR AND I MET WITH CHAVAN AND  
 SECY OF MINISTRY OF DEFENSE PVR RAO FOR THREE-QUARTERS  
 HOUR. EXCHANGE DEVELOPED ALONG FOLLOWING LINES:

1. CHAVAN STATED THAT AFTER SEVERAL MONTHS CON-  
 sideration he and his colleagues are now ready to  
 accept analysis which secy McNamara advanced in their  
 Washington conversations last May; i.e., that India  
 should cut down her present wide variety of planes,  
 that F104G was expensive toy which Indian could not  
 afford, that India had urgent need for ground support  
 aircraft to defend itself against China, that F5  
 was ideal plane for this purpose to complement Indian-  
 produced HF-24 Mark I and that it would be long time if  
 ever before HF-24 Mark II would become reality.

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~~CONFIDENTIAL~~

-2- 2113, JANUARY 29, 1 PM (SECTION I OF II) FROM NEW DELHI

BASED ON THIS REVIEW GOI WOULD THEREFORE LIKE TO REQUEST ASSISTANCE IN PROCURING MINIMUM OF THREE SQUADRONS AND MAXIMUM OF SIX SQUADRONS OF F5AS TO BE SPREAD OVER TWO OR THREE YEARS. HE EXPLAINED THIS TO MEAN 16 AIRCRAFT PER SQUADRON PLUS SPARES.

PAGE THREE RUSBAE 1151A ~~C O N F I D E N T I A L~~

2. IN RESPONSE TO MY INQUIRY ABOUT CURRENT GOI PLANS IN REGARD TO MIG-21S CHAVAN STATED THAT THEY EXPECTED TO RECEIVE 24-36 MIG-21S FROM SOVIETS.

IN REPLY TO MY FURTHER QUESTION ABOUT MIG-21 PRODUCTION IN INDIA, CHAVAN SAID THAT WHILE PROJECT WAS PROCEEDING SATISFACTORILY IT WOULD BE AT LEAST TEN YEARS BEFORE THIS PRODUCTION LINE COULD CONTRIBUTE SIGNIFICANTLY TO INDIA'S DEFENSE.

RAO ADDED THAT THERE WAS NO SECURITY THREAT TO U.S. EQUIPMENT SINCE SOVIETS WERE LIMITED TO TWO SITES - - CHANDIGARH AND NASIK - - AND WERE FORBIDDEN TO LEAVE THEM. THE LAST RUSSIANS TO VISIT HINDUSTAN AIRCRAFT LIMITED WERE BULGANIN AND KHRUSHCHEV.

IN REGARD TO PLANS FOR HF-24 MARK I CHAVAN STATED THAT HE AND HIS COLLEAGUES BELIEVED THAT WITH OUR HELP THIS PLANE COULD BE MADE INTO EFFECTIVE GROUND SUPPORT AIRCRAFT. THEY WOULD GREATLY APPRECIATE HELP OF U.S. EXPERTS IN SOLVING TECHNICAL PROBLEMS AND ANY ADVICE FOR IMPROVING PLANE GENERALLY. THEY WOULD ALSO APPRECIATE MODEST AMOUNT OF U.S. FINANCIAL ASSISTANCE TO WHICH WE REFERRED IN PREVIOUS CABLES. RAO ADDED THAT A SUCCESSFUL HF-24 (MODEL UNSPECIFIED) WOULD ELIMINATE THE NEED TO PRODUCE MIGS.

PAGE FOUR RUSBAE 1151A ~~C O N F I D E N T I A L~~

3. IN RESPONSE TO DEFENSE MINISTER'S PRESENTATION I STATED THAT WHILE WE WERE PREPARED TO HELP INDIA IN EVERY REASONABLE WAY TO STRENGTHEN HER DEFENSE AGAINST CHINA, WE WERE CONCERNED BY RELATIONSHIP OF SOVIET UNION TO INDIAN AIR FORCE. IF INDIA HAD NOT DECIDED TO PROCEED WITH MIG-21 PRODUCTION LINE

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-3- 2113, JANUARY 29, 1 PM (SECTION I OF II) FROM NEW DELHI  
WILLY-NILLY WE WOULD HAVE BEEN WILLING LAST JUNE  
TO GO A LONG WAY TOWARDS MEETING INDIA'S NEEDS FOR  
MORE MODERN AIR FORCE.

ALTHOUGH WE HAD NO DESIRE TO CARRY ON COLD WAR HERE  
IN INDIA OR ANYWHERE ELSE, WE WERE FACED WITH  
PRACTICAL PROBLEMS WHICH INVOLVED NOT ONLY OUR SECURITY  
BUT ALSO INDIA'S. U. S. AND SOVIET UNION WERE BOTH  
AGREED THAT PRIMARY NEED IS TO AVOID NUCLEAR WAR.  
HOWEVER, ONCE WE MOVE BEYOND THAT FIRST PRIORITY U. S.  
AND USSR NATIONAL OBJECTIVES VARIED PROFOUNDLY.

FOR INSTANCE OUR SECOND HIGHEST PRIORITY IS TO  
DEVELOP WORKING RELATIONSHIP WITH SOVIETS WHICH  
WILL ENABLE US TO LOWER TENSIONS AND TO COOPERATE IN  
SOLVING MANY DISTURBING PROBLEMS WHICH NOW THREATEN  
PEACE. IN CONTRAST, SECOND HIGHEST PRIORITY OF  
SOVIET UNION IS TO LESSEN TENSIONS BETWEEN MOSCOW  
AND PEKING AND ULTIMATELY TO CREATE EFFECTIVE  
BASIS FOR COOPERATION BETWEEN RUSSIA AND CHINA.

PAGE FIVE RUSBAE 1151A ~~CONFIDENTIAL~~  
ALTHOUGH IT IS NOW CLEAR THAT FULFILLMENT OF SOVIET  
OBJECTIVES IS IMPOSSIBLE AS LONG AS AGING LONG MARCH  
VETERANS ARE RUNNING CHINA, KREMLIN HOPES THAT  
ONCE CHINESE LEADERSHIP ROLE HAS PASSED TO YOUNGER  
MEN THE TWO NATIONS CAN COORDINATE THEIR EFFORTS  
IN ECONOMIC, POLITICAL AND MILITARY FIELDS.

IN MEANTIME WE AMERICANS CANNOT EXPECT ANY PROFOUND  
CHANGES IN MOSCOW'S ATTITUDE TOWARDS US. INDIA  
SHOULD ALSO REALIZE THAT AS LONG AS THIS SITUATION  
EXISTS, USSR WILL BE AT BEST UNCERTAIN FRIEND.  
INDEED IF SOVIETS EVER HAVE OPPORTUNITY TO CHOOSE  
BETWEEN CHINA AND INDIA, THEY WILL SURELY PICK  
CHINA SINCE CHINA IS POTENTIAL THREAT TO SOVIET  
SECURITY AND INDIA IS NOT.

BOWLES  
BT

~~CONFIDENTIAL~~

INCOMING TELEGRAM *Department of State*

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1965 JAN 29 AM 6 51

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RJCJHK/CINCFSA  
RUFHDN/AMEMBASSY LONDON  
RJSBKP/AMEMBASSY KARACHI  
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P R I O R I T Y

~~CONFIDENTIAL~~

SET TWO OF TWO

ACTION DEPT PRIORITY 2113 INFO DOD UNN, CINCFSA UNN,  
LONDON 575, KARACHI 478, JANUARY 29, 2 PM

4. CHAVAN STATED THAT HE UNDERSTOOD OUR POSITION AND THOUGHT  
IT WAS REASONABLE. INDIA WAS FULLY DETERMINED TO STAND UP  
TO CHINESE POLITICAL OR MILITARY AGGRESSION. HOWEVER, HE WAS  
FACED WITH PRACTICAL DAY-TO-DAY PROBLEM OF BUILDING INDIA'S  
DEFENSE ON MONTH-TO-MONTH AND YEAR-TO-YEAR BASIS.  
CFN: 2113 575 478 29 2 4

PAGE TWO RUSBAE 1151B ~~CONFIDENTIAL~~

I CLOSED THIS EXCHANGE BY REMARKING THAT PLANES WE WERE  
DISCUSSING HAD TEN YEAR LIFE SPAN AND DURING THIS PERIOD WE  
MUST FACE POSSIBILITY OF PROFOUND CHANGES IN SOVIET-CHINESE  
RELATIONSHIP. HOWEVER I WOULD CAREFULLY CONSIDER HIS REQUEST  
WITH MY ASSOCIATES HERE IN DELHI AND THEN TRANSMIT IT WITH MY  
RECOMMENDATIONS TO WASHINGTON.

COMMENT: GEN JOHNSON, MILLAR AND I CAME AWAY WITH CLEAR  
IMPRESSION THAT CHAVAN WAS NOT ONLY REVERSING POSITION HIS  
AIR FORCE PEOPLE HAD PUSHED HIM INTO LAST SPRING AND PUTTING  
IN AN ORDER FOR AMERICAN PLANES THAT HE REJECTED AT THAT  
TIME BUT ALSO THAT HE WAS EASING AWAY FROM SOVIET UNION AS  
SOURCE OF MILITARY PROCUREMENT AND TOWARDS US.

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~~CONFIDENTIAL~~

-2- 2113, JANUARY 29, 2 PM, FROM NEW DELHI (SECTION II OF II)

IN EFFECT HE ACCEPTED OUR POSITION ON PRESENT COSTLY PROLIFERATION OF IAF, IMPRACTICALITY AND EXTRAVAGANCE OF F104 COST AND PERFORMANCE ADVANTAGES OF F5A, AND PRACTICAL DIFFICULTIES IN WAY OF BUILDING HF24 MARK II. ONLY ITEM ON WHICH HE DID NOT FALL IN LINE WAS MIG ASSEMBLY LINE ON WHICH GOI IS PUBLICLY COMMITTED AND FROM WHICH IT WOULD BE DIFFICULT FOR THEM SUDDENLY TO PULL BACK.  
CFN: F104 F5A HF24

• PAGE THREE RUSBAE 1151B ~~CONFIDENTIAL~~  
WE HERE ARE AGREED THAT IT IS POLITICALLY AND MILITARILY SOUND TO PROVIDE INDIAN AIR FORCE WITH A COMBAT AIRCRAFT OF CHARACTERISTICS OF THE F5A, FOR FOLLOWING REASONS:

A. SINCE F5A COULD BE USED AS INTERCEPTOR PROVISION OF SIGNIFICANT NUMBER WOULD AT LEAST SHARPLY IMPROVE CHANCES THAT MIG PROJECT WILL FADE OUT IF NOT FALL THROUGH ENTIRELY.

B. IF WE DO NOT PROVIDE F5A'S WE SEE NO LIKELY ALTERNATIVE TO VIGOROUS CONTINUATION OF MIG PROJECT. SINCE THERE WOULD BE NO CONTROLS ON MIG PRODUCTION OR USE THIS WOULD BE TO THE DISADVANTAGE OF PAKISTAN AS WELL AS US.

C. F5A WOULD REPLACE MULTIPLE MAKES OF OBSOLESCEANT AIRCRAFT AND SHOULD PERMIT REDUCTION IN TOTAL INDIAN REQUIREMENTS.

D. THEY WOULD STRENGTHEN INDIAN DEFENSES AGAINST CHINESE AND HENCE WOULD BE SERVING US INTERESTS.

GP-3

BOWLES

BT

CFN: F5A F5A F5A F5A

~~CONFIDENTIAL~~

42

File  
India  
MAP

~~SECRET NO FOREIGN DISSEM~~

19 November 1965

MEMORANDUM

SUBJECT: Alleged Indian Army Buildup

1. Pakistani allegations that New Delhi is planning to expand the Indian army by ten new divisions seem unfounded, although some expansion may well occur.

2. The Indians proved during the recent hostilities with Pakistan that they were able to commit adequate troops to the struggle with Pakistan in the Punjab without seriously weakening forces deployed along the Tibetan border. However, it is clear that additional units for reserve and internal security purposes would have been desirable. It is possible, therefore, that the Indians will add several entirely new divisions--or their equivalent in independent brigades and battalions--over the next few years.

3. The Indians have added at least two "new" brigades and one "new" division since the outbreak of the war with Pakistan. Each of these units is comprised entirely of previously existing subordinate units over which a new division/brigade headquarters was superimposed. For example, the new division--the 36th--was "raised" to replace the 23rd Division in Assam when the latter was shifted to the Punjab last September. It reportedly consists of the 59th and 192nd Brigades, both previously in Nagaland, and the 83rd Brigade, which had been stationed in Bihar state but was probably moved closer to East Pakistan during the conflict.

4. Senior Indian officials have assured the US Embassy in New Delhi that there has as yet been no decision to increase the military budget. They do not exclude the possibility of some increase over previously planned expenditures for the next five years, but it seems likely in the light of US military aid suspension that new equipment, rather than increased manpower, takes priority in Indian defense planning.

~~SECRET NO FOREIGN DISSEM~~

DECLASSIFIED  
Authority NET D32-041-1-5  
By [Signature], NARA, Date 4/5/06

~~SECRET~~ NO FOREIGN DISSEM

5. Although the Pakistani allegation of a 10-division Indian build-up thus seems unlikely, the Pakistanis may genuinely believe it to be true. In the past, many of their estimates of Indian military strength have erred on the high side. In this case they may be mistaking a proposed expansion of the Indian Home Guard (reserve armed policemen), or the centralization and expansion of the previously state-controlled border police, for a regular army buildup.

~~SECRET~~ NO FOREIGN DISSEM

Rec'd 11/17/65 43

India Map

COMMERCIAL ARMS SUPPLIES AND GNAT COMPONENTS

1. India normally spends about £30 million per year in Britain on military supplies. Most of this is on normal commercial orders from British suppliers. Until mid-September very little of this was licensable and therefore controllable by the Government. The items subject to export control were generally weapons, ammunition, military vehicles and aircraft. Since 16th September export licensing was imposed for aircraft engines and aircraft spares. This extension of licensing resulted from a decision made last summer in relation to Indonesia.

2. Although no commercial military supplies were shipped during the fighting (6th - 22nd September) existing licences were not withdrawn. Only two items are of major significance - some parts for Vickers tanks due to be shipped in December; and licences for four Hunters (intended originally as military aid) due to be shipped in March. Unless the situation changes, we shall not permit them to be shipped.

3. Our problem has been how to operate licensing so as to avoid giving India any significant short term military advantage, without weakening key joint projects in which the British element is small but vital, and without doing disproportionate harm to our normal commercial relations. It would be quite contrary to our common interest to precipitate a major political row with India at this stage, which would lead to yet further public pressure on the Indian Government to be totally inflexible during the talks in Washington.

4. We recognize the dangers of a political reaction from Pakistan. But the Pakistanis have previously pressed us for their own reasons not to prevent arms sales. Moreover what we propose to do will appear to them as a restriction rather than an extension on our arms sales to India. In any case we would hope to persuade them, if they did take issue with us, that our arms sales policies would not in the short term affect significantly the military balance.

5. The particular problem of components for Gnats is one of estimating the relative severity of the effects of whatever decision we take on both India and Pakistan. Our present estimate is that the political effects of refusing to supply components to India would be far greater - and have a greater adverse effect on the Washington talks - than would be the addition to the military imbalance or the political effects on Pakistan.

6. In general our proposed policy on arms sales, far from putting any obstacles in the way of fruitful discussions in Washington, is aimed at getting over the very dangerous period until these discussions take place, without causing counterproductive political reactions.

DECLASSIFIED  
E.O. 13292, Sec. 3.5  
NLJ 06-248  
By ml, NARA, Date 2-27-08

~~SECRET~~

8/30/65

44  
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To: Mr. Komer

From: McGeorge Bundy

Per our conversation.

*India map*  
*x Bowles*  
*x Pare map*

Mr. Bundy, Mr. Smith:

I have read Chester Bowles memo and I would like the best analysis I can get. In my judgment we ought to get out of military aid to both Pakistan and India.

I want to see Rusk about it.

LBJ/JJ/mf  
8-28-65  
11:00a

*to RWK*  
*for info in*  
*page air*

*Cys to Mann*  
*and McNaughton*  
*9/1/66.*



EMBASSY  
OF THE  
UNITED STATES OF AMERICA

44a

New Delhi - August 19, 1965

Dear Mr. President:

I am enclosing a memorandum on the question of military aid to India and Pakistan, which we must all agree is one of the most complex and difficult problems on our Asian agenda.

With my warmest regards,

Sincerely,

Chester Bowles

The President,

The White House.

8/30/65

~~SECRET~~

446

August 19, 1965

MEMORANDUM

OBSERVATIONS ON MILITARY AID TO THE INDIAN SUBCONTINENT

by Chester Bowles

During my recent consultations in Washington I was told that basic decisions in regard to United States military aid to the subcontinent would be forthcoming once the foreign aid program gets through Congress and the President's desk is reasonably cleared of more urgent business.

This memorandum briefly describes the development of the US military aid program in India, analyzes the present problems and opportunities and suggests a specific course of action.

Background to the Present Situation

In the fall of 1962 our prompt response to India's defense needs following the Chinese attack, contrasted with Soviet ambivalence, set the stage for a wholly new and favorable political and military relationship between the United States and the largest and potentially the most influential of the non-Communist unaligned nations.

As the actual fighting came to a halt the Indians with a belated understanding of the inadequacies of their national security system began to think in terms of a five year military defense plan. In the early spring of 1963 an Indian delegation visited the United States to seek our assistance in carrying out this plan. For three reasons we failed to respond:

1. Reluctance to upset US-Pak relations with particular concern for our installations at Peshawar;
2. The widely held assumption (which turned out to be erroneous) that because of ideological ties with Communist China the Soviets would refuse to assist India in building her defenses in any significant degree, and that consequently the Indians had no source of military equipment but the United States;
3. The assumption that we could use India's urgent need for modern military equipment as a lever to force the Indians to settle

**DECLASSIFIED**

Authority NLT 93-244 (#134c)  
By jw/ly NARA, Date 8-5-05

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the Kashmir dispute.

The possibility of assistance to India's Five Year Defense Plan at some future time was, however, not ruled out. In a final meeting before coming to India in June 1963 President Kennedy requested me to explore privately and informally what we could expect from the Indian Government in return for a moderate United States five year commitment to Indian defenses (conditioned on the availability of funds from Congress).

