The United States and India: A History through Archives

The Formative Years

Edited by

Praveen K. Chaudhry
Marta Vanduzer-Snow
The United States and India: A History Through Archives
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for

Nicholo André B. Bautista

&

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List of Acronyms

AEC Atomic Energy Commission
AICC All India Congress Committee
AID Agency for International Development
AIOC Anglo-Iranian Oil Company
ANZUS The Australia, New Zealand, United States Security Treaty is the Military Alliance which Binds Australia and the United States, and separately Australia and New Zealand to Cooperate on Defense Matters in the Pacific Ocean
BSP Bhilai Steel Plant
BTI Barisan Tani Indonesia
CCB Change Control Board
CCP Chinese Communist Party
CDM Clean Development Mechanism Project
CEA Council of Economic Advisors
CEEP European Centre for Public Enterprise
CENTO Central Treaty Organization
CFEP Council on Foreign Economic Policy
CHICOM Chinese Communist
CI Counter-Insurgency
CIA Central Intelligence Agency
CPI Communist Party of India
CPMO Central Provinces Manganese Ore Company
CPSU Communist Party of the Soviet Union
CRO Common Relations Officer
DDE Dwight D Eisenhower
DOD Department of Defense
DOS Department of State
DS Defense Support
ECA Economic Cooperation Administration
ECAFE Economic Commission for Asia and the Far East
ECM Enterprise Content Management
EDT Eastern Daylight Time
ERP European Recovery Plan
EURATOM European Atomic Energy Community
Exim Bank Export-Import Bank
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>FBI</td>
<td>Federal Bureau of Investigation</td>
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<td>FDR</td>
<td>Franklin D. Roosevelt</td>
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<td>FE</td>
<td>Far East</td>
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<td>FMACC</td>
<td>Foreign Military Assistance Coordinating Committee</td>
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<td>FOIA</td>
<td>Freedom of Information Act</td>
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<td>GA</td>
<td>General Assembly</td>
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<tr>
<td>GARIOA</td>
<td>Government Aid and Relief in Occupied Areas</td>
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<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<td>GOB</td>
<td>Government of Burma</td>
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<td>GOI</td>
<td>Government of India</td>
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<td>GOP</td>
<td>Government of Pakistan</td>
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<td>GRC</td>
<td>Government of the Republic of China</td>
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<td>GTI</td>
<td>The Great Tumen Initiative is a Joint Project of the Five Member Countries: China, the Democratic People's Republic of Korea, Mongolia, the Republic of Korea and the Russian Federation</td>
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<tr>
<td>IAC</td>
<td>Information Analysis Center</td>
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<td>IAEA</td>
<td>International Atomic Energy Agency</td>
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<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>ICA</td>
<td>International Cooperation Administration</td>
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<td>ICBM</td>
<td>Intercontinental Ballistic Missile</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>INS</td>
<td>International News Service</td>
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<td>ISCUS</td>
<td>Indo-Soviet Cultural Society</td>
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<td>JCS</td>
<td>Joint Chiefs of Staff</td>
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<td>JFK</td>
<td>John F. Kennedy</td>
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<td>JS</td>
<td>Joint Staff</td>
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<td>KMP</td>
<td>Kilusang Magbubukid ng Pilipinas</td>
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<td>KMT</td>
<td>Nationalist Party (Guomindang or Kuomintang)</td>
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<td>LAC</td>
<td>Line of Actual Control</td>
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<td>LBJ</td>
<td>Lyndon B. Johnson</td>
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<td>LDP</td>
<td>Liberal Democratic Party</td>
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<td>Military Assistance Program (United States)</td>
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<td>MDA</td>
<td>Military Damage Assessment</td>
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<td>MDAP</td>
<td>Major Defense Acquisition Program</td>
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<td>MEA</td>
<td>Ministry of External Affairs</td>
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<td>MEA</td>
<td>Ministry of External Affairs (India)</td>
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<td>MED</td>
<td>Manhattan Engineering District</td>
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<td>MEDO</td>
<td>Middle East Defense Organization</td>
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<td>METO</td>
<td>The Middle East Treaty Organization</td>
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<td>MIG</td>
<td>Mikoyan &amp; Gurevich (Russian Aircraft Designers)</td>
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<td>MSP</td>
<td>Mutual Security Programme</td>
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<td>MTDP</td>
<td>Medium Term Defense Plan</td>
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<td>Acronym</td>
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<tr>
<td>NAACP</td>
<td>National Association for the Advancement of Colored People</td>
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<td>NAM</td>
<td>Non-aligned Movement</td>
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<td>North Atlantic Treaty</td>
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<td>NATO</td>
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<td>NDAP</td>
<td>New Delhi Action Plan on Infrastructure Development on Asia and Pacific</td>
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<td>NEA</td>
<td>North East Asia</td>
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<td>NIACT</td>
<td>NIght ACTion (US Government Immediate Action Security Classification)</td>
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<td>NSAM</td>
<td>National Security Action Memorandum</td>
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<td>National Security Council</td>
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<td>OAS</td>
<td>Organization of American States</td>
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<td>OCB</td>
<td>Operations Coordinating Board</td>
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<td>OEEC</td>
<td>Organization for European Economic Cooperation</td>
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<td>PERBEPSI</td>
<td>Persatuan Bekas Pejuang Seluruh Indonesia</td>
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<td>PL</td>
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<td>Pakistan Muslim League</td>
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<td>Prisoners of War</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>PSF</td>
<td>Preventive Security Force</td>
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<td>Press Trust of India</td>
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<td>RCC</td>
<td>Revolutionary Command Council of National Salvation</td>
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<td>Surface-to-Air Missile</td>
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<td>Steel Corporation of Bengal</td>
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<td>Southeast Asia Treaty Organization</td>
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<td>Secretary State</td>
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<tr>
<td>SOBSI</td>
<td>Sentral Organisasi Buruh Seluruh Indonesia</td>
</tr>
<tr>
<td>STEM</td>
<td>Short Term Energy Market</td>
</tr>
<tr>
<td>SUNFLD</td>
<td>Special United Nations Fund for Economic Development</td>
</tr>
<tr>
<td>TASS</td>
<td>Telegrafnoje Agentstvo Sovetskovo Soiuz (News Agency of the Former Soviet Union)</td>
</tr>
<tr>
<td>TIAS</td>
<td>Treaties and Other International Acts Series (Compendium of Treaties, United States)</td>
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<tr>
<td>TTK</td>
<td>Tiruvellore Thattai Krishnamachari</td>
</tr>
<tr>
<td>TVA</td>
<td>Tennessee Valley Authority</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Name</td>
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<tr>
<td>UAR</td>
<td>United Arab Republic</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNCIP</td>
<td>United Nations Commission for India and Pakistan</td>
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<td>UNGA</td>
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<td>UNRRA</td>
<td>United Nations Relief and Rehabilitation Administration</td>
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<td>UNSCOB</td>
<td>United Nations Special Committee on the Balkans</td>
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<td>UNSYG</td>
<td>United Nations Secretary General</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>USIE</td>
<td>The United States Information and Educational Exchange Program</td>
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<td>USSR</td>
<td>Union of Soviet Socialist Republics</td>
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<td>USUN</td>
<td>United States Mission to the United Nations</td>
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<td>VOA</td>
<td>Voice of America</td>
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Acknowledgements

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THE UNITED STATES AND INDIA
The folklore tale of the cuckoo offers an insightful lesson learned for understanding declassified documents and their import. The male and female cuckoo go off in search of a crow’s nest just after mating, and given their end, they know to mate at the same time that the crow mates. When they find the nest, the female cuckoo hides while the male creates a diversion, causing the crow to leave her nest, chasing the male. The female cuckoo then pushes the crow’s eggs out of the nest and hatches the same number of eggs that were in the nest. When the babies are born, the crow cannot distinguish between her own black babies and the black babies of the cuckoo; it is only after sometime when the baby cuckoo has found its voice that the crow realizes what she has done. The crow has raised the children who will one day return to destroy its babies in future. Poets speak of the cuckoo’s beauty while the superstitious speak of the inauspicious crow. The lesson lies in the deception of appearances; its application is to the deception of diplomacy. One must not rely on the words of a state, only its actions. The following pages document just that—the internal dialog of action that soon, or simultaneously, informs a state’s identity at the international level.

This study explores the identity and relationships of two states, US and India, during the onset of the Cold War in the 1950s and 1960s. Declassified documents provide the narrative. There are several institutions that act as Federal Depository libraries. They house declassified documents from the various United States government agencies, including the Central Intelligence Agency (CIA), the Department of Defense (DoD), the Federal Bureau of Investigation (FBI),

1 See, http://foia.state.gov/AboutFOIA.asp. Once classified US documents are made available to the public by the 1966 United States Freedom of Information Act (FOIA). According to the US government, the FOIA “generally provides that any person has a right to request access to federal agency records, except to the extent the records are protected from disclosure by any of nine exemptions contained in the law or by one of three special law enforcement record exclusions.” The Department of State informs, “Where necessary, however, some information may have been withheld to prevent an unwarranted invasion of privacy. Such deletions are shown at the place on the document where the deletion has been made.” During the Clinton administration, the FOIA was amended by the Electronic Freedom of Information Act Amendments of 1996 (E-FOIA). The E-FOIA provides the public access to declassified documents via the Internet.
the National Security Council (NSC), the White House, and more. Entire sections sanitized in some of the key portions of these documents, along with the system of releasing these documents, prove an obstacle. While discussing the limited nature of these documents, it must be noted that we cite solely from US documents as the Indian side has yet to, in practice, establish anything that resembles the Freedom of Information Act (FOIA). Jawaharlal Nehru, the first Prime Minister of India, was a prolific writer both on domestic and international matters. More than 50 years have passed and still much of his papers are classified.

Documents that are already published, for example the Foreign Relations of the United States series (produced by the State Department’s Office of the Historian) and reports by the various senate hearing committees, are not included. We hope the reader will look at those documents too to get a better feel of the entire story. We have edited some of the documents and included only those segments that we found important to these volumes. The original spelling as well as grammar in most of the documents has been retained.

The reader now turns to two democracies in the world, the US and India, their regions, the global reality that prevails and the definition of this reality as it delimits choices and actions. This volume will cover the Nehru period, the formative years.

**HOW TO VIEW WHAT COMES**

These documents provide the premier vantage with which to view US foreign policy, US-India relations, relations in South Asia, Cold War policy, and the nature and direction of global governance. We hope this first volume clearly defines the US as an actor in the early Cold War years. A global system of military alliances defines US national security during the Cold war years. In foreign policy, the US developed a regional model and then exported the same worldwide. The model first started taking form with the Monroe Doctrine (1823) and the Rio Pact (1947) in Latin America. This approach was then turned to the world and we witness the North Atlantic Treaty (1949), Security Treaty between Australia, New Zealand, and the United States of America (1951), Southeast Asia Collective Defense Treaty (1954), and the Baghdad Pact (1955). The ‘Rio Pacts’ all more or less had the same article—an attack on one is an attack against all. The pacts lend tangible form to the national security strategy. This global security network was also a market.

When the US was forming this network, the popularity of local leadership came secondary to US interests. Declassified documents covering different regions are proof. Quotes from different regions where this phenomenon is explicitly defined have been discussed in this chapter. ‘Popularity’ was especially sensitive for the developing world, as this period coincides with decolonization and the US was at the time rhetorically a proponent of democracy. The US continues, to this day, to be a proponent of democracy abroad which is why these volumes also offer a better understanding of that democracy.
The popularity-democracy contradiction is one of the primary causes of tension in the India-US relationship. From a distance it seems the two countries would be close allies, as rhetorically they share defining tenets—secular, democratic, standing for and supporting freedom abroad. In actuality, they have had a surprisingly unsteady and inconsistent relationship. This is due to the US definition of security at odds with India’s, and a resulting persistent mismatch in expectations, or hope for support, when often it was missing on both sides.

The US definition of security represents one critical opportunity lost, demonstrating the contradictions rife in the means and ends of Washington’s foreign policy in the last half of the 20th century. The US, in the aftermath of both World War II and the Cold War, lost critical and perhaps unique opportunities to establish a liberal hegemony in act and not in rhetoric. This is apparent with US-India relations throughout the Cold War years and beyond. The definition of this lost opportunity explains in large part why India and the US have not been the close or natural allies as one would expect. The definition is perhaps best captured in a May 15, 1952 address given by then Secretary of State, John Foster Dulles, ironically entitled, A Positive Foreign Policy. He states:

At a time when 800 million people—one-third of all the people there are—are subject to ruthless, terroristic despotism and being whipped, by fanatics, into a force for aggression, we talk of ‘containment’ and ‘stalemate’ as satisfactory goals. And at a time when Soviet Communism is using ideas as a principal missile, we rely almost wholly upon armament.²

The contradiction inherent in this statement—a proclaimed fear of aggression, yet if arms are almost exclusively the means, then the actor in question is a force of aggression irrespective of stated ends. US reliance on armament (force or arms) defines this lost opportunity.³ US security during the Cold War years was achieved through a global system of military alliances, but this defense is offensive in nature. The US has consistently relied on arms as their means for the end of freedom at home and abroad. In the period covered, this coincides with an

³ Spending on armament captures the opportunities lost and the parallel between these two historical junctures. It is interesting to note similar jumps in military spending at the onset of the Cold War and the War on Terrorism. Secretary of State Dean Acheson pushed, and the Korean War granted, a 15–50 billion dollar jump in military spending. In parallel, the Bush administration oversaw a jump from $265 billion in 2000 to $400 billion in 2003. Robert Kagan notes, “Acheson wanted a massive American military buildup, from less than $15 billion a year to more than $50 billion—an increase most in the Truman administration believed would bankrupt the country, but which Acheson believed was well within the capacity of the American economy. It took the Korean War to convince Americans (and, for that matter, President Truman) that Acheson was right.” See Kagan, Robert (September 14, 1998). How Dean Acheson Won the Cold War: Statesmanship, Morality, and Foreign Policy. The Weekly Standard.
India that is very sensitive to freedom’s name, as it had just gained Independence and sought to promote freedom abroad in an era of decolonization. This disjuncture represents one fundamental cause for Indo-US strains. For India the matter was central to national security as Pakistan eagerly joined this system of military alliances. Given the fact that India and Pakistan share a border and a conflict, for Nehru, and India, the US had gone too far.

While the United States organized much of Asia and West Asia, also known as the Middle East, into an alliance system against communism, Nehru proves his commitment and special kinship to countries faced with the challenges of foreign control and development. That is, despite their communist leadership and anti-democratic regimes, because he viewed these regimes as part of a larger liberation struggle. He stated, “India’s struggle today is part of the great struggle, which is going on all over the world for the emancipation of the oppressed. Essentially, this is an economic struggle, with hunger and want as its forces, although it puts on nationalist and other dresses.” For Nehru the military alliances network were an inappropriate and detrimental means to achieve the US stated ends. One must only turn to his speech, *the Rise of Arab Nationalism*, to understand his appraisal of an approach that is quickly engulfing the world and Nehru’s region:

The House may remember the talk about building up the ‘northern tier defense’ and about the Baghdad Pact. The motives were supposed to be to protect these countries from the attack or invasion from the Soviet Union and to give them security and peace. As a matter of fact, the result was quite the contrary. The troubles of these countries only increased because of such an approach. The Arab countries, at any rate the Governments, were divided—some in the Baghdad Pact and some outside it. While the Governments carried on a Cold War against each other, the people almost in every Arab country were powerfully affected by this tide of Arab nationalism. Thus in the countries associated with the Baghdad Pact there was a hiatus between the Governments and the people, the people looking more and more towards Arab nationalism and the Governments looking in another direction and rather ranged against the spirit of Arab nationalism. How big this hiatus was can be seen from the coup d’état in Baghdad which surprised everyone. I believe it surprised even the people in Iraq and Egypt. The surprise was not essentially that it took place but the speed with which it took place and the complete success which attended it. It showed how utterly divorced from public opinion the Government of Iraq was. When the change came, it brought tremendous relief all over Iraq, and the people flocked to the side of the new Government. So this attempt at not recognizing the spirit of Arab nationalism, even trying to come in its

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way and obstructing it, really achieved the opposite effect—it encouraged nationalism as such an approach will inevitably do. This has resulted in the Arab nations coming nearer to one another and will no doubt bring about a great deal of co-operation between them. It was said that some kind of an Arab empire was being built up, which was dangerous. I do not know about the future, but I see no empire, much less an Arab empire.⁵

INDIA-US RELATIONS SOUR

Contradictions in US foreign policy were a chief cause for much of the Delhi-Washington distance. In a response to India’s chosen path, the National Planning Association in Washington D.C. noted:

The economic and political future of India is crucial for both East and West, not only by reason of India’s size and geographic position in Asia, but also because in international affairs it is a strong spokesman for neutralism. Since India has taken help from both sides to further its economic development, its future course will be a realistic test of the compatibility of economic involvement with political non-alignment.⁶

However, some in Washington viewed non-alignment as immoral, but discarding a country of this size and location was impossible. A month before his death, Franklin D. Roosevelt (FDR) told State Department advisor Charles Taussig, “Our goal must be to help them [India] achieve independence—1,100,000,000 potential enemies are dangerous, Churchill doesn’t understand this.”⁷ Thus it was that the US did not wish to make enemies of India, but nor was it precisely prepared for an even-handed friendship. On the eve of establishing bilateral relations, a few pressing points created an awesome strain. Decolonization was a top issue for Nehru, but the US was reluctant to press their European war-time allies. For Nehru, Asia’s destiny rests in Asia’s hands and Nehru envisioned a leading role for India. For the US, neighbors of the Soviet Union were a vital link in the global system of military alliances. Second, at the first UN General Assembly meeting in 1946, Nehru made South Africa India’s top issue. Here too the US proved cause for concern as the difference between apartheid and segregation in the southern states of the US was nominal. Finally, Nehru wanted India to stay both independent of the bipolar struggle and to play an active role in world affairs. For the US world affairs was this bipolar struggle.

With all these contradictions, Nehru is undecided where to turn for genuine assistance with the implementation of India’s chosen politico-economic model. For him the US was a natural choice, a country that stood for freedom, and most importantly secular democracy. At the head of an extremely religious society with multiple religions, ethnicities, cultures, and languages flourishing, Nehru saw the secular democratic model as his only real choice for creating a national identity that extended to all citizens. For the leader of a nascent state, India was solely an imagined political identity. When visiting the US, in his interactions with US leadership at all levels, he was confronted with serious contradictions in act and rhetoric. First and foremost in his mind were racism and religion. With racism briefly covered, religion requires further explanation.

Nehru’s strong secular identity for India shaped his daughter, Indira Gandhi, who together led India for the greater part of the last half of the 20th century. When Orianna Fallaci asked Mrs. Gandhi if she was religious, she responded, ‘but if by religion we mean a belief in humanity rather than the gods, an effort to make man better and a little happier, then yes, I’m very religious.’ For the two leaders, father and daughter, the US was a logical place to turn to considering that on paper the two states strived for a few fundamental common ends. During the Truman administration it was evident that democratic and secular India expected the support of the US on issues like Kashmir. In turn, the US expected India’s support in dealing with the Soviet threat as they viewed it imperialist in nature at a time when India was pushing for decolonization.

Both actors did not get the support they had hoped for and with a change in administration and international context came a telling change in bilateral relations. On January 20, 1953 Republican President Dwight Eisenhower came to power after 20 years of Democratic Party dominance. Understanding developments during this administration is central to US-India relations. The United States, in 1954, formally began a military relationship with Pakistan. Religion may be an important part of an understanding of such changes in bilateral relations. Ike (Eisenhower) chose as his Secretary of State, John Foster Dulles, who was the first Secretary of State to visit South Asia in 1953. On his return, at a June 1 NSC meeting, Dulles stated he was, ‘immensely impressed by the martial and religious qualities of the Pakistanis. These qualities made him and Mr. Stassen … feel that Pakistan was a potential strong point for us.’ Whereas with Nehru, who sat at the helm of democratic India, he found him ‘an utterly impractical statesman.’ This is at a time when Nehru is laying the foundation for a democratic India and Pakistan is a military state.

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9 The US Constitution gives people the freedom of religion. Some find the “of” was an intentional preposition, that the country is not free from religion, but has the freedom to elect their faith.
With the October 1951 assassination of Pakistan’s first Prime Minister, Liaquat Ali Khan, control of the country fell into the hands of the conservative military and civil service leadership. The new leadership demonstrated numerous times its hopes to bolster Pakistan’s security through association with the US and in the fall of 1953 General Ayub Khan paid Washington a visit. He lobbied hard for Pakistan with the Department of State, the Pentagon and Congress, saying all the right things, sighting the Communist threat and the need to stand together against the Red threat. In turn, in writings to the Chief Ministers, Nehru said the US was unable “to think of anything else but of getting bases all over the world and using their money power to get manpower elsewhere to fight for them.”

Dulles did not hide his religious convictions and its close relationship with his politics. Nor was the statesman ever dismissed, even though he represented a secular state. A fact that could only mean those at the top echelons supported its application in the political realm. One of Dulles’ undertakings at this time was the 1951 Treaty of Peace with Japan, signed in San Francisco by the Allied Powers and Japan. Nehru refused to sign the treaty due to the described security arrangements between Japan and the US, and also because the treaty omitted the USSR and China. When Dulles learned of this he told Ambassador Pandit, ‘I cannot accept this. Does your Prime Minister realize that I have prayed at every stage of this treaty?’ Mrs. Pandit was at ‘a loss for words.’ For India’s leaders this language was unusual for intergovernmental dialogue.

Washington’s religiosity requires explanation, as it was these formative years of the Eisenhower administrations that would set the stage for future US-India relations. For this Dulles serves as an appropriate guide. In Mr. Dulles’ address, A Positive Foreign Policy (May 15, 1952), he explains, ‘We cannot settle for a “containment” which contains 800 million captive souls.’ The soul is the spiritual element of a person, believed to be immortal. If the US’s concern lay in that which is immortal, there would be no political response from a


14 The Secretary of State is the President’s principal foreign policy adviser and heads the Department of State, the lead US foreign affairs agency. As Secretary of State, Dulles was the highest-ranking Cabinet member and fourth in the US presidential line of succession, just after the Vice President, the Speaker of the House, and the President pro tempore of the Senate. Therefore, Dulles is an indispensable figure to understand during this critical formative period.

secular state. Dulles argued that containment should be replaced by a policy of liberation; ironically, this policy of liberation was achieved through a global system of military alliances.

At a Press Conference in Karachi (May 24, 1953) Dulles finds, ‘its [Soviet Union] government is unrestrained by moral principles since its atheistic creed denies the existence of any such thing as a moral law.’ It is secularly inappropriate to define morality by religion, as morality is defined as that which is concerned with the principles of right and wrong behavior. If politics relies on religion to determine right and wrong then a state is no longer secular. Then, in Dulles’ address *Principle versus Expediency in Foreign Policy* (September 26, 1952), he shows that not only does he define morality by religion, but also justice. He states:

Lawyers would generally agree with Chief Justice Marshall’s statement that there are principles of abstract justice which the Creator of all things has impressed on the mind of his creature man and which are admitted to regulate, in a great degree, the rights of civilized nations.16

So the Creator gave man his understanding of justice, according to this unchallenged official.

Dulles turns to St. Paul to help transform US foreign policy in his address, *A New Look at Foreign Policy* (October 4, 1952):

We want to spread our ideals —instead of having to watch while the despots of the Kremlin systematically liquidate love of God, love of country and sense of personal dignity among one-third of the world’s population…. We have been thinking too much in terms of mere money, forgetting what St. Paul taught, that however much money we give away, it profiteth us nothing unless we give compassion and consideration.

In his talk, *US Foreign Policy* (October 23, 1952), Dulles restates once again this discrepancy, ‘We spend enormous sums of money to find new and more effective ways to kill. But we have shown little imagination or resourcefulness in devising new ways to win the minds and the hearts of those who live.’

Returning to *Principle versus Expediency in Foreign Policy*, Dulles explains why the US may have a difficult working relationship with the UN, the parliament of nations. Dulles states:

Our Declaration of Independence was based upon an appeal to ‘the laws of nature and of nature’s God’.…First, it [the UN and US foreign policy] inevitably makes for a break between our government and our people. Whether we like it or not—and I like it—our people are predominantly a moral

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16 Dulles, John Foster. “Principle Versus Expediency in Foreign Policy.” Missouri Bar Association, St. Louis, Missouri. September 26, 1952.
[using Dulles’ earlier definition moral and religious are interchangeable] people, who believe that our nation has a great spiritual heritage to be preserved. We do not feel happy to be identified with foreign policies which run counter to what we have been taught in our churches and synagogues and in our classes on American history.  

Departing from containment meant that the US needed allies for their global system of military alliances, and here the reader comes full circle to Pakistan. Dulles offers interesting insight into the process of choosing US allies. In a radio address on June 1, 1953, Dulles states, ‘Pakistan is the largest of the Moslem nations and occupies a high position in the Moslem world. The strong spiritual faith and martial spirit of the people make them a dependable bulwark against communism.’ From declassified notes on the same trip, ‘Lebanese consider themselves possible bridge between United States and Arab states because of their greater Western orientation and Christian population.’ The latter shows Pakistan was not an anomaly. The above focuses so much on Mr. Dulles as he was the President’s principal foreign policy advisor during this critical juncture. This tenor proved to be the backdrop of the now setting in discord.

THE US EXPORTS A REGIONAL MODEL

In order to understand the coming documents, one must proceed from a global perspective as this reveals consistencies that lend form to US foreign policy. Revealed is the fact that international policy is a regional model exported worldwide. Primary material from different regions at the time proves a narrative that reveals just that—the global exportation of a model developed regionally. The 1823 Monroe Doctrine established a US claim to ‘protecting’ Latin America by asserting the US would not tolerate European interference in the affairs of states in the Western Hemisphere. The doctrine marked one of the US’s tangible entries into the southern half of the hemisphere.

17 Dulles, John Foster. “Principle Versus Expediency in Foreign Policy.” Missouri Bar Association, St. Louis, Missouri. September 26, 1952. He makes sure to emphasize that this is not a new phenomenon to US politics by including in the talk the words of President Washington: “Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness.” Dulles’ talk concludes, “This is above all the time to adhere loyally to those enduring principles upon which our nation was founded. This is a time, not to change our faith, but to renew it.”

18 Dulles, John Foster (June 1, 1953). Radio Address.


20 One must remember that Nixon was serving as Vice President at this time, and that he would shortly return.
With the onset of the Cold War came the Rio Pact. The 1947 Inter-American Treaty of Reciprocal Assistance, referred to as the Rio Pact as it was drawn up in Rio de Janeiro, stated, ‘an armed attack on an American state will be considered an attack against all the American States.’ The Rio Treaty was originally ratified by all 21 American republics. This same provision, an attack on one is an attack on all, would resurface two years later as Article Five of the North Atlantic Treaty Organization (NATO). Similar language could be found in subsequent treaties. Together the signatories of the various treaties formed the US global system of military alliances. In September 1951 there is the Australia, New Zealand, United States Security Treaty (ANZUS or ANZUS Treaty). Then, in September 1954 the Southeast Asia Treaty Organization (SEATO), also known as the Manila Pact, is formed by the US, UK, France, Australia, New Zealand, Pakistan, Thailand and the Philippines. The Middle East Treaty Organization (METO), also known as the Baghdad Pact and later called the Central Treaty Organization (CENTO) when the republican regime in Iraq withdrew from the alliance, was adopted in 1955 by Iraq, Turkey, Pakistan, Iran, and Britain. The US signed on only in 1958, for at the time of signing they hoped not to alienate other states in the region.

How to clearly define US interests in Latin America? The US consistently looks abroad for manpower for its military ventures. This is noted in the Report to the National Security Council by the Executive Secretary (Lay) (December 8, 1950), entitled, United States Objectives and Programs for National Security. found under the U.S. Military Programs:22

Part A:
21. The Other American Republics. The inter-American community is a source of both immediate and reserve political and economic strength. Its military strength is limited although not negligible. Its military manpower and the equipment presently available are essential to the maintenance of internal security in the other American states. Properly trained and equipped, the manpower of these countries could be used to maintain the security of lines of communication in the inter-American area and possibly to contribute forces to overseas operations…

Part B. Anticipated U.S. Foreign Grant and Loan Assistance (Prepared by the Department of State and the Economic Cooperation Administration)

…as a consequence of increased demands on U.S. resources resulting from a military defense program that may require expenditures at a rate of $50 billion

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21 Following the loss of East Pakistan in 1971, Pakistan withdraws from SEATO.
22 National Security Council, Executive Secretary Lay. “United States Objectives and Programs for National Security.” Annexes to NSC 68/3 1*, Annex No. 1. December 8, 1950; Declassified date not provided.
INTRODUCTION

a year, claims on U.S. resources for foreign aid have been limited to programs that will meet most urgent and immediate needs. These programs have therefore been restricted to those fulfilling three broad purposes: (1) investment to increase the production and facilitate the distribution of critical materials directly needed for defense, (2) aid to strengthen the defense effort of our allies, and (3) aid to enable governments which are or can be expected to become friendly members of the free world to win the confidence and support of their own peoples as a solid foundation for political stability and national independence…

Latin America: The program of economic assistance which is projected for Latin America is primarily one of production for defense purposes. The objectives are to increase the availability of critical materials which the U.S. will need for industrial and defense output, to maintain production of food and other items at a level adequate to meet the essential requirements of western Europe from this traditional source of supply, and to develop production which will minimize the dependence of Latin American States on imported food and other essential supplies in case of emergency. In addition, it will be necessary to speed up the construction of the Inter-American Highway....

Increased U.S. procurement and higher raw material prices will increase Latin America’s dollar receipts and her capacity to service further dollar debt. Consequently the major part of U.S. assistance to Latin America is scheduled in the form of loan aid (largely for transportation, fuel and power facilities). It is estimated that Latin America will require foreign capital for investment at a rate of about $350 million a year, of which the International Bank may be able to finance about $125 million a year, leaving about $225 million a year for U.S. Government loans.

Grant aid for Latin America includes $64 million over four years for completion of the Inter-American Highway, and about $28 million a year for an expanded technical assistance program, with particular stress on aid to increase indigenous food production.

Whether it is the Northern Alliance or Taliban of Afghanistan or Latin American manpower, the US is consistent. Remember all the while the US’s the first articulated expression of discontent for British policy in India was made by Assistant Secretary of State for Economic Affairs Adolph A. Berle, a New Deal liberal. Belre argued that with India’s vast pool of manpower, the country could achieve ‘a dominant position in supplying certain strategic war materials’ if it becomes an ‘active rather than a passive partner in the war effort.’

It is not just US military interests expressed in the region as history attests the pre-eminence of the market. A memorandum by Counselor George Kennan to the then Secretary of State proves revealing. It finds:

III. Non-Communist World
A. General
Hard to generalize. Embraces great variety of nations and problems. Such varied elements as:

(1) Latin American countries; (2) Dependent areas; (3) Under-developed areas just entering into independent status; (4) Old industrial areas losing their colonial empires; (5) Well established small independent states in Europe; (6) Older Commonwealth countries

Plainly huge variety of problems embraced in U.S. relations with these countries. Only two main generalizations can be made:

Self-financing of U.S. exports over nearly half a century. Logical necessity of increasing imports or restricting exports to the extent we are not prepared to continue large grants and loans. Export of investment capital only partial answer. Point IV will help, but again only partially and through a delayed action. ITO Charter will also only have a delayed effect; but failure to ratify it now might be confusing and discouraging to our friends. Best solution in national interest—increase in imports. But some continued foreign aid will certainly be required, in our own interest, after present ERP program. Solution of this problem important to health of entire non-communist world.

2. Psychological.
U.S. has a problem in misconceptions about us, which are prevalent throughout non-communist world. These are partly a natural reflection of resentment and fear of our wealth and success. Partly a result of hostile propaganda. But largely result of our own failure to think through the realities of our relations to other peoples, to find correct approach of rich and powerful country to weak and insecure ones. We are only gradually becoming conscious of irrelevancy of our national experience to contemporary problems of many other peoples.

By way of specifics, the Latin America section states:

Problems have not shown any marked change in recent months. They are traditional problems of: a. Finding possibilities and modalities for private American economic activity in that area which will have useful and healthy

24 Memorandum by the Counselor (George Kennan) to the Secretary of State. Confidential [Washington,] January 6, 1950. declassified date not provided.
effects locally and will at the same time assure adequate return to American businessmen.

His first concern for the region: American business.

The Mutual Security Program was one tool of US foreign policy and as it is global in nature, it provides a fitting transition. Policymakers felt the US should (1) continue to exercise a large measure of political, military and economic leadership throughout the free world and (2) the Mutual Security Program will constitute one of the primary instruments of US foreign policy in the exercise of this leadership. It finds:

General Assumptions Underlying the Foregoing Projections of Non-military aid:
As previously indicated, the over-all basic assumption underlying this entire report is the continuation during fiscal years 1957, 1958 and 1959, except where the probability, nature and effects of a major change are now reasonably predictable, of the present status quo in terms of (a) general world conditions (but including trends in those conditions), (b) U.S. Objectives, and (c) U.S. policies for achieving those objectives.

To attain this objective and otherwise to meet the threats to its security, it will be necessary for the U.S. to continue to exercise a large measure of political, military and economic leadership throughout the free world, and the Mutual Security Program will constitute one of the primary instruments of U.S. foreign policy in the exercise of this leadership.

The Mutual Security Program must operate in an environment which is affected by three major conditions relating to the production of agricultural commodities. They are:

First, there is the existence within the United States of large agricultural surpluses, and of a capacity and a tendency to continue, or even to increase, the production of these surpluses in the future. This circumstance creates both problems and opportunities—problems created by the conflict between (a) the U.S. desire to market maximum quantities of these surpluses abroad and (b) the adverse impact which efforts to carry out this desire may sometimes have on the trade and economies of other countries which export the same agricultural products; and opportunities, in the sense that these surpluses represent specific resources for which some countries have an urgent need.

Second, there is the fact that there are other countries in which an inability to export those locally-produced agricultural commodities which are in excess of domestic requirements constitutes a serious economic and political problem. This problem appears to be increasing in magnitude, and it is severely aggravated in those instances where either (a) the commodities in surplus represent a principal source of the country’s foreign exchange earnings or (b) the commodities are ones which are also in surplus in the United States (see above). The problems of rice in Burma and of cotton in Egypt will suffice as examples….

The needs of Less Developed Countries for External Capital:
…Large amounts of capital are indispensable for even the minimum rate of economic growth that is generally accepted as necessary in the less developed countries.

K. Foreign Aid in Relation to the Acquisition and Retention of U.S. Overseas Bases
There is some indication in Morocco, Saudi Arabia, Libya, and possibly elsewhere, that the price of continued or expanded U.S. base facilities in these places may be the extension of sizeable additional amounts of non-military and military assistance.

C. LATIN AMERICA
Local Currency Requirements for Economic Development. At the Rio Economic Conference, the U.S. announced a policy toward Latin America which envisaged that economic development could effectively be achieved through Exim Bank loans, IBRD loans, and private investment, all three in conjunction with technical cooperation, but that the U.S. would not through the MSP supply financial aid for economic development. While ………… …………

This last section shows the various arms of foreign policy at work. The expenditures envisaged for the MSP demonstrate geopolitics’ influence on aid considerations. Note the difference in expenditures for states bordering the Soviet Union, as compared with those closer to the US (See India & Pakistan chapter).

THE CONSISTENCY OF A US MODEL REVEALED
Latin America, the Middle East, and the Indian subcontinent represent three critical regions for the US during Cold War years, each in its own right. With Latin America covered, a quick review of the Middle East uncovers consistencies that lend form to a framework, which can then be applied to help understand US policy in the Indian subcontinent.26

26 The Middle East was once termed Near East or West Asia.
During the Cold War, US national security interests in the region were tangibly demonstrated by the Baghdad Pact. Geographically as a neighbor to the Soviet Union, the Middle East, like Pakistan, gained new political importance. A Policy Statement prepared in the office of Near Eastern Affairs (December 28, 1950) entitled, ‘Regional Policy Statement: Near East,’ narrates the US understanding of its role in the region. It dictates that US national interests require the following for the Near East:

- Strengthen where possible the ability of the Near Eastern states to maintain internal security and protect themselves against aggression from whatever source it may come;
- Encouragement of economic development programs in the area, including the increase in production of Near Eastern oil resources, as a means to raise the standard of living and increase the stability and pro-Western orientation of the area;
- Continuation in power of moderate governments having an increasing measure of popular confidence and support.\(^\text{27}\)

Thus, the US sought to establish moderate governments, providing them recourse with which to curb dissent and maintain internal security, and assure a steady supply of oil under the guise of US concern for standards of living.

With the above objectives, the policy prescription read:

- To maintain an attitude of impartiality as between the Arab States and Israel, including where appropriate the equitable extension of assistance and support, rather than the withholding thereof;
- Within the limitations of our worldwide responsibilities and in cooperation with Western powers undertake to strengthen the Near Eastern states militarily and to take whatsoever steps are now possible to make the maximum use of the manpower of the area in the event of general hostilities…. To take into account, in so far as it is possible, the national aspirations of the peoples of the area and to make known our views to the Western powers as occasion may require.\(^\text{28}\)

This same section goes on restating the US foreign policy objective to, when appropriate, work with colonial powers and maximize their influence within their former colonies while expressly stressing co-operation with the UK ‘wherever possible’. It asserts the need to use US regional allies (Turkey and Pakistan) to ‘exert a constructive influence on Arab states’ especially with Arab-Israelis ‘differences’, ‘non-communist orientation’, and discouraging ‘pan-Islamism.’

The document is evidence of a critical contradiction of the US in the region, and the world. This has an important parallel to contradictory US policy in the Indian subcontinent. It states:


\(^{28}\) Ibid.
Despite the general pro-Western orientation of the Arab States, a factor which affects achievement of our objectives is the tendency of these states to regard United States policies and actions as motivated by Zionist pressures or as efforts to strengthen Israel…. Certain factors in the United States influence the implementation of our objectives in the Near East. The first is Zionist pressure and domestic political considerations. Second, articulate public opinion is generally sympathetic towards Israel on most Arab-Israeli matters in dispute, both because of (1) Nazi persecution of the Jews; (2) Israel’s successful stand against the Arabs; and (3) The Israel side on Near Eastern matters is given more publicity. On the other hand, public opinion, ill-informed on the Arabs in general, is normally apathetic towards them, or critical of what it regards as a backward, feudal, undemocratic people who pursue an anti-Jewish or aggressive course with respect to Israel.29

What they have termed as a suspicion of the Arab states, is shown as a fact only paragraphs later.

The above policy paper provides a telling transition given the near identical language used when discussing both the Middle East and South Asia. A National Security Council document (January 10, 1957) on South Asia provides the empirical connection:

Objectives:

34. The continuance of non-Communist governments willing and able to resist Communist blandishments or pressures from within and without.
35. An increased association and identification of South Asian governments, and peoples, with the free world community.
36. A lessening of the tensions between the South Asian states in order to augment their resistance to Communist tactics and to strengthen their bonds with the free world.
37. Strong, stable and, if possible, popularly-based governments in all of the South Asian countries.
38. Increasingly sound and developed economies in each of the South Asian states.
39. A posture of military strength in the area contributing to area stability and as appropriate to the defense of the free world.

Courses of Action (General Political):

40. Foster the continuance of non-Communist governments in South Asia and strengthen their hands against Communist efforts to dominate them.
41. Encourage the governments and peoples of South Asia to expand and strengthen their ties with the free world.

29 Ibid.
42. Increase consultation with the governments of South Asian countries, particularly India and Pakistan, and encourage them to consult more frankly with us.
43. Maintain adequate information, cultural and exchange of persons programs in the countries of South Asia to support U. S. objectives in the area.
44. Increase the employment of training programs in the United States, host countries and third countries, to multiply as rapidly as possible indigenous capabilities for adequate self-government and economic growth...
58. Support the continuation in power of elements which are non-Communist and basically oriented toward the free world, recognizing that the Congress Party comes closest to fulfilling this specification and providing India with a strong, stable and popularly-based government.30

National aspirations and popularly-based governments are secondary considerations for the US. While the language differs slightly, the thrust of US policy formulations is near identical despite disparate regions and peoples.