A few days before President Kennedy died in November 1963 I reported my findings which were based on extensive talks with all key members of the Indian Government including the defense establishment and Prime Minister Nehru. If the United States were prepared to provide India with \$75 million of military assistance annually for five years, it was my belief that the Indian Government could be expected at that time to:

- (a) place a moderate ceiling on their army and air force levels;
- (b) agree to a similar ceiling on their foreign exchange expenditures for defense purposes;
- (c) restrict their military purchases in the USSR and other Communist countries to a limited assortment of unsophisticated and undramatic weapons; and
- (d) consult with us informally on the political and military implications of a Chinese takeover in Southeast Asia and in particular on how India might cooperate in the defense of Burma.

In March 1964, we received word from Washington that \$50 million in grant aid and \$50 million in loans would be made available for military equipment to India on a tentative five year basis subject to negotiations on the specific items.

This budget in our opinion was fully adequate to India's needs. However it soon became clear that we had not yet fully come to grips with the key questions, i.e., the kind of equipment which India needed most and our willingness to provide it, in view of the probable reactions in Pakistan. Inevitably, there were further delays as these questions were explored in Washington, Karachi and New Delhi.

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In the meantime the Indians, concerned over their inability after sixteen months of discussion to secure a clear response to their requests for long term assistance (particularly in air defense), had become convinced that the Pakistanis possessed some kind of veto power over the size and character of U.S. military aid to India. The GOI had therefore undertaken serious negotiations with the Soviets who, contrary to our earlier assumption, were now showing a major interest in India's military defense.

By late May 1964 after the most intensive discussions the State Department and the Pentagon reached tentative agreement on what I believe to be a fully adequate Indian military aid program. In spite of these delays and the more forthcoming attitude of the Soviets it would in my opinion enable us in large measure to achieve the political-military objectives in India which had appeared to be within our grasp the previous November. However, the day before the key decision was to be made in regard to aircraft, Nehru died and it was decided to postpone a full discussion with the Indians until we got a clear sense of the attitude of the new Indian Government.

In August when no further word was forthcoming from us, Defense Minister Chavan went to Moscow with a lengthy shopping list which included a final request for the MIG 21s to which the Soviets predictably responded in a forthright manner.

Once again in January 1965 the Indians came to us with an urgent request for six squadrons of F-5s, a request to which we have thus far not reacted. If we are unwilling to provide these planes under our military assistance program, I believe that the GOI will first attempt to buy them directly from Northrup; failing this, they will seek the more advanced longer range MIG 21s from the USSR which they seem to believe will be forthcoming.

In the meantime, after a long effort to persuade us and the British to support the Indian navy, the GOI has sent a delegation to Moscow to complete negotiations for Soviet submarines and patrol craft.

Implications

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Implications of the Present India-USSR Military Relationship

In considering the advancement of US interests in South Asia two points seem to me particularly relevant:

(1) for the long haul the major political threat to U.S. interests in the Subcontinent may not come from China but from Russia, and

(2) with skilled political handling, a reasonable commitment of U.S. resources, and a bit of luck China's aggressive posture in regard to India can become an important element in bringing about a close and highly advantageous association between India and the U.S.A.

At the moment, however, the situation is in flux. With the steadily worsening relations between the Soviet Union and China in the last two or three years and the failure of Moscow-directed Communist parties to subvert the new post-colonial governments of Asia and Africa, the USSR is now making a determined effort to establish close working relationships with the more strategically-placed non-communist governments regardless of their ideology. Since India is by all odds the most promising Asian counterweight to Chinese expansion and potentially the most important of the nonaligned nations, it has been given a very high priority in the new Soviet strategy.

It is no doubt assumed that if India can be developed into a kind of Asian Yugoslavia with economic and political policies that are generally responsive to the USSR, the Soviets could lay the basis for a major breakthrough in this crucial area. Eventually it might be assumed that this would lead to a greatly expanded Soviet-influenced bloc which could come to exercise a dominant role in the United Nations, create further deep divisions in the western alliance and gradually isolate the U.S.A.

From our vantage point in New Delhi the Soviets appear to be following this strategy with considerable skill, a significant commitment of resources, and at the moment with rather disquieting results.

In pursuit of this policy the Soviet Union has thus far provided India with well over a billion dollars in credits for economic

development

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development. Even more significant from the standpoint of Soviet political objectives may be the increasing amount of military assistance which already totals \$293 million, not counting the new naval equipment which will be announced soon.

However, this sum although substantial is still less than Soviet commitments to either Syria or Iraq (with combined populations little larger than Calcutta's) and a fraction of that given to the UAR (with a population less than half that of the state of Uttar Pradesh). In view of India's key strategic importance to the Soviets we therefore may expect further increases in the availability of Soviet defense funds as opportunities unfold.

According to one intelligence source (NBB-2337 Secret NOFORN), Shastri, during his recent visit to Moscow, became convinced that he could expect very nearly unlimited economic and military assistance from the USSR. Shastri confided to the source that Kosygin, Mikoyan and Brezhnev had promised to fill whatever gap in economic assistance might result from reductions in aid given by the United States and other Western nations, and that the Soviets would render direct assistance in case Pakistan attacked India. Shastri had the impression that a similar assurance applied even to an attack on India by China. Shastri also asserted that the Soviets would agree to train Indian forces in large enough numbers to give India a first-class military machine, although he and the Cabinet would not accept this offer.

Furthermore, Indian officials assert that the Soviets place no political strings on the equipment which they turn over to the GOI. According to L.K. Jha, Kosygin told Shastri in Moscow that India as a major nation is entitled to its own foreign policy and defence establishment and that consequently the military equipment provided by the USSR is India's to use as it sees fit.

Although this green light approval may be considered irresponsible in today's explosive world, it has great public appeal in any newly independent country including India.

There is no way of knowing whether the Soviet leaders actually gave Shastri such assurances. For now it is important, however, that Shastri genuinely thinks they did, an impression which was

clearly

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clearly conveyed in the secret letter he sent to Chief Ministers of the States upon his return (NBD 7083 Confidential NOFORN).

In the meantime our own position in the three Indian armed forces continues to be steadily eroded because of our inability under the present ground rules to give the Indians what they want and need.

The impact within the Indian Government of the Soviet strategy which combines political support for India, skilled flattery of Indian leaders, and major commitments of the kind of economic and military assistance which India wants most - without strings - is substantial. This is increasingly so within the normally pro-U.S. Indian military which now largely (and not too happily) looks to the USSR for airplanes, naval craft, tanks, SAMs and other sophisticated equipment.

Moreover, this trend is paralleled by a disturbing change in the attitudes of the Indian people. In February 1963, a public opinion poll revealed that 63% of all Indians considered the United States India's "best friend" while only 7% so referred to the Soviets. In June of this year the same question resulted in a stand-off between the United States and the USSR of 32% to 32%.

At the same time, our downgrading of India's defense needs, our rejection or avoidance of her requests for more sophisticated weapons and our minimizing of the Chinese threat to India in the hope that this may slow down India's requests for U.S. equipment appear to have gained us neither influence nor respect in Karachi.

Although this adds up to a worrisome situation, it is important nevertheless to keep our perspective. Almost invariably the Indians have first attempted to procure specific items of military equipment either from the US or other Western nations before turning to the USSR. Even today most senior Indian defence officials and military men would greatly prefer a closer relationship with the United States.

The Indian public generally still feel a deep sense of gratitude for the support we gave them in 1962 and there is a nagging suspicion among thoughtful observers that a shift in Chinese attitudes at some

future

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-7-

future time may again bring China and Russia together, possibly at India's expense.

Present Status of U.S. Military Aid to India

At the Nassau meeting in November 1962 we and the British each agreed to give India \$60 million worth of defense equipment, of which 90% has now been delivered.

Since then, in addition, we have agreed to deliver \$260 million worth of equipment of which only 15% has been delivered.

The commitment which we made in June 1964 (contingent upon available appropriations from Congress) calling for \$50 million of grant aid and \$50 million in credit sales for each year of the Indian five year Defense Plan (1964 - 1969) has three more years to run.

However, as a practical matter we are approaching a crossroads in regard to future U.S. military shipments to India. Although we have given a certain amount of equipment to nine Indian mountain divisions, India with some assistance from us has been steadily increasing its own production of such basic army items as artillery, machine guns, rifles, armored cars, tanks, ammunition, etc. With respect to the more sophisticated weapons which the Indians can not yet produce, the Soviets have been willing to provide them while we have thus far refused.

They have been pressing us for fighter aircraft for nearly three years, with a specific outstanding request for six squadrons of F-5s to provide close air support to the Indian army and to interdict Chinese supply lines in Tibet.

Under our present criteria, it is difficult to see any significant continuing role for United States military aid to India. Because India is unable to get the equipment from us that it wants and needs, the GOI will be progressively less inclined to put up with inconveniences and restriction inherent in our present program.

This means that whatever leverage we had hoped to have on

Indian

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Indian military policy, including our control over the foreign exchange which India budgets for military purposes, may be expected to diminish as the Soviet Union emerges as the major supplier of India's equipment while posing openly as a political supporter of India against Pakistan and covertly as a supporter even against China.

### Policy Choices Before Us

In this complex situation we have a number of options open to us in regard to military aid to India:

1. We can continue along the present lines, i.e., providing India with the military equipment which is least subject to criticism by Pakistan. This would enable us to postpone a bit longer the basic policy decisions which sooner or later must be made in regard to U.S. priorities in South Asia.

In the context of the Asian confrontation which flows inevitably from the current struggle in Vietnam, it is difficult to see how this postponement can be justified. If we continue along this road we must accept the probability of increased Soviet influence in sensitive political areas here in India with little hope of improving our position in Pakistan.

2. We can decide to get out of the military assistance field both in Pakistan and India as rapidly as our present commitments can be met. This has a certain appeal in that we would appear to be cutting a Gordian knot. However, by pulling out of the military assistance field at this stage we would open the door even wider to an increasingly close military-political association between the USSR and India.

3. We can make the basic political decision which, although difficult, is in my view essential if we are to slow the creeping influence of the Soviets and establish a sound and fruitful relationship with India. Such a decision would include the following elements:

A. China, being the major threat to Asia's political stability, must be contained and our U.S. military aid programs to nations

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on the periphery of China must be focussed on this objective;

B. In a military sense India is by all odds the greatest source of anti-communist manpower that would be available in the event of a major Asian land war;

C. In a political sense democratic India is at least as important to us as it is to the Soviet Union as a balance to China in Asia, and potentially an increasing source of democratic influence and political stability among the nonaligned countries;

D. India with a reasonable amount of western assistance is politically and economically viable;

E. Our continued refusal adequately to support the Indian military has thus far won us no kudos in Karachi and will win us none in the future;

F. We should therefore continue our present five year \$50 million grant and \$50 million sales assistance to India, subject each year to Congressional approval and appropriations, while at the same time opening the door to India's procurement under this program of the weapons that it genuinely needs for its defense, including F-5s;

G. We should face up to the inevitable adverse reaction from Pakistan, doing everything possible to cushion its resentment through our massive economic assistance program on which the Pakistan economy is largely dependent;

H. We should place a high priority on covert and overt moves that will further India's position against China and thereby associate Indian political and military leaders psychologically and materially with us in the containment of China, switch their focus away from Pakistan and ultimately perhaps create the atmosphere which will make possible the rapprochement which is so important to both countries.

CONCLUSION:

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CONCLUSION:

This enormously complex situation is not subject to simple, painless solutions. We must choose between difficult alternatives.

In my opinion, the overriding consideration should be India's vast size, increasing industrialization, democratic commitment and political weight in Asian and world affairs.

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45



ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

INTERNATIONAL SECURITY AFFAIRS

6 July 1965

In reply refer to:  
I-24433/65

*map*  
*Indo Pak map*  
*Indo*  
*Pak*

Mr. Robert W. Komer  
National Security Council Staff  
The White House  
Washington, D.C.

Dear Bob:

Attached is a copy of Secretary McNamara's Memorandum to the President on Indian and Pakistan MAP. I have added to this for your information several papers used in developing the Memorandum.

*Sincerely*

*Peter Solbert*

Enclosures  
a/s

Peter Solbert  
Deputy Assistant Secretary

JUL 9 1965

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *gjc*, NARA, Date 7-26-06

DOWNGRADED AT 3 YEAR INTERVALS;  
DECLASSIFIED AFTER 18 YEARS.  
DOD DIR 5200.10

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ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON 25, D.C.

INTERNATIONAL SECURITY AFFAIRS

6 July 1965

In reply refer to:  
I-24433/65

*To  
w/Rec'd memo  
7/9*

Mr. Robert W. Komer  
National Security Council Staff  
The White House  
Washington, D.C.

Dear Bob:

Attached is a copy of Secretary McNamara's Memorandum to the President on Indian and Pakistan MAP. I have added to this for your information several papers used in developing the Memorandum.

SIGNED

Peter Solbert  
Deputy Assistant Secretary

Enclosures  
a/s

DECLASSIFIED  
E.O. 13292, Sec. 3.4  
By *g/jc*, NARA, Date 7-26-06

7/9

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DOWNGRADED AT 3 YEAR INTERVALS;  
DECLASSIFIED AFTER 10 YEARS.  
DOD DIR 5200.10

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2-lit 45b

THE SECRETARY OF DEFENSE  
WASHINGTON  
RECEIVED  
THE GEORGE BUNDY'S OFFICE

1965 JUL 6 PM 5 JUL 18 1965

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Pakistan and India

Set forth below is a catalogue of actions with respect to the Military Assistance Programs for Pakistan and India which could be suspended or deferred. Where appropriate I have indicated the probable impact of specific actions. This memorandum does not, however, address the political wisdom of undertaking such actions.

I. Pakistan

A. Commitment. Our MAP commitments to Pakistan are basically to meet initial equipment deficiencies in the force base we agreed to support in 1954 and to maintain and assist in modernizing these forces, funds permitting. We do not have a precise dollar commitment to Pakistan, although it costs about \$20-25 million a year to "maintain" Pakistan's armed forces out of a total program of about \$40 million. MAP grant aid for Pakistan has averaged \$52.5 million over the period FY 1960-64 and is programmed at \$38.2 million and \$40 million in FY 65 and FY 66 respectively.

B. Deliveries of FY 1965 and Prior MAP. Undelivered items under grant military assistance for Pakistan totaling about \$50 million are scheduled for delivery over the next twenty-four months. Pakistan is aware of the proposed delivery dates for most of these undelivered items. The Major items scheduled for delivery in FY 1966 are one light liaison-type aircraft, 88 armored personnel carriers, 36 howitzers, and 473 trucks and trailers and a variety of communications equipment. The delivery of any or all of these items could be deferred or cancelled.

Deferral of these items, while slowing down Pakistan's force improvement program, would not have an appreciable impact on their military capabilities (they already have approximately 90% of their required howitzers, 95% of their trucks and trailers, and 80% of their communications equipment). Replacement items could probably be secured from third countries, though it would put a strain on the Pakistan budget and drain foreign exchange.

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E.O. 13292, Sec. 3.4  
By ry/jc, NARA, Date 7-26-06

DOWNGRADED AT 3 YEAR INTERVAL:  
DECLASSIFIED AFTER 30 YEARS.  
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JUL 7 1965

There is about \$11 million in undelivered spare parts and support-type items. Since U. S. logistics support is the lifeblood of the Pakistan armed forces, deferral or cancellation of these items would have a very serious impact as Pakistan would find it extremely difficult to locate new suppliers, establish new supply pipelines, etc. It would probably render ineffective the 12 Pakistani F-104s and 6 C-130s in a matter of weeks and the larger F-86 fleet (102 aircraft) in a few months. The Army might be able to maintain its operational capabilities for as long as six months in peace time.

C. FY 1966 MAP. The FY 1966 program has been approved by the Country Team and is currently being reviewed in DOD. It totals \$40 million, of which \$21.5 million is to maintain and operate the MAP-supported forces and \$18.5 million for force improvement. Major items include 2 C-130s, 13 T-33s, 3 T-37s, and 4 ASW aircraft; 152 M-113 APCs, 38 M-48 tanks, and 554 trucks. Most of these items would be delivered after FY 66. We have not revealed the contents of the FY 1966 program to Pakistan, although the GOP will expect such information within a few weeks. We can defer discussions with the Pakistani of all or a portion of the FY 66 program. Cancellation or deferral of major items in the FY 1966 program would in due course have a serious impact on the Pakistan military in that old, obsolete equipment would not be replaced and Pakistan's military capabilities would decline (they presently have a substantial shortfall of tanks and armored personnel carriers). As regards the deferral of spare parts and support-type items, the same comments apply here as in FY 1965 and prior programs.

D. Training. There are 37 Pakistan military students presently undergoing or scheduled for training in the U. S., under the FY 65 MAP, all but six of whom will have completed their training by 1 January 1966. There are 109 students scheduled for FY 1966 MAP training. Here again we can curtail or cancel the training program.

E. Future Aircraft. In April 1964 we told Pakistan that we would provide some additional F-104 A/B aircraft in CY 1966 "if the political climate was right at the time." The possibility of programming F-5 aircraft as future replacement for the F-86s has also been mentioned to the Pakistanis. We can continue to defer discussions of these items which are very important to the future of the Pak Air Force.

F. Other Associated Issues

1. Military Cash Sales. Under the terms of a 1951 agreement,

Pakistan is authorized to make cash purchases of military items. In June 1965 the U. S. agreed to process \$8 million in cash sales requests from Pakistan for ammunition and miscellaneous items. Deliveries of these items could be deferred.

2. Military Credit Sales. The Pakistanis have inquired about a possible credit sales arrangement for military items and the Country Team has been considering a program totalling \$100 million over three years. We could continue to defer any action on this.

3. Recent Pakistan MAP Requests. In May 1965 we received a letter from Admiral Khan requesting three additional submarines (they now have one), and in June Ayub told Ambassador McConaughy that Pakistan had requirements for additional submarines, tanks and aircraft. The Ambassador told Ayub that additional MAP was not an appropriate topic for discussion at this time. We could continue to take this position or even reject these requests outright.

4. Mobility Exercise. The Pakistanis were informed in April that we have a mobility exercise (about division size) scheduled for Pakistan in January - February 1966. We can suspend this exercise at any time between now and the end of the year.

5. Multi-Year Planning. The Pak military have expressed a strong desire for multi-year MAP planning, at least for major end items, to provide a sounder basis for their own military planning. We could continue to refuse to discuss MAP except on a year to year basis.

## II. India

A. Commitments. Our MAP commitments to India stem from the decision to assist India against the ChiCom attacks of 1962. A subsequent 1964 Memorandum of Understanding formalized the U. S. intent to continue support of India's efforts to improve its military forces in the face of possible renewed ChiCom aggression. The Memorandum committed the U. S. to provide approximately \$50 million in military grant aid in FY 65 and a credit sales program of \$10 million in FY 64 and \$50 million in FY 65. Without commitment by the U. S., the Memorandum permits India to plan on approximately \$50 million grant aid and \$50 million credit sales annually from the U. S. through FY 69, provided India keeps their foreign exchange defense expenditures within a ceiling of \$1.432 billion in the period through 30 March 1969.

B. FY 1965 and Prior Year Undelivered MAP/Military Credit Sales. India has undelivered grant military assistance totaling approximately \$70 million, scheduled for delivery over the next twenty-four months. Major items to be delivered in FY 66 are C-119 aircraft spares, army communications equipment, air defense communications equipment and engineer construction equipment. India is aware of the undelivered MAP items and is informed of delivery dates as soon as USMSMI can provide a forecast (usually six months ahead).

The credit sales program undelivered balance (FY 64 and 65) totals approximately \$58.5 million. Projected credit sales delivery dates are known to the Indians and delivery delays would be noticeable.

The general impact of deferring MAP end-item deliveries on India's military capability would be modest, except for the air defense communications system, due to India's foreign procurement source options and the fact that U. S. assistance represents a relatively small portion of their total defense requirements. The suspension of delivery of spares would also be less significant than with Pakistan. For example, the U. S. does not support any tactical aircraft in India. In the air transport field the Indian C-119s are supported by a large stockpile of spares and the Indians also have Russian transports.

Deferrals on the credit sales side would have a more serious impact on Indian military preparedness as plans to develop the Ambajhari Ordnance factory and to modernize eight existing ordnance plants are dependent on U. S. support. Deferral of support of ordnance plant modernization could have a major effect on Indian plans for self-sufficiency by 1969.

Delivery of all or a portion of the MAP grant or sales items could be deferred.

C. FY 1966 MAP/Military Credit Sales. The content of the FY 66 grant aid program has been discussed with the Indian Ministry of Defense and is now in the process of review in Washington. The Indians have expressed a desire to include F-5 aircraft in FY 66 MAP. Although discussions with the Indians have been initiated on the FY 66 credit sales program, they have since withdrawn their proposals for further revision. The subject of aircraft for India (F-5s or support of the locally developed HF-24 aircraft) has not been discussed with the Indians as a U. S. decision on this matter has been deferred. CINCEAFSA has been instructed not to discuss major items of FY 66 MAP or FY 66 credit sales with the GOI until further notice. We can continue to defer discussions of all or a major portion of these items.

D. Training. There are 69 Indian military students programmed for training in the U. S., of which seven will have completed their training by 1 January 1966. Fourteen additional students are programmed for courses subsequent to 1 January 1966. These training programs could be curtailed or cancelled.

III. Initial Funding of FY 66 under Continuing Resolution Authority (CRA)

It is anticipated that FY 66 funding authority for current operating costs for India and Pakistan will be issued about 10 July 1966 under CRA. These operating costs cover: training, requisition authority for spare parts, technical assistance costs, certain overhaul costs, etc. We could defer the funding of any of these items. Withholding of this FY 66 funding would immediately become apparent to the host country.

IV. Other Military Programs

The Advanced Research Projects Agency has proposed a program of mutual cooperation in the military research area between the U. S. and India and also between the U. S. and Pakistan. MAP may fund a part of the cost. Discussions with the Pakistanis and Indians on these programs could be deferred or suspended.

*Robert S. Mc Nemara*

~~SECRET~~

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E.O. 13292, Sec. 3.4  
By gjc, NARA, Date 7-26-06

UNDELIVERED BALANCE STATUS AND FORECAST  
30 JUNE 1965

PAKISTAN

( ) Quantity  
\$ - Thousands

45d

Item/Category	Estimated Undel Dollar Balance FY 65/Prior	FORECAST DELIVERIES			
		1st Qtr FY 66	2d Qtr FY 66	2d Half FY 66	After FY 66
OH-13H Helicopter (1)	\$ 39	-	-	-	(1) \$ 39
A-1E Aircraft (2)	64	-	-	(1) \$ 27	(1) 37
T-37C Aircraft (1)	145	-	-	-	(1) 145
C-130B Aircraft (1)	1,992	-	-	-	(1) 1,992
Aircraft Grd Hdlg Eq	144	25	25	29	65
Acft Spares & Mods	9,608	1,640	1,540	2,918	3,510
Tank, 90mm, Med (47)	1,265	-	-	-	(47) 1,265
C ML13 (88)	2,534	-	-	(88) 2,534	-
How, SP, 105mm, M52A1 (18)	2,070	(18) 2,070	-	-	-
How, SP, 155mm (18)	2,943	-	-	(18) 2,943	-
Trucks & Trailers (1,236)	4,861	(374) 2,278	(36) 335	(63) 182	(763) 2,066
Rifles, Carbines C30 (36,249)	1,544	-	-	-	(36,249) 1,544
Howitzers, towed (18)	291	-	-	(18) 291	-
Other Weapons	269	-	-	-	269
Ammo, Cal 50 and under	1,546	-	1,207	339	-
Ammo 60-155mm	3,917	-	931	-	2,986

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PAKISTAN UNDEL BALANCE STATUS (CONT.)

<u>Item/Category</u>	<u>Estimated Undel Dollar Balance FY 65/Prior</u>	<u>1st Qtr FY 66</u>	<u>2d Qtr FY 66</u>	<u>2d Half FY 66</u>	<u>After FY 66</u>
Air Munitions	1,128	25	25	248	880
Naval Munitions	352	-	-	-	352
Other Ammo	979	-	-	37	942
Communications Equip	2,519	238	100	500	1,681
Support Equip	6,796	913	933	1,813	3,137
Spares and Supplies	2,421	411	300	600	1,110
Services	<u>1,982</u>	<u>600</u>	<u>737</u>	<u>225</u>	<u>420</u>
TOTAL MAT & SVCS (Excl'd trng)	\$ 49,409	\$ 8,175	\$ 6,108	\$12,686	\$ 22,480

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FY 66 MAP

Pakistan

(\$ Thous)

2 July 65

Operating Costs

Training	505
Maintenance Spares	5,844
Attrition and Training Ammo	7,001
Miscellaneous	<u>4,012</u>
Sub-Total	17,362

Investment Costs

Materiel	18,520
Services	<u>5</u>
Sub-Total	18,524

Supply Operations

4,100

TOTAL

39,986

Significant Items

	<u>Qty</u>
Aircraft Cargo C-130B	2
Aircraft Trainer T-33A	13
Aircraft Trainer T-37B	3
Aircraft ASW	4
Carrier Personnel Armored	152
Tanks Medium	38
Trailers	399
Trucks 1/4 Ton	512
Trucks 3/4 Ton	1
Trucks 2-1/2 Ton	1
Trucks 5 Ton	40
Rifles	1,295
Machine Guns	150

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By rg/c, NARA, Date 7-26-06

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1965 DELIVERY SCHEDULE - PAKISTAN

<u>Item</u>	<u>Value</u>	<u>Delivery from Order Accept.</u>
1. 76mm Ammo	\$1,300,000	15 mos.
2. 40-90-106mm Ammo	4,800,000	18 mos.
3. 40mm Ammo	N.C.	MAP transfer
4. Metal Links for 30mm Ammo	400,000	10 mos.
5. Manufacturing Info on 2.75 Ammo	N.A.	4 to 6 mos.
6. Incandescent Lamps	700	2 mos.
7. Aircraft Ammo	1,540,000	1 to 10 mos.
8. Parachutes	34,522	In country
	<u>\$8,075,322</u>	

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By rg/jc, NARA, Date 7-26-06

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( ) Indicates quantity  
\$ Thousands

UNDELIVERED BALANCE STATUS AND FORECAST  
30 JUNE 1965

INDIA

Item/Category	Estimated Undel Dollar Balance FY 65/Prior	FORECAST DELIVERIES				
		1st Qtr FY 66	2d Qtr FY 66	2d Half FY 66	After FY 66	
Acft Grd Hlgl Equip	1,381	200	400	781	-	
Acft Spares and Mods	6,821	1,397	1,200	2,403	1,821	
Misc Boats & Craft	501	-	-	473	28	
Howitzer, 75mm(pack) (105)	1,177	-	(105)	1,177	-	
Other Weapons	297	-	-	196	101	
Ammo	1,925	-	-	1,742	183	
Trucks & Trailers (243)	2,601	(100)	957	(71)	738 (55) 642 (17)	264
Communications Equip(Army)	5,319	-	-	3,289	2,030	
Troposcatter System (AF)	14,161	-	-	8,078	6,083	
Radar Eq & Other Commo Eq(AF)	3,238	-	-	2,201	1,037	
Construction Equip	14,301	-	-	3,842	10,459	
Support Equip	11,028	1,003	1,600	4,000	4,425	
Spares and Supplies	4,398	227	200	649	3,322	
Services	2,160	-	113	300	1,747	
<b>TOTALS</b>	<b>\$ 69,308</b>	<b>\$ 3,784</b>	<b>\$ 5,428</b>	<b>\$ 28,596</b>	<b>\$ 31,500</b>	

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DECLASSIFIED AFTER 12 YEARS.  
DOD DIR 5200.10

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By: *g/jc*, NARA, Date 7-26-06

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1964 DELIVERY SCHEDULE - INDIA  
(Undelivered Items)

<u>Item</u>	<u>Amount</u>	<u>Delivery</u> (Projected fm 1 Jul 65)
1. UHF Communications Equip	\$1.0 M	8-10 mos.
2. Machine Tools for Modernization	7.0 M	4-24 mos.
3. Radios AN/ARC-51 + spares	.07M	12 mo.
4. Machine Tools for HF-24 Production	1.4 M	4-24 mos.
Total	\$9.47M	

1965 DELIVERY SCHEDULE - INDIA  
(Undelivered Items)

1. Machine Tools for Ambajhari	\$22.5 M	8-24 mos.
2. Dodge Truck Power Wagons	5.4 M	4-6 mos.
3. Radios AN/PRC-25	4.9 M	3-6 mos.
4. Machine Tools for Modernization	4.0M	4-24 mos.
5. Miscellaneous Items	12.2 M	4-20 mos.
	<u>\$49.0 M</u>	

Prepared by: Mr. Josef Hoenig  
OASD/ISA/ILN  
1 July 1965

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E.O. 13292, Sec. 3.4  
By rg/k, NARA, Date 7-26-06

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451

FY 66 MAP

India

(\$ Thous)

2 July 65

Operating Costs

Training	1,162
Maintenance Spares	5,937
Attrition Items and Training Ammo	866
Miscellaneous Maintenance	<u>2,175</u>
Sub-Total	10,140

Investment Costs

Materiel	25,659
Services	<u>8,202</u>
Sub-Total	33,861

Supply Operations

5,000

TOTAL

49,001

Qty

Rifle, 57mm, recoilless	27
Mounts Machine Gun	27
Truck 2 $\frac{1}{2}$ T Dump	24
Wheeled Tractors	124
Tractor, full track, light	167
Tractor, full track, medium	109
Tractor, full track, heavy	20
Radio Sets, AN/GRC-39	28
Radio Sets, AN/GRC-40	14
Radio Sets, AN/GRC-10	25
Radio Sets, AN/MRC-95	285
Mines, anti-personnel	175,000
Simulator, radar	2
Power Units, PE-75	92
Generators, 2 KW	37
Sweeper, rotary, snow	24

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 By rg/jc NARA, Date 7-26-06

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46



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

17 JUN 1965

INTERNATIONAL SECURITY AFFAIRS

In reply refer to:

I-8169/65

*India map*  
*Pak map*  
*(X)*

Honorable Phillips Talbot  
Assistant Secretary for Near Eastern  
and South Asian Affairs  
Department of State  
Washington 25, D. C.

Dear Mr. Talbot:

In Peter Solbert's absence I am forwarding to you  
the status reports on MAP deliveries for India and  
Pakistan for the first six months of FY 66.

Sincerely,

JONATHAN D. STODDART  
Deputy Director  
Near East and South Asia Region

cc: Mr. Komer  
Mr. Solbert

Attachments:  
Status Reports on MAP  
Deliveries-India & Pak

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E.O. 13292, Sec. 3.4  
By *191/k*, NARA, Date *7-26-06*

~~CONFIDENTIAL~~

JUN 18 1965

~~CONFIDENTIAL~~

46a

ARMY

PAKISTAN

FY 66 FORECAST

	<u>1st Qtr</u>	<u>2d Qtr</u>
How, Lt SP 105mm M52A1 <sup>1/</sup>	18	
Truck, <sup>3/</sup> 1/4T M38A1		20
Truck, Cgo 2 1/2T M602 <sup>3/</sup>	339	
Truck, 2 1/2T M609A1 <sup>3/</sup>		1
Truck, Cgo 5T M54 <sup>3/</sup>	7	
Truck, Dump, 5T M51 <sup>2/</sup>	21	
Truck, Wrkr, 5T M543 <sup>3/</sup>	6	
Truck, STK 5T Brdg Trans <sup>1/</sup>		15
Ctg Cal 30 Ball M2 <sup>1/</sup>		1508M
Proj 155H H HC BE M116 <sup>1/</sup>		19

INDIA

Truck Dump 5T M51 <sup>2/</sup>	60	60
How Pack 75mm M116 <sup>1/</sup>		105

- <sup>1/</sup> Could hold at supply location for recipient pending release at later date - no storage cost involved.
- <sup>2/</sup> Could hold all but about 20 at supply location pending release to recipient. No storage cost involved.
- <sup>3/</sup> There are many existing priority requirements for these items, and should they be suspended for delivery to Pakistan, they would be quickly absorbed to meet these requirements. When the suspension is lifted, normal delivery leadtime would be required to reschedule the items for delivery.

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E.O. 13292, Sec. 3.4  
By *gjk*, NARA, Date 7-26-06

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DECLASSIFIED AFTER 12 YEARS.  
DOD DIR 5200.10

~~CONFIDENTIAL~~

466

NAVY

Negative report on Pakistan and India.

46c

~~CONFIDENTIAL~~

AIR FORCE

PAKISTAN

FY 66 FORECAST

<u>Item/Category</u>	<u>1st Qtr</u>	<u>2d Qtr</u>
<u>Aircraft</u> 1/	-	-
<u>Vehicles</u>		
Fuel Servicing Trailer F7 2/	5 ea	
Road Sweeper 3/		1 ea
<u>Ammunition</u>		
Rocket 2.75" FFAR, Plaster loaded (practice) 4/		
Ammo Components 5/	\$25,000	\$25,000

- 1/ No aircraft scheduled for delivery between 1 July - 31 Dec 1965.
- 2/ Forecast for delivery in Sept 1965. Can be diverted. Will take 9 months to replace. 90-day storage cost \$1,450.
- 3/ Forecast for delivery in Oct 1965. Can be diverted. Will take 1 year to replace. 60-day storage charge \$310.
- 4/ Rocket motors (3,621 ea) have been ordered through the Army for shipment to Pak. Rocket heads are a back order. Any undelivered amount can be diverted. No storage charges unless stopped enroute.
- 5/ Ammo components valued at \$100,000 will be delivered based on country requisition on the Army. Deliveries are being made at approximately \$25,000 per quarter and can be diverted. No storage charge unless stopped enroute.

INDIA

<u>Aircraft</u> 1/	-	-
<u>Troposcatter Comm System</u> 2/	-	-
<u>Ammunition</u> 3/	-	-
<u>Vehicles:</u>		

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E.O. 13292, Sec. 3.4  
By: *gjk*, NARA, Date 7-26-06

DOWNGRADED AT 5 YEAR INTERVALS;  
DECLASSIFIED AFTER 12 YEARS.  
DOD DIR 5500.10

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Trucks and truck tractors 4/ 40

Trailer, fuel servicing, F-7 5/ 11

1/ No aircraft scheduled for delivery between 1 July - 31 Dec 1965.

2/ Troposcatter System

The Troposcatter system (total approved program \$12,311,000) is in the procurement stage. Work projects are now underway preparatory to completion of technical proposals. The estimated date of award of contract is November 1965.

Estimated completion date of project is December 1967. Due to the nature of this project, serious impact will result if there is a delay at this time. The current work projects, representing approximately two years' work, might have to be cancelled and a new start made. Any delay will slip the project at least one and possibly two years.

3/ No ammo scheduled for delivery during period.

4/ 40 ea trucks and truck tractors (various types) scheduled for delivery by 30 Sept 65 will take one year to replace if diverted. 90 days storage \$11,600.

5/ 11 ea fuel servicing trailers are forecast for delivery by Nov 1965. They can be diverted; however, it will take one year to replace if this is done. 30 days' storage charge \$1,100.

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~~SECRET~~



ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

16 JUN 1965

INTERNATIONAL SECURITY AFFAIRS

In reply refer to:

I-23945/65

*India, Pakistan*  
*(+)*

Mr. Robert W. Komer  
National Security Council  
The White House  
Washington 25, D. C.

Dear Bob:

In the event a requirement develops to stall or slow down our military assistance efforts for India and Pakistan, the following measures can be adopted:

A. India

1. Continue to delay the decision on the F-5 aircraft and the support of the HF-24. For an immediate impact, provide GOI a negative answer.
2. Delay approval of FY 66 MAP which is soon to be reviewed at DOD level. (Already coordinated with GOI).
3. Delay approval of FY 66 \$50 million credit sales program which is currently being coordinated with GOI. We could also reduce the amount of this program. For immediate impact at source, we could break off or slow down current coordination meetings between USMSMI and GOI on the subject.
4. Delay or stop all shipments of funded MAP and credit sales items. Reasons can be given such as use of U.S. MAS equipment in the Rann of Kutch (106 RR,ammunition), violations of Kashmir Cease Fire Line, menacing troop deployments in the Punjab and along the East Pakistan border, or Bombay Port conditions.
5. Delay delivery of selected MAP or credit sales items, being careful to select those which will not result in increased costs to the U.S., e.g., storage costs or broken contracts.
6. Hold up on approval of cash sales requests.