INDIA’S SECURITY REALITY

The context of US foreign policy in Latin America and Middle East provides a revealing vantage to view the space with which India had to maneuver during the early Cold War period. It is this period that informed a national strategy for the nascent state. Some claim that India lacked a strategic culture. But one must remember that national security is just one product of a strategic culture. Our findings reveal that security is oft narrowly conceived, and as a new state India had yet to develop, perhaps for tactical reasons, standard channels and organizations through which to articulate a national security strategy. However, a comprehensive appraisal of both the political and economic developments during India’s formative years reveals a new notion of security. India’s national security strategy can be represented by an equation—economically bi-aligned plus politically non-aligned equals India’s national security. While an equation is a gross oversimplification, it helps conceptualize the relationship of complex processes.

Economically, bi-aligned represents the role both the USSR and the US played in India’s development. Nehru’s period set the tenor of India’s identity on the world stage for years to come. When Nehru first came to power, faced with the Development vs. Defense dilemma, he relied on a universal contradiction to inform his choice—prioritize development. This was because all over the world, universally, he witnessed states prioritizing defense at the expense of development. Towards this, he chose non-aligned so as to rely on both powers for

30 National Security Council; NSC Registry (PF); Copy No. 72; NSC 5701. January 10, 1957; Declassified September 19, 1977.
developing India. For confirmation, one only has to turn to Nehru's words in his speech, *Development is Defense*:

What is the war effort? People think of the soldiers on the front, which is perfectly right. They are bearing the brunt of the danger. But in the kind of struggle in which we are involved, every peasant in the field is a soldier and every worker in the factory is a soldier. Our war effort essentially, apart from the actual fighting done, is in ever greater production in the field and the factory. It is an effort which depends greatly on our development. Today we are much more in a position to make that kind of effort in the field and the factory than ten or twelve years ago. We are not still adequately developed. I hope this very crisis will make us develop more rapidly…. A modern army fights with modern weapons which it has to manufacture itself in its own country. It is based on the development of industry, and industry must have an agricultural base if it is to succeed. Then there is power, which is essential from the point of view of the war effort, and from the point of view of industry and of even agriculture. Therefore, we have to develop all round … I believe it has been calculated that 85 per cent of the developmental plans are essentially part of defence and even the remaining 15 per cent are indirectly concerned with it. Maybe a few things might be slowed down or otherwise adjusted, but by far the greater part of our Plan is itself essentially for defence, so that it is neither correct nor justifiable to draw a line and say, ‘this is defence expenditure and this is development expenditure,’ as if they were two separate things. For instance, it is essential from the point of view of defence for our agriculture to be flourishing. If our agricultural production is of positive instead of deficit quantities, not only would foreign exchange be saved but we would have a stable agricultural basis on which to build our industry and defence efforts. The fact that we produce enough in our agriculture is as important as guns…. The test of real strength is how much steel you produce, how much power you produce and use…. Rajput chivalry is very good; it gives spirit to the man but it is not real war. Real war is governed by scientific advance.\(^{31}\)

His speech witnesses the emphasis placed on all sectors of the economy and his integrated definition of development. Development and defense are one in the same for Nehru, but the 1962 war with China caused him to re-evaluate the investments, financial and others, made in defense. The war dramatically changed Nehru. Up until this time, and even after, India’s relations with China demonstrated a clever strategy and it is just one manifestation of India’s strategic culture. Whether it was pushing for China’s place in the Security Council or

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China taking center stage at the 1955 Bandung Conference, India skilfully relied on the carrot. Sarvepalli Gopal’s notes this as the chosen alternative, “containment of China through friendship.”

Nehru even goes so far as to thank China for the perspective gained through war in his speech, the Strong and Serene Face of India:

I have almost felt that it would have been suitable to add a small paragraph to the resolution thanking the Chinese Government for taking this action against us which has suddenly lifted a veil from the face of India. During the last three weeks or a little more, we have had a glimpse of the strong and serene face of India, strong and yet calm and determined…. They (many countries of East and West) are surprised that such an amazing upheaval should have taken place in our feelings, that all our petty controversies which seemed so big to us have suddenly become of no moment and are swept aside by the one thing before us, namely how to meet this crisis and emergency, how to face this invasion and to repel it…. Our mentality may be built towards peace. Although we had prepared for any such emergency, it is true that the mind of the people and of the Government sought peace all the time. I am sorry for that. I think it was a right urge and it is that right urge that has led to this enormous upheaval in the Indian mind.

The last part vividly recounts Nehru’s change. His speech Strength through Crisis reiterates gratitude, in a certain sense, and also raises a critical concern that perhaps speaks to the US:

And that (the response of all people of India) has shown us something which perhaps it is almost worth having a crisis to see and to feel, namely the abiding unity of our country despite superficial differences…. But let us remember that freedom is not a thing to be achieved once which will subsist forever without striving…Therefore, it is perhaps a good thing that in the present generation another assault has been made on our freedom to condition us and to pull us out of the wrong ways we may have fallen into, the way of softness, of forgetting the principles which governed us, and which have so often been repeated by Gandhiji and Gurudev…. In the Visva-Bharati (a university), for instance, you have got the various departments. You have got the Cheena Bhavan, under a distinguished Chinese scholar. That is a good thing to remind you always that you are not at war with China’s culture or the greatness of China in the past or in the present. You have no bitter feelings against the Chinese people as such. You are against a certain manifestation of Chinese

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Government . . . if you think that China as a country or the hundred of millions of her people are our enemies, let me tell you they are not.\footnote{Ibid., p. 25.}

Thus, security imperatives shaped the evolution of India’s identity on the world stage. This security equation provides the context for the years explored and the following hopes to develop each process in the equation.

**POLITICALLY NON-ALIGNED**

For assistance, Nehru and India turned first to the US for help, and it was only after the US insisted on impractical terms that India began, increasingly, to turn towards the Soviet Union. From a Working Committee resolution dated November 23, 1939, Nehru stated:

India is far from America, but more and more our thoughts go to this great democratic country, which seems, almost alone, to keep the torch of democratic freedom alight, in a world given over to imperialism and fascism, and violence and aggression, and opportunism of the worst type.\footnote{Gopal, Sarvepalli. Jawaharlal Nehru A Biography Volume One (1889–1947). Delhi: Oxford University Press, 1975, p. 260.}

Then from a 1952 letter written by V.K. Krishna Menon\footnote{At the time Menon was high commissioner to the UK and head of India’s delegation to the UN and later (1957–1962) served as Minister of Defense.} to Nehru, Menon recounts Nehru’s proposition—‘why not align with the United States somewhat and build up our economic and military strength?’\footnote{Gopal, Sarvepalli. Jawaharlal Nehru A Biography Volume Two (1947–1956). Delhi: Oxford University Press, 1975, p. 59.}

Then while visiting the US, Nehru gave a speech at Columbia University (October 17, 1949) stating, ‘When man’s liberty or peace is in danger we cannot and shall not be neutral; neutrality would be a betrayal of what we have fought for and stand for.’\footnote{Ibid., p. 61.}

Nehru, however, was never prepared to pay the price of subservience to US interests.\footnote{At the time, some in the US even suspected the British encouraged an anti-American attitude in India, as reported by Dr Grady, the first US ambassador in Delhi, to the State Department (December 26, 1947). Grady informed that Lord Mountbatten had repeatedly warned Nehru against dollar imperialism (See Gopal).} Nehru was certain that India in its own right was of importance to the US.

The US and India, for Nehru, were both states of actual or potential significance. The significance of India lay in its democratic practices, and its independence of thought and action. He was a pragmatist and wary of both blocs. By 1928, Nehru had publicly stated that the US offers the best study of economic imperialism. From a note he wrote on foreign policy (February 7, 1950):
If there is a world war, there is no possibility of India lining up with the
Soviet Union whatever else she may do. It is obvious that our relations with
the United States as with the United Kingdom in political and economic
matters are far closer than with other countries. We have practically no such
relations with the Soviet, nor is it likely that they will develop to any great
extent for obvious reasons.\(^{40}\)

Things from the beginning did not run smoothly. Nehru was upset by the
effusive welcome given to Liaqat Ali Khan on his May 1950 visit to Washington,
just a few months after Nehru’s visit. One response is found in a letter he wrote
to his sister Vijayalakshmi, then serving as Ambassador to the US (May 10, 1950),
‘I must say the Americans are either naïve or singularly lacking in intelligence.
They go through the same routine whether it is Nehru or the Shah of Iran or
Liaqat Ali.’\(^{41}\) And just days later he wrote her again (May 29, 1950)—‘It does
appear that there is a concerted attempt to build up Pakistan and build down,
if I may say so, India.’\(^{42}\) Nonetheless, India was determined to use all that it
could towards its development. K.N. Katju, former Defence and Home Minister
of India, nicely summarizes the ethos (August 28, 1954), ‘The friends of today
might be the enemies of tomorrow. Our main objective is to build up India
and we should take advantage of any proposal to that end, unless it is clearly
undesirable.’\(^{43}\)

It was only after Nehru’s state visit to the US that he then visited the Soviet
Union in June 1955. While there, Prime Minister Nikolai Bulganin and the head
of the Communist Party, Nikita Khrushchev, severely criticized the US for its
aggressive attitude. Nehru replied, ‘I don’t see why a strong man should always
go about showing his muscles.’\(^{44}\) A comment directed at both the poles, but as a
reply it non-confrontationally agreed. In the coming months, Soviet assistance
and attitude was markedly different than the response Nehru got from the US.
The heads of State of the USSR even followed Nehru’s trip with a visit to India
within a few months’ time. Bulganin, referring to one of Nehru’s speeches in
Parliament, commented, ‘All I can say of that speech, so full of wisdom and
vision, is may Nehru live long.’ A telegram authored by diplomat K.P.S. Menon
best captures the distinction felt by many in India (31 August 1954), ‘All that the
Soviets wanted was that Nehru should remain Nehru.’\(^{45}\) Given concerns for both
blocs, political neutrality lent India the needed mobility to ‘build up’ India.

\(^{40}\) Ibid., p. 64.
\(^{41}\) Ibid., p. 63.
\(^{42}\) Ibid.
\(^{43}\) Ibid., p. 227.
\(^{44}\) Ibid., p. 248.
\(^{45}\) Ibid., p. 246.
A note later published as *The Basic Approach* in the All India Congress Committee (AICC) Economic Review (August 1958) offers an ideal explanation of Nehru’s vision of foreign policy.\(^46\) In two places he defines what he means by basic:

Thus, violence cannot possibly lead today to a solution of any major problem because violence has become much too terrible and destructive. The moral approach to this question has now been powerfully reinforced by the practical aspect…The *basic* thing, I believe, is that wrong means will not lead to right results and that is no longer merely an ethical doctrine but a practical proposition.

…In considering these economic aspects of our problems, we have always to remember the *basic approach of peaceful means*; and perhaps we might also keep in view the old Vedantic ideal of the life force which is the inner base of everything that exists.\(^47\)

Basic for Nehru is to be philosophically sound; he stresses the importance of means and these means are necessarily peaceful. Means are just as important as the end; the end of any pursuit is uncertain and therefore means become ends in themselves. He goes on to identify the inherent contradiction in the Soviet Union—the freedom provided by their system of education and the lack of freedom for the individual within the political system. He states:

But we see the growing contradictions within the rigid framework of communism itself…. I have the greatest admiration for many of the achievements of the Soviet Union. Among these great achievements is the value attached to the child and to the common man. There the systems of education and health are probably the best in the world. But it is said, and rightly, that there is suppression of individual freedom there. And yet the spread of education in all its forms is itself a tremendous liberating force which ultimately will not tolerate that suppression of freedom. This again is another contradiction. Unfortunately, communism became too closely associated with the necessity for violence and thus the ideal which it placed before the world became a tainted one. Means distorted ends. We see here the powerful influence of wrong means and methods.\(^48\)

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\(^{47}\) Ibid., pp. 84, 90.

\(^{48}\) Ibid., p. 82.
It is Nehru’s philosophical-self which causes him to reject in some sense both the US and USSR. Soviet means were one chief reason why India would never be a Soviet pawn. He finds:

… The question is how to get rid of this [class struggles and inequality] and have a classless society with equal opportunities for all. Can this be achieved through methods of violence, or can it be possible to bring about those changes through peaceful methods? Communism has definitely allied itself to the approach of violence. Even if it does not indulge normally in physical violence, its language is of violence, its thought is violent and it does not seek to change by persuasion or peaceful democratic pressures, but by coercion and indeed by destruction and extermination in their grossest forms and, at the same time, it has no acceptable ideal... This is completely opposed to the peaceful approach which Gandhiji taught us. Communists as well as anti-Communists both seem to imagine that a principle can only be stoutly defended by language of violence, and by condemning those who do not accept it. For both of them there are no shades, there is only black and white.

What then is Nehru’s end:

We talk of a Welfare State and of democracy and socialism. They are good concepts but they hardly convey a clear and unambiguous meaning. This was the argument and then the question arose as to what our ultimate objective should be. Democracy and socialism are means to an end, not the end itself. We talk of the good of society. Is this something apart from transcending the good of the individuals composing it? If the individual is ignored and sacrificed for what is considered the good of the society, is that the right objective to have?

Who does Nehru hope to include in his vision of India:

It was agreed that the individual should not be so sacrificed and indeed that real social progress will come only when opportunity is given to the individual to develop, provided the individual is not a selected group, but comprises the whole community. The touchstone, therefore, should be how far any political or social theory enables the individual to rise above his petty

49 Though India can at times be perceived aligned, maintaining independence of action in the international arena stood paramount. India always maintained complete autonomy of action, even when turning to the US during the 1962 war with China and to the Soviet Union formally in 1971.
50 Ibid., p. 83.
51 Ibid., p. 85.
self and thus think in terms of the good of all. The law of life should not be
competition or acquisitiveness but cooperation, the good of each contributing
to the good of all. In such a society the emphasis will be on duties, not on
rights; the rights will follow the performance of the duties. We have to give
a new direction to education and evolve a new type of humanity.52

Given this, he then shows how to proceed—he defines his method, his
means:

Planning is essential for this (individual improvement) because otherwise
we waste our resources which are very limited. Planning does not mean a
mere collection of projects or schemes, but a thought-out approach of how to
strengthen the base and pace of progress so that the community advances on
all fronts. In India we have a terrible problem of extreme poverty in certain
large regions, apart from the general poverty of the country. We have always
a difficult choice before us; whether to concentrate on production by itself
in selected and favourable areas, and thus for the moment rather ignoring
the poor areas, or try to develop the backward areas at the same time, so as
to lessen the inequalities between regions. A balance has to be struck and
an integrated national plan evolved. That national plan need not and indeed
should not have rigidity. It need not be based on any dogma; but should rather
take the existing facts into consideration. It may and, I think, in present-day
India it should, encourage private enterprise in many fields, though even
that private enterprise must necessarily fit in with the national plan and have
such controls as are considered necessary.53

In the international arena his chosen means include non-aligned. Politically
non-aligned, however, meant India was an impossible ally given the US notion
of security that had taken shape by the mid-1950s. During the Cold War years,
National Security Council document 68 (United States Objectives and Programs
for National Security [April 14, 1950]), defined US security, thereby rejecting
George Kennan’s policy of political containment as documented in Telegram X.
Effectively, NSC-68 meant that the US secured itself through a global system of
military alliances and armament, some even persist after the collapse of the Soviet
Union. It was one response to the Soviet’s considerable progress integrating the
satellite economies of Eastern Europe with the Soviet economy. For many of
the American political and military actors, the Korean War proved the need for
NSC-68. A memorandum from the Secretary of the Army (Pace), the Secretary
of the Navy (Matthews), and the Secretary of the Air Force (Fin) to the Secretary
of Defense (Johnson), August 1, 1950 shows just that:

52 Ibid., p. 85.
53 Ibid., p. 88.
In this connection it should be emphasized that the Korean incident has clearly revealed the new pattern of Soviet aggression and demonstrates that the Soviets have moved openly into the use of force through puppets in their attack on the non-Communist world. It is to be recognized that the Soviet movement is monolithic. Satellite troops are just as much Soviet in this sense as if they were members of the Red Army.  

Soon thereafter in 1954 US military supply relations with Pakistan began, and for India this proved an enormous impasse in relations with the US. Pakistan first requested arms aid not even two months after Independence, but India was the first to receive modest sales of military equipment from the US. As a former World War II ally, this posed no problem for the State Department at a time when they flatly rejected Pakistan’s request. Secretary of State, Dean Acheson noted, ‘The Pakistanis were always asking us for arms and I was always holding them off.’ All this changed with a new administration and a new war. For some in Washington, the Korean War proved the US-conceived need for collective security. India’s neighbor was the natural geopolitical choice.  

As Washington saw this danger more as political and psychological, the Defense Department played virtually no role in the decision making process of arms for Pakistan. Civilian comments from the time shed light on the frame of mind of the men making this decision. Richard Nixon, then serving as Vice President, reveals he was convinced that Nehru’s objections for arms for Pakistan stemmed in part from, ‘his personal thirst for influence, if not control, over South Asia, the Middle East, and Africa.’ When Dulles reviewed the issue of arms for Pakistan he concluded, given Nehru’s strong public objections, if the US backed down now, this would ‘do a great deal to establish Nehru as the leader of all South and Southeast Asia and nations in that region would henceforth be reluctant to proceed on matters with the West without obtaining Nehru’s support.’ Leadership took what was for Nehru a matter of national security and transformed it into a dictatorship of a region.

ECONOMICALLY BI-ALIGNED

With non-aligned covered, we must now turn to what is meant by economically bi-aligned. First and foremost it must be noted that about 90 percent of all aid

54 Memorandum by the Secretary of the Army (Pace), the Secretary of the Navy (Matthews), and the Secretary of the Air Force (Fin letter) to the Secretary of Defense (Johnson). Policy Planning Staff Files, Washington, August 1, 1950.
56 Ibid., p. 110.
57 Ibid., p. 111.
received by India has been in the form of loans. From the time of independence until 1988 the Soviet Union provided 16 percent of all aid India received and the US 8.6 percent. By the late 1950s up until the late 1960s, a dramatic foreign aid competition between the United States and the Soviet Union had developed, especially with India. During this period, India's economy was moving toward a command economy, with the state as the primary actor.

The Soviet Union developed a distinct approach from the US to aid and development. Under Khrushchev, the Soviet Union began to pursue an active foreign aid policy. The Soviet Union’s adopted approach gave preference to project aid over program aid. From the Soviet point of view, project aid had the advantage of allowing closer control over the aid given and also produced tangible results. What is more, aid for state industries showed Indian policy makers their commitment to India’s development.

The Russians emphasized the role of heavy industry in rapid development. The Soviet Union helped India set up large steel mills in the public sector, and in general offered economic and technical assistance. The bulk of Soviet credits were directed towards key sectors of the economy, such as steel, heavy machine building, oil exploration and production, coal mining, and thermal hydroelectric power stations. India turned to the Soviet Union for steel only after the US denied assistance. During the Bulganin-Khrushchev visit to India in late 1955, Khrushchev said in Bangalore:

While the representatives of other countries come to India to use your poverty and backwardness for their own benefit, our wishes are very different. We wish you to build up your country. We shall do everything in our power to assist you and facilitate such development.

From a domestic perspective, the consistent Soviet economic support of India reinforced the ideology of economic nationalism among Indian politicians, who even today use this rhetoric. Over the years, the established linkage between India and the Soviet Union made readily available economic aid, and preferential treatment in trade and military supplies. The high point of Soviet economic assistance to India spanned the years from 1959 to 1966. This period also coincided with a peak in US aid.

US aid reached its height in 1960 at $1.6 billion when food aid comprised 92 percent of the annual assistance budget. The 1960s were primarily focused on assisting India’s Green Revolution Programs. However, since Independence, a wide range of joint US-India projects were undertaken—the establishment of

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58 See, Library of Congress on aid to India reports, http://lcweb2.loc.gov/cgi-bin/query/r?fnd\cstdy:@field(DOCID+in0103).
regional engineering colleges, the Indian Institute of Technology in Kanpur and Kharagpur and other training facilities, power projects, help with financing the necessary import of raw materials, irrigation systems, and developing national programs for example in malaria control and family planning.

In 1951 the US made its first loan to India for the purchase of two million tons of wheat to meet a food crisis. Then, in 1956 the two States signed the first PL-480 agreement worth $360 million. Also, in August 1958, the World Bank organized the Aid-to-India Consortium, comprised of Austria, Belgium, Britain, Canada, Denmark, the Federal Republic of (West) Germany, France, Italy, Japan, the Netherlands, Norway, Sweden, and the United States. Based on India’s plans for its development, the consortium coordinated aid and established priorities among the major sources of aid and projects undertaken; aid was given on a bilateral basis.

The transfer of technology, however, was a heated issue. In the region, Washington said it was following a policy of preserving a military balance between India and Pakistan. Any attempt by India to consider its security concerns beyond the subcontinent was ignored by policy makers in the US. The United States refused the transfer not only of Lockheed aircraft technology, but also of other military equipment to India; it readily offered the same equipment to Pakistan. The Soviet Union took an entirely opposite strategy. It was willing to transfer its latest technology including MiG fighter aircraft technology, which was of great importance to India. India took this Soviet gesture very seriously. K.S. Subramanyam, a leading strategic studies expert, reported in 1981 that the significance of the MiG-21 deal lay in the fact that the Soviets had refused the MiG-21 technology to the Chinese, but were willing to license production in India. In due course, the Soviet Union also granted licenses for manufacturing the MiG-29 aircraft and T-72 tanks. It agreed to set up a tank production center in Madras that would become India’s major source for tanks used on its borders.

Nehru gave a speech, the Manufacture of MiG Aircraft, revealing the autonomy granted by Soviet methods and the value this had for Indian actors. He stated:

The engine which the Soviet Union offered us was excellent but it did not fit into our aircraft. They said, ‘Change the aircraft’. We said, ‘No. We cannot change the aircraft. You change the engine.’ There was a long argument as to

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61 One significant US contribution was in the form of the 1954 Agricultural Trade Development and Assistance Act, as amended Public Law (P.L.) 480, also known as the Food for Peace Program. Its ends were to combat hunger and malnutrition; promote broad-based equitable and sustainable development, including agricultural development; expand international trade; develop and expand export markets for United States agricultural commodities; and to foster and encourage the development of private enterprise and democratic participation in developing countries. Governments could pay in US dollars, or save scarce foreign exchange and use local currencies.

which was to be changed. Ultimately they agreed to change the engine to fit in the aircraft…. So far as the performance was concerned, it (MiG) is, according to the engineers, about the same as the American plane or the French Mirage, but it is probably more suitable for us. It is meant for rougher work. It does not require very special airfields but can land on ordinary airstrips. Its price also was much less. It is easier to manufacture.63

Declassified documents highlight US concern for Soviet initiatives. In 1959, the US Department of State produced a long document entitled, ‘Soviet Economic Offensive in India.’ According to the Department of State’s analysis, the Soviet Union’s economic interest in India was aimed at gaining the maximum influence over the development of India’s economy and the direction of its policies. The document emphasized three main strategies that might be adopted by the Soviet Union to capitalize:

Project aid programs of large magnitude to influence and impress the Indian people and government.

Trade programs which will be significant economically as well as psychologically and which will wherever possible create situations of India’s dependence upon Soviet Union.

Technical assistance programs calculated to win the sympathies of a maximum number of Indian officials, scientists, engineers, and students and the Indian intelligentsia in general, while making for more effective aid and trade program.64

The document asserted that since 1959, the Soviet Union had been developing an aggressive economic assistance program for India of broad scope and considerable magnitude. It found:

In the field of aid the Soviets were prepared to go far beyond anything they have provided thus far to any country. They will give India anything it asks for development thus reflecting a major change in our estimate of Soviet Policy.65

Whether it was the economic or political realms, the two blocs were in constant competition abroad.

65 Ibid.
Where India’s economy is concerned, it is interesting to note that language used during Nehru’s time is found in India’s subsequent leaders and even the leaders of today. Rajiv Gandhi’s definition of India’s political economy is just one example. He stated in the Seventh Plan, ‘Self-reliance does not mean autarky. It means the development of a strong, independent national economy, dealing extensively with the world, but dealing with it on equal terms.’ Self-reliance was again defined in the context of India by the current Prime Minister Manmohan Singh in a 2001 interview:

Self-reliance means that India has to be integrated into the evolving world economy. We have to share in the benefits of an increasingly interdependent economy. Trade offers opportunities; it creates an environment in which our industry can grow at a rate faster than domestic demand…. So self-reliance as I saw it meant not making India dependent on foreigners for savings, though we opened up India to increase participation by foreign capital. But I never believed that foreigners could underwrite the development of India. That task will have to be done within India. But [it should be done] in a manner in which the bulk of savings for India’s development would continue to be generated domestically.

The following is a timeline of events that help situate the reader for the coming documents. What may seem disparate and unrelated sheds light on power relations in a region and a world.

1885 Creation of the Indian National Congress, or Congress Party.
1904–1905 The Russo-Japanese War ends with a Russian defeat and Japan emerges as a world power.
1906 Founding of the Muslim League. At the time of independence, the Muslim League is the only major party in Pakistan and claims the allegiance of almost every Muslim in the country. The party is severely weakened by the deaths of its two principal leaders, Jinnah and Liaquat Ali Khan, the difficulties in resolving the challenge of regional representation and the ensuing constitutional impasse in the 1950s.
1907 Russia, fearing a growing German army, joins Britain and France in the Triple Entente.
1922–1991 During these years the Soviet Union is the key actor and architect of the Union of Soviet Socialist Republics. 1922 marked the end of a four year Civil War between the Red Army and communist opposition who had the help of the US, Britain, and France.

66 http://www.planningcommission.nic.in/plans/planrel/fiveway/7th/vol1/7v1pre.htm
1929 Nehru is elected president of the Indian National Congress. In 1937, the *Modern Review* of Calcutta carries a letter, warning members of the Congress Party against Nehru and his ‘tendencies towards autocracy;’ it tells of the need for him to be firmly checked before he ‘turns into Caesar.’ It emerged many years later that Nehru himself wrote the letter though it was published under the pen name Chanakya.

1933 Marks the first suggestion for the name for Pakistan—P for Punjab, A for the Northwestern Frontier States including Afghanistan and Baluchistan, K for Kashmir, S for Sindh and (S)Tan for land. The word comprises two words in Arabic, Paak-stan, or pure land. Pakistan is proposed to be the separate homeland for the Muslim-majority provinces in the northwest and southeast of the Indian subcontinent.

1940 Muslim League adopts the Lahore Resolution, or Pakistan Resolution. Muslim League leader Muhammad Ali Jinnah and others voice their demand for an independent homeland for Indian Muslims, the ‘Two Nations Theory.’

1941 On October 9 US President Franklin D. Roosevelt authorizes atomic weapon development. The Navy awarded the first atomic energy funding of $6,000 for graphite for experiments that then grew into the Manhattan Project under the scientific leadership of J. Robert Oppenheimer and the Italian-born nuclear physicist Fermi. The Manhattan Project refers to the effort to develop the first nuclear weapons, formally the Manhattan Engineering District (MED). The project’s roots lay in scientists’ fears since the 1930s that Nazi Germany was investigating such weapons of its own. Project research took place at over 30 different sites spread across the United States, Canada, and in the United Kingdom. Manhattan Engineering District maintains control over weapons production until the Atomic Energy Act of 1946 when the Truman administration forms the civilian-run agency, the United States Atomic Energy Commission, to take over for MED.

1943 Soviet weapons program begins partly in response to the news of the US’s rapidly growing Manhattan Project. Both the US and USSR go on to develop weapons powered by nuclear fusion, or hydrogen bombs, by the mid-1950s.

1945 August, the United States military tests atomic bombs on the cities of Hiroshima and Nagasaki respectively. At least 120,000 people, about 95 percent of which were civilian, are killed outright and approximately twice as many over time. These were the first and only nuclear tests conducted on civilian
populations in history. Japan sent notice of its unconditional surrender to the Allies of World War II on August 15.

1945 Marshall Josef Tito deals with the nationalist aspirations in his region by creating the federation of Yugoslavia comprised of six republics—Croatia, Montenegro, Serbia, Slovenia, Bosnia-Herzegovina, and Macedonia. While maintaining independence from the USSR, Tito’s communism provided for power that was decentralized to workers’ councils.

1946 November 27, Nehru appeals to the United States and the Soviet Union to end nuclear testing and to begin nuclear disarmament, stating that such an action would ‘save humanity from the ultimate disaster.’

1947
- March–June, US announces the Marshall Plan and the Truman doctrine. India and Soviet Union establish diplomatic relations—this happens just before India’s official declaration of independence and partition of Hindustan.
- August 15, India and Pakistan gain independence and the fight for Kashmir begins. Partition creates the Muslim state of East and West Pakistan out of India at the end of British rule. Pakistan is the largest Muslim state with a population of 45 million. In Pakistan, Jinnah becomes Governor-General and Liaquat Ali Khan, Prime Minister. Partition leaves hundreds of thousands dead and millions homeless on all sides of the conflict. Partition causes one of the greatest populations movements recorded in history.
- October marks the first Indo-Pak conflict when armed tribesmen from Pakistan’s North West Frontier Province invade Kashmir. During the conflict, the US issues an embargo on both India and Pakistan. At the time of partition Kashmir was home to four million residents and about three million of them were Muslims. Maharaja Hari Singh neither wanted to be part of Muslim majority Pakistan nor have his power challenged in any way by joining democratic India. With the invasion of the tribesmen supported by Pakistan, the Maharaja turned to India for armed assistance in return for accession of the state to India. It was at this time that Jinnah made an initial appeal for US military and economic assistance. The war ends on January 1, 1949, with the establishment of a ceasefire line. The US then removes the embargo and early in the year a Pakistani military mission visits the US, only to receive token pledges and modest sales of equipment.
November 2, Nehru turns to the UN for international mediation to help with the Kashmir situation. The 1947 conflict proves revealing, underscoring the American reliance on British in the subcontinent. Then on April 21, 1948 the Security Council had its first breakthrough with a resolution that provided the outline for a settlement to the Kashmir dispute. In spite of both Indian and Pakistani objections, it established a commission of five, later called the United Nations Commission for India and Pakistan (UNCIP). Pakistan thereby had to withdraw all tribesmen and Pakistani nationals from the disputed territories, at which point India would reduce troops in the region in consultation with the commission. India agreed to the resolution with minor modifications, while Pakistan had so many modifications that the answer was essentially no. Ultimately, the UNCIP failed to achieve a breakthrough and a new resolution was reached and agreed to by both parties on January 5, 1949.

1948
- January, Mahatma Gandhi assassinated.
- July, Berlin Blockade.
- September, Pakistan’s first head of state, Muhammad Ali Jinnah dies and Khawaja Nazimuddin becomes Governor-General.

1949
- April 4, Western Europe and US form the defense collaboration, The North Atlantic Treaty Organization (NATO). Article Five of the treaty stated that an attack on one was an attack on all. The provision was invoked for the first time in response to the September 11, 2001 attacks on the US.
- August, USSR tests its first atomic bomb.
- October, The Communist Party of China’s victory in the Chinese Civil War under the leadership of Mao Tse-tung establishes the People’s Republic of China (PRC), forcing the Republic of China (ROC) to retreat to the island of Taiwan, which it had governed since the end of World War II. German People’s Republic is proclaimed around this time.
- October, Nehru visits the US as a guest of President Truman and awakens those in Pakistan to the possibilities of an alliance between the two; this led Pakistani Prime Minister Liaquat Ali Khan to counter by accepting an invitation from Stalin to visit the USSR. Truman invites Khan for a formal state visit less than a month after Nehru’s return.
- December 30, India becomes the second non-communist
country to recognize the Peoples' Republic of China; the first
was Burma.

1950
- January, India becomes a Republic and a new Constitution
comes into effect. India’s Ambassador in the US, Mrs.
Vijayalakshmi Pandit, formally presents a request for two
million tonnes of food grains to meet a food crisis brought
on by floods and droughts. Ambassador Pandit explains that
only the US has adequate reserves to meet India’s needs;
at the time, India’s Finance Minister (C.D. Deshmukh)
commented that this represented a major turning point in
India-US relations as the cabinet had come to the conclusion
that the US was vital to India’s national stability.
- February, signing of Sino-Soviet pact in Moscow. This
creates a bilateral defense commitment, settles their historic
territorial issues, and initiates a modest program of Soviet
aid to China.
- April, drafting of National Security Council’s NSC-68.
- June, Korean War begins and India plays an important role.
Before the war the US had yet to make a major military or
economic commitment in South Asia. China sent, via Indian
interlocutors, a series of warnings that any movement by
the US military towards the Chinese border would result in
an immediate military response. Nehru does what he can to
prevent UN military operations extending into North Korea,
but Washington authorizes General Macarthur to move
his troops beyond the 38th parallel if necessary to destroy
North Vietnamese troops. Nehru thinks this will lead to
‘world conflagration’; when the US does not listen, Nehru
casts a vote against a General Assembly resolution calling
for the unification of Korea that was passed on October
7, 1950.
- November, marks the full-scale entry of Chinese forces.
Within days of the North Korean invasion, the State De-
partment formally requests Pakistan to contribute troops
to the to the UN ‘police action’. Pakistan is slow to respond
and ultimately decides against sending troops. India vetoes
the February 1, 1951 General Assembly resolution naming
China the aggressor. In 1953 when an armistice is finally
reached, observers in the UN pay tribute to the significant
role India plays in bringing the conflict to an end. After
all, it was India who produced a resolution that provided
a way out of the deadlock over the prisoners’ repatriation issue and in the end the final peace agreement is based on the Indian resolution. India chairs the five-member Neutral Nations Repatriation Commission while the Indian Custodian Force supervises the process of interviews and repatriation. Direct negotiations between India and China commence in an atmosphere improved by India’s mediating efforts throughout the Korean War.

- December 6, Nehru advocates China’s membership in the United Nations in a Parliamentary debate held in New Delhi.

1951

- India’s First Five-Year Plan focuses on agriculture. Nehru is impressed by what both the US and the USSR offered its citizens, in the former civil liberties, and the impressive growth and education system under the Soviet Union’s Piatiletka or 5-year plans. Capital is a scarce commodity for Nehru’s plans for development, as the West dealt with the ravages of World War II. Nehru decides on a mixed economy, with a large public sector in key areas like steel. This was at a time when it was common for the state to occupy a large space in both politics and economics.
- September, Soviet Union explodes ‘Joe-2’, an improved plutonium implosion bomb.
- September 9, China invades Tibet with 3,000 troops, soon followed by 20,000 more, and occupies all the major cities in Tibet. The Dalai Lama flees to India where he formally repudiates, at the first instance to speak freely, the China-Tibet agreement that establishes Tibet as part of the Republic of China.
- September, India boycotts the Japanese Peace Treaty.
- October, Chester Bowles, the US ambassador to India, arrives in New Delhi and replaces Loy Henderson as envoy to New Delhi. He is informal, engages in Indian arts, travels, and sends his kids to local schools. Bilateral relations warm. By the summer of 1951 India and Pakistan are on the brink of war and India is unwilling to follow American-British-UN advice on the Kashmir dispute. Liaquat Ali Khan assassinated; Nazimuddin becomes Prime Minister (1951–April 1953). Ghulam Mohammad becomes Governor-General.

1952

- US elections and Eisenhower beats Governor Adlai Stevenson of Illinois, at a time of firm Republican control of both the Senate and House. The election brought the end of 20 years
of Democratic control of the White House. Ambassador Allen replaces Bowles and the new Secretary of State, John Foster Dulles, baulks at the $200 million commitment for India from the Truman administrations. He proposes a mutual security budget. Dulles ultimately agrees to $140 million and Bowles explodes.

- January, India holds the first general elections on the basis of universal adult suffrage. Japan regains its independence but the US retains several islands for military use, including Okinawa.

- September, Pakistan suffers from a poor harvest and the US helps with a $15 million dollar loan to help fund the purchase of US wheat supplies. American analysts worry about Pakistan’s ability to finance both food and arms. The US suspends aid to Pakistan numerous times from 1965 through 1999 due to regional conflicts with India over Kashmir, democracy concerns, nuclear weapons and security issues. Pakistan is viewed by the US as a crucial ally during the Cold War years and beyond, and receive nearly $12 billion in aid between 1947 and 2000.

- At the invitation of Prime Minister Jawaharlal Nehru, the Ford Foundation establishes an office in India in 1952. It was the Foundation’s first program outside the United States, and the New Delhi office remains the largest of its field office operations. The New Delhi office also covers Nepal and Sri Lanka.

- The Communist Party in Pakistan makes gains among the people during a time of heightened societal tensions, with issues surfacing along all lines; a fact not well received by US observers.

1953

- March 5, Stalin dies. In September, Khrushchev becomes first Secretary of Soviet Communist Party, and the Soviet ‘peace offensive’ begins in April.

- April, coup in Pakistan and then-Secretary of State John Foster Dulles trip to the subcontinent coincides with the dismissal of the Prime Minster Nazimuddin. Governor-General Ghulam Mohammad replaces Nazimuddin with Pakistan’s ambassador to the US, Mohammed Ali Bogra. This dramatically changes bilateral relations with the US as the military establishment and civil bureaucracy took power over religious and political rivals; both actively seek US support once in power.
June 25, Eisenhower signs a bill providing Pakistan with the one million tonnes of food grains requested to meet a food emergency. Supplying Pakistan with wheat on an emergency basis garnered bipartisan support unlike in 1951 when the India wheat-loan bill generated a bit of controversy.

September 30, General Ayub Khan, head of the Pakistani army and rumored to be the most important individual in Pakistan, visits Washington to ask for military assistance for the Pakistani army and meets with Dulles.

October 9, US contacts the UK to see if there is internal agreement as to whether to extend some military aid and exploring the appropriate way to do so. Up until this point, the Eisenhower administration had not discussed its intention of helping Pakistan. Britain is upset at not being consulted earlier, and at the impact this would have on settling the Kashmir dispute. There was a feeling across the Atlantic that Washington had abandoned the well-established pattern of close Anglo-American consultation on South Asian matters. British response—first arms package for Pakistan ought to be presented as part of a regional security project, initiated by Pakistan and Turkey; India should be offered a similar pact even if only to turn it down, as they anticipated the non-aligned state would. At this time, US Ambassador in India is Allen, and Ambassador Hildreth serves in Karachi.

December, Vice President Nixon takes an extensive Asian tour. Nixon describes Nehru ‘as the least friendly leader’ he met on his 17 country trip and reveals he is convinced that Nehru’s objections for arms for Pakistan stemmed in part from, ‘his personal thirst for influence, if not control, over South Asia, the Middle East, and Africa.’

Supreme Court rules in Brown vs. Board of Education, making racial segregation in US schools unconstitutional. This marks the start of a campaign of civil disobedience to secure civil rights for Americans of African descent that has lasted decades.

February 25, the US announces its decision to support Pakistan and bilateral relations develop rapidly. US secretly installs important electronic facilities that make it possible to track Soviet missile capabilities. Bases in Peshawar and Lahore, like those in Iran and Norway, all allow U-2 American spy planes to regularly monitor Soviet territory. Bases are just one key reason for US support of Pakistan. Ambassador Allen
writes Nehru on the 24th offering explanations for the US decision. Nehru is concerned not only that Pakistan will use these arms against India, but that the decision will intensify Hindu-Muslim communal tension within India.

- March, Provincial elections in East Bengal expose the depth of division in Pakistan. The Muslim league and its current Prime Minister suffer a crushing defeat, capturing only 10 of the 309 seats in the assembly. The United Front wins 223 seats. Governor’s rule is imposed on the rebellious province. For the US charge in Karachi, John K. Emmerson, elections show Islam alone is not enough to unite West and East Bengal.


- April 2, Pakistan and Turkey conclude a mutual cooperation agreement with the US; American officials hope the pact will serve as the basis of a broader regional defense grouping.

- April, India and China sign Sino-Indian treaty and the two States temporarily resolve their differences over Tibet.

- May 19, Amid concerns about Soviet expansion, US and Pakistan sign the Mutual Defense Assistance Agreement formally confirming Pakistan’s alignment with the West. Pakistan hopes for a deal similar to what Turkey secures. Military aid to Pakistan between 1953 and 1961 totals $508 million. There were tensions along two of Pakistan’s borders, Afghanistan and India, during the early 1950s.

- June 22, Foreign Minister of Pakistan Zafrulla Khan visits Washington in the hope for more economic aid after Washington carefully avoids attaching a dollar figure to the promised military support.

- June, Chinese Premier Chou En-Lai makes a highly publicized trip to India and Nehru pays a return visit in November of the same year.

- June 28–29, Indian, Myanmar and Chinese prime ministers announce Panchasheel Principles, a spirit of peaceful co-existence. These principles include mutual respect for sovereignty and territorial integrity, non-aggression,
non-interference in one another’s domestic affairs, equality, mutually beneficial co-operation and peaceful co-existence.

- July, US calls for Manila Conference to discuss collective security arrangements for Southeast Asia. Pakistan seeks an invitation and becomes one of the original members of SEATO. This provides a claim on US resources. US offers an expanded package at the conclusion of Prime Minister Bogra’s meetings with US officials.

- September 8, US begins to arm Pakistan with the formation of the Southeast Asia Treaty Organization (SEATO) in September. The Southeast Asia Collective Defense Treaty (Manila Pact) forms SEATO to assure mutual security in the region. The signatories include Australia, France, Great Britain, New Zealand, Pakistan, the Philippines, Thailand, and the US. The military agreement has its civilian counterpart in the form of the Pacific Charter, affirming self-determination and equality and setting goals in the economic and social spheres. On the security front, SEATO uses members’ military forces and holds joint military exercises annually, but use of these forces requires a unanimous vote and hence SEATO’s abstention in the Vietnam War. By 1977 the group formally disbands.

- September 29, India expresses its regret at the General Assembly resolution postponing the discussion of Communist China’s membership in the UN. UN continues to recognize Taiwan.

- October, Prime Minister Bogra approves a series of amendments to the state’s constitution, still the India Act of 1937. They undercut the power of the governor-general and centralize power to the prime minister and his cabinet. He then departs for Washington, only to be called back suddenly mid-trip. Faced with an ultimatum, he dismisses the Constituent Assembly and agrees to co-operate with the governor-general and the army, who allow Bogra to keep office largely for his good relations with American officials.

- December, the US and the Republic of China sign the Mutual Defense Treaty.

1955

- Britain, Turkey, Iraq, Iran, and Pakistan form what is originally known as the Middle East Treaty Organization (METO), or Baghdad Pact. In 1959 the Republican regime that came to power in Iraq caused Iraq’s withdrawal and the Baghdad Pact became the Central Treaty Organization (CENTO). The US did not join the alliance until 1958 and
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instead relied on the British to start co-operation efforts and to represent their interests. They did this with the hope of not alienating Arab states with whom, at this juncture, they are still trying to establish friendly relations. CENTO commits the signatories to mutual protection, co-operation and non-intervention in one another’s internal affairs. The end was to contain the Soviet Union through this strong front along their southwestern border. Pakistan joins US sponsored multilateral commitments, all the while Pakistani General Ayub Khan hopes for a US $200–300 million military package. However, the program’s first year for Pakistan totaled just under $39 million. By 1959 and 1960 General Khan continues pressing the US to expand the military commitment.

- Mao authorizes a full-scale effort to make China a nuclear power.
- The Liberal Democratic Party (LDP) is formed in Japan. Apart from a brief interlude in the early 1990s, the party governs almost uninterruptedly for the rest of the century and beyond.
- Under PL 480, Pakistan receives over $75 million in excess. US agricultural commodities for consumption or resale. The US Agricultural Trade Development and Assistance Act (1954), also known as the Food for Peace Program (as amended Public Law 480), seeks to combat hunger and malnutrition; promote broad-based equitable and sustainable development, including agricultural development; expand international trade; develop and expand export markets for US agricultural commodities; and to foster and encourage the development of private enterprise and democratic participation in developing countries. Governments could pay in US dollars, or save scarce foreign exchange and use local currencies to purchase US agricultural goods.
- April, Bandung Conference delegates from 29 Asian and African countries meet in Bandung, Indonesia. Foremost on the agenda—emancipation from colonial and neocolonial rule, acutely felt by most attendees, and détente with respect to the two main blocs, US and USSR. The prominent personalities in attendance—Jawaharlal Nehru, Prime Minister of India, Kwame Nkrumah, Prime Minister of the Gold Coast (later Ghana), Gamal Abdel Nasser, President
of Egypt, Chou En-Lai, Premier of China, Ho Chi Minh, Prime Minister of Vietnam, and Congressman Adam Clayton Powell of Harlem, USA. Chou En-Lai’s speech stresses Asian-African unity instead of attacking the West or pushing communist ideology on newly independent states. At the conference, Gamal Abdel Nasser lays the foundation for both Pan-Arabism and Pan-Africanism. Nasser was a dynamic secular figure who challenged the West by nationalizing the Suez Canal (1956) and uniting Egypt with Syria for a short time (United Arab Republic [UAR]) through Michael Aflaq’s Arab Ba’ath Socialist Party. Pakistani Prime Minister Bogra attends and stoutly defends the US against all attacks. Also, Pakistan votes consistently with the US in the UN and stood with the US during the twin Hungary-Suez crisis in mid-1956.

- May, NATO admits a ‘re-militarized’ West Germany.
- May 14, the USSR and seven East European states sign a defense treaty, the Warsaw Pact, drafted by Nikita Khrushchev and officially called the Treaty of Friendship, Co-operation and Mutual Assistance. It provides for a military alliance against the perceived threat of NATO.
- June 26, Pakistan holds elections and Bogra, Ghulam, and Mirza of the founding Muslim League only win 25 of the 80 seats and now need a coalition to rule. As a result of elections, Chaudhary Muhammad Ali replaces Bogra as Prime Minister in August.
- India and Soviet Union sign an agreement to construct a State metallurgical plant in Bhilai in the public sector, the Bhilai Steel Plant (BSP). Built with Soviet co-operation and technology, it begins production in February 1959. The US perceives Bhilai as part of a Soviet ‘economic offensive’.
- June, Nehru makes his first official visit to the USSR and his daughter, Indira Gandhi, accompanies him. The trip is high-profile, highly-publicized, and the way Moscow receives him reflects the new importance felt for bilateral relations by the Kremlin’s new leaders.
- August, Governor-General Ghulam Mohammad resigns and Iskander Mirza succeeds him.
- One Unit Plan establishes the four provinces of West Pakistan as one administrative unit.
- November–December, marks the first official visit of the Soviet leadership to India. Nikita Khrushchev, the first secretary of the Central Committee of the CPSU, and
Nikolay Bulganin, the head of the Soviet government, head the delegation. During a stopover in Kashmir, the Russian leadership declares its support for India in the dispute. They offer an attractive economic aid package, sales of advanced military aircraft, renewed their commitment for the steel plant in Bhilai and presented other new measures for increased bilateral trade. It is right around this time that Dulles refers to Goa as one of the Portuguese provinces in Asia, at a time when India pushes for decolonization.

1955–1960
- Infrastructure for the Rourkela Steel Plant (RSP) is set up in Orissa during these years. The Republic of Germany extends know-how in a joint venture with GOI. RSP is the first integrated steel plant in the public sector in India with an installed capacity of 1 million tons.

1956–1961
- India's Second Five-Year Plan focuses on the domestic production of industrial products, heavy industry.

1956–1964
- The states in India are reorganized on a linguistic basis under the States Reorganization Act, and a major redrawing of state boundaries along linguistic lines ensues. English and Hindi remain national languages but each state's affairs are conducted by the language spoken by the majority of its people. India annexes the French and Portuguese enclaves and separatist groups, particularly in the Punjab, and opposition parties proliferate.

1956
- Adoption of a constitution that proclaims Pakistan an Islamic republic; Iskander Mirza becomes President. Eisenhower easily wins re-election and Nikita Khrushchev announces to Western ambassadors, ‘History is on our side. We will bury you!’ Ellsworth Bunker is appointed Ambassador to India where he plays a critical role in the covert alliance between the two powers against China. John Kenneth Galbraith replaces him in 1961.
- February 20, Congress of Communist Party of the Soviet Union meets. Khrushchev in a long, secret impassioned speech denounces Stalin and his doctrine of inevitable conflict between states with different social systems. Khrushchev emphasizes peaceful co-existence; once employed on and off for tactical reasons, it now becomes a fixed principle of Soviet foreign policy. This provides one significant impetus for a major rethinking of Indo-Soviet relations.
- March, Pakistan adopts a new constitution and Mirza becomes President.
• March 5–9, John Foster Dulles visits Karachi and attends the second SEATO Council Meeting. On March 9 he departs for New Delhi and his arrival comes at the same time as the SEATO communiqué calling for an early settlement of the Kashmir dispute. During the two-day trip, Dulles implores Nehru not to buy Soviet military aircraft.

• US develops the U-2 reconnaissance aircraft and in this year aid to India slumped to 50 million.

• July–November, Britain, supported by France and Israel, intervenes in the Suez Canal Zone, but withdraws under pressure from the US. After the Suez Crisis, the US acts as the chief protector of most Western interests in the Middle East.

• August 29, US and India sign the first PL-480 agreement under which Washington provides India with $360.1 million in surplus agricultural commodities over the next three years.

• September 12, Huseyn Shaheed Suhrawardy takes over as Prime Minister. The US is pleased as he continues with the same pro-Western principles. Some in Washington voice that this holds the promise for the most effective leadership in Pakistan to date and Eisenhower invites him to visit Washington in the summer of 1957. He goes to Washington with many requests and leaves with words of support and promises for the appropriate agencies to review his requests.

• November 4, Soviet forces begin their attack on Hungary to stop a spontaneous national uprising that had begun 12 days earlier. On the first of November, Imre Nagy declares Hungary's rejection of the Warsaw Pact and appeals to the United Nations for help in establishing the country's neutrality. Only three days later, the Soviet forces installed János Kádár as Prime Minister.

• December, Nehru-Eisenhower talks. Nehru travels to the US for a second official visit and the Eisenhower administration approaches the trip with great caution. Aid and the US-Pakistan relationship are the key issues. Two weeks after Nehru leaves, NSC meets to approve a new policy statement for South Asia, NSC 5701, stressing the importance of supporting India as a means to offer an alternative to Communism in the Asian context. This provided the rationale for a major economic commitment to India and Eisenhower expresses his interest in counteracting Moscow's 'economic offensive' in India.
1957

- British and Americans are able to convince Nehru to purchase British Canberras instead of Soviet bombers.
- May, Khrushchev reorganizes the economy, and shifts authority in the Soviet Union from central ministries to regional councils.
- July 29, the Statute of the International Atomic Energy Agency (IAEA), opened for signatures on October 26, 1956, comes into force. The Agency facilitates the peaceful use of nuclear energy, ensuring all the while assistance provided is not for military purposes.
- August, the Soviet Union launches its first ICBM.
- May, nearly all administration analyses of military assistance program in Pakistan conclude—costs strained US resources without any significant returns. Ambassador John Sherman Cooper is Allen’s successor, and Dulles articulates a point felt by others in the administration, assuring Eisenhower that the ill will felt in India would not kill an already troubled relationship.
- September 26, Pakistani Foreign Minister, Feroz Khan Noon, writes Dulles asking a series of questions about the rumored aid package for India. His main concern—aid money will be diverted for military purposes which would then cause Pakistan to divert its precious resources to unproductive military build-up.
- October 4, the USSR launches Sputnik, the world’s first satellite in outer space.
- October 17, Ibrahim Ismail Chundrigar becomes Prime Minister of Pakistan.
- December 16, Sir Feroz Khan Noon becomes Prime Minister of Pakistan.

1958

- China’s Great Leap Forward and the establishment of Beijing’s Nuclear Weapons Research Institute.
- US and Pakistan sign a co-operation agreement.
- February, US launches its first satellite.
- March 4, Dulles publicly unveils an emergency aid package for India. During India’s second Five-Year Plan the foreign exchange gap had grown to over $1 billion and Dulles lays out the case for aid to India in the strongest possible terms. Washington agrees to loan $225 million and additional development support and to provide large quantities of wheat and other food grains under the PL 480 program. US aid to India—$92.8 million in 1956 and then $364.8 million 1957; US aid to Pakistan $162.5 million in 1956
to $170.7 million in 1957. After the US begins supporting Pakistan India’s defense expenditures jump from $399 million in FY 1955 to $580 million in FY 1957.

- July 13, A bloody coup takes place in Iraq that has important consequences for US-Pakistan relations. During the coup, the Soviet Union intensifies pressures on Afghanistan and Iran. In Iraq, the pro-Western regime is toppled and Iraq withdraws from the Baghdad Pact, seeking common cause with Nasser. The US fears Soviet influence will now spread to the Arab world and counters this by strengthening the other members of the Baghdad Pact, temporarily warming US-Pakistani relations.

- July, US sends 14,000 Army personnel, officers and Marines to Lebanon to bolster the pro-Western Lebanese government of President Chamoun against internal opposition and threats from abroad.

- August, The World Bank organizes the Aid-to-India Consortium, comprised of Austria, Belgium, Britain, Canada, Denmark, the Federal Republic of (West) Germany, France, Italy, Japan, the Netherlands, Norway, Sweden, and the US. Based on India’s plans for its development, the consortium coordinates aid and establishes priorities among the major sources of aid and projects undertaken; aid is given on a bilateral basis. The aid consortium for India at the time was a novel concept and arranged for $350 million in emergency financial assistance. Of the Rs 630 billion in aid authorized by all aid donors between FY 1974 and FY 1989, the consortium provided more than 60 percent.

- August, Second Taiwan Strait Crisis On August 23, People’s Republic of China (PRC) forces on the mainland begin a massive artillery bombardment of Republic of China’s island Quemoy. Two days later President Eisenhower approves steps to enlarge the Seventh Fleet, expedite aid to the Nationalists, and prepare for possible US escort of Nationalist ships carrying supplies to the offshore islands. On September 4 Eisenhower administration issues a statement that the President would authorize US action to protect the offshore islands under the ‘Formosa Resolution’ and declares that the ‘naked use of force’ against the islands would ‘forecast a widespread use of force in the Far East which would endanger vital free world positions and the security of the United States.’ Two days later, on the sixth, Chinese Premier Zhou Enlai issues a statement declaring the
INTRODUCTION

PRC government’s willingness to resume the ambassadorial talks, and Eisenhower responds promptly.

- October 7, President Iskander Mirza, with the support of the army, suspends the 1956 constitution, imposes martial law and cancels the upcoming elections in January. The office of prime minister returns in 1972. A proclamation at this time abrogates the Pakistani constitution, dismisses central and provincial governments, dissolves the national and provincial assemblies, and abolishes all political parties. Parliamentary and democratic forms of government are no longer a reality in Pakistan. The US and the UK share the perspective that this is a needed change and a stable government now replaces a discredited team.

- October 27, The military sends Mirza into exile and General Mohammad Ayub Khan, the Chief Martial Law Administrator, assumes presidency. Ayub Khan’s martial law regime, critics observed, was a form of ‘representational dictatorship’, but the new political system, introduced in 1959 as ‘Basic Democracy’, was an apt expression of what Ayub Khan called the particular ‘genius’ of Pakistan.

- January 1, 1959 Fidel Castro’s victory in Cuba and Communism takes root just 90 miles from the US.

- September 26, Khrushchev visits Washington and Eisenhower’s Farm.

- December, President Eisenhower pays an informal goodwill visit to Karachi and meets President Khan. The Pakistani leader asks for assistance in person and ultimately the US agrees to provide Pakistan with Sidewinder missiles and a squadron of F-104s. Eisenhower then travels to India and meets President Rajendra Prasad and Prime Minister Nehru, and addresses Parliament. Nehru tells Eisenhower that he would offer a ‘no war’ pledge to Pakistan but dismisses Khan’s subsequent suggestion that the two states engage in joint defense planning. Nehru said that violated non-aligned principles. Eisenhower is the first US President to visit Pakistan and India.

- February, Indira Gandhi becomes President of the Indian National Congress. Both her grandfather, Motilal Nehru, and father, Jawaharlal Nehru, once held the position.

- March, Beijing brutally represses a revolt in Tibet, after which Sino-Indian relations worsen significantly. Nehru decides to offer political asylum to the Dalai Lama and his
followers who flee in April; several Indian diplomats sound Americans out for emergency military aid.

Late 1950

- A joint British-India effort helps establish the Durgapur Steel Plant (DSP) in West Bengal. The plant has an initial annual capacity of one million tonnes of crude steel per year, which later expanded to 1.6 million tonnes per year.

- American strategic thinking on the Indian subcontinent undergoes a serious shift. Concerns over Soviet gains in India through liberal aid and trade inducements explain in part why the Eisenhower administration initiates a vastly expanded program of economic aid for India. The US hopes to prove the viability of the capitalist-democratic model for development. Pakistan denounces expanded economic aid and military assistance. The US also has tremendous financial commitments to Europe at a time when industrial infrastructure, skilled workforce, raw materials, and military installations make Europe the world’s richest strategic prize. Washington fears the Soviet Union will emulate Nazi Germany and therefore everything is done to build up Europe as a bulwark against Soviet expansion—the Truman doctrine, the Marshall Plan, and revitalizing German and Japanese production.

1960

- Nasser, Tito, and Nehru attend the tripartite meeting in New Delhi.

- Election year in the US and John F. Kennedy, who as Senator proved himself friend to India by co-sponsoring the 1958 Senate resolution calling for increased aid, is up against Richard Nixon who is a known friend of Pakistan. Kennedy comes to power and Chester Bowles, who served as Foreign Policy Campaign Advisor, is now Under Secretary of State, Phillips Talbot, a specialist on India, is Assistant Secretary of State for Near East and South Asian Affairs and Harvard professor John Galbraith is to be the new envoy in New Delhi. Kennedy’s foreign policy objective in the subcontinent is to create warm relations with India, while not causing irreparable damage to relations with Pakistan. Kennedy disbands the elaborate NSC machinery used by Eisenhower and makes the body smaller and less formal; it is now headed by Harvard academic McGeorge Bundy. Kennedy feels both the US and the USSR have a vital interest in stopping the spread of nuclear weapons and slowing the arms race, a contention which led to the test ban treaty of 1963. The Kennedy administration is concerned with
China and in the early 1960s Washington views India as the indispensable and only option to contain China.

- US aid to India reaches its height this year at $1.6 billion where food aid comprises 92 percent of the annual assistance budget.
- January, Chairman of Presidium of the Supreme Council of the USSR, Kliment Voroshilov, pays India an official visit.
- February, First Secretary of the Central Committee of the CPSU, Nikita Khrushchev, pays an official visit to India.
- April, Chou En-Lai visits New Delhi to work towards a solution on the border dispute but there is no progress. For years India and China would dispute two border areas—one in the Aksai Chin plateau, where Kashmir meets China, and the other in an equally remote, mountainous area, northeast of India. While India accepts the borders demarcated by the British, also known as the MacMohan line, China does not.
- May 1, ‘U-2 Crisis’ American Lockheed U-2 spy plane is shot down over the Soviet territory, the pilot taken prisoner, and the Eisenhower administration is forced to own up to the mission. The plane was investigating ICBM developments and had left from a new US facility in Peshawar, Pakistan. After the incident, Khrushchev warns Pakistan that it has become a target for Soviet nuclear forces. After Khrushchev’s 1959 US visit, Eisenhower is meant to reciprocate but the U-2 incident leads Khrushchev to angrily cancel the trip and the Big Four summit in Paris. The U-2 incident provokes a rift in US-Pakistan relations and in June 1960 Khan gives the go ahead for a fresh start in Soviet-Pakistan relations. Technical assistance and oil explorations end in a $30 million Soviet loan to Pakistan in early 1961. Simultaneously, Pakistan announces it wants a border-demarcation agreement with China as a sign of good will at a time when tensions are mounting at the India and China border.
- May, US agrees to an unprecedented multi-year PL-480 agreement for India, promptly delivers US C-119 aircraft bought by India, and continues to increase US financial commitments.
- June 19–20, President Eisenhower visits the Republic of China and meets with President Chiang Kai-shek.
- July, Indian President, Rajendra Prasad, visits the USSR.
- August 6, Cuba nationalizes all American and foreign owned property.
- August, Soviet Union withdraws all of their personnel from China. By the late 1950s Sino-Soviet relations are under serious strains—Soviet alarm at Mao’s break with the Soviet model and the Great Leap Forward, Khrushchev’s meeting with Eisenhower, and withdrawal of all Soviet technical assistance. The latter is a serious blow to China’s heavily imported nuclear program. These events precipitate the Sino-Soviet split.
- September, Pakistan and India formally sign the Indus Waters Treaty, and some contend the issue is of far greater strategic importance to Pakistan than Kashmir.
- At the time of independence, the boundary line between the two states was drawn right across the Indus Basin, leaving Pakistan as the lower riparian. Two important irrigation head works, one at Madhopur on the Ravi River and the other at Ferozepur on the Sutlej River, supply water for Pakistan’s predominantly agricultural state—Punjab—and are now part of the Indian territory. Negotiations held under the auspices of the International Bank for Reconstruction and Development (World Bank) result in the September signing of the treaty in Karachi by Field Marshal Mohammad Ayub Khan, Pt. Jawaharlal Nehru, and Mr. W.A.B. III of the World Bank.
- September 26, Prime Minister Nehru meets President Eisenhower in New York City while attending the UN General Assembly session.
- December 16, the US announces that it will commit 5 atomic submarines and 80 Polaris missiles to NATO by the end of 1963.

1961
- The Third Five Year Plan (1961–1966) stresses agriculture and continues to emphasize industry, especially with respect to military production after the 1962 war with China. Agriculture is in a particularly precarious state since Nehru had prioritized heavy industry over agriculture.
- French President Charles de Gaulle vetoes the UK application to join the European Economic Community; the UK joins 12 years later.
- January, Kennedy appoints a task force to consider economic assistance to India and this leads the Kennedy administration to triple lending from the time of Eisenhower.
administration, from $135 million in 1960 to $1 billion each year for the first two years of India’s Third Five Year Plan. This is done with the expectation that other countries would match the contribution.

- February, Dean Rusk explains to the Senate that the Soviet-American struggle is shifting from military problems in Western Europe to a genuine contest for the underdeveloped countries.
- February, Crisis erupts in the Congo in the aftermath of its independence. India plays an important role as the source of the largest contingent of soldiers, 5000, to carry-out a UN plan to get Belgium to withdraw its troops from its former colony.
- March, In the Laos crisis the balance collapses and the faction with Soviet support gains control. The Kennedy administration turns to India and Nehru helps somewhat but he is not willing to do all the US asks.
- March, On the penultimate day of the month, Dean Rusk arrives in New Delhi and meets with Prime Minister Nehru. Kennedy dispatches Ambassador-at-large Harriman to Karachi to assure Ayub Khan of American support. Khan tells reporters that Pakistan is rethinking its membership in SEATO and notes aid to India threatens Pakistan’s security. Ambassador William M. Rountree is in Pakistan at this time and he cautions US about a growing rift in Pakistani relations.
- April, The Bay of Pigs invasion is a United States-planned and funded invasion of southwest Cuba by armed Cuban exiles. The attempt fails and proves to be an international embarrassment to the Kennedy administration.
- April, Aid Consortium meeting and the US pledges $1 billion; Nehru writes to Kennedy personally of his gratefulness.
- May, The US-organized Pakistan Aid Consortium meets in Washington. In the spring of 1961, Kennedy makes a foreign aid request for $500 million in development support for India for the 1962 fiscal year and only $400 million for the rest of the world. The $125 million pledge in aid to Pakistan for the next two years does not help US-Pakistan relations.
- May, Vice President Lyndon Johnson visits Nehru in New Delhi as part of his Asian trip. According to Ambassador Galbraith, the trip is a success and helped cast the new
administration as liberal. Lyndon B. Johnson asks for India to offer 'counsel' and take more of a 'lead' in Indo-China. But Nehru did not commit to a more active role and the trip leads LBJ to advise Kennedy—we should exploit our friendship with India only for, 'the hope of cementing under Nehru an India-US friendship which would endure beyond any transition of power in India.'

Lyndon B. Johnson also visits with Khan, who he claimed was the 'singularly most impressive head of state'. LJB recommends modernizing the Pakistani military, asserting that Ayub 'wants to resolve the Kashmir dispute to release Indian and Pakistani troops to deter the Chinese rather than each other'.

- June, Still new in office, Kennedy attends a summit with Premier Khrushchev in Vienna to discuss cold war confrontations, especially Berlin. After the meeting, Khrushchev concludes Kennedy a weak president without the power or support to negotiate any meaningful concessions in the arms race. Perhaps the meeting emboldens Khrushchev as the Cuban Missile crisis looms near.

- July 12, Pakistani President Khan visits Washington. When Khan addresses Congress he says that Americans may not like everything Pakistan does but that his country was the best friend the US had in Asia. For six days after the address he visited New York City, Gettysburg (Pennsylvania), San Antonio, Austin, and the LBJ Ranch in Texas. According to Robert Komer, Khan charms everyone in meetings in Washington. He stresses the importance of the Kashmir dispute for Pakistan; as head of the military, perhaps he needs something to legitimize—just one victory. He worries the US might supply India with military assistance considering the intensifying Sino-Indo border clashes.

- July 31–August 3, Republic of China’s (Taiwan) Prime Minister Ch’en pays an official visit to the US, traveling to Honolulu, San Francisco, Williamsburg (Virginia), New York City, Knoxville (Tennessee), Chicago, and Detroit (Michigan).

- August, Construction of the Berlin Wall begins.

- August, Kennedy administration launches the Alliance for Progress and Peace Corps. Alliance for Progress is something akin to a Marshall Plan for Latin America; the United States

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68 Kux 190.
69 Ibid.
pledges $20 billion in assistance in the form of grants and 
loans, and calls upon Latin American governments to 
provide $80 billion in investment funds for their economies. 
It spoke to the fear felt by increased Soviet and Cuban 
influence in Latin America.

- September 1, Non-aligned heads of state come together 
for first meeting as ‘movement’ in Belgrade. Non-aligned 
movement (NAM) is an international organization of 
over 100 states which consider themselves not formerly 
aligned with either power bloc. The term was coined by 
Jawaharlal Nehru but had its international foundation in the 
Bandung conference. Nehru, together with Presidents Tito 
of Yugoslavia and Nasser of Egypt, hold this first meeting. 
The group changes in nature due to the swelling ranks as 
states gain independence and join; more than 100 states 
are members of NAM.

- September, Prime Minister Nehru visits the USSR.

- November 5–14, Nehru visits Washington. During the trip, 
Nehru is not himself and all take notice, especially JFK 
and others at private meetings that Ambassador B.K. Nehru 
arranges. Kennedy-Nehru meeting was not as much of 
a success as the meeting with Khan. Kennedy makes no 
progress on the Kashmir dispute with Nehru and had 
Ambassador Galbraith inform Ayub in person. More than 
the Kashmir dispute, US is angered with Nehru’s determin-
ation to invade Portuguese Goa. Nehru visits Newport, 
Rhode Island, New York City, and Los Angeles, departs for 
Mexico on November 14 and stops in New York City on 
November 17 on his way to London.

- December, Chairman of Presidium of the Supreme Council 
of the USSR, Leonid Brezhnev, comes to India on an official 
visit.

- December 17, India occupies Goa.

1962

- Pakistan—A new constitution is promulgated as a prod-
uct of that indirect elective system. Ayub Khan did not 
believe that a sophisticated parliamentary democracy 
was suitable for Pakistan. Instead, the Basic Democracies, 
as the individual administrative units were called, were 
tended to initiate and educate a largely illiterate popu-
lation in the working of government by giving them limited 
representation and associating them with decision making at 
a ‘level commensurate with their ability’. Basic Democracies 
were concerned with no more than local government and
rural development. They were meant to provide a two-way channel of communication between the Ayub Khan regime and the common people and allow social change to move slowly. General Ayub Khan forms the Pakistan Muslim League (PML).

- Algeria gains official independence led by Ahmed Ben Bella. The Bandung conference had provided a platform for Tunisia, Morocco, and Algeria to denounce French colonialism. Nasser’s Egypt, which had to liberate itself from both British and French influence, supports their resolution.
- January 11, Kennedy, after much discussion, does as Robert Komer had argued, and makes a formal offer to both India and Pakistan to help in mediating a settlement for the Kashmir dispute.
- January 18, President Kennedy signs NSAM No. 124, establishing the Special Group (Counter-Insurgency [CI]), consisting of a Military Representative of the President as Chairman, the Attorney General, Deputy Under Secretary of State for Political Affairs, Deputy Secretary of Defense, Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence, the President’s Special Assistant for National Security Affairs, and the Administrator of AID. The task of Special Group (CI) is ‘to assure unity of effort and the use of all available resources with maximum effectiveness in preventing and resisting subversive insurgency and related forms of indirect aggression in friendly countries.’ The Special Group (CI) is responsible for establishing broad policies and giving oversight to country or regional interagency task forces. An annex to NSAM No. 124 assigns Thailand, Vietnam, and Laos to the initial cognizance of the Special Group (CI).
- March 27, Indian Parliament implements ‘The Goa, Daman and Diu (Administration) Act’ and annexes Goa, Daman and Diu via open conflict, thereby becoming a union territory in 1962 and a state in 1987. The area had been under foreign control since the second century, and the Portuguese had been there since 1510 when Alfonso de Albuquerque conquered Goa and made it the headquarters of Portuguese possessions in India. Indian forces seize Goa but the battle at the UN just begins.
- April 29–May 2, Secretary of State Dean Rusk attends CENTO Ministerial Council Meeting in London.
• May, India purchases Soviet MiG fighter aircraft and raises eyebrows in Washington about India’s neutrality; it put aid for India, especially such large amounts, into question. The decision also cast doubt for some as to India’s seriousness about its commitment to economic development.

• May, A senator set against India manages to pass an amendment to the foreign aid bill for India that calls for cutting the request by 25 percent. News of the amendment comes at virtually the same time as the news of India’s decision to buy Soviet MiG fighter aircraft to counter Pakistan’s recent acquisition of American F-104s. The Soviet deal is engineered by Krishna Menon, and causes tensions anew in US-Indo relations.

• June, At the Security Council the Kashmir debate surfaces and the US supports Pakistan’s position, reaffirming a previous UN resolution calling for a plebiscite. Soviet veto kills the measure. For India, Soviets are there when they need them. Ayub Khan thanks Kennedy warmly for the support, but Pakistan continues to support China’s accession to the Security Council and normalizing relations with China; this upsets Washington. Issues discussed by Kennedy and Khan in person in September of 1962 with little accomplished, but very friendly during an informal three-and-half hour meeting in Newport, Rhode Island.

• Summer, Tensions mount in Sino-Indo border dispute.

• August, Marks the beginning of the USSR–India military–technological co-operation. The Indian government purchases a large number of Soviet planes and helicopters for the air forces.

• October Ambassador John Kenneth Galbraith tours India for two weeks to visit US Aid projects with many US and Indian newsmen to generate more on the public relations end for the $1 billion spent in US aid. The Ambassador felt the money was spread thin in a large country and therefore it was easy to go unnoticed. Galbraith returns to the US pushing for two major ‘impact’ projects in the public sector—a steel mill at Bokaro and a nuclear power plant at Tarapur, priced at $900 million and $80 million respectively. In Congress, the idea of US taxpayers financing a steel mill in India’s public sector was not an option whereas the nuclear power plant got the green light. US officials noted, ‘Indians proved sticky negotiators’ with regards to the nuclear plant, foreign
controls and inspections. May 1963 marks the final approval for the nuclear project, which later became part of a bitter dispute during the first blast in 1974.

- October 14, The Cuban Missile Crisis begins. A US spy plane takes pictures of Soviet missiles being placed offensively on Cuban soil. Kennedy responds with a naval quarantine around Cuba to prevent the arrival of additional Soviet missiles. The crisis is averted but it was one of the closest times the world has come to nuclear annihilation.

- October–November, China-India War breaks out. October 20, Chinese launch major attacks against India’s position. On November 14 Indian forces are crushed in the Aksai Chin region and China is now poised to take the Assam plain; Nehru and his chief ministers are fearful. Nehru asks the US for direct intervention, operating radar stations, and piloting fighter jets. Nehru obtains a Soviet commitment to neutrality during the war. On November 20, before Washington replies, China declares a ceasefire and begins pulling back troops from the forward position. Chinese leaders boast at the time that they have shattered the arrogance and illusions of grandeur of their proud neighbor.

- November 21, China declares a unilateral ceasefire along the entire border and announces withdrawal of its troops to position 20 km behind the LAC. The war causes JFK to rush emergency military assistance hoping to induce India to abandon non-aligned policy for formal or informal alignment with the West. Pakistan senses that the US is not a reliable partner and turns to China. This angers JFK and Johnson. Nehru after long talks agrees finally to re-open long-stalled dialog with Pakistan over Kashmir’s future. US and British officials jointly offer Nehru military assistance in the short and long run. With defeat, India’s Defense Minster Menon leaves the government. Menon has always been a vocal opponent of the West, and thus his departure signals a turn for India-US relations.

- December 10, President Kennedy approves an emergency military aid program for India of $60 million, a figure that would be matched by a British Commonwealth program as part of an Anglo-American aid package.

- December 26, The day before Indo-Pakistani talks are to formally start, Pakistan and China announce a border demarcation agreement which symbolizes publicly the
strengthening of ties between the two States and a huge affront to India in the wake of a war over this very issue.

1963

- Indira Gandhi visits Moscow and sees Khrushchev. In Vietnam, with the tacit approval of the United States, operatives within the South Vietnamese military overthrow Diem. He and his brother Ngo Dinh Nhu are shot and killed.
- February 11, The CIA's Domestic Operations Division is created.
- February, Foreign Minister Zulfi kar Ali Bhutto visits Beijing to sign the border agreement. Indian military representatives lobby in Washington for $1.6 billion in US defense support over the next three years at a time when US and UK offer a joint package of $600 million shared evenly. The Kashmir talks collapse.
- April 29–May 2, Dean Rusk visits Karachi and attends the CENTO Ministerial Meeting.
- May 2–4, Dean Rusk meets Prime Minister Nehru in New Delhi.
- June 3–5, President S. Radhakrishnan pays an official state visit to the US stopping in Williamsburg (Virginia), Philadelphia (Pennsylvania), Cape Canaveral (Florida), Denver (Colorado), Los Angeles, and New York City.
- June, US Ambassador Galbraith is replaced by Chester Bowles, who serves his second tour as ambassador in New Delhi; he arrives in November.
- Summer, It is clear that the Bokaro Steel Plant, a collaboration project with India’s public sector, is not going to pass through the US Congress.
- August 5, the US, the UK, and USSR sign the Nuclear Test Ban Treaty. The treaty bans the testing of nuclear weapons in the atmosphere, in outer space and under water (the Partial Test-Ban Treaty).
- August 28, Martin Luther King delivers his 'I Have a Dream' Speech in Washington, DC at the Lincoln Memorial.
- August, Kennedy sends the Under Secretary of State, George Ball, to Pakistan on the Ball mission to stop any further deterioration of Pakistan relations. The mission was done in part to protect Peshawar facilities and with the hope of not hurting relations with India. The US, over the years, had assured Pakistan of support in the event of an Indian attack. The Ball mission reveals that the US and Pakistan are headed towards a collision. Just after Ball’s return, Ayub
Khan invites the Chinese Premier Zhou Enlai to Pakistan for a state visit. Some in Washington conclude that Pakistan’s turn to China was essential and probably an irreversible element of Pakistan’s foreign policy.

- October 9, Kennedy meets with Pakistan’s Finance Minister, Mohammed Shoaib, and expresses his concerns with recent developments of Pakistan warming to China.
- November 22, JFK is assassinated and Vice President Lyndon B. Johnson takes over. Kennedy had replaced Galbraith with Bowles as he thought the problems there were of political and not military nature. Kennedy was killed before he had finalized arrangements, i.e., the shape, extent, and duration of the much anticipated military aid program for India. The final decision awaited the firsthand report of Kennedy’s Chief Military Advisor General Maxwell Taylor, who in the end reported to Johnson in December 1963. Taylor had gone to the subcontinent to offer both Pakistan and India long-term military assistance agreements. In Delhi, he reassured of American willingness to pursue a military pact in discussion since the 1962 war. In Karachi, he sought to persuade Pakistan to come around on the issue of India’s assistance and reprioritization of threats—the real threat is China. Karachi warns Washington against a military aid program and how it would impact US position there. Back in Washington, he recommended a five-year military assistance plan for India with $50–60 million annually on conditions of co-operation on Pakistan and China, holding down procurements from the Soviets, and hold to a minimum the diversion of foreign exchange from economic development. A parallel offer was made to Pakistan.

1964

- January, Bokaro Steel Limited is incorporated in the state of Bihar. Bokaro Steel Plant is the fourth integrated plant in the public sector and it started taking shape in 1965 in collaboration with the Soviet Union.
- February 8, Johnson approves the essence of the Taylor program and pushes for further exploration of the possibilities for a five-year military assistance program. Johnson retains all of Kennedy’s foreign policy advisors. Komer fears that Johnson, due to his taking to Ayub Khan during his May 1961, will change policy. Johnson even hosted a lavish barbeque for Khan at his Texas ranch; LBJ later wrote Khan that his visit to the ranch was one of his favorite events of
the year. Khan says he loves President Johnson more than a brother. At the time of Kennedy’s funeral, LBJ personally tells Pakistani Foreign Secretary, Zulfikar Ali Bhutto, this change did not mean the US would be any more tolerable of China-Pakistan warming and warns of the upcoming Zhou Enlai trip to Pakistan. By the early 1960s, China in many respects has replaced the Soviet Union as Washington’s enemy. The Cuban missile crisis mellowed US-Soviet relations, and the US was more and more inclined to identify China as a principal threat to world stability. Ambassador Walter P. McConaughy is serving in Karachi and Bowles in New Delhi.

- March, Assistant Secretary of State Talbot visits Pakistan to convey yet again US concerns for flirtation with China and he also visits India. Nehru had suffered a stroke and Pakistan was confident at a time when India is perceived as weakened. India is upset that the military package is not immediately forthcoming. After the Taylor visit the package seems to be held up by objections in Pakistan. Soviets are making a great effort to woo India’s military establishment. They are prompt and accommodative.

- April, Johnson has his first meeting as President with a senior Indian official.

- May, Kashmir talks drag on and finally come to an end in May. The Soviet Union sends MiG-21s to India and is understanding about India’s turn to the West for more arms.

- May, The Delhi and Washington talks on a military aid package come to an end and the US pledges $500 million over five years. The US does not, however, concede the F-104s that India requests.

- May 27, Nehru dies and Lal Bahadur Shastri becomes Prime Minister.

- May 28–30, Dean Rusk travels to New Delhi to attend the funeral of Prime Minister Nehru.
THE UNITED STATES AND INDIA
PART I: THE POST-WAR PERIOD

2.1 ADDRESS OF JOHN FOSTER DULLES AT THE PRINCETON NATIONAL ALUMNI LUNCHEON PRINCETON, NEW JERSEY, FEBRUARY 22, 1952

I give you three propositions, which seem relevant to the present international situation.

My first proposition is this: The dynamic usually prevails over the static, the active over the passive.

As between stone and water, which will prevail? The answer is: whichever is in motion. Water in motion will wear away stone that is still; but a stone that is thrown will penetrate the water.

The United States, however massive be its material might, can be destroyed by forces that, in themselves, seem weak, if these forces are active and if we are passive.

The leaders of Soviet Communism are great believers in a dynamic offensive. The Party has always measured its strength in terms of intensity, not of numbers. Stalin teaches that the Party should never be more than a minority because a minority can be dynamic, whereas a majority becomes lethargic. They choose to be a small group of high velocity rather than a group so large that it can only sit.

They have done well. A small group which 35 years ago had no political power anywhere in the world, now controls 800 million people, or over 1/3 of all the people that there are in the world. Already they have a record catch and unfortunately there is nothing to suggest that they have caught their limit.

In every country which is still non-communist, they are working actively for power. I keep in touch with their press through various summaries. Their news and editorials are always expectant in tone. They discuss hopefully the further countries which may be added to their ‘Camp'.

On the other side is the so-called ‘free world’. Its note is anxiety—can we hold on to what is left? Within the free world the most discussed topic is can we prevent the communists taking over this or that country? The attitude of the free peoples is almost wholly defensive, and any suggestion of a positive attitude evokes cries of alarm.

The communism of Soviet Russia and its satellites represents today the active, dynamic element and the free world represents the static, passive element.

II

My second proposition is this: In human affairs, the non-material or spiritual element is more important than the material.

I do not ignore the importance of military and economic power at this time, but Napoleon, who was no dreamy-eyed idealist, said that in war the non-material is to the material as 3 is to 1.