B. Pakistan

1. Continue to withhold information on additional F-104 A/Bs and

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E.O. 13526, Sec. 3.5 + NLJ 11-76

~~SECRET~~

By JLG NARA, Date 2/16/12

JUN 16 1965

~~SECRET~~

not initiate discussions on F-5s.

2. Delay discussions with the GOP on FY 1966 MAP.
3. Do not take up GOP bid for credit sales.
4. Do not answer or reject outright, Admiral Khan's request for additional submarines.
5. Delay delivery of <sup>MAS</sup> ~~MAP~~ items. Those currently pending are:

<u>Number</u>	<u>Note Dated</u>	<u>Item(s)</u>	<u>Cost (millions)</u>
1	26 Feb.	76mm ammunition	1.3
2	18 March	Manufacturing particulars, 2.75mm ammo	*
3	26 March	40mm, 90mm, 106mm ammunition	4.8
4	26 April	76mm ammunition-duplicate of Feb case	--
5	30 April	Incandescent lamps	*
6	11 May	40mm ammunition	0.1
7	13 May	Metal links for .30mm ammunition	0.4
8	2 June	Aircraft ammunition	1.5
9	10 June	Oral request to purchase 421 parachutes already in Pakistan, shipped as overage to earlier sales case	*
10	10 June	76mm ammunition	*

\* Less than \$50,000

C. A delivery schedule of major items consigned for delivery to India and Pakistan from July-December 1965 is being developed and will be provided immediately upon completion.

Sincerely,

Peter Solbert  
Deputy Assistant Secretary

~~SECRET~~

NATIONAL SECURITY COUNCIL

~~SECRET~~

19 May 1965

*Ret'd to Col. Bowman 11/19/65*

48

*Lester Map*

Hal:

If you haven't seen it, the attached memo from General Adams to General Wheeler contains some interesting points on military assistance for India.

Of course, the reason for increase to \$50 million through FY 69 was indeed political, i. e., desire to avoid Soviet influence, increase US influence, etc. General Adams has been so advised.

It is possible, however, that it will be difficult to spend this amount efficiently. The fact that the funds are programmed does not necessarily mean that they will be spent. We have asked the Indians for a five year defense planning study which has not yet been received.

*R.C. Bowman*

R. C. BOWMAN

Please return

MAY 19 1965

~~SECRET~~

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E.O. 13526, Sec. 3.5

NLJ 11-74

By *sil*

NARA, Date 4-29-11

~~SECRET~~

HEADQUARTERS  
UNITED STATES STRIKE COMMAND  
OFFICE OF THE COMMANDER IN CHIEF  
MACDILL AIR FORCE BASE, FLORIDA



33608

5 May 1965

48 a

SUBJECT: Military Assistance to India (S)

TO: Chairman  
Joint Chiefs of Staff  
Washington, D. C. 20301

1. (S) References.

a. OSD message DEF 003124, DTG 221723Z December 1964, which revised downward the grant aid dollar guidelines for India for the period FY 67-71.

b. OSD message DEF 009078, DTG 142323Z April 1965 (as amended by subsequent message), which announced the reversion of DOD MAP dollar guidelines for India to the \$50 million level for the period FY 67 through 69.

2. (S) I know of the effort at the Joint Chiefs of Staff and Secretary of Defense levels to institute a planned reduction in the programmed dollar guidelines for grant aid to India, and I understand that political considerations are responsible for their recent upward revision. I remain in the dark, though, as to what considerations there could be to justify risking the potential damage that this singular situation could do to the Military Assistance Program (MAP) and the entire foreign assistance program.

3. (S) We have here a situation in which, in its basic terms, we appear to be forcing precious U. S. Military Assistance dollars on a non-aligned nation--whether they need it or not.

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E.O. 13526, Sec. 3.5  
NLJ/RAC 11-15  
By LKH NARA, Date 05-10-12

GROUP 3  
Downgraded at 12 year  
intervals; not  
automatically declassified

MAY 19 1965

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PAGE 1 OF 3 PAGES

AG-S-968/65 COPY 1 OF 8 COPIES

~~SECRET~~

5 May 1965

SUBJECT: Military Assistance to India (S)

It is easy to visualize this coming to the attention of Congress and even to the American public; it is equally easy to visualize one set of reactions that could strike at the core of our whole foreign aid program. This would be unfortunate indeed, as I firmly believe that our foreign aid program occupies a vital position in our national security.

4. (S) The military assistance programs to support both India and Pakistan have, since their inception, at best been difficult to plan and administer due to the severe political conflicts extant between them. Whereas it would be difficult to substantiate elevating the dollar ceilings for India under the normal conditions of subdued Indo-Pak tensions, consider having to justify them under the open military conflict presently obtaining. An additional consideration is that, according to intelligence available to me, there is no collusion between the Pakistanis and the CHICOMs. As a matter of fact, my available intelligence indicates that the CHICOMs have thinned out considerably in Tibet, and reduced the scale of activity along the border.

5. (S) A point even more real about the situation is that of the source of these increased funds within the framework of our world-wide military assistance planning program. The increase can only be accommodated at the expense of U. S. plans for other MAP-supported countries. The military assistance programs world-wide have already been pared to a level that is something less than optimum; and yet we appear to be forcing dollars on this non-ally nation, dollars which can only be provided at the expense of military assistance to allied and pro-Western countries whose viability is dependent to varying degrees upon our continuing aid.

6. (S) To briefly summarize where we stand in our military aid to India:

a. General Chaudhuri, Chief of Staff of the Indian Army, has stated that the major equipment items in support of the

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5 May 1965

SUBJECT: Military Assistance to India (S)

Indian Army will be completed by 1967. For the most part this equipment has already been programmed.

b. The U. S. continues to decline MAP support for the Indian Navy.

c. Should the U. S. decision be taken to provide F-5 aircraft to India, indications to date point toward these aircraft being supplied under credit sales. We believe this is the right approach.

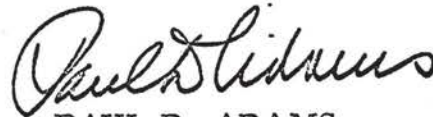
d. The projected military assistance credit sales available to India, as implied by the 6 June 1964 Memorandum of Understanding, is \$200 million (FY 66-69). This amount is considered adequate to accommodate the potential F-5 program, as well as anticipated additional Indian requests acceptable to the United States.

7. (S) The successive revisions of funding guidelines for the India MAP are shown at Inclosure 1. The difficulty in programming valid military requirements to the level of funding available under present guidelines is discussed at Inclosure 2. The FY 66 MAP program for India cannot yet be said to contain completely valid requirements; the same is true of the FY 67-71 MAP plan for India.

8. (S) There may be reasons for this fluctuation of programming, and for the most recent increase to the \$50 million per year grant aid level through FY 69. The reasons are not known here, and I recommend a determination be made if possible for providing this headquarters with further and elucidating guidelines for managing this expensive element of the MEAFSA area MAP.

2 Incl  
as

Copies furnished:  
OASD (ISA)



PAUL D. ADAMS  
General  
Commander in Chief

~~SECRET~~

~~SECRET~~

DOLLAR GUIDELINES - MAP INDIA

(IN \$ MILLIONS)

	FY 66	FY 67	FY 68	FY 69	FY 70	FY 71
* 1. Memo of Understanding, June 1964	50.0	50.0	50.0	50.0	---	---
2. OSD Guidance of 22 December 1964	49.0	40.0	27.0	27.0	22.0	20.0
3. OSD Guidance of 14 April 1965	49.0	50.0	50.0	50.0	22.0	20.0
4. Increase (3 over 2)	---	10.0	23.0	23.0	---	---

\* Specifically expressed to GOI as a planning guideline only, not a U. S. commitment.

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By *glj* NARA, Date 7-26-06

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Sheet 1

DISCUSSION OF STATUS  
GOI REQUIREMENTS UNDER FY 66 MAP,  
AND FY 67-71 PLAN FOR MAP,  
INDIA

1. (S) General: The FY 66 MAP India was submitted to OSD on 30 April 1965. The FY 67-71 plan for MAP India is due in OSD on 1 July 1965. The level to which requirements were expressed by USMSMI for the FY 66 MAP and the FY 67-71 plan is portrayed in the chart at Attachment A. Validity of the requirements is discussed separately in subsequent paragraphs.

2. (S) FY 66 MAP: As shown in Attachment A, Indian requirements under FY 66 MAP, India, totalled \$48 million. However, India probably in eagerness to fund the F-5 aircraft in FY 66, has expressed disinterest in modernization of additional Army units and has cut support of existing programs to a minimum.

3. (S) It is considered that if India is informed of an adverse decision on the F-5, it will have a change of heart on certain items as listed below:

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NLJ 11-76

By JAG / NARA, Date 2/16/12

*incl 2*

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Discussion of Status ... (cont'd)

Modernization of one mtn inf division	\$ 1.4 million
Replacement of C-119 engines with modified EA2 type	6.4 "
Claymore Mines	4.0 "
Additional support for the US-GOI Mapping Program	1.0 "
<b>TOTAL</b>	<b>\$ 12.8 "</b>

4. (S) These items have been included in the FY 66 MAP with a deferral priority. No funding action on the items is likely until February or March 1966, by which time if no Indian request is made, the items can be removed from the program and the funds recouped. Therefore the FY 66 MAP, India, potentially could drop to as low as \$35 million. A request for modernization of an additional division in FY 66 will require a complete reversal of the position of India and of General Chaudhuri, personally. Also, provision of the EA-2 engine is contingent upon an Indian decision to finance, by cash or credit sales, a test program which it desires. Both items must therefore be considered as doubtful.

5. (S) FY 67-71 Plan: The FY 67-71 Plan for MAP, India (to be submitted) as shown at Attachment A drops below the

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## Discussion of Status ... (cont'd)

available funding level. The level of requirements shown was reached by including in the plan 24 C-130 aircraft at a cost of about \$20 million annually FY 67-69. While this aircraft would be within broad guidance permitting U. S. support of Indian Air Force transport capabilities, the availability and desirability of providing this specific aircraft type under grant aid is open to question. Moreover, India has indicated its intention of standardizing on the AN-12, a Soviet transport roughly equivalent to the C-130. Hence, provision of the C-130 will hinge on first, an Indian request for the transport, and second, the political climate at the time the request is made. It is considered probable that it would be supported by this command as well as State-Defense only as a sales item.

6. (S) One other item is a potential candidate for consideration under grant aid, the heavy helicopter. Under present guidance, a U. S. helicopter capable of operating effectively with profitable payload at an altitude of 15-18,000 feet would be acceptable for consideration as a grant aid item. On the other hand, India has made no formal request for such a helicopter; no U. S. type with desirable characteristics is known to be available; and,

Discussion of Status ... (cont'd)

because of high unit cost, would probably be considered primarily for sales even if available.

7. (S) Included in the plan are the following Army items for which an Indian request would represent a reversal of the position that Indian Army requirements for U. S. MAP are virtually filled at present:

Modernization of an additional mtn/inf division	\$ 1.4 million
Modernization of an additional corps	4.7 "
Modernization of two independent artillery bdes	.2 "
Support of six Army hospitals	1.9 "
TOTAL	\$ 8.2 "

8. (S) It is considered likely that the valid Indian requirement for FY 67-69 will be about \$23 million per year short of the totals shown at Attachment A.

9. (S) Summary: In summary, there are, within the FY 66 MAP, items to a value of \$12.8 million which India has not, and may never request; within the FY 67-71 Plan for MAP, India, there are items to the value of \$69.5 million (investment cost only) which India has not yet requested, and which may never be requested.

1 Attachment  
as

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PROGRAM DISTRIBUTION  
(In \$ Millions)

	<u>FY 66</u>	<u>FY 67</u>	<u>FY 68</u>	<u>FY 69</u>	<u>FY 70</u>	<u>FY 71</u>
ARMY	26.7	13.9	18.6	10.5	10.1	9.4
AIR FORCE	15.9	27.4	22.1	25.6	8.3	8.0
NAVY	.05	.05	.04	.05	.05	.05
DEFENSE PRODUCTION	.6	.6	.6	.6	.6	.6
PCH&T	4.7	7.0	7.0	7.0	1.9	1.9
<hr/>						
TOTAL	48.0	48.9	48.3	43.8	20.9	19.9
PERMISSIVE FUNDING LEVEL	49.0	50.0	50.0	50.0	22.0	20.0

ATTACHMENT A

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By *gjr*, NARA, Date 7-26-06

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~~CONFIDENTIAL~~ (MAP figures only)

	<u>AID TO INDIA</u> (\$ Millions)					TOTAL	FY 66
	<u>FY46-FY61</u>	<u>FY62</u>	<u>FY63</u>	<u>FY 64</u>	<u>FY65</u> <u>Estimated</u>	<u>FY46-FY65</u>	<u>Congressional</u> <u>Presentation</u>
<u>AID &amp; Predecessor</u> <u>Agencies--Total</u>	<u>1022.0</u>	<u>465.5</u>	<u>397.2</u>	<u>336.5</u>	<u>343.2</u>	<u>2564.4</u>	<u>358.5</u>
Loans	676.4	445.9	392.3	330.6	335.0	2180.2	350.0
Grants	345.6	19.6	4.9	5.9	8.2	384.2	8.5
<u>Food for Peace--Total</u>	<u>1522.8</u>	<u>275.2</u>	<u>276.1</u>	<u>294.4</u>	<u>300.0</u>	<u>2668.5</u>	<u>325.0</u>
Title I (for grants & loans)	1368.0	249.0	262.5	262.1			300.0
Title II	5.2	3.4	--	7.8			
Title III	143.5	22.8	13.6	24.5			
<u>Ex-Im Bank</u>	<u>244.9</u>	<u>25.7</u>	<u>40.3</u>	<u>57.2</u>	<u>50.0</u>	<u>418.1</u>	
<u>Other Economic</u>	<u>230.7</u>	<u>9.4</u>	<u>1.0</u>	<u>1.7</u>	<u>--</u>	<u>233.8</u>	<u>--</u>
<u>TOTAL ECONOMIC</u>	<u>3020.4</u>	<u>766.8</u>	<u>714.6</u>	<u>689.8</u>	<u>693.2</u>	<u>5884.8</u>	
<u>TOTAL MILITARY</u>	<u>--</u>	<u>--</u>	<u>37.1</u>	<u>18.3</u>	<u>24.5</u>	<u>79.9</u>	<u>49.0</u>
<u>GRAND TOTAL</u>	<u>3020.4</u>	<u>766.8</u>	<u>751.7</u>	<u>708.1</u>	<u>717.7</u>	<u>5964.7</u>	

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By rg/jk, NARA, Date 7-26-06

~~CONFIDENTIAL~~ (MAP figures only)

	<u>AID TO INDIA</u> (\$ Millions)					<u>TOTAL</u>	<u>FY 66</u>
	<u>FY46-FY61</u>	<u>FY62</u>	<u>FY63</u>	<u>FY 64</u>	<u>FY65</u> <u>Estimated</u>	<u>FY46-FY65</u>	<u>Congressional</u> <u>Presentation</u>
<u>AID &amp; Predecessor</u> <u>Agencies--Total</u>	<u>1022.0</u>	<u>465.5</u>	<u>397.2</u>	<u>336.5</u>	<u>343.2</u>	<u>2564.4</u>	<u>358.5</u>
Loans	676.4	445.9	392.3	330.6	335.0	2180.2	350.0
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<u>Ex-Im Bank</u>	<u>244.9</u>	<u>25.7</u>	<u>40.3</u>	<u>57.2</u>	<u>50.0</u>	<u>418.1</u>	
<u>Other Economic</u>	<u>230.7</u>	<u>0.4</u>	<u>1.0</u>	<u>1.7</u>	<u>--</u>	<u>233.8</u>	<u>--</u>
<u>TOTAL ECONOMIC</u>	<u>3020.4</u>	<u>766.8</u>	<u>714.6</u>	<u>689.8</u>	<u>693.2</u>	<u>5884.8</u>	
<u>TOTAL MILITARY</u>	<u>--</u>	<u>--</u>	<u>37.1</u>	<u>18.3</u>	<u>24.5</u>	<u>79.9</u>	<u>49.0</u>
<u>GRAND TOTAL</u>	<u>3020.4</u>	<u>766.8</u>	<u>751.7</u>	<u>708.1</u>	<u>717.7</u>	<u>5964.7</u>	

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E.O. 13292, Sec. 3.4  
By *rg/pe*, NARA, Date *7-26-06*

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TYPE OF DOCUMENT

Cable \_\_\_\_\_

Letter \_\_\_\_\_

Memo \_\_\_\_\_

Other  Commit Msg.

DATE \_\_\_\_\_

FROM Amb. Bowles

TO R.W. Komer

NUMBER \_\_\_\_\_

SUBJECT Military Assistance Program

SEE Bowles

~~SECRET~~

52



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

INTERNATIONAL SECURITY AFFAIRS

In reply refer to:

I-28703/64

15 OCT 1964

*India map*

MEMORANDUM FOR MR. ABRILL, AID  
MR. SCHNEIDER, STATE (NEA/SOA)  
JOINT STAFF (SAMAA)  
DA/DCSLOG (COLONEL KATZ)  
AFMS (COLONEL SULLIVAN)

I have attached for your review and comment a three-page summary (Appendix A and B) of the current planned revision to the Indian Defense Plan for the years 1964-69. This memorandum was presented on the evening of 14 October 1964 to Mr. Peter Solbert, Deputy Assistant Secretary of Defense for International Security Affairs, by Mr. Sundara Rajan of the Indian Embassy in Washington. Dollar figures added by NESA/OASD/ISA.

We would appreciate any comments you might have by COB Tuesday, 20 October, so that they may be compiled and forwarded to Mr. Solbert prior to his departure for India on 23 October.