Orthodox communism is materialistic but communists do not deny the existence of non-material forces. That, Stalin has said, would be ‘vulgar materialism’ which would mean ‘passivity and inanition’. He interprets Marxism as ‘stressing the role and importance’ of ‘social ideas, theories, political views and political institutions’.

It is through social ideas, Stalin says, that communism is ‘capable of setting into motion broad masses of the people and of mobilizing them and organizing them into a great army of the proletarian party, prepared to smash the reactionary forces’.

Accordingly, Soviet Communism has devoted itself intensively to the development of slogans which will capture the imagination of the masses. They pin on their breasts the labels of ‘peace’, ‘democracy’, ‘disarmament’ and ‘social welfare’, and they pin on us the bales of ‘imperialist’, ‘colonialist’, ‘militarist’ and ‘Warmonger’. They spend on such propaganda approximately $1,500,000,000 a year, about 10 times as much as we spend on propaganda.

It is primarily through social ideas that Soviet Communism has achieved its victories. Almost no part of its expansion has been due to the old-fashioned method of open military aggression. The successful weapon has been political warfare, with the main reliance placed on revolutionary slogans which arouse the masses to Soviet-directed violence.

The free world has failed to draw strength from ideas. We, more than the communist world, think and work in material terms. The United States has given and loaned abroad almost $40 billion since the end of the fighting and that is a great deal of money. We are spending $60 billion a year on armament and that, too, is a great deal of money.

But, today, a revolutionary spirit grips over half of the human race. There are passions that cannot be allayed by oil royalties or suppressed by foreign guns.

It would seem that the non-material forces are principally serving the opposition.
III

My *third* proposition is this: There is a moral or natural law not made by man which determines right and wrong and conformity with this law is in the long run indispensable to human welfare.

This proposition is perhaps more debatable than the two preceding ones. Certainly it is one that Soviet Communism does not and cannot accept, for while Communism can admit that ideas exist and have power, it cannot, as an atheistic creed, admit of moral laws being superior to those that are made by man or by matter. Stalin denies the existence of such verities as ‘eternal justice’. Laws, to the communists, are not an expression of right, as against wrong. Laws are the means whereby those in power overcome their enemies.

Our nation was founded by the men who believed that there was a Divine Creator who endowed men with unalienable rights. They believed, as George Washington put it in his Farewell Address, that religion and morality are the great pillars of human happiness and that morality cannot prevail in exclusion of religious principles.

Our Federal and State Constitutions, our laws and practices reflect the belief that there is a being superior to ourselves who has established His own laws which can be comprehended by all human beings and that human practices should seek conformity with those laws.

Seeking first the Kingdom of God and His righteousness many material things were added to us. We developed here an area of spiritual, intellectual and material richness, the like of which the world has never seen. What we did caught the imagination of men everywhere and became known everywhere as ‘the great American experiment’. Our free society became a menace to every despot because we showed how to meet the hunger of the people for greater opportunity and for greater dignity. The tide of despotism, which at that time ran high, was rolled back and we ourselves enjoyed security.

That mood seems to have changed. Professor Arnold Toynbee, surely one of the greatest historians of our time, finds that the crisis of our civilization is due to the fact that our practices have been divorced from their Christian context, so that we have ‘been living on spiritual capital. Practice unsupported by belief is a wasting asset, as we have suddenly discovered, to our dismay, in this generation’.

So, on my third proposition, while Soviet communism wholly fails to invoke moral principle, we ourselves are not doing much better.

IV

The total conclusion I draw is that as things now stand, the prospects are not encouraging from the standpoint of the free world. However, there is no reason why matter should stand as they are now.
Our work on the Japanese Peace Treaty is, perhaps, most valuable if it enables us to glimpse what is possible when we are dynamic, when we invoke ideas, particularly those which accord with the principles of the moral law.

V

In that matter, we sought to become a dynamic rather than a passive factor. As General MacArthur said to us when we talked with him in Tokyo in June 1950:

The most impelling need of the moment is the regaining of our lost initiative over the events which are stirring all of the Asian peoples.

The prospects were not promising. Since 1947, peace efforts had been made that all failed in the face of the cross currents which had by then turned the United Nations of the war into the Divided Nations of the peace. In 1950 we had no assurance, if we led, that anyone would follow. The decision was not an easy one. But the President took it with a resolution and determination that was made manifest to all the world.

Often in those first days I was asked how we could solve this or that problem. I had no advance solutions. I could only say that if we could develop a momentum for peace, that momentum would itself compel a solution of problems which, in the abstract, seemed insoluble. And so it proved.

Within precisely one year of the day when the President made his decision to proceed, there was concluded a final peace treaty which represented the greatest unity for peace-making that the world has ever seen. Of 51 non-communist nations invited to San Francisco, no less than 49 accepted and signed the Treaty of Peace. All of the continents, all of the races, all the civilizations—the great and the weak, the rich and the poor, the near and the far—were for this moment, united in an act of fellowship.

The Soviet Union and its satellites suffered their most humiliating defeat in conference history. The free world, this time, had the initiative. It was the Soviet Union which was trying to block peace. And the dynamic prevailed over the static, the active prevailed over the passive.

VI

Our dynamism was, of course, in spiritual rather than material terms.

It could have been otherwise. The United States, as the principal victor over Japan, was in physical occupation of Japan, and we could have invoked material power to impose our wishes. We did not, however, rely on that kind of power. We believed it was possible to secure united action by appeal to reason. With the co-sponsorship of the United Kingdom the proposed peace terms were
submitted to all of the Allies, in a broadly based negotiation, which employed no material coercion and which did not measure by material scales a nation’s influence on the character of the peace. In that way we achieve a result far more impressive than any that could have been achieved had our primary dependence been upon material power.

VII

In the third place, the non-material force we invoked was that of the moral law. We could have invoked the power of evil. There was in the world plenty of that—of hatred, vengefulness, distrust, fear, greed and arrogance. But neither unity nor true peace could have been won by appealing to men’s baser instincts. That attempt, while tempting, would almost surely multiply jealousies and antagonisms and sow the seeds of another war. So we invoked the spirit of forgiveness to overcome vengefulness; magnanimity to overcome hatred; humanity to overcome greed; fellowship to overcome arrogance; trust to overcome fear.

All of the delegates at San Francisco who accepted a religious view of the world, whether Christian, Buddhist or Moslem, found inspiration from the fact that the Treaty invoked the principles of the moral law, and the Conference became the expression of dynamic and righteous faith.

VIII

I do not exaggerate the importance of that moment. It does not mean that we made a perfect Treaty. Indeed, the delegates disclaimed perfection. It does not mean that the Peace will necessarily be durable. That will depend upon the future. It does not mean that hatred, jealousy, vengefulness and distrust have been abolished. They were denied credentials to the Conference, but they are still loose in the world.

But if we do not exaggerate, also let us not minimize. What happened showed again, at a time when perhaps it needed showing, that not merely physical law but moral law has reality and power. Perhaps having seen what we saw at San Francisco, we will go on to recapture the dynamism, the trust in non-material factors and the faith in moral law which have so long made our nation great in the best sense of that somewhat ambiguous word.

IX

There comes a time in the life of every great people when their work of creation ends. They lose their sense of purpose and of mission in the world, seeking only to conserve what they have. Material things begin to seem more important
than spiritual things and security seems more a matter of military defense than of a spiritual offence.

Surely that hour has not struck for us. We have, to be sure, become rich and, in worldly terms, we are reckoned among the great. Our economic productivity is 3 or 4 times that of Soviet Russia. Our deficit is in the non-material things. We should, however, be able easily to make good that deficit. We are not an old and decaying nation. We are still young in terms of national life expectancy. We are still imaginative and creative and our people are still imbued with religious faith. There is no reason whatsoever why we should stand frightened and on the defensive in the face of Soviet Communism. On any impartial appraisal of our relative capabilities, it should be the despots, not we, who do the trembling.

You, who are graduated from a great seat of learning, founded by Christian people who believed in the moral law, surely have a special responsibility in this matter. That is why I make this appeal to you.

2.2 ADDRESS BY JOHN FOSTER DULLES BEFORE THE WORLD AFFAIRS FORUM OF THE FOREIGN POLICY ASSOCIATION OF PITTSBURGH, PITTSBURGH, PA. EVENING OF MAY 15, 1952

A Positive Foreign Policy

I

During recent years the Administration has asked me, as a Republican, to work with them on certain foreign policy matters. I have responded, because I believe that the Administration really wants bi-partisanship in foreign affairs, and I too believe in that.

However, six weeks ago my official connection with the Administration came to a natural close. I had then completed my task of making a Japanese Peace Treaty and the three related Pacific Security Treaties, and all four of these treaties had been ratified by the Senate. Our Presidential elections were impending, and I wished to be free to take part in the policy debates which ought then to occur as an essential part of our two-party system. Such periodic debates are not inconsistent with bi-partisanship in foreign policy.

Indeed, only in that way can we hammer out policies that the people will understand and reliably support.

The President and the Secretary of State fully agreed with the propriety of my taking this course. If I now criticize their foreign policies, that implies no lack of respect or regard on my part. I shall always be grateful for the opportunities which they gave me to serve my country, and for their 100 percent backing when I worked with them.

I am, however, convinced that our foreign policies as a whole, since World War II, have been dangerously inadequate, and I believe that that point of view should be presented.
What has been done has often been courageous and good—for example, our 1947 decision to help Greece, our 1948 decision to hold Berlin in the face of the Soviet blockade, and our 1950 decision to resist the armed aggression in Korea. I might mention also the Rio, North Atlantic and Pacific treaties. The trouble is not so much what we have done, but what we have left undone. In the main, we have merely reacted sporadically to Soviet actions which pricked us. Our policies have not the scope, quality or competent execution needed to thwart the proclaimed and operating program of Soviet Communism. Also our policies have been too costly. We have paid too much for too little.

II

We are marked down for destruction by those who today control one-third of the world. That is the one fact that should dominate all aspects of our policy. The danger is different from that which stemmed from the Kaiser and Hitler. They were evil and they threatened much that was dear to us, but neither professed to seek an actual conquest of the United States. The Soviet Communist avowedly regard the United States as their end target. Of course, Stalin occasionally says otherwise for foreign consumption. But the dependable guide to Soviet purpose is their home propaganda. Through every available media, it is incessantly and violently proclaimed that the United States is evil, that it must be hated, that it must be conquered.

III

We are the target. How are we to be struck? Soviet official writings tell us that there is to be a first phase called 'encirclement'. The economic power and morale of the West are to be sapped by a gradual Soviet absorption of the sources of raw materials and the markets upon which Western industrialized economics depend. What is subtracted from our side is automatically added to the Soviet side.

In this phase of encirclement, Asia has a priority claim on Soviet intentions. The peoples of Asia, it is thought can most easily be ‘amalgamated’ into the Soviet orbit because they have had no great experience in political and civic freedom, their economic standards are often lower even than those of Russia, and the Asians fear the West because of its colonial record. Asia, says Stalin, is ‘the road to victory in the West.’

If, for example, the Kremlin sovietizes the oil reserves of the Near and Middle East, the vast populations of China and India, the rubber, tin and oil of Southeast Asia, and the industrial power of Japan, the free world would be gravely weakened and the Soviet world greatly strengthened. Then a second phase would usher in. That it the phase of direct, violent attack, with overwhelming power, unless, as Stalin says he thinks likely, we will then ‘voluntarily’ surrender in the face of hopeless odds.
The Soviet program seems to be moving relentlessly toward its completion. Today the Arab peoples of the Near East are seething with fanatical anti-American sentiments. In India, the Communist Party gains steadily. The China mainland and 450 million Chinese have already been conquered. In the outlying island and peninsular area, such as South Korea, Japan, Formosa, Indo-China and Indonesia, the people live precariously as the angry waves of Communism beat upon them. These peoples do not want to be conquered by Communism, but they are discouraged.

As General MacArthur said in Japan in 1950: ‘The most impelling need of the moment in this quarter of the globe is the regaining of our lost initiative over the events which are stirring all of the Asian peoples. For it is in the pattern of “Oriental psychology”—he might have said human psychology—to respect and follow aggressive, resolute and dynamic leadership, but quickly turn from a leadership characterized by timidity or vacillation’.

The free people of Asia feel that we are not giving dynamic leadership, at least as far as they are concerned, and that the Administration’s interest in them is perfunctory.

Since Germany surrendered in 1945, our Secretaries of State have taken 17 trips to Europe, involving 457 days of time. An 18th trip impends. During this same period no Secretary of State has ever visited a Pacific or Asian nation. We should not be surprised if Asians draw inferences from that.

I have no quarrel with efforts to strengthen Western Europe. On the contrary, beginning in September 1941, I have consistently said that a strong united Europe should be an essential peace objective. I do, however, say that any who believe that Europe can be made impregnable without regard to Asia, are just as blind as those who believe that our American continent can be made impregnable without regard to Europe.

Today the frontier of freedom is nearly 20,000 miles, running from the North Cape in Europe to the shores of the Bering Sea in Asia. Of this total frontier the Continental European sector is about 500 miles. It is not possible to gain safety for Western Europe by trying to hold these 500 miles while leaving another 19,000 miles defenseless.

The first specification of my Bill of Complaint is, therefore, not that we have sought to save Western Europe, but that we have virtually ignored the vital interlocking of European and Asian defense. Asia is in a fair way to becoming what Stalin planned it to be: the road to victory over the West.

IV

The second specification in my Bill of Complaint is that even where we have lavished our money and care, namely, West Europe, what we have done has been vacillating, ineffectual and excessively costly.
Our first post-war move was to make England a loan of $3–3/4 billion. That was early in 1946. A principal purpose, as stated in the loan agreement, was to end the ‘sterling area’ practices which divided the free world into two almost closed monetary compartments. Yet sterling area persists, tight and disruptive of trade as when we paid to change it.

Then came the Economic Cooperation Act of 1948, embodying the Marshall Plan. The Act says that the purpose is to bring Europe closer to ‘a larger domestic market with no internal trade barriers, to establish and maintain equitable rates of exchange and to bring about the progressive elimination of trade barriers’.

Today, we have spent the money—some $16 billion—and the economic and monetary divisions of Europe remain acute, as when we started.

Then came the North Atlantic Treaty. The Administration’s theory was that if these were an armed attack on the North Atlantic area, we would, in fact, respond, as we did in the two prior World Wars. Therefore, if we made our intention clear in advance, that forewarning would deter any would-be aggressor. Vandenberg and I, sharing that view, led the Senate battle for ratification. As Senator Vandenberg said of the Treaty, it is the warning and the potentialities, ‘not military forces-in-being which measure the effect of this “knock-out” admonition.’

However, almost immediately after the treaty was ratified, the Administration abandoned the ‘deterrent’ theory and, in the Fall of 1949, submitted a Military Assistance Program. Senator Vandenberg and I largely rewrote the Administration’s bill so as to reduce greatly the sums appropriated and to require that the program be geared into European integration. We believed that was the only constructive solution, and that view was accepted by the Administration.

Since then, many billions have been spent for Western European armament and about 6 U.S. divisions have been placed in Europe and North Africa. Now, 3 years later, plans for integrated European army are beginning to take shape. For that we can thank brilliant French political leadership and General Eisenhower’s personal initiative. The French consummated the Schuman Plan for pooling the coal, iron and steel resources of France and Germany, and they produced the Pleven Plan for a European Defense Community. Then General Eisenhower, going beyond his technical military role as NATO Commander, put his powerful personal influence behind this Pleven Plan; and that may be the decisive influence.

As far as the Administration itself is concerned its record is that of a person who spends lavishly without knowing how to make the money work constructively. From 1946 to 1951 we put some $30 billion into Western Europe. Each time the Administration avowed a constructive purpose which, in fact, it has not achieved.
Vast grants from one government to another have only dubious value unless they create the conditions which end the need for further giving. Europe, for its part, as President Auriol of France said: ‘does not want American assistance to be a gesture without a future or a humiliating charity’. As far as the United States is concerned, our budget today is largely unbalanced, our taxes are so high as to undermine individual initiative and inflation has gravely impaired our patrimony in the form of savings, social security and educational endowments. Under these conditions all of our spending must be prudent and limited to what can reasonably be expected to produce essential results.

There seems to be an illusion that great goals are achieved by picturing them and by appropriating billions to achieve them. That leaves out one vital element, namely, the heeded before money can be transformed into accomplishment. We have been like those who, wanting flowers, buy seeds with lovely pictures on the package. Most of us know, as individuals, that is not enough. It is time we learned it as a nation.

The third specification in my Bill of Complaint is that the Administration seems unable to inspire the dynamic spirit needed to cope with such a threat as that of Soviet Communism. Napoleon said that, in war, the moral is to the material as 3 is to 1. Certainly that is the case in the kind of conflict which we wage today, which is not, and I hope never will be, simply a clash of brute force. Yet our concern is primarily with material things—money and what money will buy. We have poured out money lavishly. But the peoples of the world no longer look on us as a creative, dynamic force. Today, Soviet Communism is the primary exponent of revolutionary idea. To be sure, these are fraudulent ideas, luring people to their doom. But that is beside the present point, which is that Soviet Communists realize, as we seem not to realize, that they can get further with ideas than with bombs.

At a time when 800 million people—one-third of all the people there are—are subject to ruthless, terroristic despotism and being whipped, by fanatics, into a force for aggression, we talk of ‘containment’ and ‘stalemate’ as satisfactory goals. And at a time when Soviet Communism is using ideas as a principal missile, we rely almost wholly upon armament.

The Administration’s policies, by committing us to the defensive in the face of such an offensive, expose us to eventual defeat. A sustained dynamic always prevails over the static. By committing us to materialized policies, it makes that defeat more likely, because material things will never prevail except as they serve ideas which win men’s loyalties.

I have now given you three reasons why I believe that our foreign policies are dangerously inadequate. But, you will properly say, criticism is not enough. How do we make adequate what is now inadequate?
Let us start with the problem of sustaining the entire 20,000-mile frontier of freedom against the risk of a breakthrough by the Red Armies. It is, of course, not possible to extend for 20,000 miles the kind of defense which can, we hope, be created in Continental Europe. The cost of that would be prohibitive. In Europe the total cost will be measured in hundreds of billions of dollars and it would be suicidal to try to multiply many times that unproductive expenditure.

So long as Soviet and Chinese Communist leaders can pick the time, place and method of aggression anywhere in Asia, and so long as our only reliance is to rush ground troops to meet the aggressor at the time he selects, at the place he selects, and with the weapons he selects, we are at a disadvantage which can be fatal. The only effective way to stop prospective aggressors is to convince them, in advance, that if they commit aggression, they will be subjected to retaliatory blows so costly that their aggression will not be a profitable operation. That, as I pointed out, was the original, but short-lived, theory of the North Atlantic Treaty.

I am confident that the armed aggression in Korea would never have occurred had the Administration made it known in advance that, if it occurred, we would unleash retaliatory blows. Unhappily, the Soviet Communists were given every reason to expect that we would neither strike back nor, indeed, use force to resist.

Now, however, we have had trial and error, which is the usual way men learn. We should have learned by now that the only way to deter a repetition of Korea, and perhaps much worse, is to make it clear in advance that any new open armed attack would attract retaliatory punishing power so severe that the aggression would not pay. That is what I preached in Japan and I believe that that resolve, backed by our sea and air power in that area, will protect Japan from armed invasion. I believe that such a warning could effectively protect many others.

Any such general program should, of course, be concerted with other free nations and be brought within the framework of the United Nations Charter. Article 51 authorizes the members to act for collective self-defense, and by appropriate action under this Article we could accomplish three great results:

1. We could reduce close to the vanishing point the risk of pen armed attack by the Red Armies;
2. We could do this at a bearable cost, because the deterrent power which protects one would equally serve to protect many, without further cost;
3. We could end the fear, which our present military policies have spread, that the United States is ‘trigger happy’ and might recklessly precipitate an atomic war where others would be the principal victims.

Some may fear that this program might, of itself, precipitate general war. Some feared that of the North Atlantic Treaty, and of the United States–Japan Security Treaty. Nevertheless, we went ahead. Today, Western Europe has an
Administration backed program which will mean rearming Germans. That is far more likely to provoke attack by the Red Armies than is the program here proposed.

Of course, aggressors never like to be deterred. They would like to frighten their prospective victims so that they will not unite for mutual defense. As Stalin said in 1939, that means ‘conniving at aggression’.

The fact is that only such a program as is here proposed is adequate to deter aggression throughout the entire frontier of freedom, each part of which has now become vital to the whole. It is the only program which is both adequate and financially bearable. To shrink through fear from such a program is to invite the very aggression that we fear.

VI

Once the free nations create a shield against open armed attack, then they can deal with the menace of political and civil warfare. This has been the Soviet Communist’s main weapon of aggression. But it has only worked against governments which felt themselves exposed to Red Army invasion. That possibility, which Communists have often portrayed as a probability, has intimidated the free governments from sturdy resistance to local Communist parties and the local Communist revolutionaries, and these have capitalized on mass fear which the Red Army has inspired. Once this power to intimidate has been ended, then the free governments will feel able, courageously and ruggedly, to suppress the internal communist threat.

VII

It is, of course, important to deter armed attack from without and to stamp out the vipers within. But we cannot stop with that. It is negative and life has a positive purpose loftier than mere self-protection. We Americans, best of all, know that.

Our nation from its beginning was inspired by a sense of mission. Our purpose was to show how to create political institutions which would enable men to develop the glorious possibilities of free bodies, free minds and free spirits. We sought that, not merely for our own enjoyment, but that all men might benefit from our example.

What we did known everywhere as ‘the great American experiment’, and our example did indeed influence men everywhere. It helped to roll back despotism which, when our nation was formed, was at a high tide, extending even to this hemisphere, under the leadership of Czar Alexander and his Holy Alliance.

What we face today is really nothing new; we have faced it before, the solution is not obscure; we have found it before. Today, one-third of the human race is subject to the despotic terrorism of a new Dark Age. It is morally impossible to reconcile ourselves to that as a permanent condition, or to try to buy security
for ourselves by some ‘deal’ which would confirm that servitude. We cannot settle for a ‘containment’ which contains 800 million captive souls.

We could not live up to such a ‘deal’ and be the kind of people we have always been. Freedom, justice and creative works inevitably set up attractions which cannot be cut off by any prison walls. The vast, over-extended despotic structure of Soviet Communism is an artificial and fragile creation. It will be burst as under from inner strains if the United States and the other free nations do the works of creation of which they are capable, and produce for all the world to see, the good fruits of freedom and justice. Our task today is simply this—to live up to our great traditions.

2.3 ADDRESS BY JOHN FOSTER DULLES AT THE ANNUAL MEETING OF THE AMERICAN POLITICAL SCIENCE ASSOCIATION BUFFALO, NY, AUGUST 27, 1952

Better foreign policies

Soviet strategy has been clearly defined and has been steadfastly pursued. Stalin has declared—and it is taught in all Communist literature—that the ‘colonial and dependent’ areas, China being particularly mentioned, are assaulted, the Soviet system must ‘amalgamate’ those peoples. It is also taught that this can be accomplished by methods of infiltration and civil war rather than by international war.

To meet this strategy, we have had two main policies: (1) vast rearmament for international war and (2) strengthening Western Europe…

The empire of Soviet Communism can be disintegrated from within. Already it is over-extended, covering 800 million people of what were recently 19 different independent nations. That structure could be cracked by passive resistance, slowdowns and non-cooperation. That would happen if our nation would, today, exert the same type of influence in the world that we exerted during the first century of the Republic. At that time we symbolized freedom, and we gave moral and sometimes material support to those elsewhere who sought liberty. Thus we contributed largely to rolling back a tide of despotism which, early in the last century, mounted high, even to this hemisphere and to this continent, through the Holy Alliance dominated by Czar Alexander. By promoting liberty for others, we won peace and security for ourselves.

2.4 ADDRESS BY JOHN FOSTER DULLES AT A DINNER MEETING OF THE MISSOURI BAR ASSOCIATION, ST. LOUIS, MISSOURI, SEPTEMBER 26, 1952

Principle versus expediency in foreign policy

Should our foreign policy reflect or disregard moral principles? That may sound like an academic question, but it is one of the most practical problems of
our time. I chose it as my topic tonight because lawyers are a principal custodian of the belief that human conduct should conform to law and that law in turn should conform to justice. Lawyers would generally agree with Chief Justice Marshall’s statement that ‘there are principles of abstract justice which the Creator of all things has impressed on the mind of his creature man and which are admitted to regulate, in a great degree, the rights of civilized nations’.

**The U.S. tradition of morality**

Until recently, this point of view has dominated American foreign policy and American diplomacy.

Our Declaration of Independence was based upon an appeal to ‘the laws of nature and of nature’s God’.

Our first great foreign policy, the Monroe Doctrine, was stated in terms of ‘asserting, as a principle’ the right of the American republics to be free.

Our next great foreign policy was in relation to the Far East and asserted the principle of equality called ‘the open door’.

When President Wilson called upon Congress to enter the First World War, he said ‘our motive’ will be ‘only a vindication of human right’, and will ‘prefer the interests of mankind to any narrow interest of our own’.

When we entered the Second World War, our purposes were set out in the Atlantic Charter. It affirmed ‘the right of all peoples to choose the form of government under which they will live’ and ‘no territorial changes that do not accord with the freely expressed wishes of the peoples concerned’ and it called for ‘the restoration of sovereign rights and self-government to those who have been forcibly deprived of them’.

Of course, moral principles do not alone provide all the practical answers that men need. And no doubt, at times, our nation has strained morality to make it coincide with national self-interest. But few would doubt that the past dynamism of our nation has genuinely stemmed from a profound popular faith in such concepts as justice and righteousness and from the sense that our nation had a mission to promote these ideals by every peaceful means.

**The Soviet communist conception of law**

Soviet Communism reflects a view totally different from the U.S. historic view. Its creed is materialistic and atheistic. It does not admit of any moral law. Stalin mocks at the concept of ‘eternal justice’. Under the Soviet Communist system ‘law’ is defined as the means whereby those in power impose their will on their class enemies.

I recall vividly the debate in Paris at the United Nations General Assembly of 1948, when Vishinsky, speaking on behalf of the Soviet Delegation, said that human rights were nonexistent except as they were recognized and enforced by the state.

This Soviet Communist philosophy is one of those ultimate facts which greatly reduces the area within which it is possible to make dependable agreements
with the Soviet rulers. For they believe that international law, and the treaties which make it, are like their own national law, merely devices to get advantages over their class enemies—among whom we rank as Enemy Number One. They do not themselves feel subject to any moral sanctions or restraint by virtue of their own engagements.

This creed and practice are repellent to us. Yet, within our own nation, the idea is gaining ground that our traditional American viewpoint is wrong and that, like the Russian rulers, we should discard concepts of morality, righteousness and justice from our foreign policy-making.

**War time agreements with Russia**

Toward the close of World War II, when Soviet Russia was our co-belligerent in Europe, our government made private agreements with Stalin which clearly violated the Atlantic Charter and the principles of international morality which it proclaimed.

It is said that we got advantages out of these agreements and that Russia would in any event have taken what she took. Probably this is so. But the significance of our action lies in the fact that our government was willing to violate principle in order to gain what it thought were immediate practical advantages. That was non-moral diplomacy. Of course, it was practiced in war time, when non-moral, short-range expediency has its maximum justification. But the same practice is being carried into some areas of our foreign policy even though that war is over.

**The ‘Containment’ policy**

The so-called ‘Containment’ policy is a current example of non-moral diplomacy. Its author is Mr. George Kennan, formerly head of the Policy Planning Staff of the State Department and chief long-range adviser to the Secretary of State and now Ambassador to Russia. I respect highly his scholarship, intellectual integrity and keen insight into the Soviet Communist world. But he repudiates what he calls the ‘legalistic-moralistic approach to international problems’. He believes that international difficulties should be settled by whatever practical solution will be ‘least unsettling to the stability of international life’.

The ‘Containment’ policy is a practical application of that view. It assumes that we should be willing that the Kremlin should continue to rule its 800 million captive peoples, provided it will leave us alone. The captives’ fate may thus become the subject of future bargaining between Soviet leaders and ourselves.

The other viewpoint has been expressed by General Eisenhower who says that ‘our government, once and for all, with cold finality must tell the Kremlin that we shall never recognize the slightest permanence in Russia’s position in Eastern Europe and Asia’. That means that we would no longer look on the captive peoples as chips in some future poker game we may play with Russia’s rulers. Failure of the Administration to take a like position constitutes the most significant foreign policy difference of the present campaign.
The decline of the United Nations

U.S. Policy toward the United Nations further illustrates the encroachment of the non-moral approach. That story goes back to 1944, when our government agreed with the Soviet Union on the so-called Dumbarton Oaks draft of Charter. It reflected the Soviet Communist philosophy by omitting all mention of law or justice. Primary reliance was placed on the possibility of practical deals within a Security Council dominated by the five great powers, with each having a right of veto so that it could not be bound against its will.

That plan was radically altered at the San Francisco Conference of 1945, primarily under the impact of Senator Vandenberg, whom I strongly supported in this respect. The Charter was made to provide for the development of international law, and the ‘principles of justice and international law’ were prescribed as the guide for the settlement of disputes. The powers of the General Assembly were greatly enlarged to make it what Senator Vandenberg called ‘the town meeting of the world’ where world opinion could be mobilized to exert and influence upon the conduct of the nations.

As many of us foresaw, the Security Council could not function effectively because the differences between the great powers were acute and because abuse of the veto power enabled the Soviet Union to prevent any developments that it thought would be against its own interests. The Assembly then began to exert a considerable influence through its power to discuss and to recommend. It played a vital role in relation to Greece, the Republic of Korea, the new State of Israel and the former Italian colonies in Africa. Its debates brought exposure of Soviet Communist hypocrisy, and largely united the free nations in opposition to Soviet purposes.

But of late, our government has shown diminishing interest in the United Nations. That is not the case with most of the American officials who are distinctively identified with United Nations work, but a negative attitude is reflected in high-level decision which such officials must accept. This is no secret, but a matter of common knowledge.

When the North Atlantic Treaty was pending in the United States Senate in 1949, I emphasized, both before the Foreign Relations Committee and in the debate on the Senate floor, that great care must be taken lest such regional organizations should result in by-passing the United Nations and undermining its moral authority. The report of the Senate Foreign Relations Committee emphasized this point. However, in fact, what was feared has occurred. Since then there has been a general disposition to bypass the United Nations, with a consequent sharp decline in its prestige.

The American people are today disappointed in the United Nations. They made a big investment in it, an investment not only of money but, even more, of faith. The investment has not paid the expected dividends. One reason is that the United Nations is not designed to use physical force, as in Korea, and our present foreign policies are largely under the influence of those who do
not believe in moral force upon which the United Nations must primarily rely. So, the United Nations has not been given a chance to work seriously on the great problems of our time.

Non-Moral diplomacy divorces government from people

The growing tendency toward non-moral diplomacy is not healthy. I could give you many reasons, but I shall develop only two.

First, it inevitably makes for a break between our government and our people. Whether we like it or not—and I like it—our people are predominantly a moral people, who believe that our nation has a great spiritual heritage to be preserved. We do not feel happy to be identified with foreign policies which run counter to what we have been taught in our churches and synagogues and in our classes on American history.

Proof of what I say is to be found in the popular reaction to the foreign policies which I have discussed.

The American people as a whole are embarrassed and ashamed at the secret war-time agreements which we made at the expense of our friends and allies. Some honestly feel that what we did can be defended on the ground that in war all moral principles go by the board. But there is little doubt but what most of the American people feel that these agreements are a weight upon their conscience.

The so-called ‘containment’ policy has little popular support, except as some have been misled into believing that any other policy means war. Most Americans believe that the principles of liberty expressed in our Declaration of Independence have universal applicability and that, as Lincoln said, they meant ‘giving liberty, not alone to the people of this country, but hope for the world for all future time’. That has never meant that we had to fight wars of liberation all around the world, but it has meant that we tried peacefully to open, rather than padlock, the door to liberty.

As regards the United Nations, there is great popular disappointment that it has not more largely fulfilled its purpose of promoting international law and justice, and that our policy-makers are increasingly by-passing the United Nations and its open processes, as though our policies cannot stand the light of day.

Of course, private diplomacy is necessary to pave the way to the final formulation of foreign policies. But the American people have always believed that their foreign policies should show ‘a decent respect to the opinions of mankind’, and they believed that the United Nations Assembly, as the ‘town meeting of the world’, would assure that.

A dictatorship can, within limits, make its foreign policy without regard to public opinion. Perhaps a more accurate way to put it is that totalitarian dictatorships can largely create their own domestic public opinion. Surely, however, a government like ours, which depends upon popular processes, should conform
its foreign policy in its broad outlines to what our people can understand and approve in the light of what they believe to be right.

*Non-Moral diplomacy undermines free world unity*

A second reason against divorcing diplomacy from morality is that this strikes at the heart of free world unity. Today, the United States has an inescapable responsibility for leadership. Only leadership that inspires confidence will prevent the free world from falling apart and being picked up, piece by piece, by Soviet Communism. United States foreign policies today represent the core of potential unity and that core is rotten unless it is a core of moral principle. Other countries will feel, and justifiably feel, that they cannot depend upon our policies if they avowedly reflect only shifting expediencies.

Throughout the ages men have experimented with artificial means for binding nations into common action for a common cause. They have experimented with military alliances, with subsidies, with coercion. None of these methods has stood the stress and strain of fluctuating danger.

The only tie which dependably unites free people is awareness of common dedication to moral principles.

*Example of Japanese peace*

I have given examples of the operation of non-moral diplomacy. There are, happily, many cases where our diplomacy has reflected moral principles. One of these, and the one with which I am most familiar, is that of the Japanese peace. There, United State initiative drew the free nations together by appealing to moral principles. Our government invoked the spirit of forgiveness to overcome vengefulness, the spirit of magnanimity to overcome hatred, the spirit of humanity and fair play to overcome greed, the spirit of fellowship to overcome arrogance, the spirit of trust to overcome fear. The free allied nations responded. The peace treaty became a treaty of reconciliation and liberations, and 49 free nations joined to sign it in a drama of peace-making unity such as the world has never seen before.

As the closing speaker in the Conference which preceded the signing, I spoke of the unity which had drawn the free nations together. I said ‘what are the ties that create this unity? There is a common faith, a common belief in certain great principles. There can be and there will be and there is unity as between those people from all corners of the earth, from every creed, from every civilization, who do have that common faith in great moral principles, who believe in the worth and dignity of the human individual and who believe in justice and who believe in mercy. That is why’, I said, ‘we are able to agree’.

*Conclusion*

Many things have changed since President Washington delivered to the nation his Farewell Address. But we can still usefully ponder these works:
Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism who should labor to subvert these great pillars of human happiness.

Those sentiments were uttered with primary reference to domestic tranquility at a time when we were but a young and feeble nation without world-wide responsibilities. However, what General Washington said assume continuing and added significance in the world of today.

There is no doubt but what our nation has quickly moved from what seemed to be supreme security won in World War II into what is now great danger, President Truman said earlier this year that we stand in ‘deadly peril’. Governor Stevenson said that ‘America is threatened as never before’. General Eisenhower said that ‘this nation today stands in greater peril than at any time in our history’.

Some conclude that because of this peril we should cut loose from the great principles which have historically animated our people and enabled them to guide our nation through past perils. That is a counsel of panic. This is above all the time to adhere loyally to those enduring principles upon which our nation was founded. This is a time, not to change our faith, but to renew it.

2.5 A NEW LOOK AT FOREIGN POLICY ADDRESS BY JOHN FOSTER DULLES AT A LUNCHEON MEETING OF THE CITY CLUB OF ROCHESTER, OCTOBER 4, 1952

…But we should also use the war, so long as it lasts, for a propaganda counter-offensive in Asia. We can show how Soviet Russia is recklessly sacrificing Asians to win Russia’s old imperialistic goals in Korea. We can show how Russia uses the war as an excuse to hold onto Manchuria instead of giving it back to China. We can launch an intensive propaganda campaign to subvert the Communists in North Korea. Our air superiority makes this possible. China and Tibet….

Cutting costs

We can substantially cut our $60 billion a year military and security bill.

If the Korean War is ended, that will save between $5 and $10 billion a year. On top of that there can be large saving through greater competence. Senator Johnson, a Democrat, had revealed some of the present corruption and incompetence. A few weeks ago he disclosed, for example, that the cost of air bases in North Africa might be raised from $300 million to $800 million because of what he called ‘flagrant disregard for specifications and sound engineering practices’. If greater competence could save 10% of our non-Korean security bill, that alone would be an additional saving of $5 billion a year.
Our bloated military budget could be further deflated if there were high level policy decisions as to what, actually, is the purpose, today, of our military establishment.

Are we planning to create a military establishment able, at any moment, to fight successfully by air, by sea and by land; in Asia, Africa and Europe; in the Arctic and in the tropics? If so, we are bound to be economically ruined.

I would suppose that our primary objective is, not to fight wars, but to prevent war. The best way to prevent armed aggression is to possess the power to strike at the heart of aggression. There are some areas, as in Western Europe, where, without undue strain on the U.S, there can be developed the power to stop even a major attack in its tracks. There are other areas where local strength can be developed to check civil disturbances and secondary threats. But in the main, the prevention of such an attack as would start World War III, depends on our possessing offensive striking power. That, as Mr. Churchill recently told our Congress, is the 'supreme deterrent'.

Today, each arm of our military service understandably tries to get all that it can. The budget presented to Congress still reflects much 'backscratching' as between the different services. Congress itself has no policy pattern by which to measure and trim the military budgets.

A decisive national policy, which defines the role of our military establishment, will make it possible to trim the military budget to fit that policy.

The savings which could be effected a) by ending the Korean war; b) by assuring more competent military expenditure; c) by developing firm, overall policies, would enable our military budget to be largely cut, and with that there can be a corresponding cutting of taxes and an ending of the steady cheapening of the dollar.

...The Western powers have an uphill task to win goodwill in Asia, where they are known as colonial powers. The number of open minds to which we can appeal has been steadily declining because of Communists political and propaganda victories. Still, it is not too late to re-establish goodwill among the free nations of Asia. This, I re-emphasize, is not a question of pouring out money but of actually treating the Asian peoples as equals in dignity and worth, and sharing their hopes and fears as we do those of Europeans. We must stop seeming to draw a color line.

**Spreading freedom**

We can peacefully spread our ideals in the world, and win the satisfaction which comes from enlarging the free world. That, first of all, requires ending the so-called 'containment' policy. Let me make clear what I mean, for it has been deliberately misrepresented. I do not think, and I have never thought—and that is demonstrable—that liberation means armed revolt and wars of liberation.
I have in mind the lessons taught by the peaceful emergence, within the last 7 years, of political independence in 15 countries. One of these, Yugoslavia, peacefully won freedom from the captivity of Moscow. Others peacefully won their independence from the colonial powers. That independence came, not just as a free gift, but more often because the subject peoples made clear that, by passive resistance and non-cooperation, but only slightly by actual violence, they could and would make the colonial powers pay more than it was worth to perpetuate their rule.

I have in mind Berlin in 1920, when I saw the German people, by peaceful, passive resistance, without firing a shot, liberate themselves from the grasp of the heavily armed Kapp clique which seized control of the entire governmental machinery.

Each captive nation, whether in Europe or Asia, presents a distinctive problem. The burden of solution rests primarily upon the peoples themselves. But the position of the United States should be clear.

I have had many private consultations with spokesmen from the captive peoples. They all ask ‘Does your government want to be in a position to use us as bargaining counters in some future United States–Russian settlement?’ They hear talk about some over-all ‘compromise’ with Russia’s rulers. Does this mean, they ask, that at some future time our government may say to the despots: ‘We will help you keep what you have, you will help us keep what we have, and call it quits’.

…This is not a matter about which we need to be faint-hearted. Dictatorships usually present a formidable exterior. They seem, on the outside, to be hard, glittering and irresistible. But within are strains and stresses which can be activated until the structure shrinks or falls apart.

We shall pay a heavy price if we do not encourage that. Such despotisms never stop their expansion until something stops them. They are either stopped from within or stopped from without. If we elect not to encourage the forces which could stop them from within, that means, practically, that we elect to try to stop them from without. That, in turn, means eventual head-on collision with a consolidated bloc representing the greatest unit of power the world has ever known, possessed of atomic weapons and with a political apparatus which will have deeply infiltrated our body politic and that of our allies. That is not a pleasing prospect.