SIGNED

Jonathan D. Stoddart  
Deputy Director  
Near East, South Asia and Africa Region

cc: Mr. Robert Komer ←  
White House Staff

Attachment:  
Appen "A" & "B"

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E.O. 13292, Sec. 3.4  
By ryj/k, NARA, Date 7-26-06

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OCT 16 1964

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List of schemes included originally in India's Defence Plan (1964-69) and proposed to be deferred or financed outside the Defence Plan.

....

S. No. Brief description of the scheme.

Savings  
F.E. Rupee  
Cost. Cost.  
(In crores of Rupees.)

NAVAL VESSELS

1. The Naval Plan provided for acquisition of 6 destroyers/frigates, 18 patrol craft, 10 mine-sweepers and certain other minor craft over the next 5 to 6 years. Foreign Exchange provision made in the Plan for this purpose was Rs.51.38 crores. In addition, 3 Leander Class frigates are proposed for construction at Mazagon Docks bay. The foreign exchange cost on this project during the Plan period would be Rs.11.39 crores. It is proposed to retain the provision of Rs.11.39 crores in the Plan but drop the provision of Rs.51.38 crores. It is proposed to request the UK authorities to supply 3 frigates on a lease basis.

F.E. Cost.	Savings		Rupee Cost.	
	Millions of Dollars	Millions of Dollars	Millions of Dollars	Millions of Dollars
51.38	107.90	-		

NEW PLANTS DEFERRED

- 2. 30 mm Plant - capacity of 5.0 lakh rounds per month to be established at Varangaon alongside the Small Arms Ammunition (7.62 mm) Plant. It is proposed to drop this project. Stocks of ammunition will be built up with the production at the Khamaria plant.
- 3. High Explosives Factory @ 1,000 tons per month )
- 4. Second RDX Plant @ 120 tons per month )

3.90	8.19	3.70	7.77
2.75	5.78	10.75	22.58
2.00	4.20	4.00	8.40

Projects at Sl. No. 3 and 4 are to be dropped. A proposal for building stockpile of explosives is under examination.

- 5. Propellants Factory with the following capacities:-  
Solvent Cordites 350 tons per month  
Semi-Solvent cordites 50 tons per month  
Solventless Cordites 200 tons per month  
NC Powder 300 tons per month

16.00	33.60	26.00	54.60
-------	-------	-------	-------

It is proposed to drop this project from the Defence Plan. A proposal for building stockpile of Propellants is under examination.

PHASE II EXPANSION DEFERRED

- 6. Varangaon Expansion (.7.2 mm) - the plant at present being installed is rated at 36.0 million rounds per month. It was planned to add plant for another 14.0 million rounds making the total capacity to 50.0 million rounds per month. It is not proposed to set up the additional capacity.
- 7. Ambashari Engineering Factory with the following capacities:-  
Phase I - 260,000 shells, cartridge cases etc. per month  
20,000 Rocket bodies per month  
Phase II - 120,000 shells, cartridge cases per month

2.03	4.26	0.77	1.62
4.30	9.03	5.09	10.69

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NLJ 11-76

By 7209 NARA, Date 2/16/12

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It is proposed to defer Phase II of Ambazhari Project.

ITEMS WHICH CAN BE FINANCED FROM OUTSIDE THE DEFENCE PLAN

8. Heavy Earthmoving Equipment Plant

(a) Plant for making earthmoving equipment in collaboration with Le Tourneau Westinghouse of USA

(b) Plant for making crawler tractors in collaboration with M/s. Komatsu of Japan (To be financed as part of the economic development programme)

9. Electronics Complex (To be financed as part of the economic development programme)

10. Medium Foundry and Forge (To be financed as part of economic development programme)

11. Capacity for manufacture of 4 x 4 conversion kits for TMB vehicles (To be financed as part of economic development programme)

OTHER PRODUCTION PROJECTS

12. Tungsten Carbide Cores (This project in the Ordnance Factories has been deferred; the setting up of capacity in the civil sector is being pursued)

13. Expansion of facilities at Ammunition Factory, Kirkee for production of 7.62 mm ammunition. This project has been deferred.

14. 57 mm RCL Plant. This project has been deferred.

15. Kruppman Bridges (Import). The import of Kruppman bridges has been deferred. Some quantity of M4T6 bridges is being obtained under US MAP. A project for setting up manufacture of Kruppman bridges in India is under study.

RESEARCH & DEVELOPMENT

16. Research and development projects - Total allocation reduced from Rs.24 crores to Rs.12 crores

Total value of projects proposed to be deferred or financed outside the Defence Plan

Say (approx.)

	Savings			
	F.E. cost. (In crores of Rupees)		Rupee cost. (In crores of Rupees)	
	\$ millions	\$ millions	\$ millions	\$ millions
Cr.	\$ M.	Cr.	\$ M.	
3.35	7.04	5.65	11.87	
3.00	6.30	3.00	6.30	
4.50	9.45	9.00	18.90	
10.00	21.00	10.00	21.00	
2.30	4.83	2.00	4.20	
0.51	1.07	0.47	0.99	
0.84	1.76	0.22	0.46	
1.00	2.10	1.00	2.10	
5.00	10.50	-	-	
12.00	25.20	-	-	
124.86	262.21	81.55	171.26	
125.00	262.50	82.00	172.20	

## YEARWISE FOREIGN EXCHANGE COMMITMENTS

	1964-1965		1965-1966		1966-1967		1967-1968		1968-1969		Total	
	Crores	\$ millions	Crores	\$ millions	Crores	\$ millions	Crores	\$ millions	Crores	\$ millions	Crores	\$ millions
1. Army	22.15	46.52	15.30	32.13	13.10	27.51	11.85	24.89	11.50	24.15	73.90	155.19
2. Navy	9.97	20.94	15.12	31.75	13.79	28.96	12.89	27.07	7.79	16.36	59.56	125.08
3. Ordnance Factories and Tank Factory	18.90	39.69	27.04	56.78	22.87	48.03	22.65	47.57	21.70	45.57	113.16	237.64
4. BEL (Army items)	4.56	9.58	6.35	13.34	5.57	11.70	4.26	8.95	2.86	6.01	23.60	49.56
5. New Projects	24.09	50.59	12.40	26.04	6.20	13.02	6.00	12.60	4.00	8.40	52.69	110.65
6. Air Force & HAL	36.37	76.38	46.92	98.53	47.07	98.85	27.02	56.74	34.32	72.07	191.70	402.57
7. Communications:												
(i) Border Roads Development Board	3.50	7.35	4.50	9.45	2.80	5.88	0.50	1.05	0.50	1.05	11.80	24.78
(ii) PL routes	0.45	0.95	0.50	1.05	0.45	0.95	-	-	-	-	1.40	2.94
8. Research and Development	<u>2.00</u>	<u>4.20</u>	<u>3.00</u>	<u>6.30</u>	<u>3.00</u>	<u>6.30</u>	<u>2.00</u>	<u>4.20</u>	<u>2.00</u>	<u>4.20</u>	<u>12.00</u>	<u>25.20</u>
GRAND TOTAL	<u>121.99</u>	<u>256.18</u>	<u>131.13</u>	<u>275.37</u>	<u>114.85</u>	<u>241.19</u>	<u>87.17</u>	<u>183.06</u>	<u>84.67</u>	<u>177.81</u>	<u>539.81</u>	<u>1133.60</u>

NOTE: The above analysis does not include financial provision for training and other facilities provided by the US Government under the Military Assistance Programme. A notional sum of Rs. 15.00 crores (\$36.5 million) may have to be allotted for the 5-year period.

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E.O. 13292, Sec. 3.4  
By *mg/je*, NARA, Date *7-26-06*

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TYPE OF DOCUMENT      Cable \_\_\_\_\_  
Letter \_\_\_\_\_  
Memo \_\_\_\_\_  
Other Indiagram

DATE 9/22/64

FROM Information Service of India

TO \_\_\_\_\_ NUMBER 160

SUBJECT Defense Minister Charan's Statement  
on His Visits to USA and USSR

SEE India-Doiet

DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT

~~CONFIDENTIAL~~ (Attachment)

*I. Komer*

*I. ret.*

August 3, 1964

TO: Mr. McGeorge Bundy  
The White House

FROM: Mr. Benjamin H. Read  
Executive Secretary

*Matt [unclear]  
[unclear]*

Attached for your information is a copy of a memorandum of conversation between Jane Abell and Mr. Lakeland regarding conversation with Y. B. Chavan, Indian Defense Minister dated July 7, 1964.

Attachment:

As stated.

AUG 4 1964 ~~CONFIDENTIAL~~ (Attachment)

(Dist. Office and Officer)

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: July 7, 1964

POL  
INDIA-US  
XR  
DEF 12  
INDIA

SUBJECT: Conversation with Y. B. Chavan, Indian Defense Minister

PARTICIPANTS: Y. B. Chavan, Indian Minister of Defense  
Jane Abell, American Consul (Political Officer), Bombay  
A. A. Lakeland, India Desk Officer, NEA/SOA

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SOV - 2 AmConsul BOMBAY  
DOD/ISA - 3 White House

29

On July 7, 1964, Jane Abell and I called on Chavan at his flat on Marine Drive in Bombay. Chavan was in an exceptionally friendly and forthcoming mood. He expressed considerable satisfaction over the results of his recent visit to Washington, and much appreciation for the personal welcome he received. He expressed the view that his talks in Washington had laid the foundation for close Indian-U.S. collaboration in the military field. (Although he did not say so specifically, the clear implication of what Chavan said to me was that he envisages India's primary future military relationship to be with the United States.) I commented somewhat platitudinously that there is a close parallel between the long-term interests of the United States and India. Chavan emphatically corrected me, saying "our interests are not parallel, they are identical."

Referring to a recent statement by Pak Foreign Minister Bhutto, Chavan asked me about Pakistani objections to our military assistance agreement with India. I replied that we were at least glad that the Paks were venting their anger at us, rather than against India, which indicated a desire by the GOP not to disrupt the atmosphere of detente being pursued by Ayub and Shastri. Chavan nodded approvingly and said that an Indo-Pak rapprochement was very desirable.

I asked Chavan if any final decisions had been made regarding the composition, size and overall pattern of the Indian Air Force, and referred to a report which had just appeared in the Indian press to the effect that Chavan would soon be going

to Moscow

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GROUP 3

Downgraded at 12-year intervals;  
not automatically declassified.

FORM DS-1254 3-61

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E.O. 13292, Sec. 3.4  
By gjk, NARA, Date 7-26-06

GPO 908992

4 1964

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to Moscow to negotiate for MIG-23's. Chavan dismissed the press report as meaningless and said that we could be sure he would not do something like that without first informing his American friends. Regarding the shape and pattern of the IAF, Chavan said India's defense plan had set a 45 squadron force goal. He added that the Shiksha Report had concluded that India has a requirement for a supersonic fighter. He went on to say that he appreciated our difficulties in providing F-104's to India and that he could see the points made by Secretary McNamara quite clearly. He acknowledged that these points had considerable validity, especially from the U.S. viewpoint. Chavan then said "let us keep this open," adding that he would not object to deferring further consideration of, and discussions on, the question of supersonics. However, he stressed the need for the U.S. to avoid giving a "refusal" on the F-104's. He said that a refusal would create a very difficult situation for the U.S. and for him ("like Bokaro") and would provoke a bad public opinion reaction in India. (It should be noted here that, according to Jane Abell, sources close to Chavan in Bombay have been saying that Chavan is confident he will get F-104's after the U.S. elections.)

Chavan spoke highly of Shastri and said that the new leadership arrangement in India would be "better" than it was under Nehru. He added, however, that Shastri's illness raised a number of questions and had stimulated some political maneuvering. He expressed the view that there would be a "very bad" situation if Shastri were unable to carry on and that there would be "a lot of trouble" if a new leader had to be chosen soon. He did not believe that another smooth transition could be accomplished in the near future.

Attach. Tab A - Memo of Understanding Rev. Draft dtd 5/27/64

Tab B - Ltr McNamara to Chavan and Press Release

~~SECRET~~

June 4, 1964

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*India Map*

MEMORANDUM FOR THE PRESIDENT

McNamara's talks with Indian Defense Minister Chavan went quite well, until interrupted by Nehru's death. Indians had produced a 5-Year Defense Plan at our request, and we managed to squeeze the key foreign exchange component down \$332 million (about 20%) on grounds deleted items were militarily unnecessary and too great a burden on the economy.

In turn McNamara has agreed to \$50 million MAP in FY'65 for mountain warfare equipment, communications, and defense production. He has withheld any 5-year MAP promises until he can work over their plan some more, especially on the air side. We did, however, tell Indians they could assume for planning purposes roughly same level in future years.

McNamara also agreed to sell on credit terms up to \$10 million in FY'64 and \$50 million FY'65 certain items to be agreed. Since the Indians intend to spend some of their own hard currency anyway, this neat device meant that much of it will flow to us rather than to the Soviets or UK.

Both we and Indians regard this exercise to date as successful and want to tape it down in a Memorandum of Understanding (Tab A), which McNamara has OKed. Chavan has himself appealed to us to OK it, so that he can run it through Indian cabinet, and we can put out a brief announcement on success of talks, a good gesture in India just now.

The Memo, and proposed bland press release (Tab B), fall far short of what Bowles wants (but will be a plus in India even so). For example, it does not include any US jet offer designed to pre-empt Indian MIG deal with Soviets. Bundy and I hope you'll hear argument on this separately later.

We simply want to give you the final word on this before going ahead. It's only an early stage in a long and painful dialogue with the Indians but both sides are happy with progress to date. Nor will Paks be too unhappy, because we haven't given much (we've kept them clued).

Recommend your early approval. Indians hope to get it so their cabinet can act before it goes Saturday to bury Nehru's ashes.

Approve \_\_\_\_\_

*Note: Precedent marked approved*

R. W. Komer

McG. Bundy

Disapprove \_\_\_\_\_

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Authority FRUS, V. 12, # 53  
By *[Signature]* NARA, Date 8-8-05

Att (Tab A) 20  
RwK memo  
Pres 6/4/64

55a

A.

Revised Draft  
May 27, 1964

Chavane  
Visit

MEMORANDUM OF UNDERSTANDING

The Defense Minister of India, Mr. Y. B. Chavan, and the Secretary of Defense of the United States, Mr. Robert S. McNamara, have had a series of discussions of India's plans for building up an adequate defense against the threat of Chinese aggression directed from Peiping. There has been broad agreement on the nature and magnitude of the threat and the need for India to take adequate measures to prepare herself to meet this threat. There has also been agreement that India's defense efforts should not in any manner impair the progress of India's economic development plans.

1. Government of India Foreign Exchange Expenditures. In order to facilitate the objective of not impairing the progress of India's economic development, the Defense Minister of India is recommending to his Government that the foreign exchange expenditure of the Plan should be limited to a maximum level of Rs. 682 crores (\$1,432 million). [In addition Minister Chavan indicated that he would examine the feasibility of working toward a foreign exchange level of Rs. 650 crores (\$1,365 million)] The programs which are proposed to be modified, subject to ratification by the Government of India, are listed in Annex 1 and involve a foreign exchange reduction from Plan expenditures of Rs. 158 crores (\$332 million). Full details of the foreign exchange reductions will be worked out in due course. For purposes of computation alone, it was agreed that United States military grant aid could be assumed at a level of \$50 million annually during the period of the Plan; this does not constitute any

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Authority State letter 4-30-96 (H1106)  
By [signature] NARA, Date 8-8-05

MAY 27 1964

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commitment on the part of the United States with respect to future assistance.

2. United States Military Assistance through June 30, 1965 - Grant Aid and Credit Sales. The United States Government has agreed, subject to such Congressional action as may be necessary, to provide to the Government of India:

(I) Immediate credit in the amount of \$10 million for the purchase of the defense articles and services listed in Annex II, which items are subject to change on mutual agreement.

(II) Military grant aid assistance to be funded during United States fiscal year 1965 to the same extent as during fiscal year 1964; a tentative list of the defense articles and services to be included is set forth in Annex III and the details of the program will be worked out promptly. <sup>\$50 million</sup>

(III) Credit in the amount of \$50 million to be funded during fiscal year 1965 for the purchase of such additional defense articles and services as may be mutually agreed. Within this ceiling, the Indian Defense Representatives in conjunction with United States Defense Representatives (Chief, USMSMI) will prepare for sale under the credit program a list of defense items and services which meet agreed objectives. The Secretary of Defense has further agreed that the equipment needed for Phase I of the Ambajhari Plant (following the engineering study referred to in Annex II) will be made available out of a combination of military grant aid and credit assistance in an amount up to \$25 million in fiscal year 1965.

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3. Long Term United States Military Assistance. The Secretary of Defense stated that he looked with favor on the United States providing military assistance for India on a multi-year basis. Minister Chavan said that the Indian Defense Representatives would determine the specific items in the Plan to be deferred to come within the above-mentioned foreign exchange level, <sup>and would determine appropriate readjustments in the plan.</sup> [the corresponding rupee budget deferrals and the force plans reasonably supportable from the available resources] Projection by the United States of its military assistance, both grant aid and credit sales, on a multi-year basis will depend on these determinations. In the meantime, the Indian Defense Representatives and the United States Defense Representatives will proceed promptly with planning for future military assistance (both grant aid and credit sales) for India over the period of the Plan. For purposes of such planning only, and without commitment on the part of the United States, annual grant military assistance and military credit sales from the United States over the period of the Plan may be assumed to be at levels roughly the same as those for FY 65.

4. Terms of Credit Sales. In regard to the military credit sales program, the Secretary of Defense indicated that normal arrangements for military credit sales involve repayments within 5 to 7 years and interest rates of about 5%. In the interest of achieving mutual objectives, the Secretary of the Defense indicated he would recommend that defense articles and services for India's defense effort be provided on general terms of 10% to be paid by India with order and the balance to be paid by India in installments over a period of 10 years with interest on the unpaid balance

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at a rate of 3% per annum on the \$10 million credit provided under Article 2(1) above and at a rate of not to exceed 3% per annum on the additional \$50 million credit referred to in Article 2(111). Credit assistance will be provided by the United States to supplement and complement the grant aid provided by the United States for India's Armed Forces under exchange of notes which became effective on March 15, 1951, December 17, 1958, and November 14, 1962.