Conclusion

The goals we want are still within the grasp of good foreign policies. But the time of peaceful opportunity is fast running out. Never before has a major war been averted after tension between great powers has reached the degree that now prevails. To escape a cataclysm we shall have to do better than men
ever did before. That should be easy, because, in the past, we have always
depended on mediocre effort and negative policies, to prevent war. Only war
itself brings out our keenest vision, our highest competence and our most
ennobling spirit.

If, now, while there is still time, the American people will evoke, for peace,
the qualities that they usually reserve for war, then we can still win our historic
goals of life, liberty and the pursuit of happiness.

2.6 JOHN FOSTER DULLES ADDRESS U.S. FOREIGN POLICY BEFORE THE
CENTENNIAL HOMECOMING ASSEMBLY, WASHINGTON UNIVERSITY
ST. LOUIS, MO. OCTOBER 23, 1952

They (founders of Washington University, those with ‘pioneer qualities’) saw
the State and Government as merely means whereby individuals might better
develop their spiritual and intellectual qualities. That basic viewpoint produced
what is loosely called ‘Western’ or ‘Christian’ civilization. It has, by and large,
been a period of great human achievement. The status of women has been vitally
changed for the better—education has become more general—public health
has greatly improved—more people live better for longer...

2.7

February 5, 1953

Ambassador Bowles requests clarification of his position in India particularly
in view of stories of the President’s plans to replace him.) Cover Letter, Chester
Bowles, Ambassador to India and Nepal, to the President. February 5, 1953.
Letter, Chester Bowles, to John Foster Dulles, Secy. of State

My Dear Mr. President,

I realize how swamped you are with problems of all kinds, and for this reason
I have hesitated to bother you. However, I believe a clarification of my position
here in New Delhi is urgently needed. I assume from the various stories, which
I have read, that you plan to replace me with a new Chief of Mission. I assure
you that I am anxious to do everything possible to make the transition period
constructive, and to ease the way for my successor.

At present, my position here is rapidly growing untenable. Unless my
assumptions as to your intentions are wholly incorrect, I believe I should leave
New Delhi by early March.

I am enclosing a long letter which I have just written to John Foster Dulles
about the dangers and opportunities in South Asia, as we see them, I hope that
you may have the time to read it; even though it may overlook some aspects of
the situations with which you and Mr. Dulles are far more familiar than I.
May I again wish you good health and success in your great undertaking. If there is ever anything that I can do to be helpful, you have only to call upon me. With my warmest regards.

Sincerely
Chester Bowles
The President,
The White House
American Embassy,
New Delhi, India,
February 5, 1953
The Honorable
John Foster Dulles,
The Secretary of State,
Washington, D.C.

Dear Mr. Dulles,
Shortly before you left for Europe I sent a cable suggesting that I return to Washington briefly for discussion with you and your associates on your policies as they effect India and South Asia. Henry Byroade replied that it had been impossible to take this up with you in the inevitable rush before your departure and that you would continue to be under very great pressure after your return.

I can readily understand how bombard you must be, and believe me I hesitate to add my voice to the many which have been clamoring for your attention. I have done so only because I am genuinely concerned about the situation here in South Asia and some of the developments that may lie ahead.

In writing to you about the situation here I am obviously handicapped by my lack of knowledge about what has been planned. For this reason it is quite possible that the fears which will express are groundless, and in that even I only hope that you will forgive me for adding to the button of your desk. At best I will cover ground with which you are intimately familiar and suggest possibilities, which have already been considered.

However, I can assure you that I am offering my view with deep humility, a keen awareness of the enormous complexity of the problems, which you face, and the consciousness that there are many angles with which I am not familiar. My soul desire is to help strengthen our interest in this part of the world and to outline a viewpoint which is widely shared here in India and which may deserve some consideration.

Let me say at the outset that I believe the American people are properly concerned with the continuing struggle in Korea, and that I am in full agreement with you and the President that a practical answer must be found. In our search for the answer, I believe, we should act boldly and with imagination.
However, I am worried over the grave possibility that new complications may be opened up in Southeast Asia, which will multiply our present difficulty without achieving a decisive result. For instance, by bringing broad military pressure to bear on Communist China I believe we may set in motion Chinese forces which can overrun Vietnam, Laos, Cambodia and Burma in a matter of weeks; place and intolerable squeeze on Thailand and eventually threaten not only the Malay Peninsula and Indonesia but India itself.

Nor is this opinion solely my own. I know of no chief of mission in New Delhi who does not share this conviction, in many cases in the most exaggerated form, and it clearly represents the view of the Government itself from the Prime Minister Down. Let me state the situation as I see it.

1. I am sure that we are in agreement that a most basic objective of our foreign policy should be to bring about a rift between the Soviet Union and Communist China. Practically every non-communist leader with whom I have talked in Asia, including Prime Minister Nehru, is convinced that this is the one hope for avoiding a Third World War.

   Although you and I may agree that this is an extreme assumption, there can be no question but that the development of such a rift would have far reaching and most advantageous implications. With an uncertain China on its Pacific flank the Soviet Union would surely be forced to abandon its present policies of naked threat and aggression in Europe and the Middle East and to adopt some less explosive tactics.

2. At present, the Soviet Union has every reason to encourage the continuation of the Korean War on the grounds that it weakens the United States, dissipates our forces, creates conflicts with our European allies, assures Chinese dependence on Moscow and reduces to the disappearing point the possibility that China may come to terms with the free world.

3. It would seem to follow that our immediate primary objectives should be to bring the Korean War to a close, to create in the process the maximum opportunities for dissension between Communist China and Soviet Union, and to place the responsibility for the Korean situation as a whole squarely on the Soviet Union.

4. Clearly the most tempting area of expansion for the Chinese Communists lies in South East Asia. Since 1950, in the hope of setting up a closely allied Communist satellite in French Indo-China, the Chinese Communists have been supplying the Viet with forces and have forced heavy losses upon the French army. It is generally assumed here that the soul reason why the Communist Chinese have not sent their own troops into the Vietnam to break the present stalemate is a fear of a United States and possibly United Nations action against China itself.

   On several occasions I have expressed to Prime Minister Nehru my personal opinion that such an attack by the Chinese Communist would
result in immediate, vigorous, military actions by the United States and possibly United Nations forces on grounds of our own choosing. I have reason to believe that these warnings were forwarded to the Chinese last spring on an informal basis, and that they made a considerable impact.

5. From talks with military authorities in Washington, Manila, New Delhi, Saigon, and Hong Kong I assume that any military action against China would consist of one or several of the following activities:

(a) The further arming of the KMT troops on Formosa and in North Burma to enable them to stage major raids on the main land and the Province of Hunan.
(b) The encouragement and arming of Guerilla groups in South China.
(c) A general sea and air blockade of the China coast.
(d) The bombing of Chinese communications and cities.
(e) An armed invasion by United States forces possibly in conjunction with the Chinese Nationalist forces.

With proper apologies forming limitations as a military authority I suggest the following evaluations of these five potential moves.

Raids by the KMT troops along the coast and in North Burma, although helpful in tying down considerable Chinese Communist forces and increasing the strain on the Chinese Government, could not have a decisive effect.

The encouragement of Guerilla activities in South China would certainly be useful but again not decisive.

Although a Naval and Air blockade of the coast would largely cut off Chinese Communist supplies from abroad, its effects would be limited, and the economic dependence of the Chinese Communists on the Soviet Union would be increased still further.

Because of the vast Decentralization of China, the bombing of communications would be far less effective than in Europe during the war, and the mass bombing of crowded Chinese cities would earn for us the bitter hatred of hundreds of Millions of people through out the world.

Clearly, an American invasion of the main land in conjunction with Chinese nationalist troops on Formosa would place an enormous strain on our own resources, weld China and Russia ever more tightly together, invite a Soviet attack in Europe, and achieve no decisive result.

6. Not only is broadly military action and guerilla harassment of Communist China likely to prove indecisive in Korea, but in addition it creates some serious risks.

For obvious reasons the Chinese Communist government will dismiss the possibility of an invasion by major American forces. If we bomb their cities they would take the damage and the slaughter in their stride, with
the knowledge that our action would tend to tip the scales of world opinion strongly in their favor.

Thus it would appear clear to them that we are in no position to take final and decisive action against China itself, and since they would have nothing further to lose by restraint they might well be tempted to move into the rich rice producing area of South Asia.

Burma, Thailand and French Indo-China, in the years before the war, produced an average surplus of some 8 million tons. Although production is now somewhat below this figure the loss of this rice bowl area to the free world would be a crippling economic as well as political blow.

In Saigon, last August our military people expressed the belief that three fully equipped Chinese Communist divisions were stationed in Yunnan on the Burma border with six or seven additional divisions stationed along the Chinese border of Viet Nam. The Burman army, as you know, is faced guerilla activities on several fronts, and there would be little to delay the three Chinese Communist divisions in their march to Mandalay, Rangoon and the Bay of Bengal.

It is the understanding that the present situation at Indo-China is at best a stalemate, and from my talks in Saigon it is also my understanding that an attack from the North by six or seven Chinese Communist divisions would tip the balance of power overwhelmingly against the French and Vietnamese forces.

With all due respect to our present efforts to build Thai army and to strengthen the Thai Government and its economy, I believe it is generally agreed that this rich country would be at the mercy of an invading Chinese Communist force. This would bring Chinese to Malaya and Indonesia, two countries already plagued with guerilla pressures and with large and potentially explosive Chinese minorities.

Because relatively few troops would be required, it does not seem likely that this agreement would materially weaken the Communist position in Korea. In the rich area of Southeast Asia food would be no problem. We would undoubtedly harass and hamper military transport from the air and on the sea, but our experience in Korea, Malaya and Viet Nam indicates that such efforts would not be decisive. Unless we are prepared to throw in several American divisions it is difficult to see what effective action we could take, and if we felt forced to hold at least a major beachhead we would find ourselves faced with a new and equally exhausting Korea.

7. The impact on India and East Pakistan of a successful Chinese Communist invasion into Southeast Asia can scarcely be exaggerated. The Indian people have made great strides during their five and one half years of freedom. With the help of tactful handling on our part, and with a moderate but with steady flow of American aid without political strings,
the Indian Government can go a long way towards stabilizing this potentially great country within the next few years.

If India’s economic development continues, if the Nehru government maintains a firm hold and if a worldwide conflict at least can be postponed, I believe that there is a better than even a chance that India may become the free world’s most solid bulwark between Japan and Turkey.

In the Second World War India raised an army of three million men. The modern Indian Army, although ill-equipped, is highly trained, with excellent morale and a great military tradition. If war with Soviet Union should eventually come about, an anti-Communist and friendly India could provide a vast reservoir of tough fighting troops. Within the next three or four years it is wholly possible that India may agree to play her part in helping to create political and military stability in the struggling area to the east.

However, a Communist Chinese invasion of South Asia in the next year or two would change this situation drastically. Huge additional pressures would be brought to bear on the already strained Indian economy. Most important of all, the Indian Communist party for the first time would have the advantage of a friendly Communist military force on their border ready and willing to cooperate.

According to recent information many Indian Communists now freely state that it is difficult or impossible for them to make rapid progress in India in the absence of military assistance from outside. A Chinese Communist invasion of South Asia would bring the hoped-for pressure to bear in a most direct and dangerous manner. Chinese military prestige would be at a high point and subverting conviction that the world communism is the ‘wave of the future’ would undermine the will of tens of millions of Indians who have never known anything but poverty and ill health. I am sure some explosive situation would rapidly develop in East Pakistan.

Let me say in all the frankness that I do not feel that the dangers and opportunities of India are sufficiently well understood among high policy makers in Washington. This country is rich in both natural and human resources. It possesses by far the most valuable iron ore, coal and manganese resurges in Asia. Its people can be quickly trained in the industrial and military skills.

Although India is making a brave fight to develop a democratic government the fate of that effort at best is hanging in the balance; and if India goes under, and particularly if this development results from a Chinese Communist invasion of South Asia, the results in the Middle East and Africa should be immediate, far reaching and dangerous. Even in Europe,
tens of millions of people who already lean towards a 'Neutralist position' would begin to see what they believed to be the hand writing on the wall.

8. I am particularly concerned about these dangers, and the possibility that they may be too easily brushed aside in Washington, because no political officer from the department of State has visited India in nearly two years. Indeed to knowledge only one assistant Secretary of state has ever been here, and his visit, which occurred more than two years ago, lasted only a few days. This almost complete lack of first hand contact with and understanding of India on the part of the top policy makers in Washington has fed me into a perhaps unduly persistent effort during the last year to present what I believe to be the dangers and opportunities in this part of the world.

The potential situation, which I have described, adds up to some thing of a nightmare. However I am convinced that it is by no means unreal. Indeed, I feel that there is ample evidence that a series of indecisive and defused actions against China may set in motion the very chain of events, which I have outlined.

9. What is our alternative? We could, of course continue to do nothing. But it is generally agreed that decisive action to end the Korean stalemate is essential and I know that this is the position of the new administration.

I believe that the great majority of the people in India and other Asian countries with which I am familiar are clearly anti Soviet and generally willing to accept our charge that the Soviet Union is an aggressive and dangerous force. Since the recent Russian rejection of India's Korean resolution there is growing acceptance of the fact that the Soviet Union is responsible for the continued fighting.

However, even among ardent anti-Communists in Asia there is considerable respect for Communist China, deep widespread antagonism towards the Chinese Nationalists, and a sneaking and often unexpressed sympathy for the Communist Chinese in their struggle with the West. This situation may be tiresome, unrealistic and frustrating, but it is very real and we must cope with it.

Thus in dealing with the situation in Korea I believe we should aim our verbal fire largely at the Soviet Union.

I would picture China as an unhappy and unworldly partner, which has been duped into the role of aggressor. I would make it clear over and over again that we believe the Soviet Union to be the blame for the continuation of this struggle. I would appeal directly and in directly to Moscow to bring an end to the conflict. And if there appears to be no alternative to further fighting in Korea I would precede our steeped up effort with a clear warning to Soviet Union that the use of air power or further outside force will bring immediate retaliation against Soviet as well as Chinese sources of supply.
Clearly, such an approach involves some risks. But I believe it has a great advantage of focusing on the Soviet Union, which all thinking people in Asia as well as in the west accept as the heart and soul of the Communist movement. Although the Indian government would undoubtedly be uneasy at the danger of broader conflict, they would respect the logic of our position, and in my opinion might even accept it on an unofficial basis.

On the other hand, a policy of force that concentrates primarily and broadly on Communist China will increase the Asian tendency to sympathize with China and lessen whatever chance may exist of a rift between China and Soviet Union. In addition there is the grave danger which I have described above that such a move on our part will tempt Communist China into an all out aggression into South Asia from which would flow the most serious consequence.

I have written to you at length only because I am deeply concerned about the possibilities which I have described. I believe patient, moderate policy in south Asia, backed by adequate aid, free of political strings, is in no way inconsistent with a policy of strength where strength is clearly required.

I am anxious to cooperate in every way with the new administration and to be helpful wherever I can. I assume that the President will soon send a new Chief of Mission to take my place here in New Delhi. I believe that this transition should take place as soon as possible as my own usefulness here is rapidly drawing to an end. It goes without saying that I will do everything within my power to ease the way for my successor.

With my best wishes,
Sincerely,
Chester Bowles.

2.8

March 24, 1953
SECURITY INFORMATION,
March 24, 1953

MEMORANDUM FOR THE PRESIDENT
KASHMIR

The Kashmir situation is becoming increasingly acute and war between India and Pakistan is a not remote possibility. The UN effort has bogged down. Would you think that Paul Hoffman might go on a private mission to explore confidentially the attitude of the two parties to some partition of Kashmir?
It would seem that such a project might be acceptable and it is the only solution which now seems to have practicable possibilities.
John Foster Dulles

2.9

MARCH 25, 1953

MEMORANDUM FOR THE SECRETARY OF STATE

I had hoped to talk to you this morning about the Kashmir situation. If you believe that Paul Hoffman could do some good by going on a private mission I think we should, by all mean send him at once. Our world simply cannot afford an outbreak of hostility between these two countries, and I would risk a great deal to prevent any such eventuality
D.D.E

2.10

May 22, 1953

[India: Account No. 2 of secretary of State Dulles' morning conversation with Nehru re India, Red China's expansionist policy, Indochina and Korea.] Am Emb New Delhi, Telegram No. 4237. May 22, 1953. 3 p. SECRET. Declassified Nov. 21, 1974.
From: New Delhi
To: Secretary of State
NO: 4237, May 22, 1953 2 p.m.
FROM THE SECRETARY NUMBER 2.
Secretary talked with Prime Minister Nehru alone two hours morning May 21. Conversation will be continued at lunch May 22. Following is summary of highlights of May 21 conversation:

1. Nehru emphasized India needed internal unity as danger existed country might, fall apart. Independence brought exaggerated hopes. Discontent was easily aroused consequently, India was concentrating upon internal economy, including Five Year Plan. India could not risk starvation.
2. India had almost no contacts with USSR, which to India seems far away. CPI contacts were largely through England: CPI originally treated Chinese Communist as 'deviationists', only changing within past two years under Moscow instructions Indian Communists for election purposes had
made successful political alliances certain areas, but alliances tending to separate.

3. China, like Russia going through expansionist phase, but not wholly due Communist rule. Communists accepted as rulers because measure internal order provided, but most Chinese not Communists. Almost assuredly Communist China will divorce itself from Russia within 15 to 25 years. Already ties weakened by Stalin death. Soviet Union pretending support Chinese Communist admission to UN does not already want because Soviet Union wishes keep China dependent upon Soviet Union as its spokesman. Chinese Communist material dependence on Russia increased during last two years largely because of Korean War. Probably China want to build itself up economically before engaging in any major aggression.

4. India has 2,000 mile frontier with China and deep concern for its relation with Chinese. India proclaims Himalayas are Frontier and it will not tolerate penetration to south particularly Nepal. India still maintains approximately 250 troops in Tibet with acquiescence Chinese Communists. Does not particularly fear aggression via Burma. Chinese could easily penetrate Burma but could not easily move on to India. It does not appear Chinese now have any aggressive designs against Burma, otherwise advantage would be taken of KMT troops in Burma which would provide ready pretext.

5. Indochina is area where Indian and Chinese influences have always converged. Fighting in Indochina is of more native than Chinese Communist origin. Nehru seemed rather unconcerned the fate of Siam saying latter always had unstable government.

6. High level conference world leader would serve useful purpose and beginning of relaxation of tension. Conference should not occur prior Korean armistice and perhaps conclusion Austrian treaty which should be quickly obtainable. New generation of Russians more interested in economic improvement than expansion. Therefore, recent changes of tactics by Soviet leaders may have more than superficial significance.

7. I stated the President had already taken action which could, If Soviet responded, end the so called armament race. He had cut Truman defense budget on theory of having a sound military establishment, but one compatible with economic health rather than based on arms to match the Soviet military establishment. If Soviet would cut its military budget in accordance with same principle applying more of its economic productivity to the welfare of the people and less to armament, then as start to reverse the present trend would have been made. This might be more productive than a disarmament conference which at present would almost assuredly bog down in attempting an impossible task of trying to evaluate mechanistically various military establishment.
8. We discussed Korean armistice. I stated our latest proposal contemplated exclusive use Indian troops to take custody prisoners not desiring repatriation and I hope India would accept responsibility. Nehru indicated acquiescence and urged important concluding armistice, stating he feared otherwise fighting would extent. I agreed stating if armistice negotiation collapsed US would probably make stronger, rather lesser, military exertion and that this might well extend area conflict (I assume this would relayed to Chinese. I said we were, however, sincerely trying to get armistice. Only crazy people could think US wanted prolonged struggle which had already caused us about 150,000 casualties and 10–15 billion dollars. Nehru said he completely accepted proposition we wanted armistice and not top prolong war. I said problem of dealing with Republic Korea was often over looked, but could not be because Republic of Korea had moral interest and also material position which could not be ignored. If Republic of Korea troops stopped fighting in disgust that could presage not an armistice, but a military disaster for US forces. If Republic of Korea decide to go on fighting there could be no armistice. That is why we introduced proposal; for immediate freeing of North Korean’s who did not want repatriation. This was strongly desired by Rhee and would make armistice more acceptable. North Korean’s had already acted in same way as regards South Korean’s POWs. We were, however, still striving fine acceptable armistice formula, but told not abandon concept political asylum in which President Eisenhower and American people believed strongly. Perhaps we are idealistic, but one thing for which Americans had been willing to fight and die was ideals. We did apologize for this.

ALLEN.

2.11

India: Account no. 3 of Secretary Dulles lunch conversation with Nehru regarding situation in Egypt, Korea, Africa, Laos, Kashmir, Middle East Defense Organization and Saudi Arabia. May 22, 1953 (Telegram No. 1772, for the President) Incomplete
FROM: Karachi
May 22, 1953, 10 p.m.
FOR THE PRESIDENT FROM THE SECRETARY

Had two hour discussion alone with Nehru at lunch today following my talk with him yesterday. Atmosphere was intimate and we talked with great frankness. As I explained to him our position on such questions as Korea, United Kingdom and French position in Africa he seemed to understand our dilemma but in response to my request for his views of best solution seemed nebulous and unable to come up with any concrete solutions. Conversation gave him clear
picture of our objectives and reasons for our position on different questions. Following is summary:

1. Egypt. I gave detailed report situation I found there and lines of possible solution. Nehru expressed great concern over possibility undeclared war might break out with possible British reoccupation of Cairo and Alexandria. He said ‘of course British can do this; but what will they do next? Bayonets are no good to sit on’. He inquired regarding relationship of proposed base agreement to a collective security organization. I indicated importance assuring creation of such collective security organization with at least some form of United Kingdom and United States associate membership so that prior departure. United Kingdom technicians from base, arrangements would be in being to insure its continued availability to United States and United Kingdom as well as keeping it useable. I emphasized this was only real power area in entire region and it served far more than the Suez Canal.

2. Korea. Nehru brought up Korean armistice, referring particularly to my statement of preceding day, that if no (repeat no) armistice occurred hostilities might become more intense said if this happened its difficult to know what end might be. He urged withdrawal our armistice proposals as inconsistent with the Indian resolutions, notably provision regarding Korean prisoners of war and unanimity. He agreed there should be some provision ultimate freeing of prisoners of war not (repeat not) desiring repatriation, stating it would be ‘impossible situation’ for them to rot away with no (repeat no) end to their incarceration. I said our formula was designed meet that situation plus likelihood that Communist would not (repeat not) accept Indian resolution that future of prisoners of war be referred finally to United Nations Assembly. Nehru agreed this would probably be unacceptable because absence Communist China from United Nations. He made no (repeat no) alternate proposal. He brought up again my reference to intensified operations, but I made no (repeat no) comment and allowed the topic to drop.

3. Africa. Nehru brought up this subject stating unless colonial powers adopt more liberal policy he believed whole continent would be lost through violent revolution. He described in detail Mau Mau situation and said this was typical of what might become rather general situation. We then discussed generally colonial problem. I said United States was faithful to its tradition in these matters and would like nothing better than to work openly for political liberty, but that we did not (repeat not) feel we could afford open break with British and French in these matter. He agreed open break should be avoided but hope our influence would continue be exerted, in favor of nationalism, saying if Communists had monopoly that issue they would surely win in Africa and Asia.
4. Laos. We discussed Laos situation which Nehru considered local rebellion. I said, according our information it was pure aggression from without. Nehru mentioned role of nephew of Prime Minister of Laos, who he said is leading invasion. I said we apparently had conflicting intelligence.

5. Kashmir. I brought this up, and said I glad know Nehru intended deal directly with Pakistan PM on this. I suggested partition might be better solution than plebiscite. Nehru indicated agreement and recalled that at some earlier time he had proposed to Pakistan settlement on basis of status quo. He indicated he might renew this proposal in London.

6. Middle East Defense Organization. I referred to reported Indian concern over Pakistan as prospective member of Middle East Defense Organization. I said it seemed to me unlikely Middle East Defense Organization as originally projected would come into being at early date and, that United States had no (repeat no) present plans that would bring it into military relationship with Pakistan which could responsibly be looked upon as unnatural as regards India. Nehru expressed satisfaction at this declaration.

7. Saudi Arabia. I reported in some detail on conflict between Ibn Saud and United Kingdom regarding boundaries of Persian Gulf sheikdoms and dispute over Beirami. I suggested Beirami might come up at Commonwealth meeting and I would like him to be informed of the Ibn Saud’s attitude and of his effort to bring us into the situation, adversely to the United Kingdom.

2.12

10/9/53
INDIA. Secretary Dulles informs Eisenhower of meeting with Mrs. Pandit in her capacity as President of the UN General Assembly. DOS Memo (2), 10/9/53. Secret. Dcls 3/10/86.

MEMORANDUM FOR THE PRESIDENT: 10/9/53

Mrs. Pandit and I will be seeing you at 9:30 Monday morning. She is calling estimably in her capacity as President of the United Nation General Assembly. Possibly however she will talk about (1) the general relation between our two countries, (2) the possibility of India serving on the prospective Korean political conference, and (3) the problems of India in relation to the prisoner of war operation.

I recommend that you keep the conversation as far as practicable within the scope of its ostensible reason, namely her presence at the United Nation. You will recall that we voted for her and announced this in advance which largely helped her candidacy.
If we get into India–U.S. relations, we will be crossing wires with the Indian Ambassador here and Krishna Menon, the head of the Indian delegation to the U.N. Between Menon and Mrs. Pandit there is much jealously and ill-will. The Indian Ambassador called to see me a few days ago on the general topic of relations between our countries, and we had a highly satisfactory talk.

In the event that Mrs. Pandit raises the subject of the prospective political conference, I would strongly urge, and Ambassador Lodge agrees, that you do not give any intimation of any weakening on our position, that the conference should be representative of the two sides as the UN determined last August and in September it agreed to adhere to that position. A change of position in that matter would have extremely unfortunate consequences domestically and I don’t think that it would in fact make it more likely that the Communists will hold the conference. In general, I believe that a retreat on our part from the positions carefully arrived at and publicly announced merely leads the Communists to demand concession out of the feeling that we are so eager to have the conference that we will give them anything they want. Further more, to shift our position now would dangerously affect our relations with and influence over Rhee and appreciably increase the likelihood of reckless action on his part designed to force our hand and possibly to bring about the renewal of hostilities.

It is agreed that once the conference convenes it is a plenary, and at that time additional nations, can be invited in if it then seems that that can be helpful and won’t interfere with the work of the conference. You might say that the best contribution India could make to international peace at this time is to urge Peiping to get the conference on and leave question of additional participants aside pending further development at the conference.

With reference to the prisoner of war matter, it is our view that the rules so far issued by the Neutral Nations Commission, show some leaning in the Communist side and are calculated to persuade the prisoners to elect to go name as against their original, indicated preference to remain in the free world. However, we recognize that the tasks of the Neutral Nations Commission are extremely difficult and the Indian troops who have the prisoners of war in their custody in the demilitarized zone, seem to be handling themselves well under difficult circumstances. I think you could well express appreciation of this, as well as recognition of the fact that India is performing a great international service in assuming this difficult role where criticism from both sides is almost inevitable.

You could mention that in conversations on this subject you expressed to Korean Foreign Minister Pyun your regret at the bellicose statements recently uttered by his government, particularly the threat to use force to drive out the Indian troops, and that this petition of yours has been directly communicated to President Rhee through our Ambassador.

John Foster Dulles
April 21, 1953
Incoming Telegram
Confidential Security Information
From New Delhi
To: Secretary of State

No. 3888, April 21, noon
Rec'd: April 21, 1953
9:16 a.m.

In commenting upon President Eisenhower address of April 15, INDIA COMMONWEALTH SECRETARY Tyabji indicated confidentially many high GOI officials had read with great interest, observe it was similar in essence to conversations between President and Madame Pandit and was characterized as great step forward. Tyabji particularly welcomed official support which President had given to ‘savings for world aid and reconstruction’.

Tyabji regretted Indian press comment had thus far been critical (EMBTEL 3893 April 12) and felt commentators had missed point and real significance.

Tyabji thought there are number of reasons for Indian press attitude as follows:

During last few weeks Russians had cleverly timed their various ‘peaceful steps’ and had created impression in India, USSR was working toward peace whereas US seemed to welcome its advent reluctantly. Local press had picked up and magnified remarks by some Americans in US that peace would result in cancellation of war orders which would cause American economic recession. American press stories reprinted in India during recent weeks reported statements by American officials on US policy in Far East and American foreign aid which had created belief here there were differing views as to American foreign policy. President’s address received against foregoing background. Indian editorial writers found it necessary, because of press deadlines, to comment on basis incomplete text as full text delayed over press wires.

Tyabji hoped study of full text, now (repeat now) available, might result in more balanced comment. Meanwhile it was his thought that any steps which could be taken through publication of analyses and interpretations by official US spokesman would be helpful in making known more clearly main points of President’s statesmanlike address.

MILLS
2.14

Proposed ‘talking paper’ for use in clarifying United States position regarding atomic and Hydrogen weapons during course of NATO meeting in Paris on 23 April 1954.

I welcome this opportunity to contribute to a clearer understanding of the US officials' thinking regarding nuclear weapons, including both atomic and hydrogen weapons of all descriptions. Our attitude can best be explained in terms of the relation of these weapons to the free world system of defense against the Soviet threat.

The primary purpose of the United States, like the rest of the free world, is to deter aggression and prevent the outbreak of war. In our opinion, nuclear weapons have a vital role to play in achieving this purpose.

The principal danger lies in the great concentration of military power within the Soviet Bloc combined with the known imperialistic, aggressive intent of the Soviet rulers.

The Communist Bloc comprises a vast array of people and military forces of all types centrally located in the Eurasian land mass. This great concentration of military power poses a threat around a periphery of 20,000 miles. Red forces could strike in any one of many directions against any one of many countries. Such attacks could never be deterred if the aggressor were assured in advance that his attack would be countered only at the place and by the means which he selects. Under such circumstances, he would be almost sure to win, and to win without endangering assets which he does not wish to expose.

The free world would have great difficulty in matching the non-atomic military strength of the Soviet Bloc man for man. Such an effort would impose critical strains upon the economic, social and fiscal orders of many of the free nations and expose them to serious instability and unrest within their own borders.

It is known that the Soviet Union possesses atomic weapons and has trained its military personnel for their employment. In the event of general war, we must assume that the Soviet rulers will make use of atomic weapons with maximum surprise of which they are capable whenever they consider it to their advantage to do so. Since the free world rejects any resort to ‘preventive’ war, the enemy would enjoy the military advantages which accrue to the side initiating the attack, particularly a surprise attack.

II

We believe that the risk of Soviet aggression by means of open war will be minimized to the extent that the free world combines to maintain a strong security posture, with emphasis on adequate retaliatory strength. Within this collective framework, it is a basic policy of the United States to develop
and maintain a military strength—land, sea and air—with emphasis on the capability of inflicting effective retaliatory damage by striking power. Under existing conditions, and have due regard for the necessity of maintaining a strong, stable economic foundation, the security posture of the free world can be adequate only if based on the integration of effective atomic means within our overall capability.

Obviously, it is indispensable that the free world possess and maintain a capacity for instant and formidable retaliation. I emphasize the word ‘capacity’. Without that, the free world might be totally dominated by the power possessed by the Soviet rulers, a power the use of which is not inhibited by any moral considerations. Such power, in such hands, is restrained only by a fear of retaliation, and by a fear that its aggression would lead to its ultimate defeat and the collapse of its dictatorial system. Therefore, our capacity for retaliation must exist, in a state of constant readiness, as a neutralizing force, until the day may come when the awful possibilities of massive destruction can be done away with by effective international control of atomic energy with suitable safeguards.

III

Current NATO force programs fall short of providing the conventional forces estimated to be required to defend the NATO area against a full-scale Soviet Bloc attack. In reaching the division to level off force build-ups, and to concentrate on qualitative improvements, we and our Allies have placed great reliance upon new weapons to compensate in part for the numerical disparity between NATO and Soviet forces. Current NATO military planning presupposes freedom to use atomic weapons in the defense of the NATO area in the event of Soviet Bloc aggression. The United States has accepted the current forces programs and the NATO emergency plans as compromise measures on the premise that atomic weapons in substantial quantities would be available for the support of its presently programmed forces. Without the availability for use of atomic weapons, the security of all NATO forces in Europe would be in grave jeopardy in the event of a surprise Soviet attack. The United States considers that the ability to use atomic weapons as conventional weapons is essential for the defense of the NATO area in the face of the present threat.

In short, such weapons must now be treated as in fact having become ‘conventional’. As I have said, these weapons are vital to the common defense of us all. Our main effort must be to see that our military capability is used to achieve the greatest deterrent effect. In order to achieve this, it should be our agreed policy, in case [either general war or local] war, to use atomic weapons as conventional weapons against the military assets of the enemy whenever and wherever it would be of advantage to do so, taking account of all relevant factors. Thus …………………as well as military circumstances.
IV

The United States intends, of course, to consult with its Allies and to cooperate with them fully to this end. That is the essence of collective security. Consultation is an important means for insuring that our military strength, in case of any aggression, shall be used to the best advantage for the common defense. By the same token, we must make sure that the methods of consultation serve that common purpose and do not themselves stand in the way of our security. Under certain contingencies, time would not permit consultation without itself endangering the very security we seek to protect. So far as feasible, we must seek understanding in advance on the measures to be taken under various circumstances. In these ways, our joint capacities will be best calculated to deter aggression against any of us and to protect us in case it should occur.

V

Free people have always depended, for their security, upon the greater resourcefulness which freedom generates. There is an inherent incompatibility between freedom and the methods available to despots. If the people of the free world were to renounce the use of their actual and potential superiority in terms of new weapons and means for their application with greater mobility and flexibility, then they would have abandoned the principles which throughout the ages have enabled those who had freedom to prevail against the brute power of a despotic system. With the very survival of the free world in jeopardy, it would be suicidal for the free peoples to renounce a major part of their military capability, unless compensating safeguards were assured.

Self-imposed military inferiority is an invitation rather than a deterrent to war. If the nations of the free world were collectively to adopt a policy that atomic weapons would be used only in retaliation for their use by the enemy even though the enemy started a war of aggression, and if such a policy became known in the Kremlin, the value of our formidable retaliatory capability as a deterrent to war would largely disappear. Such an action on our part would offer a strong temptation to the USSR to initiate wars on the expectation that they would be fought strictly on Soviet terms.

VI

For the foregoing reasons, the United States believe that in any war forced upon us by the Soviet Bloc, we and our Allies must be free to....

To deny these privileges to an aggressor does not however mean that every local war must automatically be turned into a general war. Nor does this mean that because atomic weapons are used locally they would be used indiscriminately for the bombing of civilian populations. The United States has never entertained such concepts.
As we all agree, our primary goal is to deter aggression and prevent war. To achieve this, the Soviet Union must recognize that the free world is able and ready to use its full power to defeat any such aggression if it should occur. In our judgement, this is the surest way to prevent the outbreak of a general war, which would be a disaster for all if it occurred. The deterrent will be effective, however, only so long as the free world maintains its strength and its determination and courage to use that strength effectively. The possession of a will, if need arises to use strength is as important as possession of strength.

If we can meet these tests, and I am convinced that we can, then mankind has good hope of escaping general war with all its attendant consequences.

VII

Until nuclear weapons can be brought under effective control, the course I have outlined seems to be the only hopeful one. Meanwhile we do not intend to slacken our efforts to bring about such control of nuclear weapons, under safe and acceptable conditions. President Eisenhower’s plan for allocating fissionable material for peacetime purposes is one approach which we are exploring with complete dedication, in the hope of thereby creating a new atmosphere and new relationships which will open the way to effective controls in the military field.

We are prepared to explore any measures on condition that this does not in fact increase the peril to the free nations.

2.15

Dwight D. Eisenhower Library:
Eisenhower: Papers, 1953–61
(Ann Whitman File)

Secretary Dulles said that he had explained how very difficult it would be for the United States to continue to finance the cost of two separate kinds of armament and to plan for two possible kinds of war. Accordingly, we were reaching a point of decision as to the use of atomic weapons. We could not go on forever making both types of armaments, and our allies must try to understand the problem. From this discussion Secretary Dulles deduced that the United States would be unable to secure from its allies any agreement in advance to the use of new weapons. But there would be agreement by them on the creation of an alert system which could quickly be put into effect if and when war came. Beyond this our campaign of education for our allies on atomic weapons must go on, and this little informal meeting was a long step in this direction. Indeed, said Secretary Dulles, it may well turn out to have been the most significant achievement of the whole NATO Ministers meeting.
There had also been some discussion, said Secretary Dulles, of U.S. continental defense and the part it would play in the total defense of the free world. We reassured our NATO allies, said Secretary Dulles, that we had no intention of cutting down our striking power to assist Europe, and he promised that we would maintain an appropriate balance between the offense and the defense. Secretary Dulles also noted the great interest of our allies in the proposed legislation to provide for freer exchange of atomic information.

The National Security Council:
Noted and discussed a report by the Secretary of States on the NATO Ministers Meeting.

2.16

NATIONAL SECURITY COUNCIL
U.S. Policy toward South. NSC 5701.
Transmittal Note, James S. Lay, Jr., Exec. Secy, to the National Security Council. Jan. 10, 1957. 3 p. Encl: same title [assessment of US objectives and courses of action in general: capability to affect events in South Asia is limited; US political stake in the area is large; US favors popularly-based, non-Communist govs. and strong economies; US must seek to obtain the use of strategic facilities, encourage cooperation with Free World defense arrangements, assist in economic development, foster multilateral trade, and emphasize dangers of financial ties to the Soviet bloc. India: unemployment is increasing: the economic plan involves an increase in foreign aid; India and China are in competition as to which system can best be applied in Asia and Africa; India is striving to maintain military superiority over Pakistan; US should maintain India's nonalignment status even when it brings India into opposition with US policies and provide economic aid. Pakistan: internal stability is lacking; Islam is less of a force for national unity than it was at the inception of Pakistan; population is dissatisfied with the economic situation and with relations with India; some industrial development has been achieved; maintenance of its military establishment requires US aid; US should strengthen Pakistan's independence, complete the military aid program, encourage development of a more representative govt., and foster improved relations with India and Afghanistan. Afghanistan: dispute with Pakistan over Pathan tribes continues; a debt to the Communist bloc threatens Afghanistan's independence; US should provide economic aid, promote trade with Pakistan, and encourage improved relations with Iran. Ceylon: neutralist and leftist trends]
THE UNITED STATES AND INDIA

have engulfed Ceylon and threaten UK military bases and relations with India; US should provide economic aid, strengthen political elements able to resist Communism, prevent expansion of rubber trade with China, and assure continued UK use of strategic facilities. Nepal: India and Communist China are in dispute over influence over Nepal; US should be prepared to establish a mission in Kathmandu]. Statement of Policy. 18 P. Att: same title [proposed US aid programs for India, Pakistan, Afghanistan, Ceylon, and Nepal 1955–60]. Financial Appendix. 10 p. SECRET. SANITIZED)

Extracts:

NATIONAL SECURITY COUNCIL
NSC Registry (PF)
Copy No. 72
NSC 5701
January 10, 1957
Declassified September 19, 1977

NOTE BY THE EXECUTIVE SECRETARY
to the

NATIONAL SECURITY COUNCIL on U.S. POLICY TOWARD SOUTH ASIA

References:

A. NSC 5409
B. NSC 5610
C. NSC actions Nos. 1436, 1560, 1624 and 1648
D. Progress Report, dated November 23, 1956, by OCB on NSC 5409
E. NSC 5617
F. Memos for NSC from Executive Secretary, subject: “Report by the Interdepartmental Committee on Certain U. S. Aid Programs”, dated November 21 and December 5, 1956.
G. Memo for NSC from Executive Secretary, subject: “U. S. Policy Toward South Asia”, dated December 13, 1956.

The National Security Council, the Secretary of the Treasury, the Secretary of Commerce, the Special Assistant to the President for Disarmament, the Director, Bureau of the Budget, and the Special Assistant to the President for Atomic Energy, at the 308th Council meeting on January 3, 1957, adopted the statement of policy on the subject contained in NSC 5617, subject to the amendments, thereto which are set forth in NSC Action No. 1648-b. The Council also noted the request of the President that the Department of State, in carrying out paragraph 69 of NSC 5617, as amended and adopted, and in consultation with the Department of Defense, should seek suitable opportunities,
compatible with the political situation, of inducing Pakistan, in pursuit of its own interest, to propose revisions of the planned military programs to reduce the future burden on its economy.