5. Procedures for Credit Sales Program. Following discussion of implementation arrangements, the Secretary of Defense and the Minister of Defense agreed that detailed financial and procurement procedures to carry out this program would be worked out by their representatives in the immediate future. They made special note that such procedures would take into account the following points:

(I) The Indian Defense Ministry desires the United States military services to provide procurement services as a part of this mutual supply agreement.

(II) The Indian Defense Ministry desires where practical to be informed of contract prices and related terms prior to final contracting by the United States military services.

(III) Prices charged by the United States Government will be based on actual contractor prices for items being procured, the United States standard price for items being furnished from stocks and on the value of services provided. To the extent possible, items will be supplied from surplus inventories at surplus prices.

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(iv) Repayment schedules will be based on equal annual repayments of principal plus interest calculated on the unpaid balance from the time of actual fund disbursements to suppliers for progress or delivery payments.

6. Aircraft. In regard to aircraft, it was agreed that the subject would be examined further with a view to determining what United States assistance in this field would be available and appropriate.

7. Continued Consultations. The Government of India and the United States Government will continue to hold mutual consultations to further the objectives of this memorandum of understanding.

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Authority DDP 14 9-24-75

By w/jc . NARA, Date 7-25-06

*Tab of Rwk  
att to Pres  
memo to Pres  
6/4/64*

PAGE 2 RUEPCR 137 ~~SECRET~~  
"HONORABLE Y. B. CHAVAN  
MINISTER OF DEFENSE  
NEW DELHI, INDIA

This is letter from McNamara to Chavan which incorporates two points Chavan urged be left out of the Memorandum of Understanding on grounds of their political sensitivity. McNamara gladly agreed. Press release follows after letter.

DEAR MR. MINISTER:

RWK

I AM VERY PLEASED THAT OUR RECENT DISCUSSIONS CONCERNING THE INDIAN FIVE-YEAR DEFENSE PLAN REACHED GENERAL AGREEMENT, BUT THE EVENT WHICH TERMINATE THEM HAS CAUSED US ALL GREAT SORROW. PRIME MINISTER NEHRU'S SUDDEN DEATH HAS BROUGHT TO A CLOSE A REMARKABLE CAREER, DEVOTED THROUGHOUT AS IT WAS TO THE SERVICE OF INDIA. ALL OF US HERE JOIN IN SENDING YOU OUR SYMPATHY ON SUCH A LOSS.

I KNOW THAT WE ARE BOTH INTERESTED IN THE MOMENTUM OF OUR TALKS IN WASHINGTON CARRYING ON. I AGREE WITH YOUR SUGGESTION TO ASSISTANT SECRETARY TOLBOT THAT WE OMIT FROM THE MEMORANDUM THE SENTENCE REFERRING TO THEIRS. 650 CRORES LEVEL OF FOREIGN EXCHANGE. AS YOU RECALL, AT OUR MEETING I INDICATED MY FEELING THAT MOVING TOWARD THE RS. 650 CRORES LEVEL WOULD CONSTITUTE A LESS SEVERE DRAIN ON INDIA'S ECONOMIC DEVELOPMENT, BUT I SEE NO NECESSITY TO INCLUDE THIS IN THE MEMORANDUM. I UNDERSTAND THAT YOU OTHER POINT RELATED TO THE INDIAN FORCE PLANS REFERRED TO IN ARTICLE 3 OF THE MEMORANDUM. HERE AGAIN I AGREE WITH YOUR SUGGESTED REVISION OF THE MEMORANDUM SO THAT THE SECOND AND

PAGE 3 RUEPCR 137 ~~SECRET~~

THIRD SENTENCES OF ARTICLE 3 OF THE MEMORANDUM READ AS FOLLOWS:

" MINISTER CHAVAN SAID THAT INDIAN DEFENSE REPRESENTATIVES

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WOULD DETERMINE THE SPECIFIC ITEMS IN THE PLAN TO BE DEFERRED TO COME WITHIN THE ABOVE-MENTIONED FOREIGN EXCHANGE LEVEL AND WOULD DETERMINE APPROPRIATE READJUSTMENTS IN THE PLAN. PROJECTION BY THE UNITED STATES OF ITS MILITARY ASSISTANCE, BOTH GRANT AID AND CREDIT SALES, ON A MULTI-YEAR BASIS WILL DEPEND ON THESE DETERMINATION. AS YOU CAN WELL APPRECIATE, ANY MULTI-YEAR PROJECTION OF UNITED STATES MILITARY ASSISTANCE TO INDIA MUST REST ON A GENERAL UNDERSTANDING BETWEEN

US WITH RESPECT TO PROPOSED DEFENSE FOREIGN EXCHANGE EXPENDITURES, RUPEE MILITARY BUDGET, AND FORCE PLANS WHICH SUCH ASSISTANCE WOULD GO TO SUPPORT. YOUR DEFENSE PLAN, INCLUDING THE FORCE PLANS, WILL CERTAINLY CONTINUE TO BE A TOPIC OF MUTUAL DISCUSSIONS BETWEEN US.

I HOPE THAT THESE SUGGESTIONS ARE HELPFUL IN PUTTING THE MEMORANDUM OF UNDERSTANDING INTO APPROPRIATE FORM FOR EXECUTION. I AM VERY PLEASED BY THE TENOR OF THE DISCUSSIONS WHICH WE HAD OVER THE PAST FEW WEEKS HERE IN WASHINGTON ON YOUR DEFENSE PLAN AND I LOOK FORWARD TO AGREEMENT ON LONGER TERM ARRANGEMENTS BETWEEN OUR GOVERNMENTS IN THIS RESPECT.

SINCERELY YOURS,"

IF MEMORANDUM OF UNDERSTANDING IS SATISFACTORY TO CHAVAN AS REVISED TO REFLECT EDITORIAL CHANGES IN DA 970998 AND SECRETARY MONAMARA'S PROPOSE

PAGE 4 RUEPCR 137 ~~SECRET~~

CHANGES AND TEXT OF ANNEX I AS FIRWARDED TO YOU BY DEF 971737, DID 3 JUNE

1964. AMBASSADOR AUTHORIZED TO EXECUTE THE MEMORANDUM OF UNDERSTANDING. TEXT OF PROPOSED JOINT PRESS RELEASE FOLLOWS. AFTER CLEARANCE WITH THE INDIANS AND INITIALLING OF MEMORANDUM OF UNDERSTANDING, THIS SHOULD BE RELEASED SIMULTANEOUSLY IN NEW DELHI AND WASHINGTON. SUGGEST

**PRESERVATION COPY**

WITH THE INDIANS AND INITIALLING OF MEMORANDUM OF UNDERSTANDING, THIS SHOULD BE RELEASED SIMULTANEOUSLY IN NEW DELHI AND WASHINGTON. SUGGEST RELEASE TIME 6:30 P.M. NEW DELHI AND 8:30 P.M. WASHINGTON ON EARLIEST POSSIBLE DATE. INFORM US SOONEST OF PROPOSED RELEASE DATE AND TIME.

JOINT PRESS RELEASE

DURING THEIR DISCUSSIONS IN WASHINGTON, WHICH WERE INTERRUPTED BY THE SUDDEN DEATH OF PRIME MINISTER NEHRU, DEFENSE MINISTER Y.B. CHAVAN AND DEFENSE SECRETARY ROBERT S. MCNAMARA REVIEWED THE THREAT TO INDIA OF CHINESE AGGRESSION DIRECTED FROM PEIPING, THE RELATED INDIAN DEFENSE PLAN AND FUTURE U.S. MILITARY GRANT AID AND CREDIT ASSISTANCE TO INDIA. FOLLOWING THE DEFENSE MINISTER'S RETURN TO INDIA THERE HAVE BEEN FURTHER USEFUL TALKS IN NEW DELHI.

GENERAL AGREEMENT HAS BEEN REACHED AS TO THE GRANT MILITARY ASSISTANCE WHICH THE UNITED STATES PLANS TO PROVIDE WITH RESPECT TO THE FISCAL YEAR 1965, SUBJECT TO NECESSARY ACTION BY THE UNITED STATES CONGRESS

THIS ASSISTANCE INCLUDES SUCH ITEMS AS CONTINUED SUPPORT FOR INDIAN MOUNTAIN DIVISIONS, AIR DEFENSE COMMUNICATIONS EQUIPMENT, TRANSPORT

PAGE 5 RUEPCR 137 ~~SECRET~~

IT ALSO HAS BEEN AGREED THAT THE SUBJECT OF AIR DEFENSE AIRCRAFT FOR INDIA WOULD CONTINUE UNDER EXAMINATION BY BOTH SIDES.

IN ADDITION, THE UNITED STATES HAS AGREED THAT \$10 MILLION OF CREDIT WILL BE PROVIDED IMMEDIATELY TO THE GOVERNMENT OF INDIA FOR THE PURCHASE OF SUCH DEFENSE ARTICLES AND SERVICES AS VEHICLES AND COMMUNICATIONS EQUIPMENT, CERTAIN EQUIPMENT FOR THE MODERNIZATION OF INDIAN ORDNANCE FACTORIES AND AN ENGINEERING STUDY FOR THE NEW AMBAJHARI ORDNANCE PLANT.

DURING THE DISCUSSIONS IN WASHINGTON MINISTER CHAVAN EXPLAINED

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IT ALSO HAS BEEN AGREED THAT THE SUBJECT OF AIR DEFENSE AIRCRAFT FOR INDIA WOULD CONTINUE UNDER EXAMINATION BY BOTH SIDES.

IN ADDITION, THE UNITED STATES HAS AGREED THAT \$10 MILLION OF CREDIT WILL BE PROVIDED IMMEDIATELY TO THE GOVERNMENT OF INDIA FOR THE PURCHASE OF SUCH DEFENSE ARTICLES AND SERVICES AS VEHICLES AND COMMUNICATIONS EQUIPMENT, CERTAIN EQUIPMENT FOR THE MODERNIZATION OF INDIAN ORDNANCE FACTORIES AND AN ENGINEERING STUDY FOR THE NEW AMBAJHARI ORDNANCE PLANT.

DURING THE DISCUSSIONS IN WASHINGTON MINISTER CHAVAN EXPLAINED THAT THE INDIAN DEFENSE EFFORT, INCLUDING FOREIGN EXCHANGE EXPENDITURES FOR DEFENSE PURPOSES, SHOULD NOT IMPAIR THE RATE OF THE ECONOMIC DEVELOPMENT OF INDIA. IT WAS AGREED THAT TO SECURE THIS OBJECTIVE CAREFUL CONTROL OF DEFENSE EXPENDITURES AS WELL AS CONTINUED EXTERNAL AID WOULD BE NECESSARY. SECRETARY MCNAMARA INFORMED MINISTER CHAVAN THAT THE UNITED STATES PLANS TO EXTEND ADDITIONAL MILITARY ASSISTANCE CREDIT TO INDIA IN FISCAL YEAR 1965, INCLUDING FUNDS TO PROVIDE EQUIPMENT FOR THE NEW AMBAJHARI ORDNANCE PLANT.

SECRETARY MCNAMARA AND MINISTER CHAVAN AGREED THAT THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF INDIA WILL CONTINUE TO CONSULT ON INDIA'S LONG RANGE DEFENSE EFFORTS AND RELATED UNITED STATES ASSISTANCE

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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON 25, D.C.

INTERNATIONAL SECURITY AFFAIRS

In reply refer to:  
I-24697/64

Mr. Robert W. Komer  
Office of the Special Assistant to the  
President for National Security Affairs  
Executive Office Building, Room 372  
Washington 25, D. C.

Dear Bob:

We have shed quite a few requirements in the past few hours in view of Nehru's demise. In the long run, we have probably picked up some additional tasks but we might have more time to reflect on them. Meanwhile, I am attaching for your information a copy of the briefing book that we had prepared for the Secretary. Also enclosed is a copy of the draft Memorandum of Understanding which Peter Solbert left with Secretary Rao this morning before the Indians decamped for Delhi. Annex I to the Memo is missing. We are hopeful that the Indians will provide same at some subsequent date. Pertinent MemCons on the Indian visit are also included in the attached package.

Sincerely,

CHAVAN  
VISIT  
MAY  
1964

Attachments  
as stated

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E.O. 13292, Sec. 3.4  
By rgl/r, NARA, Date 7-26-06

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DOD DIR 5200.10

~~SECRET~~

MAY 27 1964

# OUTGOING TELEGRAM Department of State

INDICATE:  COLLECT  
 CHARGE TO

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- BUNDY-SMITH
- ALEXANDER 2895
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- BRUBECK
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- KOMER
- MOODY
- REEDY
- SAYRE
- SMITH, WM. Y.

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Origin  
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Info

ACTION: Amembassy NEW DELHI 2398  
INFO: Amembassy KARACHI 1568  
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LIMDIS

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

Indian DefMin Chavan and Amb BK Nehru met with Secretary and Talbot May 21. Chavan opened up discussion saying talks between Indian Defense team and DOD indicated US and India were in substantial agreement on Chicom threat, which had increased somewhat since 1962. While there is apparently little imminent danger of attack, this cannot be ruled out. In order to be prepared for this eventuality and make most careful use of resources, GOI has prepared Five-Year Defense Plan. Although defense effort under Plan sizeable, it will have no adverse effect on economic development. Plan places priority on building defense production base and securing combat aircraft. Chavan requested US support to Five-Year Defense Plan, consisting of MAP at the same levels as last two years and credit sales assistance.

Indicating specific reply on these matters up to Secretary McNamara and have President, Secretary described difficulties we/NEH already had with Congress this year concerning long-term military aid. Also stated President may be reluctant make commitments extending beyond his present term.

Drafted by: <b>NEA:SOA:DTSchneider:fah:5/22/64</b>	Telegraphic transmission and classification approved by: <b>SOA - David T. Schneider</b>
---	---

Clearances:  
s/s - Miss Moor

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Authority: FRUS, Vol XXV, # 45  
By: [Signature] NARA, Date: 8-8-05

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FORM 8-63 DS-322

MAY 25 1964



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of logistic difficulties.

When, in response question, Chavan commented on lasting character Sino-Soviet rift, Secretary said we have, nevertheless, assumed neither Soviets nor Chicomso could afford see other punished in conflict with capitalist nations. Therefore, we assumed alliance would not be dissolved. Secretary wondered if opportunity bring India under Communist control presented to Soviets and Chicomso, it might possibly draw the two together. He concluded Sino-Soviet split important but not complete enough for either US or India to rely upon.

At conclusion of discussion Secretary said India could be assured US much concerned about any attempt by Chicomso break out into rest of Asia. Entirely aside from our concern for Indian development and security, basic US interest requires peace and security in both Atlantic and Pacific. If Peiping continues down course of aggression there will be serious trouble. Referring to great burden we bear in world, Secretary once more noted US distress at contrast between what could be achieved on subcontinent through Indo-Pak cooperation and what is being accomplished. This is tragedy for India as well as US.

GP-3.

End

RUSK

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58

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

INTERNATIONAL SECURITY AFFAIRS

May 22, 1964

I-24,555/64

MEMORANDUM OF CONVERSATION

SUBJECT: Indian Military Assistance

Participants:

Indian Side

Minister of Defense, Y. B. Chavan  
Ambassador B. K. Nehru  
Defense Secretary, P. V. R. Rao  
Mr. S. Soundararajan, Deputy Secretary to MOD  
Mr. R. D. Pradhan, Secretary to the Minister of Defense

United States Side

Secretary of Defense - Robert S. McNamara  
Deputy Assistant Secretary of State - James P. Grant  
Deputy Assistant Secretary of Defense (ISA) - Peter Solbert

Time: 0830 - 0930 - May 22, 1964

1. Foreign Exchange Expenditures. The Secretary opened the meeting by asking Mr. Chavan whether he had any comments to make on the progress of the past week's negotiations. Mr. Chavan responded by stating that he understood the level of foreign exchange expenditures under the Plan was a point of difference between us, and suggested that a solution might be reached if we could increase our military assistance from \$50 million a year to \$60 million a year. In fact, he said he had understood before coming here that we were planning on a continuation of the Nassau level of \$60 million a year.

2. Military Credit Sales for FY 65. Mr. McNamara responded by raising the question of our providing military assistance credit in the amount of \$50 million for FY 65. He stated that he was willing to provide this credit if the Indians would reduce the foreign exchange expenditures under the Plan to a level of 682 crores (\$1,435 million) and to try to work toward a level of 650 crores (\$1,365 million). This would be

*Sudam map*

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By *ly* NARA, Date 8805

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MAY 28 1964

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regarded as an Indian declaration of intention. He went on to say that this figure of 682 crores of foreign exchange would include all of India's defense foreign exchange requirements, including the purchase of any aircraft.

3. Long Term Military Assistance. The Ambassador pointed out that unless the United States is prepared to declare its intentions over the five-year period, this would require the Indians to give a commitment to keep their foreign exchange at the 682 crores level for the five-year period against a one-year commitment by the United States to provide \$50 million of military grant aid assistance and \$50 million of military credit sales. Mr. McNamara agreed that this was the proposition, but that he would also be willing to agree to five-year military assistance of the Indian Plan, subject to the availability of funds, if the Indians would:

- a. Agree to limit their foreign exchange expenditures to 682 crores or less;
- b. Make corresponding reductions in their rupee defense budget; and
- c. Support reasonable force levels during the Five Year Plan, particularly in the air defense field.

In response to Ambassador Nehru's point that this appeared to be a five-year commitment by the Indians as against a one-year commitment by the United States at this time, Mr. McNamara pointed out that if it became necessary for the Indians to go beyond the 682 crores foreign exchange level, one way was for them to pay back the U. S. \$50 million loan and then be free of their commitment on foreign exchange expenditures.

It was agreed that for the purpose of computations necessary to arrive at the 682 crores level of foreign exchange expenditures, \$50 million of U. S. military assistance grant aid annually could be assumed over the period of the Plan. Mr. McNamara made it clear that this was not a commitment on our part to provide that amount of assistance over the period of the Plan.

4. Memorandum of Understanding. It was agreed that the best way to resolve the general question under discussion was to postpone commitments until Mr. Chavan returns to Washington on May 28th to see the President. In the meantime Secretary Rao will work with us to prepare a memorandum of understanding to set forth clearly what we have in mind. Mr. Rao said that he would reduce the Plan to 682 crores and make the corresponding reductions.

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5. Air Defense. Mr. Chavan asked the Secretary's advice as to what should be done in the area of air defense. Mr. McNamara responded by saying that his Air Force people believed that the Chinese Communists have a limited offensive potential. They have obsolete aircraft with spare parts problems and limitations on pilot training, with no prospects for an improvement over the next 3 to 5 years. He did not feel that it was wise for nations on the perimeter of Communist China to expend excessive sums for air defense against such a limited air threat. Specifically, he believed the Indians should reduce their number of squadrons from the 45 level and that they should phase out as rapidly as possible the obsolete aircraft which they had in their aircraft inventory.

6. Aircraft. In response to Ambassador Nehru's comment that the Indians needed to look to replacement aircraft before removing obsolete aircraft, the Secretary responded that having a large number of obsolete aircraft results in a drain on the effectiveness of the other aircraft and that some reduction would improve the combat effectiveness of the Indian Air Force.

With respect to the question of more modern aircraft, the Secretary said that he could not advise them specifically on this problem at this time. He said he knew that they had HF-24 problems, the question of MIG production, their desire for 104's, etc. He felt this would take some time to sort out, possibly weeks or even months.

Ambassador Nehru and Secretary Rao commented that the Chinese Communist Air Force could bomb India today without successful interception and for this reason they needed Mach 2 aircraft. The Secretary of Defense stated that he did not agree with the need for a Mach 2 aircraft. This led to a discussion of details of the appropriate response to the Communist air threat to India and our view that subsonic aircraft, including F-6A, were nearly as effective at this time as Mach 2 aircraft.

Ambassador Nehru then asked Secretary McNamara as to the correctness of his information that we had F-104s coming into surplus availability. Mr. McNamara pointed out that we were phasing F-104A/Bs from our Air Force into our National Guard, and that in any event only a limited number of about three squadrons were in our inventory at present.

Approved by: Peter Solbert, DASD(ISA)  
Date: May 22, 1964

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59

ASSISTANT SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

INTERNATIONAL SECURITY AFFAIRS

May 22, 1964

I-24,555/64

MEMORANDUM OF CONVERSATION

SUBJECT: Indian Military Assistance

Participants:

Indian Side

Minister of Defense, Y. B. Chavan  
Ambassador B. K. Nehru  
Defense Secretary, P. V. R. Rao  
Mr. S. Soundararajan, Deputy Secretary to MOD  
Mr. R. D. Pradhan, Secretary to the Minister of Defense

United States Side

Secretary of Defense - Robert S. McNamara  
Deputy Assistant Secretary of State - James P. Grant  
Deputy Assistant Secretary of Defense (ISA) - Peter Solbert

Time: 0830 - 0930 - May 22, 1964

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By ly NARA, Date 8805

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MAY 28 1964

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regarded as an Indian declaration of intention. He went on to say that this figure of 682 crores of foreign exchange would include all of India's defense foreign exchange requirements, including the purchase of any aircraft.

3. Long Term Military Assistance. The Ambassador pointed out that unless the United States is prepared to declare its intentions over the five-year period, this would require the Indians to give a commitment to keep their foreign exchange at the 682 crores level for the five-year period against a one-year commitment by the United States to provide \$50 million of military grant aid assistance and \$50 million of military credit sales. Mr. McNamara agreed that this was the proposition, but that he would also be willing to agree to five-year military assistance of the Indian Plan, subject to the availability of funds, if the Indians would:

- a. Agree to limit their foreign exchange expenditures to 682 crores or less;
- b. Make corresponding reductions in their rupee defense budget; and
- c. Support reasonable force levels during the Five Year Plan, particularly in the air defense field.

In response to Ambassador Nehru's point that this appeared to be a five-year commitment by the Indians as against a one-year commitment by the United States at this time, Mr. McNamara pointed out that if it became necessary for the Indians to go beyond the 682 crores foreign exchange level, one way was for them to pay back the U. S. \$50 million loan and then be free of their commitment on foreign exchange expenditures.

It was agreed that for the purpose of computations necessary to arrive at the 682 crores level of foreign exchange expenditures, \$50 million of U. S. military assistance grant aid annually could be assumed over the period of the Plan. Mr. McNamara made it clear that this was not a commitment on our part to provide that amount of assistance over the period of the Plan.

4. Memorandum of Understanding. It was agreed that the best way to resolve the general question under discussion was to postpone commitments until Mr. Chavan returns to Washington on May 28th to see the President. In the meantime Secretary Rao will work with us to prepare a memorandum of understanding to set forth clearly what we have in mind. Mr. Rao said that he would reduce the Plan to 682 crores and make the corresponding reductions.

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5. Air Defense. Mr. Chavan asked the Secretary's advice as to what should be done in the area of air defense. Mr. McNamara responded by saying that his Air Force people believed that the Chinese Communists have a limited offensive potential. They have obsolete aircraft with spare parts problems and limitations on pilot training, with no prospects for an improvement over the next 3 to 5 years. He did not feel that it was wise for nations on the perimeter of Communist China to expend excessive sums for air defense against such a limited air threat. Specifically, he believed the Indians should reduce their number of squadrons from the 45 level and that they should phase out as rapidly as possible the obsolete aircraft which they had in their aircraft inventory.

6. Aircraft. In response to Ambassador Nehru's comment that the Indians needed to look to replacement aircraft before removing obsolete aircraft, the Secretary responded that having a large number of obsolete aircraft results in a drain on the effectiveness of the other aircraft and that some reduction would improve the combat effectiveness of the Indian Air Force.

With respect to the question of more modern aircraft, the Secretary said that he could not advise them specifically on this problem at this time. He said he knew that they had HF-24 problems, the question of MIG production, their desire for 104's, etc. He felt this would take some time to sort out, possibly weeks or even months.

Ambassador Nehru and Secretary Rao commented that the Chinese Communist Air Force could bomb India today without successful interception and for this reason they needed Mach 2 aircraft. The Secretary of Defense stated that he did not agree with the need for a Mach 2 aircraft. This led to a discussion of details of the appropriate response to the Communist air threat to India and our view that subsonic aircraft, including F-6A, were nearly as effective at this time as Mach 2 aircraft.

Ambassador Nehru then asked Secretary McNamara as to the correctness of his information that we had F-104s coming into surplus availability. Mr. McNamara pointed out that we were phasing F-104A/Bs from our Air Force into our National Guard, and that in any event only a limited number of about three squadrons were in our inventory at present.

Approved by: Peter Solbert, DASD(ISA)  
Date: May 22, 1964

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Authority State Hr. 4-30-76  
By LW/pc NARA, Date 7-25-06

Revised Draft  
May 27, 1964

MEMORANDUM OF UNDERSTANDING

The Defense Minister of India, Mr. Y. B. Chavan, and the Secretary of Defense of the United States, Mr. Robert S. McNamara, have had a series of discussions of India's plans for building up an adequate defense against the threat of Chinese aggression directed from Peiping. There has been broad agreement on the nature and magnitude of the threat and the need for India to take adequate measures to prepare herself to meet this threat. There has also been agreement that India's defense efforts should not in any manner impair the progress of India's economic development plans.

1. Government of India Foreign Exchange Expenditures. In order to facilitate the objective of not impairing the progress of India's economic development, the Defense Minister of India is recommending to his Government that the foreign exchange expenditure of the Plan should be limited to a maximum level of Rs. 682 crores (\$1,432 million). In addition Minister Chavan indicated that he would examine the feasibility of working toward a foreign exchange level of Rs. 650 crores (\$1,365 million). The programs which are proposed to be modified, subject to ratification by the Government of India, are listed in Annex I and involve a foreign exchange reduction from Plan expenditures of Rs. 158 crores (\$332 million). Full details of the foreign exchange reductions will be worked out in due course. For purposes of computation alone, it was agreed that United States military grant aid could be assumed at a level of \$50 million annually during the period of the Plan; this does not constitute any

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MAY 27 1964

commitment on the part of the United States with respect to future assistance.

2. United States Military Assistance through June 30, 1965 - Grant Aid and Credit Sales. The United States Government has agreed, subject to such Congressional action as may be necessary, to provide to the Government of India:

(i) Immediate credit in the amount of \$10 million for the purchase of the defense articles and services listed in Annex II, which items are subject to change on mutual agreement.

(ii) Military grant aid assistance to be funded during United States fiscal year 1965 to the same extent as during fiscal year 1964; a tentative list of the defense articles and services to be included is set forth in Annex III and the details of the program will be worked out promptly.

(iii) Credit in the amount of \$50 million to be funded during fiscal year 1965 for the purchase of such additional defense articles and services as may be mutually agreed. Within this ceiling, the Indian Defense Representatives in conjunction with United States Defense Representatives (Chief, USMSMI) will prepare for sale under the credit program a list of defense items and services which meet agreed objectives. The Secretary of Defense has further agreed that the equipment needed for Phase I of the Ambajhari Plant (following the engineering study referred to in Annex II) will be made available out of a combination of military grant aid and credit assistance in an amount up to \$25 million in fiscal year 1965.

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3. Long Term United States Military Assistance. The Secretary of Defense stated that he looked with favor on the United States providing military assistance for India on a multi-year basis. Minister Chavan said that the Indian Defense Representatives would determine the specific items in the Plan to be deferred to come within the above-mentioned foreign exchange level, the corresponding rupee budget deferrals and the force plans reasonably supportable from the available resources. Projection by the United States of its military assistance, both grant aid and credit sales, on a multi-year basis will depend on these determinations. In the meantime, the Indian Defense Representatives and the United States Defense Representatives will proceed promptly with planning for future military assistance (both grant aid and credit sales) for India over the period of the Plan. For purposes of such planning only, and without commitment on the part of the United States, annual grant military assistance and military credit sales from the United States over the period of the Plan may be assumed to be at levels roughly the same as those for FY 65.

4. Terms of Credit Sales. In regard to the military credit sales program, the Secretary of Defense indicated that normal arrangements for military credit sales involve repayments within 5 to 7 years and interest rates of about 5%. In the interest of achieving mutual objectives, the Secretary of the Defense indicated he would recommend that defense articles and services for India's defense effort be provided on general terms of 10% to be paid by India with order and the balance to be paid by India in installments over a period of 10 years with interest on the unpaid balance

at a rate of 3% per annum on the \$10 million credit provided under Article 2(i) above and at a rate of not to exceed 3% per annum on the additional \$50 million credit referred to in Article 2(iii). Credit assistance will be provided by the United States to supplement and complement the grant aid provided by the United States for India's Armed Forces under exchange of notes which became effective on March 15, 1951, December 17, 1958, and November 14, 1962.

5. Procedures for Credit Sales Program. Following discussion of implementation arrangements, the Secretary of Defense and the Minister of Defense agreed that detailed financial and procurement procedures to carry out this program would be worked out by their representatives in the immediate future. They made special note that such procedures would take into account the following points:

(i) The Indian Defense Ministry desires the United States military services to provide procurement services as a part of this mutual supply agreement.

(ii) The Indian Defense Ministry desires where practical to be informed of contract prices and related terms prior to final contracting by the United States military services.

(iii) Prices charged by the United States Government will be based on actual contractor prices for items being procured, the United States standard price for items being furnished from stocks and on the value of services provided. To the extent possible, items will be supplied from surplus inventories at surplus prices.

(iv) Repayment schedules will be based on equal annual repayments of principal plus interest calculated on the unpaid balance from the time of actual fund disbursements to suppliers for progress or delivery payments.

6. Aircraft. In regard to aircraft, it was agreed that the subject would be examined further with a view to determining what United States assistance in this field would be available and appropriate.

7. Continued Consultations. The Government of India and the United States Government will continue to hold mutual consultations to further the objectives of this memorandum of understanding.

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Refer to: I-24511/64

MEMORANDUM OF CONVERSATION

SUBJECT: Final Plenary Session--Chavan Advance Party

Participants: (see attached)

Time: 1400 - 1730, 16 May 1964

Place: Room 5C1040 Pentagon

Mr. Solbert said he would like to catalog U.S. impressions following this week of discussion and to set out our preliminary views of the areas of agreement and disagreement.

Threat

Mr. Solbert noted we were very close in our agreement on the ChiCom ground capabilities although there were some differences in force levels and stockpiling; that we were generally in agreement on the Air Force side except for the radius of the IL-28 and the Chinese capability to produce spare parts; that as regards the Navy threat, we both recognize the Chinese threat was primarily an air-ground one but we appreciated Admiral Nanda's point of view that it was a question of "low or no" priority for IN. It was suggested that we meet again on the Navy side, perhaps in New Delhi, after GOI talks with the British.

General Comments on Plan

We are troubled by the fact that this is a requirements rather than a capabilities Plan; that while in certain areas e.g. Defense Production, GOI has for the most part sorted out priorities, it does not appear that priorities either between Services or within Services have been established. We consider this essential.

We question whether IDP is fully balanced between military and economic requirements. We would hope that your economy would not be overly strained. It is believed that a foreign exchange expenditure in the neighborhood of 100 crores or \$210 million would be more in line. We are also concerned with the percentage of total expenditures applied to defense and

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NLJ 11-76

By See G NARA, Date 2/16/12

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human resource strain. We conclude that an item by item review of the Indian Plan was probably not of value at this point. The GOI is now in the position Dr. Enthoven mentioned earlier: you are faced with the decision to reduce force and equipment levels, of not meeting your total requirements. A decision, of course, is up to you but your decision will affect the U.S. contribution to your defense effort.

#### Economics of the Indian Plan

Mr. Grant said the U.S. sees a number of benefits from getting broad agreement on the Plan and the resources allocated thereto--particularly foreign exchange--which would establish a framework for the next 4-5 years with reasonable expectation of what each party is going to do. We are authorized to go ahead on an interim basis (FY 65) at about the same level, but unless agreement is reached now it will be hard to predict the future. Of course the future is always unpredictable--the world scene changes, Congressional appropriations affect us, etc. Mr. Grant said that with other countries we have alliance agreements and we provide most of their foreign exchange. This differs from our relation with India. We are trying now to establish our assistance on a more effective basis so that both sides may know what to expect.

Regarding the size of IDP, Mr. Grant said we had made useful progress but that we are not yet in the same ball park. We must find some point of balance between the military and economic requirements. We think the total budget is higher than in most other countries. The IDP called for an extensive diversion from economic development. Mr. Grant referred to some calculations by Dr. Rao yesterday and said that he, Grant, had made some calculations also. Mr. Grant explained his "two approaches," the first of which he attributed to Indian (Rao) calculations and the second to U.S. figures. The foreign exchange differences between the two amounted to approximately \$450 million, with the Indians estimating the foreign exchange expenditure of approximately \$130 million and the U.S. review indicating expenditure of \$580 million.

Mr. Grant said unless we get in the ball park, it is unlikely that the U.S. will be able to offer assistance on the same terms as we have thus far indicated. He said India's war today is a war of development and while it is difficult to be precise, the U.S. felt that the overall budget should be brought down to about 500 crores.

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The GOI will be faced with a decision as to which requirements--military or economic--it will meet. India knows our views on the use of the civil sector; we believe you can afford to take greater risks by making greater use of this sector. Basically the GOI is left with defense requirements which impinge on active war (development) India is now fighting. You may have to stretch out or defer some defense items. We don't expect agreement to be reached on these things now. They are tough decisions and have obvious political aspects. However, if we can get our defense and economic agreements into the same ball park, we will be able to make our assistance more valuable.

Mr. Rao thanked us for exposition and indicated his disappointment at not being able to carry greater conviction in presenting the Indian situation. He was thankful that the various areas under discussion had been so clearly set forth. He said he would now try to place the Indian point of view before us.

India couldn't agree more regarding the full purpose of discussions, which was to get broad agreement on the framework of Plan so that both countries could understand what is probable over the next few years. That was in fact the purpose behind the development of the Plan.

As for raw material imports, both the new and planned factories will increase demand on the civil sector. We have taken these fully into account. With regard to the non-costed items referred to in Mr. Grant's "Approach # 2" (i.e., those in IDP as requirements but without cost) there are 4 elements: 1) F-104 aircraft; 2) bomber squadrons; 3) photo reconnaissance aircraft; 4) submarines.

We have agreed to drop the bomber squadron. The photo recon aircraft and submarines will be discussed with the UK and can be considered separately at a later time. This leaves only the F-104 aircraft which would cost about \$125 million.

The GOI does not believe that the Defense Plan will have the effect on economic development that the US describes. We recognize that it will have some impact but thought from the beginning that this was acceptable to U.S. We believe that improving India's defenses will strengthen the causes for which we both stand. Rao requested that these discussions end in broad agreement on scope of assistance over period of Plan, subject to governmental approval and "normal" constitutional and other limitations.

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As to the Plan itself, Rao said that we are in agreement in a number of areas, that we agree on the assessment of the threat. Rao said he had "not been able to get at the exact points of difference that we have on the Plan with the exception of the F-104." Suggested we would be on sounder ground if we can get an idea of what may be stated as a requirement, although recognizing that requirements may have to be deferred because of the lack of resources. As yet I can't determine the differences although as mentioned I see the U.S. position on F-104's. With regard to the shortage of technical people GOI recognizes that there is bound to be a shortage in the engineering field in the next few years. In fact a study done by the Embassy in New Delhi points this out. In quite a large number of cases, however, there is a large number of persons with the necessary scientific background but who lack the required technical training. These are being trained now and although it will take 2-3 years to develop their skills, nevertheless the deficiencies will be made up. The U.S. itself has very good experience with regard to India's capability in making up technical training deficiencies. U.S. military technicians for example were able to leave their assignments sooner than they had originally planned because India's capability proved greater than was originally estimated. We recognize we don't have sufficient capabilities in all fields and we are conscious of the need to improve. Our capabilities should not be under estimated, however.

Dr. Rao then turned to Mr. Grant's analysis of the foreign exchange situation, stating that in Approach #2 there were certain figures which should not be there. India had, he said, a definite arrangement with the Soviet Union to obtain 142 crores in foreign exchange. India had the impression that credit facilities from the U.S. might be somewhat higher than stated here but nevertheless the figures quoted by Mr. Grant seemed quite unrealistic unless there is an intention to discontinue the Military Air Program or to cut back U.S. economic assistance.