The President has this date approved the statement of policy in NSC 5617, as amended and adopted by the Council and enclosed herewith as NSC 5701; directs its implementation by all appropriate Executive departments and agencies of the U. S. Government; and designates the Operations Coordinating Board as the coordinating agency.

A Financial Appendix is also attached for the information of the Council.

The enclosed statement of policy, as adopted and approved, supersedes NSC 5409.

JAMES S. LAY, JR.
Executive Secretary
cc: The Secretary of the Treasury
The Secretary of Commerce
The Special Assistant to the President for Disarmament
The Director, Bureau of the Budget
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence

STATEMENT OF POLICY
on
U.S. POLICY TOWARD SOUTH ASIA
(India, Pakistan, Afghanistan, Ceylon and Nepal)

General Considerations

1. South Asia has become a region of major international importance. The five countries of the subcontinent have a population of about 500 million, twenty percent of the world total. They represent a significant segment of the world’s newly-independent, ‘under-developed’, and vigorously anti-colonial countries. India, in particular, has emerged as a foremost representative of the Asian-African, or ‘Bandung’ region and is the leading political contender with Communist China in Asia. Pakistan actively seeks leadership of the Moslem world and is the only Asian member of both SEATO and the Baghdad Pact. Three of the South Asian nations—India, Pakistan and Ceylon—are members of the British Commonwealth.

2. In addition to many special difficulties, South Asia exhibits many of the political features that characterize less developed countries in general:

   a. Non-alignment. Four of the five South Asian governments profess a policy of ‘non-alignment’ in Communist bloc–free world issues
and the same approach would have at least some appeal in the fifth country, Pakistan. This policy is not merely a philosophical attitude; these nations, and especially India, consider that their own national interests will best be served by independent international policy.

b. Anti-colonialism. Each of these nations is compelled by popular pressures as well as historical experience to oppose the continued existence of European colonies in Asia and Africa. One of these colonial problems present in the area itself is that of the Portuguese possessions on the Indian Coast.

c. Aspirations for Economic Development. Each of the countries is confronted by at least some measure of articulate popular aspiration for economic growth. Each lacks to important though varying degrees of the skills, administrative expertise and mobilizable resources needed to assure that this aspiration can be reasonably met.

d. Intra-regional Disputes. A number of post-independence territorial and political disputes have operated to maintain tension between the South Asian states. The most serious of these are between India and Pakistan over Kashmir, and between Afghanistan and Pakistan over the Pushtu tribes. Pakistan’s membership in SEATO and U.S. military assistance to Pakistan are interpreted by many as U.S. intervention in these issues in behalf of Pakistan.

3. In recent years both the USSR and Communist China have waged an intensive campaign to roll back the free world position in South Asia. No longer depending primarily on small or illegal Communist Parties, the USSR is engaged in a vigorous and open diplomatic, propaganda, and economic campaign to increase its influence in the area. Hundreds of South Asian political leaders, technicians and cultural figures have been official guests of Communist bloc countries over the last few years. The Soviet leaders are identifying Soviet policy with the anti-colonialist sentiments in the area; they are appealing to the area’s strong desire for peace and non-involvement in world conflict. Finally, the USSR is capitalizing on aspirations for economic improvement through substantial offers of aid, trade, and credits on easy terms and ostensibly with no political strings attached.

India

4. A solid basis has been laid for the Indian national state by a series of domestic political successes: in dealing with the princely states, in conducting national elections, and in laying down a national constitution. The revision of the Indian state structure along linguistic lines has now been completed, thereby alleviation a major divisive problem. However, India is confronted with a colossal problem of economic development.
5. Despite substantial progress made under the first five year plan (1951–1955), the continuing problem of unemployment and underemployment and the growing public demand for economic improvement have made necessary higher targets for the second plan. Unemployment is increasing in urban areas and provides potential tinder for political extremism. The current plan places main emphasis on industrialization. This involves deficit financing and heavy pressure on foreign exchange reserves. It is evident that the new plan requires that India obtain more than $2.0 billion from all foreign sources in loans and grants over a five–year period, more than twice that received during the previous plan period. Nevertheless, the higher targets are necessary if India is to cope with its long-term economic problems and hold in check the grave political dangers implicit in large-scale unemployment. The first two years of the plan, in particular, will be critical, as the shift in emphasis of development activity will severely strain India’s ability to manage the inflationary pressures of the new approach.

6. Should India fall significantly short of the projected expansion during the crucial next five years and lose the momentum it has gained under Nehru’s leadership, it is unlikely to regain this momentum during the foreseeable future. A period of economic and political decline would almost certainly set in, popular support for the Congress Party would diminish, dissension would grow both inside and outside the Congress Party, and unrest would ensue.

7. India’s economic development program has international political ramifications as well. The outcome of the competition between Communist China and India as to which can best satisfy the aspirations of peoples for economic improvement, will have a profound effect throughout Asia and Africa. Similarly, the relative advantages to be derived from economic cooperation with the Soviet bloc or the West will be closely watched.

8. In relation to its size and population, India maintains a relatively modest though by no means negligible military establishment. India’s abiding concern is to maintain its present margin of superiority over Pakistan. India will continue to purchase military equipment from abroad to modernize its forces, particularly in view of the anticipated increase in Pakistani combat capabilities as a result of U.S. aid.

Pakistan

9. Despite its success in coping with the weighty problems which confronted it at the outset, Pakistan after nine years of independent existence still lacks many of the basic ingredients of internal stability. The eastern and western parts of the country, separated by about a thousand miles of Indian Territory, represent two widely disparate cultural groups, differing from each other in language, social and economic structure, and outlook. Islam is now less of a force for national unity than it was at the inception.
of Pakistan, and has increasingly become a source of fundamentalist opposition to the development of a modern secular state. The Muslim League, which Pakistan's original leaders used as a vehicle of political control, has steadily degenerated, and no effective rival organizations have emerged to take its place. Although much of the Pakistani population remains ignorant and apathetic about political matters, chronic political instability, recurrent economic crises, and continuing frustration over relations with its neighbors, particularly India, have all contributed to growing popular dissatisfaction with the present state of affairs.

10. Although the viability of its democratic processes has yet to be assured, Pakistan has nevertheless maintained its national unity, and has made progress toward the development of parliamentary institutions and the resolution of the problems inherent in the linguistic and geographic separateness of East Pakistan. Pakistan has also accomplished significant gains in industrial development, and is about to undertake a new five-year development plan that will place heavy emphasis on improving the agricultural, power and transportation bases of the economy. The plan's goals are directed to a major extent to remedying the recurrent food crises, particularly in East Pakistan, where poor marketing and storage facilities and inept administration have aggravated the problems arising from poor harvests of recent years. Heretofore Pakistan's economic program has not received the degree of emphasis placed on economic planning in India. In fulfilling the plan, the immediate bottleneck seems likely to be technical and administrative skills.

11. The government of Pakistan has developed policies essentially pro-West in outlook and generally pro-United States in implementation, although its adherence to the Baghdad Pact and to SEATO has been motivated largely by fear of India's preponderant military position and its own bitter differences with Afghanistan.

12. Pakistan is in the midst of a military build-up based upon a commitment by the United States to provide equipment. (See NSC 5610, Pakistan Study) Pakistan will probably continue to make heavy expenditures on its military establishment. However, maintenance of that establishment will require continuing U.S. material and direct forces support not only through the expected completion of the present military aid program in 1959 or 1960 but probably for an indeterminate period. The present Pakistan armed forces (which include about 3-1\2 understrength divisions) are considered adequate to maintain internal security and defend against attack by Afghanistan. The equipment build-up will add to this ability to resist an initial aggressive thrust by limited Soviet capabilities (Estimated in NSC 5610 as 3 to 6 Soviet divisions.), and will increase to some extent Pakistan's ability to deter aggression and to contribute to collective security.
13. Sufficient economic development to indicate continuing progress is estimated as necessary to ensure popular allegiance and reasonable stability in Pakistan. The new economic development plan would require Pakistan to obtain some $800 million from all foreign sources in loans or grants over the next five years. Technical and administrative obstacles to planned investments will probably be lessened by 1958 so that the increasing need for resources for economic development will coincide with the increasing costs of maintaining the military establishment. The issues are not unmanageable, but they could cause serious friction between the United States and Pakistan.

14. Pakistan, as a major Muslim power, can exert a moderating influence on the extreme nationalism and anti-Western attitudes of the Arab States. Pakistan’s position on the Suez issue has been helpful to the United States. It is in our national interest to continue to urge Pakistan to take an active role in Middle Eastern affairs.

Afghanistan

15. The political scene is isolated and primitive. Afghanistan is pervasively colored by the dispute with Pakistan over the Pushtu or Pathan tribes living in the northwest frontier area of Pakistan. As a consequence of Afghanistan’s effort to win political autonomy for these tribes, relations with Pakistan are chronically embittered and Afghanistan’s political and geographic isolation from the rest of the free world has been made more complete. This dispute, combined with Afghanistan’s desire for rapid economic development, has made its leaders receptive to offers of Communist bloc economic, technical and military assistance. Such assistance has been extended on an impressive scale. Afghanistan has already incurred so heavy a burden of debt to the Communist bloc as to threaten its future independence.

16. At the same time, traditional Afghan suspicious of the USSR almost surely persist. The Afghans are willing to accept Western assistance and technical advice and hope to have the best of both worlds. Through our past aid on the multi-purpose Helmand River project, the United States is identified with an undertaking of major significance for Afghanistan’s economic future.

Ceylon

17. So long as British military bases can be maintained there, Ceylon has a potential strategic importance far beyond its small size and population. The materialist and leftist trends in Asia have substantially engulfed Ceylon and threaten the British bases on the island and even Ceylon’s membership in the British Commonwealth. There is also hostility toward
the large Indian (Tamil) minority. Political developments in Ceylon thus endanger its relationships both with the UK and with India. Its principal economic problem arises from the phenomenal rate of its population growth. Thus far Ceylon remains oriented to western value and to Western political institutions, and seems to wish to avoid serious deterioration in its relations with India.

Nepal

18. India views Nepal as a virtual Indian protectorate and is resentful of third-power activities there. Nepal is an object of Communist China’s attention and thus a potential source of rivalry between India and the Communist Chinese. Recently India has attempted to improve its position in Nepal in the face of increased efforts by the Chinese Communists to expand their influence. The Nepalese, for their part, are restive under Indian attempts to monopolize Nepal’s external political relations and to guide Nepalese domestic policy.

Policy conclusions

19. The capability of the United States to shape events in South Asia is severely limited. The United States cannot in the foreseeable future expect to bring the four neutralist South Asian countries into regional defense alliances. It cannot rely upon full support from the area for U.S. policies when these touch upon the colonial problems of its free world allies. It cannot fully satisfy the needs of the South Asian countries for external economic assistance. Nevertheless, much can be done to prevent South Asia from becoming pro-Communist. Progress can be made in increasing South Asian resistance to Communist ambitions and in fostering its recognition of its communist interest with the free world.

20. The political stake of the United States in the independence and integrity of the countries of South Asia, as well as in their stability and peaceful progress, is very large. If India or Pakistan came under Communist influence, chain reaction effects, going as far as Western Europe, would result. Serious political instability in either or both of these large nations would significantly increase Communist influence in the area or, alternatively, might lead to hostilities in South Asia. Either turn of events could engage great power interests to the point of threatening world peace.

21. It remains necessary, therefore, to employ the limited means at our disposal as effectively as possible in South Asia. This will require policies developed country by country, but it will also continue to involve us in interregional issues and we shall probably find it increasingly necessary that we seek to resolve or at least to keep under control the local controversies that bulk so importantly in the political life of the subcontinent.
22. Pakistan’s differences with India and Afghanistan will continue to complicate our relationships in South Asia. A mutually acceptable resolution of the Kashmir issue and the early resolution of other differences must be an important aim of U.S. policy.

23. Participation by the South Asian countries is regional organizations, such as the Colombo Plan and the Economic Commission for Asia and the Far East (ECAFE), particularly in the economic and technical spheres, and the membership of India, Pakistan and Ceylon in the Commonwealth, strengthen the ties between South Asia and the rest of the free world. It is in the best interests of the United States to encourage closer economic cooperation among the South Asian countries, and between them and the other free world countries. Assistance should therefore be extended when feasible to foster regional projects of economic importance to the area and to other free world countries in Asia.

24. The development and application in South Asia of the peaceful uses of atomic energy, under U.S. leadership, will be particularly important for its potential unifying influence as well as its direct benefits to the nations involved.

India

25. It is in the U.S. national interest that the genuine independence of India be strengthened and that a moderate, non-Communist government succeed in consolidating the allegiance of the Indian people. There is an undeniable dilemma for U.S. policy in the pursuit of these objectives. The Indian policy of non-alignment will on occasion bring India into opposition with U.S. programs and activities, and a strong and increasingly successful India will add weight to this opposition. Nevertheless, over the longer run, the risks to U.S. security from a weak and vulnerable India would be greater than the risks of a stable and influential India. A weak India might well lead to the loss of South and Southeast Asia to Communism. A strong India would be a successful example of an alternative to Communism in an Asian context and would permit the gradual development of the means to enforce its external security interests against Communist Chinese expansion into South and Southeast Asia.

26. The Second five-year plan provides at present the best vehicle for action to promote U.S. interest in an independent and stable India. India must have external assistance to attain the goals of the plan as it is now envisaged. It would appear that Western sources of aid other than the United States would fall short of the mark. It is in our interest that India should substantially achieve the broad aims of the five-year plan, in terms of increase in output and employment, and should continue to make an effective assault upon its development problems. The United States should not, of course, engage its prestige in the success of the program.
27. It is in the U.S. national interest that Pakistan, as an active ally of the United States within the area, should strengthen its independence, make sufficient economic progress to assure the allegiance of its people, and improve its internal stability and defensive capabilities.

28. Without substantial external assistance, Pakistan's limited resources are inadequate either to sustain the burden of its military build-up or, after the build-up period, to bear both military maintenance costs and the needs of economic growth. There is only a slight prospect that in the early post–build-up period Pakistan could, unaided, support even one of these programs.

29. In the absence of a Pakistani desire for a reduction of the military burden, failure by the United States substantially to fulfill its commitment to Pakistan: could jeopardize the U.S. political position in the area and weaken planned defenses designed to protect U.S. interests in the Middle East; could lead Pakistan to retreat from its present anti-Communist pro–Western policy; and could alienate the Pakistan military, which is potentially the most stable and actively the most cooperative element in Pakistan society. Accordingly, it is in the U.S. national interest to complete the military aid program, with its delivery schedules through FY 1960, which represent the U.S. commitment to Pakistan, unless the Pakistani agree to reduce the commitment in accordance with paragraph 69 hereof. Carrying out of the present military program, on the other hand, will adversely affect Pakistan’s ability to meet economic development goals, and possibly India’s desire to avoid increasing its military expenditures. Our economic aid program should be aimed at increasing the future economic capabilities of Pakistan to carry a larger share of its necessary military expenditures, as well as increasing its political and administrative ability to make the most effective use of its military resources.

30. Ultimately the possibility of a reduction in Pakistan’s requests for U.S. military assistance will be markedly affected by improvement in its relations with India and Afghanistan. Accordingly, the narrowing of Pakistan’s differences with its non-Communist neighbors should be an important aim of U.S. policy in the area. Some time before the end of the build-up period and in the light of the circumstances then prevailing, the United States will have to negotiate an understanding with Pakistan on the character and amount of future U.S. assistance. The object of such negotiations should be to achieve agreement on programs, which will reduce so far as feasible the continuing burden of assistance on U.S. resources and on the local economy and which will offer prospects for greater Pakistan self-support.
Afghanistan

31. U.S. policy in Afghanistan can be most effective in assisting in the economic development of the country; promoting closer trade-ties with Pakistan and resolving the in-transit trade issues with Pakistan. We are already deeply involved in the Helmand valley, both financially and in terms of American prestige, and its will be highly desirable if the project can be brought forward to successful fruition. We do not have within our power wholly to quiet Afghan agitation over the Pushtunistan issue, but it may be possible, by assisting the improvement of communications through Pakistan to Afghanistan, to bring about closer and more amicable Afghan–Pakistan relations and also give Afghanistan an alternative to its dependence on the USSR.

Ceylon

32. As is the case of India, Ceylon’s need for economic assistance gives us potentially our most useful policy lever for keeping strongly neutralist Ceylon from extending its ties with the bloc or from turning pro-Communist. It is unlikely that Ceylon can be moved from neutralism by any actions we can take, but it is entirely probable that Ceylonese independence will be secure so long as its government exhibits some capacity for dealing with its domestic economic problems. U.S. aid programs initiated in 1956 should be directed toward this end.

Nepal

33. The United States has an interest in preventing Nepal from being overrun or dominated by Communist China. These are possibilities of even more urgent concern to India, which regards Nepal as a virtual protectorate. In view of the persistent distrust between India and Nepal, and of the vastly greater U.S. stake in India, U.S. interests would be served by a policy of close but informal consultation with India in regard to free world economic and security interests in Nepal.

Objectives

34. The continuance of non-Communist governments willing and able to resist Communist blandishments or pressures from within and without.
35. An increased association and identification of South Asian governments, and peoples, with the free world community.
36. A lessening of the tensions between the South Asian states in order to augment their resistance to Communist tactics and to strengthen their bonds with the free world.
37. Strong, stable and, if possible, popularly-based governments in all of the South Asian countries.
38. Increasingly sound and developed economies in each of the South Asian states.
39. A posture of military strength in the area contributing to area stability and as appropriate to the defense of the free world.

Courses of action

**General political**

40. Foster the continuance of non-Communist governments in South Asia and strengthen their hands against Communist efforts to dominate them.
41. Encourage the governments and peoples of South Asia to expand and strengthen their ties with the free world.
42. Increase consultation with the governments of South Asian countries, particularly India and Pakistan, and encourage them to consult more frankly with us.
43. Maintain adequate information, cultural and exchange of persons programs in the countries of South Asia to support U.S. objectives in the area.
44. Increase the employment of training programs in the United States, host countries and third countries, to multiply as rapidly as possible indigenous capabilities for adequate self-government and economic growth.

**General-Military**

49. As politically feasible, seek to obtain (a) the use of military and strategic facilities in South Asia, including communications, transit and base rights, and (b) the right to operate forces in the area upon the threat of and during general hostilities.
50. Promote a better understanding in the South Asian countries of the aim of SEATO and the Baghdad Pact and, when feasible, encourage a wider cooperation in these or other free world defense arrangements.

**General economic**

51. Assist the governments of the area of develop expanding and sounder economies by:

   a. Providing technical and developmental assistance in a manner best calculated to further U.S. interests, including assistance when feasible, to foster regional projects of economic importance to the area and to other free world countries in Asia.

   b. Fostering conditions and government policies favourable to greater participation by private enterprise in economic development; and, where justified, encouraging U.S. and other private investment in the region; and seeking to promote a better understanding of the contribution, private enterprises can make to economic growth.
c. Stressing the long-range benefits of multilateral trade as opposed to
trade under bilateral and barter agreements.
d. Encouraging and assisting South Asian states to expend their trade
with each other with other countries of the free world.

52. Render appropriate U.S. assistance to individual nations and to multi-
nation associations for development of peaceful uses of atomic energy in
accordance with NSC 5507/2.

53. In providing technical and developmental assistance, do not give the
impression that the United States will bid against or attempt to match in
size and scope the credit and aid activities of the Communist bloc.

54. Emphasize to South Asian countries the dangers inherent in large financial
or trade commitments to the Soviet bloc.

55. Continue efforts to discourage and where possible prevent shipment of
strategic materials to the Communist bloc.

56. When justified to alleviate actuate food shortages or the effects of
natural disasters, extend emergency aid to the South Asian countries as
expeditiously as possible.

57. As appropriate, encourage other free world governments and private
institutions to extend aid to the South Asian countries for the purposes
mentioned above.

India (Courses of action supplemental to the general courses above.)

58. Support the continuation in power of elements which are non-Communist
and basically oriented toward the free world, recognizing that the
Congress Party comes closest to fulfilling this specification and providing
India with a strong, stable and popularly-based government.

59. Provide economic and technical assistance to India, placing emphasis
on projects and programs having the maximum potential of support for
the goals and aspirations of India’s second five-year plan. Be prepared to
consider sound loans, PL 480 arrangements and other measures sufficient
to give substantial help in achievement of the broad aims of the plan,
including the private investment necessary for its realization.

60. While respecting India’s choice of an ‘independent’ foreign policy, seek
to prevent its policy from serving Communist ends and, when in the
U.S. interest, make use of Indian mediation or moderating influence in
international disputes.

61. .......................................................... ..........................................................

62. Strengthen the orientation of India’s armed forces toward the free world
and continues to facilitate India’s procurement of its military equipment
from the West.
63. Continue to impress upon India that the Kashmir and Indus Waters issues should be settled on the basis of a solution mutually acceptable to India and Pakistan.

64. Continue to reassure India that by providing military aid to Pakistan and by supporting its participation in SEATO and the Baghdad Pact, the United States is in no way unfriendly to India and is acting solely in the interest of free world security against the Communist bloc.

65. Continue to reassure India that the United States is not taking sides on the merits of the Goa dispute and would favor any mutually acceptable settlement reached through peaceful means.

Pakistan (Courses of action supplemental to the general courses above.)

66. In conjunction with efforts to strengthen Pakistan’s orientation toward the free world and its support of collective security efforts, encourage the development of more stable and representative government in Pakistan.

67. In extending developmental and technical assistance to help Pakistan to make its economy stable and viable, bear in mind Pakistan’s need to support its military forces.

68. For the present continue to support, by providing U.S. military assistance in accordance with paragraph 29, Pakistan forces capable of maintaining internal security, of offering limited resistance to external aggression, and of contributing to collective security by these means and by the provision of token forces for collective military operations outside Pakistan.

69. Explore the possibility, in light of the rising trend of the U.S. aid programs for Pakistan, of achieving agreements as to future U.S. aid programs for that country which will be more moderate in their demands upon U.S. resources and the Pakistan economy.

70. In providing military aid to Pakistan, the United States should:
   a. Resist any Pakistani effort to persuade us to increase and present military aid program.
   b. Encourage the effective use of military resources by Pakistan to the end that necessary force goals can be met with a progressive declining reliance on U.S. aid.
   c. Avoid becoming committed to assuming any fixed share of Pakistani military maintenance policies in the post–build-up period.
   d. Attempt to reduce the support cost of the Pakistani military establishment by exerting its influence for a more efficient organization of Pakistani forces and improved logistics system and more austere standards of construction and support.
   e. Encourage improved relations between Pakistan and India and Afghanistan as a means of reducing demands for U.S. aid.

71. Encourage Pakistan to continue and extend its moderating influence in the Middle East and the Muslim world.
72. Continue to impress upon Pakistan that the United States would welcome solutions of the Kashmir and Indus Waters disputes acceptable to both India and Pakistan.

73. Encourage Pakistan to follow policies toward Afghanistan, which will promote Afghan ties with the free world.

Afghanistan (Courses of action supplemental to the general courses above.)

74. Encourage the growth of closer economic and improved political relations between Afghanistan and Pakistan, thus creating conditions favorable to resolution of their differences and strengthening Afghanistan’s links with the free world while reducing its dependence upon the USSR.

75. Encourage the settlement of disputes between Afghanistan and Iran, and the development of closer Afghan ties with Iran, Turkey and other nearby nations friendly to the West.

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Ceylon (Courses of action supplemental to the general courses above).

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79. Seek to prevent Ceylonese neutralism from serving Communist ends and encourage Ceylon to identify its national interests more closely with free world.

80. Continue to impress upon the Government of Ceylon that the provision of U. S. economic aid will be reconsidered should Ceylon expand its trade in rubber or strategic commodities with the Communist bloc, and continue to urge that Ceylon endeavor to minimize rubber exports to the Communist bloc.

81. To the extent practicable, exert U.S. influence to assure the United Kingdom’s use of naval, air and communications facilities in Ceylon.

Nepal (Courses of action supplemental to the general courses above.)

82. Encourage Nepal to form a stronger, more stable government willing and able to resist Communist, particularly Chinese Communist, inducements or pressures.
83. Consult and, as may be politically desirable, cooperate with India in regard to free world interest in Nepal.
84. Continue to respect Nepal’s desire to be independent of both Communist China and India, but resist its tendency to involve the United States against these powers for its own interest; and be prepared to establish at short notice a U.S. diplomatic mission resident at Kathmandu.

Department of defense comments on military assistance

Pakistan

Pakistan is the only country in the South Asia area which is receiving grant U.S. Military assistance.

The military aid commitment entered into in October 1954 provides for the equipping of 4 infantry divisions and 1-1/2 armoured divisions; 12 vessels, including destroyers and mine sweepers; as well as 6 air force squadrons, including 3 fighter bomber squadrons, 1 interceptor day fighter squadron, 1 light bomber squadron and 1 transport squadron.

Provision has also been made for meeting the increased budgetary costs involved in the consumables and construction, including the cost of up to 40,000 additional troops needed to man the new equipment and cantonments, to improve airfields and Karachi harbour, and to provide ancillary equipment.

The cost of this commitment to the U.S. during the period of the build-up, FY 1955 through 1958, has been estimated to total around $430 million. According to present programming plans, this figure will not be exceeded. Of this amount $80.6 million has been delivered through September 30, 1956.

The estimates ... are based on present Department of Defense plans for funding of the military build-up through FY 1958, together with hypothetical programs for FYs 1959 and 1960, which will provide for a minimum cost to the U.S. of maintaining the Pakistan Army, Navy, and Air Force in those years. Such costs would include consumables and construction for up to 40,000 troops, as well as ammunition, spare parts and attrition. The build-up was originally scheduled to be completed by December 1959. High priority has been given to the program, and the major portion will be accomplished by the date established. The light squadron included in the commitment is not expected to be programmed before 1960.

The U.S. commitment to Pakistan does not extend to the maintenance of these modernized forces after completion of the build-up. However, it would appear that continued U.S. support of Pakistan’s forces will be necessary. The annual cost of maintaining the entire Army, Navy, and Air Force in the future, including ICA defense support, has been estimated at a minimum of $240 million, with a possible outside range of $400 million. The share of this cost which may measurably be shouldered by Pakistan is not clear.
Her defense budget is relatively fixed at around $190 million, with little prospect of increasing it without impinging on essential development programs. At a minimum, therefore, the U.S. army is expected to incur a military assistance cost of around $50 million a year. This program level has been assumed for FYs 1959 and 1960. As indicated above, however, such maintenance cost to the U.S. may well be higher.

India

India has been authorized to obtain reimbursable U.S. military assistance under Section 106 of the Mutual Security Act of 1954, as amended. Its eligibility was established on March 16, 1951. As of September 30, 1956, India had purchased $34,108,283 of equipment, of which $28,853,450 had been delivered.

ICA comments on cost estimates

PAKISTAN

1. Assumptions. It is assumed that annual aid commitments in 1958–60 continue at approximately current levels, based on several assumptions. One, the rate of increase of Pakistan's total development expenditures will not rise during the period. Even if the Five-year plan is formally adopted there will be a stretch-out of a year or more. Two, no major food crises will develop, because the planned multi-year PL 480 sales program will meet any contingencies. Three, large increases in defense expenditures (foreign exchange and rupees) for maintenance and repair of increased forces will not develop during the years 1958–60.

2. Program Composition. Economic and technical assistance will be concentrated heavily on capital investment projects with most attention being given to agriculture, industry and transportation. Also, a substantial portion of the program may continue to consist of essential supply of raw materials.

3. PL 480 Programs. The PL 480, Title I, programs concluded to date total $120.7 million. Of the local currencies deposited approximately 20 percent
will be used for loans for economic development, 62 percent for common
defense, and the remainder for U.S. purposes. The multiple-year program
proposal now under study will be used partly to meet anticipated
consumption needs and partly for building working reserves of wheat and
rice primarily. The apportionment of local currency uses will probably
be as follows: 65 percent for common defense, 15 percent for loans for
economic development, and the remainder for U.S. uses.

INDIA

1. Assumptions. The amounts indicated for development and technical
assistance for FY 1958–60 reflect the assumption that U.S interests will
require continuation of MSP aid at approximately current levels.
2. Program Composition. The Development and Technical Assistance
program finance commodity requirements, equipment, technical services
and advice, and training. Major fields are transportation, agriculture,
public health, industry, and education. Heavier stress will be placed on
providing financing for industrial commodities in order to support the
achievement of the Second Five-Year Plan goals, which emphasize the
development of the industrial sector.
3. PL 480 Programs. The recent 3-year PL 480 sales agreement will provide
$360 million of rice, cotton, wheat and other commodities to meet
rising internal demand, provide insurance against crop failure, and help
offset inflationary pressures. Local currency generated will be used as
follows: 65 percent as a loan for economic development; 15 percent as
a grant for economic development; and the remaining 20 percent for
U. S. expenditures in India. Under a PL 480 Title II agreement, the U.S.
is providing $1.6 million of dried milk to India.

AFGHANISTAN

1. Assumptions. Estimates are based on the assumption that U. S. interests
will be served by continuation of the program at its current level on the
premise that relations with Afghanistan’s Soviet and free world neighbors
remain essentially unchanged.
2. Program Composition. Prior to 1956, the Afghanistan Program empha-
sized education, agriculture, technical support of the Helmand Valley
Development and relatively modest advisory services to the Ministers of
mines, Health and Transportation.

In June 1956, the U.S. first agreed to provide development assistance
to Afghanistan’s Civil Aviation Programs. Additional development assis-
tance for FYs 1957, 1958, 1959 and 1960 is under consideration for
the Helmand Valley, for regional transportation, highway construction and establishment of a maintenance organization. Meanwhile, the basic Technical Cooperation programs will continue, largely supporting the development assistance part of the program and the new Five-Year Development Program of the Afghan Government.

3. PL 480 Program. Currently up to 40,000 tons of wheat are being imported to meet emergency needs under Title II of PL 480. About $ 1.8 million equivalent in local currency will derive from the sale thereof for use of the U. S. Government.

CEYLON

1. Assumptions. Estimates are based on the assumption that U.S. interests will require continuation of aid at approximately the present level, assuming no significant change in the Ceylonese political situation or in Ceylonese relations and trade with the Soviet bloc.

2. Program Composition. Continued major emphasis will be placed on agriculture to enable food production to supply the needs of the rapidly increasing population, plus projects in education and transportation to facilitate agricultural development. Emphasis on industry will increase in future years as planned surveys indicate desirable directions.

3. PL 480 Program. PL 480 Programs in Ceylon are confined to relatively small Title III programs operated through CARE.

NEPAL

1. Assumptions. It is assumed that U.S. interests will require continuing aid at approximately the present level to assist Nepal in establishing a democratic form of government which will be independent, friendly and stable, and to give support to Nepal’s Five-Year Plan for economic development.

2. Program Composition. The principal emphasis of the U.S. programs in Nepal has been on agriculture. In the programs proposed for FY 1957 and subsequent years, emphasis has been placed on developing a program in support of the new Five-year plan of the Nepalese Government. This program, while emphasizing agriculture, lays considerable emphasis on the problems of communications and industry.

3. PL 480 Programs. There is no PL 480 program now operative or contemplated for Nepal.
Outline plan of operations with respect to India and Nepal

I. INTRODUCTION

A. References:

1. U.S. Policy Toward South Asia (NSC 5701). Approved by the President January 10, 1957.
2. India over the Next Five Years (NIE 51-56), May 8, 1956.
3. Basic National Security Policy (NSC 5602/1), approved by the President March 15, 1956.

B. Special Operating Guidance:

1. General
   a. India. It should be borne in mind in dealing with India that it is not merely representative of the less developed countries, as are all the South Asian states, but is very important in itself to United States policy. It is one of the leading powers of the world and stands pre-eminent among the free Asian–African countries. With a population approaching 400 millions, it encompasses one out of every seven persons in the world. By contrast, Nepal is one-fortieth the size of India in this respect.

   Communist China’s tacit yet certain rivalry with India is one of the basic facts of Asian politics. Its implication to United States policy lies in the inevitable comparison that will be made between the two countries’ progress—the one depending on massive Soviet assistance, and the other relying primarily but not exclusively on the free world for foreign aid. The outcome of the race could have a very considerable effect on the other and much smaller Asian countries. The prestige and power of both United States and the Soviet Union are involved in this contest.

   More than the Soviet Union, however, the United States is faced with a dilemma concerning its leading counterpart in Asia. India is deeply and officially committed to ‘independent’ foreign policy amounting to neutralism between the Communist bloc and the West. Equally if not more important, the United States is committed to support its ally Pakistan against Communist aggression and
India has interpreted this commitment as a potential danger to India’s security. The intensity of India’s resentment of this alliance is a reflection of age-old communal tensions between Hindus and Muslims, greatly exacerbated by the partition of the subcontinent and the ensuing, bitter Kashmir dispute.

There appears to be no easy ‘out’ to this dilemma, but with patience there may be a change eventually to persuade India that its off expressed fears of United States support of Pakistani aggression are unfounded and indeed harmful to India’s aspirations for a reputation of objectivity.

Apart from this difficulty there would appear to be no serious conflict between United States and Indian policy in Asia and Africa. On the contrary there are many examples of parallel interests—the stand against further Communist expansion; the limitation of Chinese Communist influence in South and Southeast Asia; the limitation of Soviet influence in the Near East Africa; and regional cooperation among the non-Communist countries of both continents. India of course hopes to extend and strengthen its ties with its smaller neighbors generally. While an Indian ‘sphere of influence’ would not necessarily be consistent with United States aim, so long as India remains non-Communist and democratically oriented, no serious problem is posed to present American policy. On the contrary, India influence contributes to the stability of parts of free Asia. This applies particularly to the landlocked stability of parts of free Asia. This applies particularly to the landlocked Kingdom of Nepal, where practically all free world activity is physically dependent upon a cooperative attitude on the part of the Government of India.

b. Nepal. Nepal occupies a strategic position in relation to India and Communist China which far exceeds its other claims to our attention. Since 1951 India has had a dominating influence over Nepalese politics. However, long established Nepalese ties with Tibet and Nepalese dislike of occasionally heavy-handed India ‘protection’ have inspired Nepal to seek closer relations with the Chinese Communists. During the past year and a half relations between Communist China and Nepal have steadily quickened.

United States policy toward the buffer state of Nepal should take into consideration the objectives we have with regard to India and China. Since India looks upon all foreign influence in Nepal with some suspicion, the United States must pursue its objectives tactfully and carefully, not appearing to usurp India’s special position. Similarly, the United States should regulate its activity in Nepal so as not to encourage the Chinese Communists to expand their operations there.

American economic aid to Nepal should be on a moderate scale, sufficient to contribute to Nepalese political stability and a Western orientation. Our aid
program should be planned and implemented in cooperation with the Nepalese and India, and its scope and manner of implementation should not antagonize India nor spur Communist China to greater activity in Nepal. Operations should be carried on with the minimum of personnel consistent with efficiency.

The United States does not have a diplomatic mission in Nepal. However, if Communist China and Nepal continue to develop close relations, it is probable that the Chinese Communists will open a mission there when a favorable opportunity occurs. The United States should be ready to counter this move as quickly as possible by establishing an equivalent American mission.

The Nepal Government plans to hold its first general elections in October 1957. Prior to the elections, a constitution for Nepal is expected to be promulgated. Both these measures indicate the basic Western orientation of the King and the present Nepalese Government. The United States should encourage the democratic trend in Nepal, but also bear in mind that Nepalese ignorance, backwardness, corruption, and opportunism might discredit any government established under the forthcoming constitution.

Up to the present, the United States has had no direct trade or investment relationships with Nepal, and little can be expected to develop along these lines until a U.S. diplomatic mission is established in that country. Such trade as now takes place is conducted through Indian middlemen. As and when opportunities for direct trade arise, it will be necessary to keep in mind that Nepal's proximity to Tibet and the status of its relations with communist China may create special problems in connection with Foreign Assets control regulations and U.S. export controls.

2. Special Situations
   a. U.S.- India Economic Relations. In the absence of strong U.S.–Indian political or military ties, economic relations between the two countries assume a special importance. The United States has relatively little ‘leverage’ on India apart from India's patent need for greater U.S. economic assistance. The present level of U.S. assistance, though appreciable, is of marginal proportions for a country the size of India and can exert little if any influence on its policy outlook. The same applies to the present level of Communist bloc economic assistance to India.

   If the Government of India succeeds in attaining its present economic goals, principally its Second Five-year Plan (1956-61), India will probably remain non-Communist in the foreseeable future. On the other hand, if India should fail in a reasonable attainment of planned goals, U.S. interest in Asia would be adversely affected. Within India, economic stagnation would probably ensue. This would probably lead to increased political instability, and perhaps resort
to authoritarianism. Elsewhere in Asia such developments would result in a general decline in the prestige and influence of the West, particularly the United States.

Present prospects are that, in the absence of greater foreign economic aid, the goals of India’s Second Five Year Plan will have to be drastically lowered. Indian officials have made it clear, moreover, that the United States is considered the largest potential supplier of the additional foreign exchange aid now desperately needed for the Plan. Our stake in India’s future economic and political development indicates, therefore, that the United States must now consider whether it should contribute a substantially larger flow of developmental assistance than has been extended to India in the recent past.

In matters affecting commercial relations, the promotion of investment in India should be given highest priority, followed by trade promotion. Financial difficulties and inflationary pressures have created serious problems for India in the execution of its Second Five Year Plan. Part of the answer lies in increased foreign investment whether in the form of direct capital participation or technical licensing agreement.

Maximized trade and investment activities can best be conducted by strengthening commercial sections in our Foreign Service posts in India. Strong economic and commercial ties between India and the United States will not only contribute to India’s economic well-being and thereby keep it among the free world countries but would also directly benefit U.S. business interests.

b. U. S.–India–Pakistan Relations. Both India and Pakistan consider that their most vital foreign relations problems lie with each other. The two countries have radically divergent viewpoints on the issue of collective security, Pakistan’s being officially much closer to that of the United States. In this context the main United States problem is how to maintain friendly relations with both countries while not weakening in any way our essential support for the collective security principle. No other vital United States interests appear to be involved in the various Indo-Pakistan disputes.

The Principal Indo–Pakistan dispute relates to Kashmir State and revolves around differing concepts of the status of that area. India claims that Kashmir has been a part of India since October 1947. Pakistan disputes this contention and has the implied support of the UN Security Council on this point, at least pending the disposition of the State following a UN-sponsored plebiscite to determine the will of the people of the area. The overriding interest of the United States in the dispute is to facilitate a mutually acceptable settlement. The manner in which it is achieved is of considerable yet secondary interest. In the absence of a direct agreement between the two parties, the United States
must, and does, fully support the UN’s efforts to achieve a settlement. These efforts relate mainly to the attainment of demilitarization in the area and the holding of a US-sponsored plebiscite.

The other Indo–Pakistan disputes, though less serious, are deserving of our sympathetic and impartial interest. We favour continuance of bilateral discussions, under the aegis of the World Bank, for an equitable settlement of the claims of both parties to the use of canal waters available in the Indus River Basin.

c. Military Aid Problems. The United States is committed to grant Pakistan an amount of military aid of considerable proportions. A large amount of this aid has already been delivered, and some will continue to be delivered for years to come. In the context of strained Indo–Pakistan relations and of our desire to maintain friendly relations with India as well as Pakistan, it is particularly important that the United States extend military cooperation to India to the extent desired, provided it is not inconsistent with our national disclosure policy. India refused the president’s suggestion of February 1954 that it might receive grant military aid from the United States. Nevertheless India had signed a reimbursable military aid agreement with the United States in 1951, and since then has purchased about $38,000,000 worth of United States military goods and services. Most of India’s requests for reimbursable aid under this agreement have presented no problem for either the viewpoint of our national disclosure policy or of preventing an undue imbalance of power on the subcontinent. Such requests should normally be met. Those few cases where Indian requests raise disclosure problems should continue to be handled, as in the past, with due consideration to the special circumstances and justifications of the request, bearing in mind both our national security interests and our desire that India be given no cause to turn to the Communist bloc for military supplies. To date India has not purchased such supplies from the bloc, and this is one encouraging factor in U.S.–Indian relations. Should the question arise, a similar United States policy should apply to Nepal.