Dr. Rao said that the various suggestions made by the U.S. had been received in the same constructive view with which they were made; they would have to be approved by the Government of course, but within the framework of these changes--with respect to Approach #1, he would not anticipate any problems. Requirements will have to be distinguished from foreign exchange but, with the exception of 104's, there does not seem to be a divergence of views between the U.S. and GOI. Returning to subject of foreign exchange, Dr. Rao said that a closer analysis of foreign exchange requirements may show that the more we postpone implementation of the Defense Plan, the longer the foreign exchange drain will continue. The Plan in fact may actually reduce foreign exchange expenditures: any attempt to reduce

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to reduce foreign exchange in the Plan will probably not reduce it at all but will merely take it from another source. Every effort we make to go slow on new production increases this probability. Dr. Rao suggested that the gap between Grant's Approach #1 and Approach #2 was not actually of this order of magnitude. He, Rao, hoped we could come to some agreement on the order of magnitude without, of course, formal agreement. With regard to FY 65 MAP, Rao said he had given us some comments on certain of the details and would leave the rest to subsequent discussion.

Rao then asked for our suggestions as to where cuts could be made in the 5-year plan. Solbert pointed out that our problem with the plan stemmed from the lack of priorities. This gave us difficulty in coming to grips as to what priorities were involved between the various Services. He did add that Mr. Lang and General Bigelow would have some helpful suggestions in the defense production area. Basically, however, Solbert said that it would be out of line for the United States to try to determine Indian priorities.

Rao then emphasized that the plan will undergo continuous review. He added that no firm commitments were being asked of the United States but it would be most helpful to have some idea of our long-term planning objectives in order to help the Indian long-term planning process. He went on to say that the nature and content of the plan would, of course, be affected by Indian resources and by changes in the international situation. He thought that periodic review between India and the U.S. on the Five-Year Plan would help maintain the current understanding between us.

At this point Grant stated that a political framework has already been established in our relationships with India. It is now necessary to set up a military assistance framework. He pointed out that in most places around the world our MAP is on a year-to-year basis, with some exceptions such as Iran. We desire to put our assistance in both the MAP and MAS area on a more qualitative basis. Grant said that he was struck by the military areas of agreement and that the major problem seemed to be extent of the Indian requirements as they exist and where the balance should be between the economic and military side. We must have a clear idea, before we move forward, on what requirements the GOI intends to move ahead on. Grant raised the possibility of the development of a financial plan which could be a useful complement to the requirements plan. At this point Rao strenuously defended the plan, stating that the requirements had been balanced against resources. He indicated that the requirements had been much higher, that pruning had been effected and that the plan phasing over 5 years for many requirements makes this point implicit.

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There was a further exchange on how the Indian plan could be revised or adjusted. Rao again stated that the availability of resources and other factors may change the plan and they must rely on a new financial appropriation each year. The implication here was that the MOD would have to defend its budgetary request in the Parliament and that such request would not be rubber stamped. Solbert then said that requirements is a word that means many things to many people. Basically, we don't want to tell the Indians what to do. However, the Indians must realize our problem as our aid must tie in to what we consider are capabilities measured against requirements. Rao accepted this and indicated he would like to go on and look at the 65 program. Solbert agreed that this would be helpful and that perhaps we could also look at the FY 66 as well as this would give us a better feel as to how the Indians can adjust their own plan on the basis of our proposed programs. Solbert indicated that we are certainly flexible in our MAP and, subject to mutual agreement, adjustments can be easily made in the program. At this point Mr. Solbert suggested that Mr. Lang, DASD/ISA, run over the defense production picture.

Mr. Lang made the following points:

1. We welcome the progress that Shahaney reports has been accomplished over the past year, based on the recommendations of the Staley Report.
2. The plan is certainly a challenging one and as in other areas the principal problem is one of priorities. He pointed out that while the war wastage rates provide a valid basis for defense production planning, it is geared to meet the needs of 21-22 divisions.
3. The possibility of deferring some phases of the defense production program might be considered. Specifically, the need to move forward with Phase II of Varagoon might be balanced with the need for other requirements in the plan.
4. 189 items of equipment have been identified by the Army as available to help modernize your small arms plant at Kirkee.
5. The four-volume list of equipment for Ambajhari are in the process of being screened at Memphis, Tennessee to determine whether the items indicated are available in U.S. stocks. This process may take longer than we had hoped.
6. The large measure of agreement between Staley and Shahaney on the types of equipment needed at Ambajhari and other plants was noted. However, before embarking on a support program we recommend that a complete engineering study be undertaken to determine precisely the items

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of equipment required to assure a balance between and among all factories in question. We were prepared to move forward on this study immediately.

7. Reference was made to the Thursday review of the defense production plan and our proposals related thereto, such as deferring the phase-out of the U.S. 75mm howitzer and the purchase of 57mm ammunition from surplus U.S. stocks.

Rao commented that balanced phasing was definitely implied in the plan. Shahaney then took issue with General Bigelow on the need for an engineering study. General Bigelow pointed out that if we were going to provide equipment in support of the Indians that we had an obligation to them as well as to the GAO, which was an arm of Congress, to insure that the machinery provided was properly utilized and phased. After considerable discussion of this matter it was agreed that Mr. Staley would come in Monday (18 May) and meet with Shahaney to discuss in further detail the U.S. view of why an engineering survey was necessary.

Shahaney agreed that the question of Phase II at Varagaon could also be discussed subsequently. He also said that in view of the availability of 57mm RCL ammo in the U.S., plans for producing this item in India will be dropped. On the question of Ambajhari there seemed to be general agreement on the types of machinery and shell forging required. However, Shahaney conceded that there was still a lack of agreement on the need for a fuze and primer plant.

Shahaney then commented on the filling factory which he said will be provided by the UK. In response to a question from General Bigelow, who expressed our concern again of the need for the whole ammunition production base to be developed on a balanced basis, Mr. Soundarajan said that there was no gap in their production plan. If Ambajhari ran at full production capacity, it will lead to a shortfall which would require perhaps a new production plant to be built for TNT. No decision has been made on this question and the Indians implied that they might accept the A.D. Little recommendation to stockpile rather than produce.

General Bigelow then said that we were in general agreement on the type of material required and on the overall plant requirements for Ambajhari and Kirkee. There was a brief discussion on MAS for defense production. Mr. Solbert said we would sort out with Shahaney what could be put into the FY 64 and 65 MAS programs in this area. Shahaney stated that he hoped we would bear in mind that to have an integrated factory it was necessary to have machinery deliveries on a phased basis.

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Service Requirements

Mr. Solbert then ran through our comments on the individual Service sections of the Five-Year Plan.

A. Ground Force. Mr. Solbert said that we were impressed with the phase-down in Army personnel from the one million plus figure that the Indians had presented last year. We recognize that discussion of force levels was a difficult area at best. However, we still thought that our past comments were valid to the effect that a force level of about 16 divisions appeared adequate for Indian requirements against the Chinese and for internal security. From our experience we believed that a qualitative force--adequate in flexibility, mobility and firepower--is superior and less costly than a larger force. However, as your mobility increases over the next few years, some cut-down in your total force base may be justified.

Mr. Solbert then raised the point on the designation of the Third and 20th Divisions as Plains Divisions, noting that this could give us some problems as we have advised the Congress that our support is confined to Mountain Divisions. It was agreed that General Kelly and General Sagar would sort out this problem in New Delhi.

Mr. Solbert commended the Indians for their plan to develop reserves and made the point that an effective reserve, in our experience, can lead to a reduction in the regular force. Rao commented that this might be possible but not until the proper reserve base is built up in 1968-69.

Solbert said that the armored requirements could seem to be best met by foreign procurement and that the AMX light tanks seemed well suited for India. Rao said that the production program for the Vickers tank has been initiated at Avadi but he would like further information on the M-41 and the AMX tank. Mr. Solbert indicated that there were no prospects of AMX production in the United States at this time but that the data on the M-41 could be provided. General Bigelow indicated that if funded prior to August 1964, 300 M-41s could be made available in FY 66. More data would be provided on Monday (18 May). Rao indicated that this question would be reviewed on his return to New Delhi.

The point was raised by Mr. Solbert that in-country production of bridging seemed uneconomical. The Indians indicated an interest in including bridging under credit sales.

The requirement for ground-to-ground missiles was questioned by Mr. Solbert. Rao indicated that India had no immediate plans to procure this item, that they had tried the British Vigilant and had found it unsatisfactory.

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Mr. Solbert again raised the matter of whether a 155mm gun was necessary. Brigadier General Tillson, DCS/OPS pointed out that this did not seem to be a good weapon for mountain warfare and that the 155 howitzers seemed to be a better weapon.

B. Air Force. Mr. Solbert began by referring to our prior judgment that about 35 squadrons, including liaison and helicopter units, seemed about right for the IAF. Rao said that they would like to have more information on helicopters and he then quoted General Johnson's comments from the Bhoothalingam's visit of April 1963 to the effect that 37-39 squadrons would seem to be reasonable. There was also some discussion on how many fighter aircraft were required per squadron. Mr. Rao quoted his experts on the basis of two squadrons per division. Mr. Solbert stated that this might apply but only for those divisions engaged in combat. He then went on and recognized the problem the Indians had with their current aircraft inventory. He said that we could help on the F-6 in our military assistance program but that was about as far as we could go. At this point Mr. Rao said that from the technical point of view AVM Singh was very strong on the F-104. There seemed to be little purpose in getting an aircraft that would not meet their requirements and he included the MIG, the F-6 and the F-5A in this category. He added that it would be uneconomical and would create maintenance problems if the best aircraft were not made available.

Mr. Solbert then questioned the requirement for in-country production of the AVRO 748 in view of its low payload. He added that the Caribou requirement was valid but that we would welcome purchase rather than in-country production. Rao stated that the AVRO program was already committed. However, he inquired on whether we could help finance additional Caribous. Mr. Solbert said we would have to look into that.

Solbert agreed with the requirement for jet trainers, the need for supporting VHF to UHF conversion on MAP-supported aircraft, and for airfield and ancillary equipment.

Mr. Solbert then raised the HF-24, stating that the US and UK were ready to help in this area. He then inquired on the status of the air-frame drawings, as we understood the British did not have them. Soundarajan confirmed this and Rao said he would look into the matter. Solbert expressed appreciation and added that we would be glad to assist in running any tests on the HF-24 in this country if the Indians so desired. Mr. Solbert then indicated if the HF-24 Mark II proceeded, we couldn't see the need for MIGs.

C. Navy. On the Navy side, Mr. Solbert said the question of Navy needs should be reviewed after the Indian discussions with the British. He mentioned that Admiral Lyndon had presented a lay-out of plans for his ship repair facilities which had been handed Admiral Nanda. Rao then asked about

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the possibilities of getting DDs. Admiral Lyndon said that Nanda had all of the cost and availability figures on DDs but that the prospects of getting a ship loan through Congress was highly uncertain. Mr. Solbert, in response to a further question from Nanda, indicated that the possibility of a DD being made available was slim. Admiral Lyndon then said that the PFs were not included in the ship loan legislation, could be provided from new construction, and that Admiral Nanda would be seeing a PF. Nanda then asked of the possibilities of getting ship repair facilities. Solbert indicated that the whole naval question was first an Indian problem of sorting out naval priorities. Once this was done, we could consider credit sales. This was a matter that should be discussed with General Kelly after the Indian discussions in London.

#### Credit Sales

Rao asked about FY 65 credit sales. Solbert said the extent of MAS for FY 65 would depend on our budget situation and also on the Indian Five-Year Plan. He said that MAS could run anywhere from \$30 to perhaps \$50 million. Mr. Grant added that credits for India represent an immediate liability on Indian foreign exchange position. As the Indians knew, the World Bank was concerned about high debt servicing payments incurred by India. Rao indicated that he would like an early decision on MAS.

Solbert then said there appeared to be basic agreement on FY 65 MAP. He asked General Kelly to prepare a brief memo on FY 65 MAP which could be used by MOD Chavan and Secretary McNamara next week. On the question of \$10 million credit for FY 64, Solbert indicated we would like to sort out the items at greater length. Rao then said that he would like to tie the FY 64 credit and the FY 65 MAP into one packet, as this would have a maximum impact in India. Soundarajan added "not only India but China." Solbert stated "perhaps other areas too." In concluding, Solbert said that the whole question of the dimension of our credit for FY 65 was dependent on many factors which we would have to consider before making a final decision.

Before adjourning, it was agreed that a defense production meeting would be set up for some time on Monday (18 May).

Attachment

List of participants

Prepared by: Mr. Stoddart/  
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18 May 1964

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I-24511/64

MemCon for Plenary Session, 1400 hrs. 16 May 1964, Rm. 5C1040

Participants

U. S.

Mr. Solbert, DASD/ISA  
Mr. Grant, Deputy Assistant Secretary  
NEA, State  
Mr. Lang, DASD/OF&F/ISA  
M/G Kelly, ChUSMSMI  
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Lt.Col. McCall, CINCMEAFSA  
Mr. Arrill, AID  
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Mr. Rao, Sec'y-Gen. MOD  
Mr. Dar, Minister,  
Indian Embassy  
Mr. Sundararajan, Econ.  
Minister, Indian  
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Lt.Gen. Sagar, C/S,  
Indian Army  
Adm. Nanda, Indian Navy  
Brig. Antia, Indian Army  
Mr. Soundararajan, MOD  
Mr. Shahaney, Dir. Ord.  
Mr. Guhan, Finance  
Ministry  
Brig. Nath, Indian  
Ministry  
Air Commodore Latif,  
Indian Embassy  
Capt. Cursetji, Indian  
Embassy

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TEMPERATIVE LIST OF ITEMS IN  
PROPOSED FY 1964 CREDIT

	<u>Estimated Amounts</u> <u>Millions</u>
1. Defense Production Items for modernization of ordnance factories such as:	\$ 6.0
a. Cordite Factory - ARAVANKADU	
b. High Explosive Factory - KIRKUR	
c. Ordnance Factory - KANPUR	
d. Metal and Steel Factory - ISHAPORE	
e. Rifle Factory - ISHAPORE	
f. Gun and Shell Factory - COSSIPORE	
g. Small Arms Factory - KANPUR	
h. Ordnance Factory - MIRAJNAGAR	
2. Engine CJ-610-1 (J-85 series) for HJT Jet Trainer (4 prototype engines)	0.25
3. 1-Ton Trucks in knocked down condition for assembly in India (approximately 1,300 trucks)	3.25
4. Machine Tools and Sub-systems for production of HF-24 MK 1	1.0
5. Ground Sets for UHF Communications Equipment (6 AC&W stations, 20 airbase control towers, 4 GCA units, and maintenance float)	1.0
6. Engineering Study for Ambajhari Plant	0.15
	<hr/>
TOTAL	\$11.65

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OUTLINE

FY 1965 MAP - INDIA

Army

The proposed U.S. Military Assistance Program for the Indian Army for 1965 is as follows:

1. Continuing Support - This includes follow-on spare parts and training ammunition for the 8 Mtn Division and 2 Corps supported in FY 1963 and FY 1964.
2. Training - This includes professional and technical training in U.S. Service Schools, training materials and field exercise ammunition.
3. Additional Equipment for FY 1963/1964 MAP Supported Units - This includes equipment for modernizing seven (7) Defense Battalions and the 4th Brigade of the 3rd Infantry Division. Items of equipment are also included to meet shortfalls in the units previously supported. Equipment includes radios, telephones, 57mm Recoilless Rifles, medical and engineer items.
4. Modernize one (1) additional Mtn Division (No. 9) - Equipment includes radios, 57mm Recoilless Rifles and ammunition; engineer items such as tractors and portable saws and medical items.
5. Modernize one (1) additional Corps (No. 3) - Equipment includes radios and test sets; engineer equipment such as tractors and graders; medical equipment and maintenance shop equipment.

Air Force

The proposed U.S. FY 1965 Military Assistance Program for the Indian Air

**DECLASSIFIED**

Authority NLS. 032.641.001/18

By gld/r NARA, Date 7-25-06

Annex III

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Force is as follows:

1. Continued Aircraft Support - This will provide continuing aircraft ground equipment and follow-on spares for 105 C-47's, 72 C-119's and 9 C-121 aircraft.
2. Star Sapphire Radar - This will provide for technical assistance to supervise the installation of radar equipment and it includes test equipment and follow-on spares for the radar system.
3. Star Sapphire Communications - This will provide improvement in the communications system provided in FY 1964 by providing essential circuits in the critical Northern India Defense area. Test equipment and follow-on spares are also included.
4. Training and Training Equipment - This will include technical training and flight training.
5. C-119 Class IV Modification - This item is intended to begin a modification program on the C-119 aircraft engines that will give them a longer period between overhauls.
6. Refueling Units - This item will provide 50 refueling units to fulfill an overall requirement of 90. Forty units were approved in the FY 1963 program.
7. GCA Units - If the GOI decides to accept recent offer of the U.K. to provide 4 GCA units, this proposal will be withdrawn for it is not meant to duplicate U.K. offer.
8. C-119 Engine Repair and Rehabilitation - This will provide for overhaul of 96 R-3350-89A engines in the U.S. This type of support will be

necessary until such time as a new engine is provided or the existing engine is modified to a new configuration to give it a longer life between overhauls.

9. Forward Control Radios - These radios will provide voice contact during close support of ground forces by fighter aircraft and during air drop missions in the frontal areas.

10. Airfield Equipment - This will provide such items as tugs, forklifts, crash/firefighting equipment, and other items as requested by the IAF.

#### Border Roads

The proposed program for FY 1965 is as follows:

1. Continuing Support - This includes follow-on spares for equipment furnished in FY 1963 and FY 1964 and spare parts for U.S. non-MAP supplied construction equipment.

2. New Equipment - This includes various items of construction equipment such as tractors, graders, soil stabilizers, concrete batch plants and band saws.

#### Defense Production

The proposed program for FY 1965 is as follows:

Formal and on the job training for selected personnel in the techniques and application of defense production management practices. Engineering studies of requirements for machine tools to improve Defense Production Base.

#### Navy

The proposed program for FY 1965 is as follows:

Training - This includes technical and professional training in U.S. schools in such fields as supply, ordnance, shipyard management, medical and command and control of operations.

NOTE: The above is an outline of the tentative Grant Aid Program and does not include any assistance that may be provided through Credit Sales arrangements.

CHAVAN - McNAMARA TALKS

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