C. U.S. Commitments and Understandings.

1. India.
   a. The U. S. has not entered into any specific political commitments or understandings with India.
   b. There is no treaty of friendship and commerce, or consular convention, between India and the United States. Nevertheless, by informal and mutual consent, privileges and obligations relating to British India and obtaining between the United States and the U.K. before India’s
independence on August 15, 1947, continue to be honoured, in
general, by both parties.
c. Agreements relating to technical cooperation were signed by the United
States and India on December 28, 1950, and January 5, 1952.
d. A PL–480 surplus agricultural commodity agreement was signed by
the United States and India on August 29, 1956.
e. An agreement relating to ‘reimbursable’ military aid was signed by the
United States and India and entered into force on March 16, 1951.
f. A confidential agreement relating to lend-lease silver for India was
signed by the United States and the U.K. and came into force on
January 19, 1945.
g. An agreement relating a settlement for lend-lease reciprocal aid,
surplus–war property and claims was signed by the U.S. and India
on May 16, 1946.
h. An agreement on transit privileges for military aircraft was signed by
India and the United States and came into force on July 5, 1949.
i. An agreement for duty free entry and defrayment of inland
transportation charges on relief supplies and packages was signed by
the United States and India on July 9, 1951.
j. An agreement for financing certain educational exchange programs
was signed by the United States and India February 2, 1950.

a. An agreement concerning diplomatic relations, friendship and
commerce was signed by the United States and Nepal on April 25,
1947.
b. An agreement relating to technical cooperation was signed by the
United States and Nepal on January 23, 1951, and amended by an
exchange of notes concluded on January 8, 1952.

II. Actions agreed upon

NSC Citations—CCB Courses of Action

A. General

Para. 40.

1. Make clear by word and action, including appropriate economic aid
programs that the United States wishes to strengthen the present non-
Communist governments of India and Nepal.

Assigned to: All Agencies
THE UNITED STATES AND INDIA

Para. 41.

2. Seek to reinforce existing ties between the free world and India and Nepal, and to develop new areas of contact and cooperation.
   Assigned to: All Agencies
   Support: ......................
   Target Date: Continuing

Para. 42.

3. In relation to international questions in which India and Nepal are legitimately interested, make a practice of informing them of U.S. views and where possible, consulting with them on appropriate steps to be taken.
   Assigned to: All Agencies
   Support: ......................
   Target Date: Continuing

Para. 43.

4. Continue U.S. information and cultural programs in India at the current magnitude of about $4 million with a staff of about 30 Americans and 500 national employees, and where appropriate expand these programs on a carefully selective basis.
   Assigned to: USIA, State
   Support: ......................
   Target Date: Continuing

Para. 44.

5. Undertake review of India’s manpower requirements needed to carry out the development plan to determine areas in which ICA assistance can best contribute.
   Assigned to: ICA, State
   Support: ......................
   Target Date: July 1957

6. Undertake training programs in India, in education, agriculture, engineering fields, which promise to have substantial impact on the development of indigenous capabilities.
   Assigned to: ICA, State
   Support: ......................
   Target Date: Continuing

7. Support primary School Teacher training program in Nepal.
   Assisted to: ICA, State
8. Implement on-the-job trading programs in Nepal related to road and irrigation works.
Assigned to: ICA, State
Support: ………………
Target Dated: Continuing

Para. 49.

9. (India and Nepal are two areas where this course of action is not politically feasible at this time).

Para. 50.

10. Continue to express the conviction, when it would not be counter-productive, that neither SEATO nor the Baghdad pact pose any security threat to Nepal or India and indeed should contribute to the security of the area against Korea-type aggressions by the Communist bloc. With respect to Pakistan’s membership in these pacts, assure India in particular that U.S. sponsorship of these pacts implies no partisanship so far as Indo-Pakistan disputes are concerned.
Assigned to: State
Support: USIA
Target Date: Continuing

Para. 51.

11. Consider whether the United States should substantially expand its developmental assistance program in India, at an early date, in order to assist India to fulfil its Second Five-year Plan. (No similar urgency applies to the Nepal aid program).
Assigned to: State, ICA
Support: Treasury
Target Date: Continuing

12. Complete arrangements to proceed with the India–Nepal roads program, the ropeway for Nepal, and the Orissa iron ore project.
Assigned to: ICA, State
Support: ……………..
Target Date: Continuing

13. Continue low-key presentation of U.S. views on the efficacy of the private enterprise system, bearing in mind that politically India is already deeply committed to having a mixed economy in which the public sector is supposed to be dominant.
Assigned to: USIA
14. Encourage: (a) early adoption of an Investment Guaranty Agreement, (b) reactivation of negotiations for a Treaty of Friendship and Commerce, (c) consideration of a Treaty on Double Taxation, and (d) adoption of any other legislation, regulations, or policy that might serve to attract U.S. private investment to India.
   Assigned to: State, ICA, Treasury
   Support: Commerce
   Target Date: (a), (b), (c) December 31, 1957; (d) Continuing

15. Render informational and advisory services to prospective U.S. investors and traders with regard to investment and trade opportunities in India and Nepal through the media of publications, correspondence, or direct contact.
   Assigned to: Commerce
   Support: ICA, State
   Target Date: Continuing

16. Support U.S. legislative actions conducive to stimulating the interest of U.S. private companies in investing in India.
   Assigned to: State, Treasury, Commerce
   Support: ICA, Interior
   Target Date: Continuing

17. Encourage private business groups to undertake missions to India for the purpose of exploring investment opportunities.
   Assigned to: Commerce
   Support: ICA
   Target Date: Continuing

18. Providing services of tax consultant to participate in international study team reviewing Indian taxation as it affects foreign investment.
   Assigned to: ICA, State
   Support: Commerce
   Target Date: July 1956
   Para. 51.b (Cont’d)

19. Programming utilization of $55 million of sales proceeds derived from the FY 1957 PL 480 program to promote private investment.
   Assigned to: ICA, State
   Support: Commerce
   Target Date: July 1959

20. Conduct industrial surveys of selected industry with objective stimulating private development.
   Assigned to: ICA, State
   Support: Commerce
   Target Date: Continuing
Para. 51. c.

21. Continue to stress to the Indians the advantages of multilateral trade under the General Agreement on Tariffs and Trade by pointing out the desirability of developing wider markets for India’s export commodities and of having greater freedom in selecting sources of supply bearing in mind the foreign exchange difficulties of India.

Assigned to: State, Commerce, and ICA
Support: USIA
Target Date: Continuing

Para. 51 d.

22. Continue to participate in ECAFE in order to encourage and assist South Asian countries to expand their trade with each other and with other countries of the free world.

Assigned to: State, Commerce
Support: ICA
Target Date: Continuing

23. Strengthen commercial staffs in the Foreign Service posts in India to insure that U.S. trade objectives can be most effectively carried through.

Assigned to: State, Commerce
Support: .................
Target Date: December 31, 1958

24. Encourage Indian participation in U.S. fairs and exhibitions; including the annual Washington State International Marketing Conference.

Assigned to: State, Commerce
Support: USIA
Target Date: Continuing

25. Encourage India to enhance its export prospects by improving the marketability of Indian products and to continue in the direction of reducing import quota discrimination between hard and soft currency goods.

Assigned to: State, Commerce, and ICA
Support: USIA
Target Date: Continuing

26. Through GATT, ECAFE, the Colombo Plan and other appropriate channels advise and assist India, and Nepal, further to expand trade with other countries of the region and free world.

Assigned to: State, ICA, USIA, and Commerce
Support: .................
Target Date: Continuing, General and part a, 2 months.

27. Actively encourage India to review U.S. offers for bilateral assistance in the atomic reactor field, pointing out the IAEA charter provisions relating
THE UNITED STATES AND INDIA

to materials inspection and the U.S. decision to declassify considerable information about power reactors.
Assigned to: State, AEC, and ICA
Support: .....................
Target Date: 6 months

28. Undertake training programs for atomic energy specialists.
Assigned to: ICA, State, AEC
Support: .....................
Target Date: Continuing

Para 53.

29. Make clear that U.S. aid is extended on the bases of relative need, capacity to absorb and overall U.S. budget considerations, not on the basis of Communist pressures.
Assigned to: State, ICA, and USIA
Support: .................
Target Date: Continuing

30. When opportune, raise questions in the minds of Indians and Nepalis regarding the ostensible disinterestedness of Communist bloc aid offers, particularly considering the large number of the ‘interpreters’ who normally accompany a team of Communist technical experts and are paid for by the recipient country.
Assigned to: State, ICA
Support: .................
Target Date: Continuing

31. Continue to emphasize to Indians the dangers inherent in large financial or trade commitment to the Communist bloc, primarily by publicizing or otherwise making known the unhappy experiences of other countries in this respect.
Assigned to: USIA, State
Support: Commerce, ICA
Target Date: Continuing

Para. 55.

32. Continue to keep India and Nepal fully informed of Battle Act provisions and cognizant of their implications for future U. S. economic assistance.
Assigned to: State
Support: .................
Target Date: Continuing

33. With regard to strategic materials of U.S. origin, continue to keep informed of measures taken by India to prevent re-exports (including inadvertent or illegal re-exports) to the Communist bloc. Within the EDAC structure,
formulate policies and courses of action calculated to insure India’s continuing observance of the Battle Act.

34. Assigned to: State, Commerce, ICA  
   Support: .........................  
   Target Date: Continuing

Para. 56.

35. Be prepared in advance, so far as possible, to facilitate the decisions necessary to extend emergency aid to India or Nepal, especially in connection with the annual floods of July and August.  
   Assigned to: State, ICA  
   Support: ........................  
   Target Date: Continuing

Para. 57.

35. Both directly and in international organizations, continue to stress to other free world countries, particularly those most advanced economically, that the task of assisting the less developed countries should be more generally shared.  
   Assigned to: State, ICA  
   Support: ....................  
   Target Date: Continuing

36. In private conversations, convey the impression that the United States is pleased that India has had the leadership of a strong national party (the Congress) during its early and critical years of formation. In publications praise the general record of the Government of India (and thereby, by implication, the Congress Party record).  
   Assigned to: State, USIA, and ICA  
   Support: ..........................  
   Target Date: Continuing

37. Use U.S. materials and projects to encourage Indian economic and political progress along democratic lines.  
   Assigned to: USIA  
   Support: State  
   Target Date: Continuing

Para. 59.

38. Promote knowledge of the economic development and technical assistance programs of the U.S. Government in India.  
   Assigned to: USIA  
   Support: State  
   Target Date: Continuing
39. Implement the FY 1957 $55 million development assistance and $10 million technical assistance programs. In FY 1958, $50 million of development assistance and $10 million of technical assistance will be requested. The underlying projects and programs are closely identified with India’s Second Five-Year Development Plan, in addition to providing needed foreign exchange and technical advice.
Assigned to: ICA, State
Support: ...............  
Target Date: Continuing

40. Implement the FY 1957 Nepal $1,761,000 development assistance and $1,285,000 technical cooperation programs. In FY 1958, $1,800,000 is proposed for development assistance and $1,490,000 for technical cooperation. The underlying programs and projects are designed to support Nepal’s Five-Year Plan.
Assigned to: ICA, State
Support: ...............  
Target Date: Continuing

41. Support, as appropriate, loans to India through IBRD, IMF, and Export–Import bank. See also discussion under 51b and d.
Assigned: Treasury, State
Support: Commerce, ICA
Target Date: Continuing

Para. 60.

42. As appropriate, point out to the Government of India when and where its foreign policies appear to be serving Communist ends to India’s long-term detriment. Work in close consultation with India on those international issues, e.g., certain Middle East questions, where it appears India could play a useful mediator role or exert a desirable moderating influence on one or more of the disputants.
Assigned to: State
Support: ...............  
Target Date: Continuing

Para. 61.

43. Quietly and cautiously, both in private and in public, call attention to those important issues where India and Communist bloc policies, sympathies, or interests diverge. Current examples include the situation in Hungary, Soviet pressures on Poland and Yugoslavia, and Chinese Communist ambitions in Nepal and Southeast Asia.
Assigned to: State
Support: ...............  
Target Date: Continuing
44. Utilize every informational media, within limits acceptable to the Government of India, to emphasize the evils of international Communism as demonstrated in Hungary and elsewhere. Expose the fallacy of the Communist doctrine of coexistence and underscore the different effects on human beings of democratic and totalitarian economic and social methods.
Assigned to: USIA
Support: State
Target Date: Continuing

Para. 62.

45. Consider means to strengthen the ties between U.S. and Indian armed forces personnel, by further VIP exchanges, staff training, and the like. Give full and sympathetic consideration to Indian requests to purchase U.S. military goods and services, provided these are compatible with the U.S. national disclosure policy and, if relevant, a reasonable balance of power between Indian and Pakistani forces.
Assigned to: Defense, State
Support: ............
Target Date: Continuing

46. Continue to provide training for Indian military personnel in U.S. service schools when requested.
Assigned to: Defense
Support: ............
Target Date: Continuing

Para. 63.

47. Convey to the Government of India, at the necessary level, the U.S. conviction that India cannot properly consider the Kashmir dispute as a closed issue and should come forward with constructive suggestions. In this connection, fully support the efforts of the Security Council, currently represented by Mr. Jarring, to have full and frank discussions on this problem with India as well as Pakistan. Continue to favor the World Bank’s approach to facilitate an agreement on the Indus Waters issue.
Assigned to: State
Support: ............
Target Date: Continuing

Para. 64.

48. Continue to promote Indian understanding of the purposes of U.S. military aid to Pakistan and encourage Indian acceptance of SEATO and the Baghdad Pact.
Para. 65.

49. Exercise extreme caution in dealing with any aspect of the Goa situation, in order to preclude grounds for unfounded charges of U.S. partisanship in the issue.
   Assigned to: State
   Support: ...............  
   Target Date: Continuing

b. Nepal

Para. 82.

50. In the U.S. economic aid program for Nepal emphasize transportation and communication projects which have a high impact value and in which the Government of Nepal is particularly interested.
   Assigned to: ICA, State
   Support: ...............  
   Target Date: Continuing

Para 83.

51. Cautiously sound India on all important United States policy changes regarding Nepal, being careful at the same time not to compromise our relations with Nepal.
   Assigned to: State, ICA, USIA
   Support: ...............  
   Target Date: Continuing

52. Utilize an expanded information program in Nepal to emphasize the contributions of India and the U.S. to Nepal's national development.
   Assigned to: USIA
   Support: State
   Target Date: Continuing

Para. 84.

53. Maintain our guard against Nepalese actions which might involve the U.S. in sensitive relations between Indian and Nepalese officials.
   Assigned to: State, ICA, USIA
   Support: ...............  
   Target Date: Continuing
MEMORANDUM FOR THE PRESIDENT

Department of State, Washington, September 25, 1957
Subject: Pakistan Prime Minister's letter Regarding the Algerian Conflict

The Pakistan Prime Minister has sent you a letter dated September 7, a copy of which is enclosed, concerning Algeria. This communication was delivered to the Department of State on September 18 by the Pakistan Embassy and forwarded to the White House.

The Prime Minister has proposed that the United Kingdom and the United States might intervene with a view to bringing about a settlement of the Algerian conflict. To this end he has put forth the Moroccan Foreign Minister’s suggestion that the French Government be induced to open discussions with the Algerian rebel leaders who were captured by the French last year and who are now held in Paris.

I believe that no French Government could negotiate at this juncture directly with the Algerian rebel organization, much less with the Front of National Liberation leaders now imprisoned in France, and still remain in power. French Parliamentary and public opinion would have to evolve considerably before it would prove feasible for any French Government to attempt to reach a settlement directly with the leaders of the rebellion. For this reason, I believe, it would not be appropriate or productive for us to make such a suggestion to the French Government at this time.

I am submitting herewith for your approval a suggested reply to the Pakistan Prime Minister drafted along the foregoing lines.

John Foster Dulles

MEMORANDUM FOR MR. GLEASON

October 14, 1957
(Declassified with Deletions Agency Case NSC F87–525, date out of view.
The Dwight D Eisenhower Library)
SUBJECT: The New Intelligence Estimate on India
The IAC approved last Tuesday NIE 51–57, ‘Consequences of Economic Crisis in India’. Although I have not seen the full estimate, the summary paragraphs are unusually impressive and unequivocal…

Nehru and his Congress party have aroused so much popular interest in and effort behind the plan that it has become the symbol of the effectiveness of democratic government as well as a test of Nehru as a leader…In the absence of
substantial additional foreign aid, the plan will fail. If little or no further foreign aid is forthcoming, economic deterioration would be almost certain and the danger of economic stagnation great. A substantial cut in the hard core would hence result in significant increases of unemployment and might cause a decline in the already low standard of living, with consequent threats to political as well as economic stability. Failure of the plan would hasten the disintegration of the Congress Party and threaten the continuance of democratic government. Other Asian countries will compare the results of India’s development efforts with the experience of Communist China. They will construe India’s success or failure as showing whether their own economic advance can be achieved through democratic methods. Failure would make such countries far more susceptible to Communist subversion and more likely to adopt authoritarian methods. If India succeeds, its influence in Asia will probably increase. Other countries will probably conclude that a neutralist policy is no bar to Western Aid. Those that have aligned themselves with the West will press for increased Western assistance.

George Weber
Cc: Mr. Hackinc
    Mr. Lay
    Mr. Smith
The dislocations caused by the recent war and the emergence of the intensive struggle against Soviet expansion have immeasurably intensified the urgency and pace of our efforts to achieve our basic and traditional foreign policy objectives. Our major antagonist presses us relentlessly in all fields, military, political, economic, cultural, etc., and forces us to the realization that alone we do not have the power or resources necessary to achieve our objectives. We must mobilize our allies and friends, expanding their number and assuring their collaboration and help.

No other country has the same qualifications for being our principal ally and partner as the UK. It has internal political strength and important capabilities in the political, economic and military fields throughout the world. Most important, the British share our fundamental objectives and standards of conduct. Linked to the UK, and a source of much of its strength, is the Commonwealth. Much of that grouping in particular the other dominions, share the same objectives
and standards. The area of the Commonwealth is of greater importance, economically, strategically and politically than any other existing grouping. The US can find its most important collaborators and allies in the UK and the Commonwealth, just as the UK and the Commonwealth are, in turn, dependent upon us.

For a great many years (at least since the statement of the Monroe Doctrine) and in spite of periods of strain and stress, a working relationship of sorts between the US and the UK has been a basic, if usually unspoken, premise of US foreign policy. Two world wars have converted this relationship into a partnership and it remains as one of the foundations of our foreign relations. In the post-war years, and in particular in recent months, there appear to have developed, due in large measure to the intimacy and extent of our relations, a number of stresses and strains. As the pressure of the cold war increases and the tempo of the world crisis rises, some of these stresses threaten to develop into major cracks in the structure of US–UK relations. A serious impairment of those relations would require a whole reorientation of US foreign policy, since the achievement of many of our objectives, including that of the closer association of Western Europe, depends on the British agreeing with those objectives and taking the necessary action to accomplish them. Accordingly, an examination of the relationship is necessary, not to see whether it can be retained but to see how it can be strengthened. We do not believe that these strains mean that the US–UK relationship is breaking. Such an event would lie a major disaster involving the decline and eclipse of the whole Eastern Hemisphere and a policy of isolation for the Western Hemisphere or even perhaps for North America alone. The problem is to examine the causes of strains and divergencies between the two countries and to attempt to agree upon policies, which will minimize and where possible eliminate those divergencies.

II. Variety of roles we expect british to play

We expect and depend upon the British to play a variety of roles on the world scene, including the following: (a) a leader (with France) in the movement toward closer European unity, (b) the cement which holds the Commonwealth together, (c) our principal partner in strategic planning, (d) a major force in ensuring, political and economic stability in the Near and Middle East, (e) a collaborator in the resistance to Communist expansion in the Far East, (f) a willing collaborator in promoting the development of an expanding multilateral World trade (g) a leader in furthering the development and emergence of dependent areas, and (h) a principal supporter of the UN. Even if there were no internal inconsistencies between these roles, they would tax the capacities of any country. While these roles may correspond to the capabilities of the British Empire of 50 years ago, when that Empire was the major world power, the British do not now have the capacity to fulfil all these various functions without the closest support and collaboration of the US.
III. Limits to British capabilities

A number of factors seem to limit the capabilities of the British. Some arise from the indisputable facts of the British position today, some arise from British policy decisions. Whatever the cause, they result in differences between us and frictions which generate varying degrees of heat. The immediately following paragraphs summarize some of these factors.

1. Financial Limitations: Financial Limitations, which arise both from the intrinsic British economic position and from British policy decisions, are most frequently given by the British as the reason for their inability to take various actions, which we favor. There are very few problems, which we have with the British, which do not seem to involve financial hesitations on their part. These matters can for convenience be divided into three types, although there is an overlap between the categories.

(a) Those arising out of the fact of their precarious dollar position. British dollar reserves, although considerably higher than six months ago, are lower than they were in 1948 when ERP started and, taking into account price changes, represent perhaps one-fifth of prewar. The increase and even the maintenance of these reserves are threatened by the inability of the British to control rigidly the dollar expenditures of the rest of the sterling area, the necessity of making large dollar expenditure’s for food, agricultural products and other essentials only obtainable in dollar markets, and the vulnerability of the British economy to a decline in US economic activity. Sterling area dollar earnings are heavily dependent upon American purchases of raw materials. Any decrease in such purchases seriously affects the British reserve position (and thus the reserve position of the sterling area) without any compensating decline in the needs of the sterling area for dollars.

(b) There are also those limitations, which arise out of the fact, of the British sterling budgetary position. With internal pressure for a reduction of the high internal tax rate, British budgetary receipts are not apt to increase. Therefore, any increased overseas sterling expenditures tend to be at the expense of domestic expenditures. In view of the precarious parliamentary position of the Labor Party, the Government is reluctant to make any reductions in domestic expenditures, which might prejudice Labor’s tenure of office. Under the procedures which obtained until last fall, and which may be renewed in somewhat changed form, 95% of the local currency counterpart of ECA grants to the UK was in fact available as budgetary receipts. Since ECA aid is decreasing and will terminate in 1952, this significant source of revenue will disappear. This contributes to their reluctance to incur expenditures, which
may be recurrent. The releases, which the British must make from the sterling balances held by dominions and other countries exert an inflationary effect. Increased sterling expenditures whether at home or abroad, add to this inflationary effect and, therefore, threaten improvement in the UK balance of payments position. For all these reasons the British are anxious to reduce their governmental sterling expenditures at home or abroad.

(c) There are also financial limitations arising as a result of policy decisions. The British Government is committed to the practice of dedicating a large part of the budgetary income to domestic welfare and social services. The pursuit of this policy necessarily results in reluctance to make either dollar or sterling expenditures, which reduce the amounts available for the domestic welfare program. The British desire strongly to be free of dependence upon US aid by mid-1952, an objective which we have urged innumerable times upon all ERP countries. Linked to this policy objective is the correlative objective of re-establishing sterling as a strong international currency in which other countries will conduct their trade and wish to keep their reserves. The re-establishing of sterling would assure the invisible earnings which come from being the banker of a sterling system. Furthermore, achievement of these two objectives would be major factors in the British retaining and increasing their political prestige and power. As a result the British appear to give an overriding priority to these objectives.

We cannot do otherwise than recognize the precarious dollar position of the British and the sterling area based on the facts outlined under (a) above. Nor can we explain away or ignore the facts of the British sterling position described in (b) above, including the domestic political facts which affect the Labor Party. It is rather in the field of the policy decisions described in (c) above that there is room for flexibility in the British position and in these fields it is probably more a question of emphasis and priority than a disagreement with the substance of the decisions. Any modern democratic state must dedicate a considerable position of its budget to welfare and social services. It is our position that the scope of such action by the British must be limited by the necessity of devoting adequate amounts to external responsibilities arising from the world situation, particularly since that type of domestic expenditure, once undertaken, becomes politically very difficult to reduce. Hence in any time of decreased budgetary receipts, the pressure to decrease non-domestic expenses is increased. A failure to keep domestic welfare expenditures in a reasonable relation to total commitments might very well defeat the very objectives, which the British seek domestically. They cannot transfer external responsibilities to us without limitation. We cannot
quarrel with the objective of becoming independent of US aid nor with the objective of establishing sterling as a strong currency. Obviously, we cannot continue dollar support to the British indefinitely and, due to the wide traditional use of sterling in international transactions as well as the widespread holdings of sterling, the re-establishing of sterling could only have a beneficial influence on progress toward expanding multilateral world trade. It is doubtful whether we are willing to face the consequence’s, which would result from a widespread loss of confidence in the future of sterling. Here again it is a question of priority and emphasis. We believe that the urgency of taking the actions necessary to prevent deterioration in the situation of the Western world is greater than the urgency of terminating dependence upon US aid and the re-establishment of sterling. This belief forces us to face the fact that we may well have to do some or all of the following: (a) continue US aid in some form after 1952, (b) take a variety of domestically unattractive actions which will in themselves decrease the necessity for US aid, and (c) contribute to a solution of the sterling balance problem.

2. Geographical Diversity of British Commitments: A major source of difficulty for the British, and for us in our relations with them, is the apparent or real conflict between their roles as a leading European power, as principal member of the Commonwealth, and as an intimate partner of the US. Although certain extremists in the UK appeal to believe that one or another of these roles should be put into first place with the others subordinated or even abandoned, this line of thought has no significant strength. But the dilemma of working out a satisfactory balance between these three positions has by no means been resolved. It is only fair to say that we have not resolved in our own minds what balance we believe desirable.

(a) The physical location of Britain, as well as a multitude of historical, political and economic factors, tie them closely to the continent, particularly in the field of security. A concern with the security situation on the Continent has always existed historically. It is particularly evident today and accounts for the fact that through the Brussels Treaty the British have gone further in establishing an association with Continental countries in the military field than in any other field. The British have had in the past, and continue to have, a strong desire to maintain their political power and prestige with Continental countries. They are vigorously opposed, however, to political union. This opposition springs from a belief that political merger with Continental countries would be fatal to their position as a world power. In addition, the British do not have much respect for the political maturity, resoluteness or discipline
of the Continental countries. The British feel that they have developed a stable political system and a type of society which would only suffer by being associated more closely with the Continent. Economically, the British attach great importance to their extra-European economic ties. This spring, in part from the fact that the UK is so dependent upon raw material imports from overseas, and hence must carry on a large compensating trade with non-European countries. In addition, they believe that a major part of their position as a world power depends upon their overseas connections, particularly with the whole sterling system which is essentially managed from London. The ability to retain independence of action and manoeuvrability is of great importance to them, particularly at a time when their internal economy is kept going at its present level only through detailed manipulation of price and wage controls, subsidies and other forms of government direction of the economy. Any proposal which would transfer to a European grouping the power to make executive decisions with regard to the British economy would appear to them to be placing their destinies in the hands of foreign countries whose abilities they doubt and in many cases whose economic philosophies they disagree with.

We must recognize that there is validity in all these points. Significantly there has been difficulty between us and the British in the field of European defense than in the political or economic fields. Our principal difficulty has related to the reluctance of the British to indicate, in making defense plans, what forces they would be prepared to commit on the continent. It is probably an academic matter to discuss whether we do or do not favor real political union between the UK and Europe (except perhaps in a context which would include both the US and the Commonwealth). There is no reason to believe that a strictly Western European political union is within the realm of practical politics in the foreseeable future. It is also far from clear that, if we faced lip to all the implications, we would favor political merger to such a degree as to mean the end of the Commonwealth system and of the special relationship which exists between the British and us. This does not clean, of course, that we do not believe it necessary to urge the creation of closer political ties between the UK and the Continent, particularly as a counterbalance to the growing revival of Germany. Such a development seems essential, and requires us to analyze what steps may be necessary on our part to make it possible. While we must necessarily recognize the great importance to the British of their non-European economic relationships, it is equally clear that the revival of economic health on the Continent cannot be achieved without British participation. We must
strongly urge such participation and again face the action, which we must ourselves take to make it possible.

(b) While there is a tendency for the British to say that their Commonwealth responsibilities make it impossible for them to associate themselves too closely with the Continent, this is probably often an excuse rather than a position taken as a result of objective analysis. While it is certainly true that Empire and Commonwealth defense relationships must continue to play an important role in British defense thinking, as well as in U.S. planning, and while it is also true that a real political merger with the Continent would undoubtedly lead to the dissolution of the Commonwealth relationship, the welfare of the Commonwealth is in the long run dependent upon a strong Western Europe with which the UK is closely associated and close relationships between the US and the UK. The form and very nature of the Commonwealth relationship has undergone great changes in recent years, and we cannot foresee its future. It still seems to retain, however, a considerable degree of cohesion and close relationships represent an institutional arrangement, which can be of great value to us so long as it remains strong. It should be an objective of our policy to strengthen the Commonwealth, always bearing in mind that its validity as an organization depends upon the maintenance of the security and prosperity of the whole Western world and particularly upon a continuing close relationship between the US and the UK.

(c) The British attach great importance to the continuance of an, especially close relationship with the US. This coincides with our own policy. The British, however, are inclined to wish to make this relationship more overt than we feel desirable. This manifests itself in various efforts to reestablish openly the relationship which existed during the last war when in substance, the British and ourselves managed the resources of all the Western powers. The British react strongly against being treated as ‘just another European power.’

It should be our line with the British to assure them that, we recognize the special relationship between our two countries and that we recognize their special position with regard to the Commonwealth. We should insist, however, that those relationships are not incompatible with close association in a European framework. In fact, the close U.S.–U.K. relation and the Commonwealth today find their significance in their ability to contribute to the attaining of other ends, including the strengthening of Western Europe and resistance to Soviet expansion everywhere. We should insist, moreover, that the British recognize that it is necessary for us, when we are dealing with a generalized European
problem, not to make overt distinctions between them and other European
countries. Any such overt distinctions could only have the effect of seriously
upsetting the Continental countries, particularly France, adding to the ever
present fear that both we and the British will abandon them in case of an
emergency.

Doubt as to Consistency of U.S. Policy. Full British cooperation with us is
inhibited by their doubts that U.S. policy is consistent or persistent. They cannot
but be aware of the conflict between executive agencies which are so often waged
in public. They are, from experience, impressed by the fact that any U.S. action
which requires financial support must be reargued in Congress every year and
they are likewise aware of the domestic political pressures which influence:

- Congressional action. Also when the Executive Branch preaches the
doctrine of the removal of barriers to trade, specific Congressional actions
seem often to be in the reverse direction (shipping, agricultural subsidies
and petroleum). Not only does this lack of confidence have a corrosive
effect on the working out of joint courses of action but also the British
feel that they must not abandon wholly those policies which would give
the greatest promise of self support if American aid and cooperation were
withdrawn. We cannot deny that domestic political factors have a major
influence upon the foreign policy, which the Executive Branch of the
U.S. Government carries out. This problem is inherent in the democratic
process both here and in Britain, III though it may well be that it seems
particularly present’ here due to the extremes of publicity to which we go.
Our position must be, however, that till recent years, particularly since
the war, when the issues of world responsibilities and the necessities of
foreign policy have been laid before American people, their response has
been intelligent and effective. Furthermore, there is no alternative possible
to British reliance upon American action. The U.K. could not survive if it
played a role of total independence from and antagonism to the U.S.

- Differences of Economic Philosophy. The divergences of economic
and social philosophy between the U.S. and U.K. lead to differences
between us, particularly in the economic and financial, fields. Aside
from giving a general policy priority to domestic welfare expenditures
over external responsibilities, the dominant socialist creed of the Labor
Party undoubtedly encourages the maintenance of economic controls in
line with the theory that a planned manage economy is desirable. While
it is claimed by the British Government that there is no inconsistency
between the maintenance of a socialist state and progress towards non-
discriminatory multilateral expanding world trade, it is undoubtedly true
that there is no theoretical aversion on their plan to managed bilateralism.
Further, the belief that state economic management is necessary to achieve
social and economic welfare leads to the practice of trying to protect the economy against adverse economic developments in the outside world. This practice, in fact, lends to attempts to insulate the economy from outside competitive economic forces, thus limiting the ability of the British economy to adapt itself to changing world conditions.

It is also undoubtedly true that the more doctrinaire of the British socialists are personally affected by a reaction against what they believe to be the antagonistic philosophy of competitive capitalism. In extreme cases that leads to a personal distrust of American motives and in many cases it leads to an insistence on insulating British economic planning from any chance of intervention by Americans (e.g., British resistance to the idea of U.S. point IV activities in their colonies).

While we cannot deny the right of the British, or of any country, to follow whatever social or economic doctrine they choose democratically, we do have a right and duty to see that the large amount of assistance we are giving is used in a way to promote the objectives for which it is given. We have the right and duty to protest if we really believe that the pursuit of dogma is prejudicing the creation of those conditions, which are necessary to recovery and peace.

- Temperamental Differences. A last point, which should be mentioned, is both traditional and temperamental. We are apt to be impatient, urging fast action, specific commitments and definite plans. The British are much more cautious and favor the gradual approach of expediency and step-by-step pragmatic action, an approach, which has traditionally been known as “muddling through”. While it is certainly true that we may be too impatient and dogmatic, the pressure, of events and the tempo of the cold war are not such as to permit leisure.

IV. Conclusions

The forces and attitudes, which have been described above, are realities, which cannot be ignored. There is no alternative to facing up to them and trying to work out an accommodation, which will permit the full development of the essential U.S.–U.K. partnership and the application of that partnership to the necessities of the world today. ‘There will have to be flexibility and compromise on both side. The interplay of these factors and forces is such that it is deceptive to believe that clear-cut policy decisions can emerge in any conversation or set of conversations with British representatives. The best that can be achieved is agreement upon ultimate objectives, the allaying of suspicions and doubts, and agreement on the necessity of working out solutions. The last may include the establishment of special procedures for continuing
consultations comparable to the continuing talks after the September 1949 meetings. One thing is sure, that there can be accommodations unless there is established a framework within which both countries feel free to discuss and make recommendation that regard to policies and actions which may seem to be of purely domestic concern. Furthermore, it must be realized on both sides that governmental leaders can at best only agree on what policies they will seek to have their government follow. On neither side can binding long-range commitments be made.

The salient points to bear in mind in determining our relations with the British are the following:

(a) To achieve our foreign policy objectives we must have the cooperation of allies and friends. The British and with them the rest of the Commonwealth, particularly the older dominions, are our most reliable and useful allies, with whom a special relationship should exist. This relationship is not an end in itself but must be used as an instrument of achieving common objectives.

(b) We cannot afford to permit a deterioration in our relationship with the British. We must strive to get agreement on the identity of our objectives and reaffirm the fundamental identity of our interests.

(c) British capabilities are limited by the British financial position. We are affected as well by limits on our financial and other capabilities. The British appear to be giving an overriding priority to these steps which will terminate their need for outside aid and re-establish sterling as a strong international currency by mid 1952. Concentration on this financial goal may be seriously prejudicing other more important world objectives. If we urge the British to change their emphasis, we must ourselves face the probable necessity of some form of continued U.S. aid after 1952, the necessity for each to take difficult internal actions, and the necessity of doing something to lessen the pressure of the sterling balances.

(d) We should reassure the British that we do not advocate their political merger with the Continent, but that we are convinced that closer economic and political, as well as military, ties between them and the Continent are essential. In this connection we would be glad to support British leadership (in conjunction with the French), and we must face the implication for us, i.e. what action must be taken to enable closer U.K.–Continent association to develop?

(e) While we recognize and support the British in their role as leader of the Commonwealth and their attempts to strengthen it, we do not believe that, except in very special cases, this role is incompatible with close association with the U.S. or with Europe.

(f) We recognize the special close relation between us and it is one of the premises of our foreign policy. It is not, however, a substitute for but
a foundation under closer British (and perhaps U.S.) relations with the continent. In dealing with other Europeans, however, we cannot overtly treat the British differently and they should recognize that the special US–UK relation underlies US–Europe relations, and that we do not consider close UK–European relations as prejudicial to the US–UK relation.

(g) There is no future for the British apart from close collaboration with the US. They will have to rely on our record, which is good, and we each have to continue to recognize that public debates and domestic political antics are an essential and fundamentally useful part of the democratic process.

(h) Both the UK and ourselves must strive to temper our domestic programs to the realities of the cold war. Since we have greater economic latitude, this will be harder on the British. Their economy needs to be made more adaptable to the economic facts of life. There is no future in economic isolationism, for the UK or the Commonwealth or sterling area.

(i) The traditional British preference for the gradual step-by-step approach is too leisurely for the pace of cold war.

V. Recommendations

1. The first objective of the talks with Mr. Bevin is to establish the harmony of basic objectives between the U.S. and the U.K., our interdependence and the necessity for a close working relationship involving a continuing frank exchange of views. It should be pointed out to Mr. Bevin that without such a foundation, little lasting progress can be made in dealing with specific issues. The Secretary should recognize that there have been signs of unusual stresses and strains between us. Difficulties are inevitable when the relation is so close. It should be a major objective of our diplomacy to lessen and when possible eliminate the strains.

2. The Secretary should continue with the following line with Mr. Bevin. We recognize that there is and must be a very close relationship of collaboration, cooperation and common action between our two countries; and that this relation is essential to the security, prosperity and expansion of the free world. The collaborative efforts; of the U.S. and U.K. and the Commonwealth must be used to accomplish our common objectives in the world. As of today the U.S.–U.K. relation will find its main significance in the support it can give to our joint and several roll’s in accomplishing the strengthening of Western Europe and the repulse of Soviet expansion throughout the world. We recognize that such a relationship carries with it certain consequences on our side including the following:
THE UNITED STATES AND INDIA

(a) An attempt to avoid any actions in the foreign field which will significantly injure essential British interests.
(b) Recognition of the importance of the British position as leader of the Commonwealth and willingness to support the Commonwealth relation without prejudicing of course, the normal conduct of our relations directly with the dominions.
(c) Recognition of the necessity of affirming U.S. support of the organization of Western Europe (including the U.K.) into a strong healthy community.
(d) Willingness to continue to support these steps which will further the attainment within a reasonable time of a balance in the international accounts of the U.K. and the sterling area at a reasonable level, and the reestablishment of sterling as a strong international currency.
(e) Continuance of our efforts to take such domestic action as seems necessary to further the above objective's and willingness to have constructive suggestions made as to what steps we should take, without considering such suggestions as impertinent interference in internal affairs. We recognize that circumstances may require, in addition to domestic action on our part, that the U.S. consider the necessity of some form of continued aid after 1952.
(f) A continuance and expansion of the practice of intimate discussion, consultation and collaboration, which exists, as exemplified by the joint military planning and the continuing consultations resulting from the September 1949 ABC talks.

3. The Secretary should point out that on the British side there are comparable consequences, and that recognition of the special U.S.–U.K. relation should enable the British to follow certain courses of action which might seem risky from the British point of view in the absence of that special relation. The correlative British consequences include the following:

(a) An attempt to avoid any actions in the foreign field, which will significantly injure essential U.S. interests.
(b) Recognition that a strong and effective Commonwealth relation can only exist in the context of a strong free world based on a healthy and vigorous Western European community and on U.S.–U.K. collaboration. This implies recognition that in any case in which they claim that collaborative action with Western Europe or the U.S. is prejudicial to the Commonwealth relation, the burden of proof will be on the U.K. and on the dominions to show that such is the case, and joint or simultaneous consultation with the Commonwealth countries will be called for.
(c) A considerably greater degree of participation and leadership in the organization of Western Europe into a strong reliable association politically, economically and militarily, particularly supporting the strengthening of France. In addition, the British will have to recognize that in the European context, we must deal with them as a European country and they must not try to demonstrate overtly a special relation to us.

(d) Recognition and acceptance of the principle that the security and prosperity of the free world cannot be reached through an insulted sterling or soft currency system, permanently protected from the impact of the competition of outside economic forces through trade and financial controls and restrictive practices, public or private. This will require facing, the fact that the overriding priority which the British seem to be giving to achieving a balance in their accounts is in some cases prejudicing the achieving of world conditions essential to the continuing security and stability of the free world. Consequently, they may have to accept the postponement of self-support until after 1952.

(e) Willingness to face find act on the necessity of accommodating domestic actions and objectives to the actions necessary to achieve world aims. In this connection, the necessity of our being in a position to comment on and make suggestions as to their internal problems and actions will have to be accepted. This last is particularly necessary in the light of the responsibility which the U.S. Government has for ensuring that the large financial support which we are giving the U.K. and through the U.K. to overseas territories and the sterling area, is in fact being used to attain the objectives for which it is given.

(f) Wholehearted acceptance of the practice of continuing and intimate consultation and mutual discussion of problems of common interest as outlined above.

4. As an example of the type of consultation he believes necessary, the Secretary might refer to the continuing ABC machinery, by which, on a strictly confidential basis, we receive British ideas of what actions on the part of the U.S. would be most helpful in resolving the “dollar gap”, and we are able to make the British, on the same basis, comparable suggestions as to British domestic actions.

5. The Secretary will have to point out, of course, that he cannot make hard and fast commitments. On the other hand, the complexities of international relations are such that clear-cut issues seldom arise. The important step is to agree on common objectives, dispel the accumulation of doubts which minor disagreements generate and provide a mechanism for close consultation.
The United States Delegation at the Tripartite Preparatory Meetings to the Secretary of State

SECRET, LONDON, April 26, 1950—7 p. m.

Perkins met with Jebb this morning to explore problem of UK relations to Europe. Jebb presented 1–page paper he had drafted in effort to clarify British attitude though he emphasized it was only reflection of personal views, not Governmental views. It said in essence that British distinguished between ‘unity’ and ‘union’ of Europe. ‘Unity’ meant cooperation of equal partners in advancing solution of common political and economic problems. OEEC and Council of Europe were agencies of unity and UK could and does participate. ‘Union’ on other hand involves progressive steps leading to surrender of sovereignty as end result. This the British are not prepared to do.

In opening comment Perkins indicated our belief in Europe’s importance as the chief area of strength to be developed. The 2 problems are to develop higher living standard as demonstration our civilization is better than communism and to bring Germany in as component part present piecemeal treatment only whets its appetite. Prospect of obtaining kind of treaty needed diminishes with time. Soviets might suggest, for example, returning of salmon fisheries to Japan in order to buy Japanese support for something it can’t use. Japan may soon be in position playoff one side against another. Japanese bargaining position improving daily. One constructive step might be joint study of political and economic implications Japanese trade with China. Merchant reiterated present inability discuss treaty.

In general wind-up of FE discussions Dening stated UK convinced present China policy right and should continue. Problem is how to square UK policy with continued non-recognition by US. Is this divergence to be perpetuated? At least we should avoid taking policy actions without consulting one another in order that adverse reaction can be minimized. Dening said he regarded with envy close UK–US relation in Middle East on all levels. In Far East there is little close consultation in higher brackets. This he regarded as a most serious gap in Anglo-American relations, which he earnestly hoped present talks would help bridge. Dening recommended development of facilities for frequent consultation on highest plane—if not between Foreign Ministers than between Ambassadors and respective Foreign Ministers. We asserted equal interest in close relationship, stressing its existence re SEA.

Foreign Office now preparing brief on FE talks indicating areas of agreement and disagreement and agreed recommendations. Substance will be forwarded soonest. In brief colloquy identity US–UK views re Indonesia and Thailand confirmed.
1. The original concept of the meetings with Bevin and Schuman was that we should exchange views on the developing world situation and seek to reach substantial agreement with them on the analysis of the situation and on our fundamental common objectives. This, it was thought, would be valuable and highly productive to prepare the ground for agreements at the meetings on certain specific actions and, more importantly, for subsequent agreements on other actions. We suggest that this exploratory discussion should still be regarded as the principal purpose of the meetings.

2. Advantage was taken of your visit to Europe to schedule a meeting of the NAT Council. A second purpose of your talks with Bevin and Schuman is, therefore, to concert your action at the Council’s meeting.

3. If this concept of the meetings is accepted, it will be very important to prepare an introductory statement for you to use with Schuman and Bevin which would:
   a. review the present world situation, including
      (1) Our relations with the Soviet Union, and the nature and seriousness of the threat to our security as a result of Soviet intentions and capabilities, including atomic capabilities; in general approach and in discussions in the United Nations. In this general category of questions the problem of Africa should receive special consideration.
      (2) As regards the United Nations, it is highly desirable to avoid divergences at Lake Success and in general (subject always to special cases) to avoid situation arising in which one country finds itself in the position of opposing or voting against the other. There might be advantage in extending the practice of consultation prior to important meetings of the United Nations.
      (3) Consultation in the specialized agencies of the United Nations might be further developed, and delegations attending technical conferences, e.g., on radio frequencies, might be briefed more fully in the light of general common objectives.
      (4) In the strategic field it is noted with approval by both sides that the principle of close direct consultation is already established and is being put into effect.
      (5) United Kingdom representatives suggest that the question of exchanges of security information, and certain questions concerning Atomic Energy, may require discussion later in the talks.
(6) Increased co-ordination on information policies is desirable and should be further discussed. There may be scope for some additional machinery for this purpose.

(7) In the co-ordination of policy, constant day-by-day exchanges of view play an important part. This is particularly valuable before policies are finally formulated. Constant contact between officials at appropriate levels is an important factor.

(8) The appointment of officers specially qualified in particular fields to the respective Embassies has proved a valuable experiment which might be continued or developed with advantage.

(9) Consultation and co-ordination—between American and British representatives in the field, as well as in Washington and London, is important and might be further developed where appropriate. In some areas representatives in the field have already been given a general directive in this sense. This might be further developed.

(10) Consideration should be given to the question of assuring that appropriate procedures exist in each government for bringing to the attention of other departments and agencies the practice of consultation and the general policy considerations, which should be kept in mind even in technical matters. ...

(12) The economic aspects of co-operation are dealt with in other papers.

3.4

396.1-LO/5-450: Telegram
The United States Delegation at the Tripartite Preparatory Meetings to the Secretary of State
SECRET, LONDON, May 4, 1950—midnight
Secto 142. Third [Fourth] meeting Bipartite US–UK Sub-committee R on FE and SEA took place this afternoon 1 to consider item 12 [11] US–UK agenda, with Hare and Palmer for US and Dening, Murray and Fry of Foreign Office (2) and Garner and Fowler of CRO for UK.3 Following questions discussed:

I. Indian subcontinent
A. UK and US roles
Hare followed line recommendation one of D-5.4 UK representative’s emphasized limitations placed on their use of influence in light sensibilities in Pakistan and, more particularly, India, to anything, which they interpret as pressure. Dening thought US might have thought at times UK might have taken bolder lead in Indian–Pakistan problems and that UK on occasion has asked us to do too much. UK found it consistently necessary guard against giving any
impression either Dominion of desire regain political influence which it had lost when two Dominions given independence. Any form of pressure, which might give this impression would divert our ends. Hare emphasized that we were stressing assistance, not admonition. We realized limitations of UK in latter regard, but we felt that personal relations between UK and these countries, close economic relations between them, experience which UK has had in area and Commonwealth ties gave UK unique opportunity to strengthen area. While we certainly do not want to suggest anything in nature of dividing area of world in spheres of influence, we felt that in view of many worldwide interests, it was natural that in certain areas one power or the other should assume initial responsibility. In case of Indian Sub-continent, it was natural because of ties mentioned above that UK should continue assume this function. This analysis is what had lead us to our conclusion that US should act in complementary role in Indian Subcontinent to that played by UK. Dening agreed this concept.

B. Kashmir
Hare followed line recommendation 2 of D-5.5 UK representatives felt that while partition may be ultimate solution of Kashmir problems it would be great mistake to indicate in any way at this juncture that we were considering such possibility.

C. French and Portuguese possessions
Hare followed line recommendation 3 of D-5.6 Fry said UK understands negotiations between Indians and French in Paris going slowly but well. Dening seemed think that on whole French taking realistic and reasonable attitude, and that its main concern is to get out of situation without loss of face. Re Portuguese possessions, Portugal maintains enclaves part of metropolitan Portugal and are unwilling discuss any change in sovereignty, although they do appear willing discuss treatment of Indians in territories. Whole question Portuguese possessions presents awkward problem to UK in view its treaty alliance with Portugal on one hand and its Commonwealth ties with India on other. At present time problem not acute. Should it become so, UK will use its best efforts with both sides to bring about friendly settlement, but contemplates no action at present.

D. General Indian–Pakistan relations
Garner said UK much relieved at outcome Nehru-Liaquat talks and are pleased with progress made in ensuing economic conversations. However, there are still many factors in situation that cause concern, especially Indian troop dispositions on Punjab frontier. Despite New Delhi agreement, India has made no move, so far as UK aware, to withdraw troops. In recent conversation during Liaquat’s visit here Ikramullah 8 said he was satisfied Nehru’s sincerity in Delhi agreement, but indicated his doubt as to Nehru’s ability control situation. He thought, for
instance, Nehru had lost control of situation in Bengal disturbances. All in all, UK feels basic factors still exist for recurrence of recent crisis, perhaps in even more serious form.

II. Afghanistan

Hare followed line recommendation 4 of D-5.9. Hare said he felt Afghanistan has little to attract USSR in itself, but now it has great significance in relation to India. If and when USSR should make move against Afghanistan, it would probably mean USSR ready to move against India. Dening agreed this concept and said UK did not see any sign of overt or covert USSR activity in Afghanistan. Nevertheless, he thought Kremlin might well feel, as proved to be case in China, that there was no need to do anything except sit back and watch things deteriorate internally at which time it would be able take advantage of situation. Re Afghanistan–Pakistan dispute, Dening thought about all we can do is to wait and to see results diplomatic approaches, which UK has suggested to various countries representing Afghanistan. Garner said Bajpai 10 has told Nye 11 that India does not agree 100 percent with Pakistan’s claims and that it therefore does not feel that it should take diplomatic action with Afghanistan. Nye nevertheless thinks that there is still chance India could be persuaded. UK representatives did not feel there would be much hope for successful settlement this dispute if it were referred UN.

III. Burma

Hare followed line D-7.12. UK representatives indicated appreciation our policy that US aid complementary to that of UK and Commonwealth. Dening, gloomy re possibilities effective assistance to Burma, emphasized particularly difficult nature of Burmese themselves and suspicions, which they harbor. In view uncertainty present Burmese situation, UK somewhat hesitant extend too much assistance. Hare gave brief resume our thinking re aid to Burma, pointing out it was not large but emphasizing psychological effect which it could have in helping stabilize present situation. In light recent events with China, Hare pointed out attention now focused on Southern Asia. Burma critical spot and unstable situation is commanding much attention throughout world. He wondered if Burma fell to Communists at some time in future whether we would be able defend our policies and say we had used our imaginations and ingenuity to utmost in order devise ways of saving Burma. Dening said he thought UK could satisfactorily defend its position on this score. UK willing and anxious help Burma, but main difficulty is with Burmese themselves. Without Burmese cooperation there was a definite limit to what could be done. In response Hare’s question, Dening thought present GOB best on horizon as unstable as it is. He mentioned disturbing telegram which had been received
this morning from British Embassy Rangoon reporting possibility coup d’etat by Ne Win 13 after Thakin Nu 14 has left for UK, but said British Ambassador inclined minimize.

Notes:

2* James D. Murray, Head of the Southeast Asia Department, and Leslie A. C. Fry, former member of the British High Commissioner for India’s staff.


4* Recommendation one of FM D D-5, ‘Problems of the Indo–Pakistan Subcontinent,’ dated April 25, not printed, stated that the United States role in this area should supplement and not supplant the role of the United Kingdom. This did not mean an abdication of any United States presence, rather that the United States would give special study to the economic and political problems of the area to determine where it might be the greatest help and where its activities would best dovetail with those of the British. (CFM Files: Lot M-88: Box 149: May FM Meeting C, D Series)

5* Recommendation two stated that the United States should express its appreciation for the role which the British have played in the negotiations between India and Pakistan at the United Nations and indicate its full support of these efforts.

This is largely a question of tactics. Once we gave India any inkling that we might give considering partition and dropping plebiscite, her demands under partition formula would become extreme. Hare emphasized we were merely suggesting our two governments give sympathetic consideration to any future proposal if made by UN representatives or parties. Would UK be prepared to go this far? UK representative very hesitant, particularly drawing distinction between suggestion for partition by UN representative and one which might be agreed to by two parties. They would not go so far as to oppose in principle but thought agreement both parties essential in any real settlement.

6* Recommendation three stated that the main United States interest in the French and Portuguese possessions was that they should not become trouble spots. The United States felt that the French referenda in their four remaining possessions was the realistic way to determine their future and felt that the British might use their influence in Portugal to get the Portuguese to adopt a similar view with respect to Goa.

7* Documentation on the talks between Prime Ministers Nehru of India and Liaquat of Pakistan on April 2 in New Delhi and April 26 in Karachi, including the agreement on the protection of minorities in the two states is scheduled for publication in volume v.
MEETINGS OF THE FOREIGN MINISTERS OF THE UNITED STATES, 
THE UNITED KINGDOM, AND FRANCE
Report of the Tripartite Preliminary Meetings on Item 1
TOP SECRET, LONDON, May 6, 1950.
MIN/TRI/P/1

ITEM 1. REVIEW AND AGREEMENT ON COMMON WORLDWIDE OBJECTIVES IN THE LIGHT OF ASSESSMENT OF THE CURRENT WORLDWIDE SITUATION
The preparatory discussions between officials of the three governments result in the following analysis of the current worldwide situation:
General situation

1. The balance of military power in the last twelve months has shifted in favour of the Soviet Union, and the present situation is one of increasing danger. Their possession of the atomic bomb is of cardinal importance, but will not of itself become a direct military factor until the Russians acquire a stockpile. The Soviets are trying out weak spots in the Western position throughout the world, and having got possession of the atomic weapon and strengthened armaments generally, they may feel inclined to take greater risks than hitherto.

2. But the strength of the Soviet position should not be overestimated. It suffers from certain fundamental weaknesses, namely the relationship of suspicion and fear between ruler and ruled, the similar relationship with Satellite Governments and peoples, the problem of Stalin's succession, and the fact that the system depends on 'dynamic advance' and is liable to be endangered by any major check.

3. Among the factors which can be counted to the credit of the West over the past year are: (a) economic recovery in Western Europe: (b) the defection of Tito: (c) the success in Berlin: (d) the signature of the North Atlantic Treaty: (e) the holding of the position in Western Germany: (f) the fact that there has been no economic slump. Finally it should be remembered that the Russians usually move with great caution in foreign affairs.

4. The defection of Tito may, in the general balance sheet, in the American view, largely offset the Soviet victory in China. This view is not shared by the French and United Kingdom representatives.

5. It is not thought likely that, apart from a miscalculation, the Soviets will launch a war for the next few years. The really dangerous point would come when they feel they are strong enough to deliver a decisive aerial attack.

6. Since the industrial potential of the Soviet Union is considerably less than that of the West, it is unlikely that they will court a major war, but since they are becoming more confident of protecting the, Soviet Union from attack, they may, even in the immediate future adopt increasingly aggressive policies at key peripheral points such as Iran which the West would be obliged to accept or to counter with force, and they may be inclined now generally to take greater risk than hitherto in areas where they think the West may be likely to acquiesce in a Soviet advance.

7. Germany is the central point of the struggle between East and West and is so regarded by the Soviets. If the Soviets lose the struggle for Germany they may lose the initiative generally, and the principal of 'dynamic advance' may come into play against them. Equally the peaceful association of Western Germany with the Western power is essential to the latter, and to any effective build-up of Western Europe, which is of urgent Importance.
8. South East Asia including Burma, Indo-China and Malaya is a weak spot in the Western position. So also is Iran. Potentially dangerous situations in varying degree exist also in the Philippines, Korea, and the Indian subcontinent. In Greece the situation is greatly improved but the strategic position of Greece is such that it must be kept under constant watch and it is vital that our control should be maintained.

9. The situation requires a determined effort by the Western countries to regain and maintain the initiative and to build up a position of strength through the maximum deployment of their joint resource to the end that peace may be preserved.

Particular situations

10. Germany. The holding of the situation in Berlin and the establishment of the German Federal Republic important games for the west in a vital area of the struggle. The Soviet Government have however also made great efforts in recent months to consolidate the Communist position in Eastern Germany and to keep up the pressure on the Western Powers, particularly in Berlin. To retain the initiative in Germany the Western Powers must continue to pursue energetically the policy agreed upon in Paris in November 1949 of promoting the closer association of the German Federal Republic with the West and of developing the prestige and authority of the Federal Government as the only representative Government in Germany. It is our aim to work for the integration of Germany in the European community.

11. Meanwhile, it would be a mistake to consider the German problem simply as a factor in the relations between the Soviet Union and the Western Powers. The German problem must also be considered on its own merits against a European background and account must be taken of the relations to be established between Germany and other European powers.

12. South East Asia. Since the end of the war the dominant theme in the greater part of South East Asia has been nationalism and desire for freedom from colonial tutelage. The Communist have been to some extent successful in turning this to their advantage, for by assuming leadership of the nationalist movement in Indo-China. Measures already taken and still in process of institution to satisfy the aspirations of the peoples of South East Asia for political freedom have, however, had varying, but on the whole encouraging Congress of success in allaying but not in averting the danger that the might make common cause with the communists against the Western world. There thus remains the danger that the area, which of great importance to the nations of the free world strategically, politically and economically, may yet be lost as a result of internal
invents by supporters of international communism, within the borders the various countries. The fact that China is at present under Communist control encourages these local communists, tends to maintain the masses in a neutral or vacillating attitude, and makes the case of a free South East Asia more difficult but even more necessary.

**Broad objectives**

13. In the light of the above assessment it appeared to the representatives of the three Government in the preparatory discussions the following should be the broad common worldwide objectives:

(a) The Western power must do their utmost to prevent further Soviet advance in the world by armed aggression, indirect aggression or subversion which would strengthen the Soviet position in contrast to the West.

(b) Continuing ... Progress and development is essential to the holding of the Western position.

(c) The West must create a ... industrial and military strength can be deployed. This can only be done by the combined resources of the North Atlantic Treaty powers acting so far as possible in cooperation with all other free nations.

(d) This involves the building of economic strength necessary to support the requisite increased defense effort and at the same time to permit improvement in standards of living, which in turn means, among needed steps, increased productivity, better use of available manpower, and where possible the development of freer trade and convertibility of currencies.

(e) The North Atlantic Treaty must therefore be strengthened through the development of common planning for defense, coordination of policies, and concerted action for the implementation of those policies.

(f) The United States, United Kingdom and France, in working for their common purpose should exercise their influence in such a manner as to take into account the aspirations of all the people of the free world whose best interests lie in close association with them and with each other.

(g) The West should regain and retain the psychological initiative, which means building faith in freedom into a dynamic force rather than something which is taken for granted, and increasing public understanding of the nature, methods, and danger of the forces by which it is threatened.

(h) The efforts of the Western Nations should be directed toward reducing the risks of war and establishing the conditions of a lasting
peaceful settlement. This requires the development of adequate strength and consequently the combination of their efforts for building that strength.

3.6

Memorandum of the Tripartite Preliminary Meetings on Items 6 and 8

TOP SECRET, LONDON, May 9, 1950.

1. It is agreed that there is no prospect that negotiations with the Soviets at present would lead to any general settlement. The right course for the West is therefore to continue to build up situations of strength.

2. Nevertheless, the door should not be closed and the Three Powers should be prepared to examine the situation again if for any reason it should appear that such negotiations would be of advantage to the West.

3. Negotiations might take one of two forms—

   (a) general negotiation covering all basic subjects at issue, or
   (b) particular negotiations such as might arise, for example, in connection with the question of all-German elections.

   It is generally felt that on the whole (b) would offer less opportunity for the Soviets to place the West at a psychological disadvantage and would avoid the risk of disappointment and lowering of morale in the West in the probable event of failure.

4. The Security Council would probably be the only practicable forum for general discussions, though the Council of Foreign Ministers offers a possible alternative.

5. If it should become necessary to enter into such negotiations, the following conditions would be desirable—

   (a) that the West should enter upon them on the basis of some new position of strength and that therefore our combined efforts now should be directed to building up this needed strength.
   (b) that they should be careful to ensure that the discussions covered such issues as suited them and should prepare concrete proposals which the Soviets would have the onus of accepting or rejecting.

6. It should be agreed between the Three Powers that none of them will negotiate with the Soviet Union on matters of common interest unless the other two agree on the need for such a step and participate in the negotiations, and prepared positions are worked out in advance.

   (i) Mr. Lie’s proposal for a special meeting of the Security Council

7. This proposal is recognized to be stillborn until the problem of Chinese representation has been solved. Once this question is settled it will be
difficult for the three Governments to refuse an invitation to attend such a meeting, however poor the prospects of success. The question of the Agenda would have to be carefully considered. Any discussion of basic issues would have little chance of success, while public opinion might not understand if discussion were limited to minor specific problems. If there were to be a meeting of any kind it would be best for it to take place in New York before the meeting of the General Assembly in the autumn. Despite these considerations, factors of United Nations prestige and effectiveness, which would need to be taken into account, might make a meeting advisable.


8. Serious problems will arise from the continued absence of the Soviets from the United Nations up to or even during the meeting.

3.7

Memorandum by the Under Secretary of State (Webb) to the Executive Secretary of the National Security Council (Lay)

TOP SECRET, [WASHINGTON] August 7, 1950

NSC 65/3 was approved as Governmental policy on May 19, 1950. It is requested that this Progress Report, dated August 7, 1950, be circulated to the members of the Council for their information.

1. Important Action and Developments Affecting NSC 65/3: On May 25, 1950, the United States Government took an important step in line with NSC 65.3, particularly with reference to Conclusions 12d and 12e thereof. On that date the United States Government, together with the Governments of the United Kingdom, and France, issued the declaration set forth below. The declaration was drafted during the course of the London Foreign Ministers Meeting.

[Here follows a verbatim repetition of the Tripartite Declaration of May 25, 1950]

In the Arab states and Israel, official reception of this important step in implementation of NSC 65/3 has been generally favorable. Responsible Israel and Arab Government leaders have recognized that the declaration was a move to provide the Near Eastern states with confidence in future security, and to promote a sense of stability in the area. However, immediately after the declaration was issued there was a certain amount of criticism of it in the Arab states, particularly in press circles, on such grounds as that the declaration
represented an unwarranted interference by the Great Powers in the affairs of the Near Eastern states; that it ‘froze’ the territorial status quo and would prevent future amendment of the Palestine armistice lines; that it indicated a division of the Near East by the Great Powers into spheres of influence; and that is favored Israel and would permit Israel to acquire as much arms as it wanted. Diplomatic representatives of the United States and the United Kingdom in the Near East set to work to dispel these misapprehensions and misunderstandings, and on June 12 the Council of the Arab League issued a joint commentary on the declaration, which was generally favorable.

The Israeli Government, as well as the Israeli press and Zionist elements outside of Israel, were pleased with the declaration. Criticism by pro-Israeli elements in this country of the US Near Eastern arms export policy has greatly lessened. There has been general satisfaction in Israel, as well as in the Arab states, with the assurances given by the three powers that they would take action to prevent aggression by any party in the Near East. In Israel the declaration was particularly welcomed as revealing the conviction of the three powers that Israel was now established as a permanent element in the Near East.

In the United States the three power declaration was hailed in press circles as being an important and necessary step to bring unity to the policies of Great Britain, France, and the United States in the Near East. The American press likewise considered the declaration to be a major contribution to Near Eastern stability and security.

It is apparent that the declaration has had a beneficial effect in reducing tension in the Near East. It is hoped that one of the results of the declaration will be that the Near Eastern Governments will in the future place less emphasis upon the necessity for acquiring large amounts of arms, and will feel able to devote more of their energy to productive ends. Thus the trend toward peace will be strengthened. The US will remain alert for any developments, which may unfavorably affect this trend.

2. General Implementation of NSC 65/3: The US is supporting the military position of the United Kingdom in the Near East, including the current plans for Anglo-Egyptian and other Anglo-Arab military cooperation. There continues the close consultation with the British Government which has enabled us to be kept fully informed on the amount of military equipment actually shipped or to be shipped to the Near East by the United Kingdom. In addition, arrangements have been made with the Government of France for similar consultation and exchange of information.

The US Government continues to base its Near Eastern arms export policy on the principle of allowing the shipment to the Near East of only such military equipment as the US considers necessary to help the states there to maintain internal order and provide for legitimate defense. Under this policy shipments of
military equipment of appropriate categories are being permitted to go forward to Israel and the Arab states. The US Government continues to seek to avoid being drawn into any arms race in the area.

3. Evaluation of Policy: The policy set forth in NSC 65/3 continues to be valid. In following this policy the US is contributing to the security and stability of the Near East and is taking action which is of benefit to the strategic interests of the US.

JAMES E. WEBB

3.8

Record of Informal United States–United Kingdom Discussions, London, Monday Afternoon, September 18, 1950
SECRET
Participants: Foreign Office
R.H. Scott, Assistant Under Secretary of State for South Asian Affairs.
J.D. Murray, Head South-east Asian Department.
S.J. L. Olver, South-East Asian Department
D.P. Reilly, Permanent Under Secretary’s Department
Commonwealth Relation Office
J.J.S. Garner, Assistant Under-Secretary of State General Sir Geoffrey Scoones, Principal Staff Officer to the Secretary of State
U.S.A.
Mr. McGhee, Mr. Mathews—Department of State
Mr. Thurston—American Embassy, Moscow
Mr. Palmer, Mr. Ringwalt, Mr. Root—American Embassy, London

General survey of Indo–Pakistan relations

After Mr. Scott had welcomed Mr. McGhee and the other representatives of the Department and stated that the UK side was glad for the opportunity to discuss problems of mutual interest in South Asia, Mr. McGhee said that he would like to preface the discussions by stating what it was hoped to achieve from them. Recent events in Asia have intensified our interest in the area and we are anxious to examine with the UK how, within the context of the greater interest and responsibility to which the UK is best fitted, we can supplement its efforts to preserve political and economic stability. We wish to come closer to grips with the problems of the subcontinent in conjunction with the UK and to establish with it the same close understanding and working relationship that we now enjoy with respect to other geographical area, such as the Near East.

Mr. Scott said he was sure that the British side would fully agree that this close liaison was desirable. Affairs on the subcontinent has assumed
enormous proportions. The rift between India and Pakistan presented us with some hideous problems, not only for the dangers implicit to the subcontinent itself but for the repercussions they would have in a much wider sphere of international relations; and, as a third factor, it was clear that India and Pakistan were destined to play a much larger role on the international political scene.

Mr. Garner reviewed briefly the major developments in Indo–Pakistan relations since partition, enumerating the points of danger which now existed between the two countries. It was a gloomy situation, indeed, which faced us with the problem of course was what to do. We could agree, he said, that it was for our primary aim to promote the settlement of Indo-Pakistani differences in every way possible, but the real difficulty which the UK for its part found was to see just how we could asset our influence. From past experience, the UK was inclined to feel that open intervention could do more harm than good. We had learned that interference from the US and the UK was almost as likely to be resented as appreciated.

Mr. McGhee thought it was of fundamental significance that both India and Pakistan had supported the two Security Council resolutions on Korea and the UK officials agreed there had been in recent months a hopeful change in India’s attitude towards events in Asia. So far as the disputes between India and Pakistan were concerned, it was felt on both sides that these were not so much causes in themselves as the symptoms of an underlying bitter distrust between the two countries. Mr. McGhee mentioned that Sir Owen Dixon had seemed to hang other aims, providing them, for example, with an excuse for maintaining a large army. It was possible that India still had in mind the eventual elimination of Pakistan.

There was then some discussion of the extent to which Nehru might be forced by the internal political situation in India into a more intransigent position than he himself would like to take. Mr. Garner recognized this as a possibility but said that he personally was still inclined to feel that the whole idea of Pakistan was anathema to Nehru. Where Kashmir was concerned, he wondered whether the situation was not reversed and, whereas the majority would be willing to see a settlement, the issue was kept alive by a small but power minority.

Mr. McGhee said we hoped that Britain and the Commonwealth would continue to take the lead in trying to bring about agreement between India and Pakistan. He realized the difficulties which this posed for the Commonwealth but said that there seemed at a same time to be for a limit to what the Security Council can do. It was difficult to see what clear line of action it could take. A solution depended largely on the parties themselves and there was still no proof that India at least really had the will to compose its differences.

Mr. Scott emphasized that the time factor had assumed the utmost importance. The UK had already endeavored to bring India and Pakistan together in cooperative effort. This was one of the primary purposes of associating them in Commonwealth aid to Burma through the Ambassadors Committee set up
UNITED STATES AND GREAT BRITAIN

on Rangoon. However, the pressure of the world crisis no longer left us with the time to work out a gradual solution along these lines. He too felt that if the parties had the will to settle their differences, there were a half dozen formulas which could be used for this purpose, but in view of the persistent failure of our efforts so far to heal the breach, he was seriously concerned whether mediation or intervention could any longer succeed.

Mr. McGhee then underlined the important defense role the two countries could play if they were to join their efforts for this purpose. We would at least like to see them in a position to defend themselves. Unfortunately, as matters now stood their military potential represented a threat to the peace of the subcontinent rather than a guarantee.

Military needs of area—and in particular coordination of US–UK policy

General Scoones summarized British assistance with respect to the defense efforts of the countries of South Asia. He said Ceylon is important as a communication center. The UK is able to supply its military needs, but there is not a great deal which it can absorb. Ceylon is conscious of the threat to its security and is constantly urging the UK to keep the largest possible forces there. The UK is in close touch with the situation and has good contacts there, but Ceylon is outside the primary area of danger and there are limits on the role it can fill.

In India and Pakistan the forces are organized along British lines and use British equipment. The UK had continued to supply their armed forces within the limits of its capacity, these efforts being limited mainly to furnishing necessary maintenance requirements for the present establishments. Now, however, the UK was being forced to cut down its assistance to India and Pakistan in view of its obligations in the present crisis to North Atlantic Treaty countries and other members of the Commonwealth. The supply of jet aircraft, for instance, was being stopped; India and Pakistan would for the present get only a very few at best.

The military picture on the subcontinent was deeply affected by the political problem. The two countries seemed to be more preoccupied with the threat from each other than any from outside and there was always the danger they might go to war. The UK, of course did not wish inadvertently encourage this prospect in any way. The priority of India and Pakistan on the military availabilities of the UK had gone down in the general picture and it was doubtful whether they would be supplied with anything beyond limited needs for maintenance.

In Afghanistan, the regular army was of low standard and the important factor was that it was made up largely of recruits from northern Afghanistan who were racially akin to inhabitants across the border in the USSR. Moreover, this same region, the area north of the Hindu Kush, was the richest area of Afghanistan. It should not be difficult for the Russians to take it over and if they did Afghanistan would face destitution and the disintegration of its
regular forces. The army had some British equipment and the air force was almost entirely equipped from British sources. As for the prospect of sending further supplies through to Afghanistan, even small arms, he thought the simple fact here was that there would be the greatest difficulty in getting Pakistan to agree to their shipment.

Summing up, General Scoones said that the crux of the military supply problem was that there was no guarantee that the equipment we might furnish the subcontinent would be used for the needs we desire. Answering Mr. McGhee's question, he thought it would be possible to develop an effective military potential, as indeed had [been] the case with British India, but only if the present political difficulties could be surmounted. It seems to him that we were miles away from this objective.

Mr. McGhee elaborated a little further on the thought that India and Pakistan might collaborate on some territorial guarantee of the non-Communist countries of South and South East Asia. Could they not, for example, make clear they would come to the aid of Burma in the event of Chinese Communist threat? General Scoones thought that for this particular problem Pakistan could not be of much practical help and that the burden would fall on India. Generally speaking, he was quite skeptical of realizing any effective coordination in defense while Indo-Pakistan differences remained.

Mr. McGhee explained that US policy has been to grant export licenses for only a very limited amount of military equipment for India and Pakistan. With the crisis in Korea, however, our policy has become somewhat more positive and we have taken an increased interest in their military strength. We hope to give them increased help in the procurement of supplies and we now have legislative authorization permitting them to buy from military stocks. Both countries had presented us rather comprehensive programs. Mr. Mathews said the US might also be of some assistance in supplying spare parts and facilitating the transfer of certain lend-lease equipment needed for maintenance.

Mr. McGhee went on to say that, nevertheless, with the present increased demands on our availabilities from other more critical areas, the relative priority position of India and Pakistan has probably gone down and their prospects of getting any considerable amount of supplies is definitely limited.

General Scoones said the Pakistanis were anxious to build up an arms industry, which, in contrast with India, they are completely without at the moment. The UK could be of only limited help in this respect and probably none at all financially. Mr. McGhee said that funds now available for building up the defense capacity of our overseas friends could conceivably by used for this purpose but that this use would have a very low priority.

Mr. McGhee said he had the impression from what had been discussed that the UK has no wish to press us to divert any greater flow of military aid at his time to the subcontinent. This view was confirmed by the UK side.
There was then some discussion of the possible help Pakistan might provide in stemming any military advance towards the Persian Gulf and in the Near East generally, and it was agreed Pakistan might provide some help in this respect if it were ever free from internal worries on the subcontinent.

The consensus was that we should lend every encouragement to India and Pakistan to be strong enough to protect themselves but that before they could represent any strong and certain defensive element in the area, their political problems would have to be overcome. For the time it was undesirable to divert military supplies from other important areas beyond those which might be used for internal security.

Kashmir and other disputes

Mr. McGhee referred to his recent conversation with Sir Owen Dixon in which the latter indicated his feeling that the Kashmir problem should be separated into the question of demilitarization, with which the Security Council should deal, and the territorial aspects, which should be left to the initiative of the two parties. Both sides mentioned their doubts that this was desirable or even possible. Mr. Garner felt that if the two aspects were separated the practical effect would be that the present cease-fire line would become the frontier. He pointed out, however, that Dixon would probably not present his views in a manner to tie the Security Council’s hands but would merely indicate what he personally thought might constitute an ideal settlement. Mr. Garner felt there was no hope of separating the political problem from demilitarization. If the Indian troops were withdrawn they might merely go to reinforce the elements on the Punjab frontier and thus constitute an even greater threat than at present. Both sides agreed there was no prospect of demobilization the main forces in sight.

There was considerable discussion of timing and tactics in dealing with Dixon’s report and there was some feeling on both sides that it might be wise to defer Security Council action until some further progress could be made privately in reconciling the views of the two disputants.

Mr. Mathews felt we must keep in mind the possibility we might be faced with the peculiar situation where India was supporting Dixon’s ideas on partition-plus-plebiscite while Pakistan opposed them. It was the unanimous view that Pakistan objections to giving up overall plebiscite promised to be a serious problem and that we must give careful consideration to Pakistani reactions at the present delicate stage of the Kashmir problem.

Mr. Garner pointed out that Dixon’s efforts did, after all, break down on a rather narrow point that, if there were really a will on the part of the two sides to settle the problem, it should not be impossible to devise a formula that would, on the one hand, avoid the complete withdrawal of the Abdullah Government, and, on the other, allow proper UN supervision of the plebiscite.
Mr. McGhee, pointing out that partition-plus-plebiscite seemed to be the most likely solution ultimately, thought we might use Dixon’s report as the basis for consolidating efforts in this direction. Admittedly, however, we might lose bargaining power with India if we proceed too quickly. As for administration in the plebiscite area, he believed it was inevitable that we would have to rely to some extent on the local administrative facilities.

Mr. Mathews suggest that, since the Indians have indicated previously to both of us their interest in partition-plus-plebiscite, we might to them now and ask why there was a breakdown in the negotiations and what it is they really do want. This approach could be made by the UK, with the US in the background to make substantially the same points if asked, or it might be made simultaneously. The big question remaining, of course, would be what to do about the Pakistanis.

Mr. McGhee said that Dixon’s report was not yet available for him to read before his departure from New York and we should have to wait to examine the report before we could decide more precisely what we would do now. It was agreed that Mr. Mathews would consult during the remainder of the week with UK officials dealing with Kashmir in an effort to devise the most suitable plan of procedure for the US and UK from this point.

Mr. Mathews mentioned his concern over indications that the water rights question might come before the Security Council. Mr. Garner, however, informed the group that a recent personal letter from Liaquat to Nehru had a somewhat more temperate note. Liaquat was now suggesting submission of the issue to the International Court, holding reference to the Security Council for the time in reserve, and the UK had some hope that Nehru might accept the suggestion, at least to the extent of agreeing to some form of arbitration. Both US and UK officials believe it was undesirable for the dispute to come before the Security Council.

India’s attitude toward recent events in Asia

Mr. Scott reviewed the increasingly important role India was playing in Asia’s politics. The effects were already in evidence. Tibet was a good illustration. He thought India was largely due to the credit for the relaxation in tension there. Above all, in India’s policy, was the desire to get on with China and to view its development within the context of Asian Affairs. Mr. Scott then referred to the problem, which was giving the UK much concern: India’s attitude toward the United States. He felt it was, in this connection of the utmost importance to realize the importance to us of Indian support whatever the future held in the way of war or peace for us in Asia.

Mr. McGhee said the US fully recognized the importance of having India’s cooperation. It was clear that in the last analysis Asia could be rid of Communism only by Asians themselves and it was to our best interest to build our hopes
on India. Circumstances had, unfortunately, led us to divergence with India over the Chinese question. This situation was really forced on us by the attitude of Communist China itself and by military necessity in the case of Korea and Formosa. It was to be regretted that in Indo-China and elsewhere we might find ourselves on the opposite side of the fence with the Indians and he recognized that our different interpretation if events in Asia constituted a running sore. The factor of main importance, however, was Nehru’s support for the original two Security Council resolutions on Korea. We appreciated the importance of a closer understanding with India and we were not attempting to work out a more effective arrangement for prior consultation with India where Asian problems were concerned. We were also studying how we could be of greater assistance to India and satisfy its complaints on this score. At the moment, for example, we were trying to arrange to supply India with a certain quantity of milo at concessional price.

Mr. McGhee went on to say that in the best of possible worlds that Asians would be left to decide their own fate but that under present conditions the Asians must first realize the threat that international Communism represents before cooperation can be fully effective.

Both sides agreed that it was highly desirable to place greater responsibilities for Asian developments on our non-Communist friends, particularly India, and to encourage them to face up to the problems to be settled there. Mr. Mathews mentioned in this connection the role that India, for example, might play in reconstruction in Korea. This should be more to its liking than supplying military aid.

The UK officials agreed that we should not relinquish our position on the Asian mainland or abdicate to a political vacuum. They were fully in accord with our views on the desirability of passing along all the responsibility possible to India and our other Asian friends. There were definite signs that the Indians were becoming more and more realistic about Asian developments. They would probably respond favorably to consultation. We should not forget, however, the hurdles to be overcome. India’s outlook could be dominated by its relations with Peking. This could, of course, serve to our advantage, as, indeed, it appeared already to have done. But it was clear that India would want to see greater satisfaction given to Communist China. In this connection, Mr. Scott felt it was significant there was now some suggestion India might withdraw from its participation in investigating the Yalu River bombing incident because of the Security Council vote denying the Chinese Communists the right to be represented. Mr. McGhee thought India’s desire to get along with Communist China was, in general, a good thing and said we would like to encourage it. The relationship had already produced its benefits.

Mr. McGhee wanted to know whether the UK felt there was at this time any prospects of a regional association in South and South East Asia. Mr. Scott thought that such a development would be a very slow growth. The UK’s
objective now was to build up cooperation on an economic basis, which in his view was the only approach. Mr. McGhee wondered whether the program of economic and technical aid now being initiated by the Commonwealth would promote a closer political association. Would not the participation of European members in this endeavor arouse the suspicions of the Asians and hinder fully effective cooperation? Mr. Scott did not think so. He felt the Commonwealth program had a chance to be successful. Cooperative arrangements of this order, of which the rice conference in Singapore was an example, had already been made to work. He pointed out that the Commonwealth aid program was not being played up as an anti-Communist effort and that the emphasis was on its constructive economic aspects. However, it was the Indian delegate at Sydney himself who had indicated an awareness of the political significance it might have.

Pakistan’s attitude towards recent events in Asia

Mr. Scott said that with respect to the Far East Pakistan did not like to follow in India’s footsteps but that this had generally been the case so far. The countries of Southeast Asia tended to look to India rather than Pakistan. This was true even of Indonesia in spite of its Moslem population. Turning to the Near East, Mr. McGhee said that the US was inclined to welcome Pakistani initiative in the Moslem world. We had no confidence in the effectiveness of Egypt’s influence and, looking elsewhere for leadership, we were bound to think of Pakistan, which was the most progressive and capable of the Moslem countries and was in a good position to point out the inconsistency of backward economic and social conditions with Moslem principles. While the UK officials were skeptical that Pakistan would ever emerge as the head of an effective political association of Moslem countries, feeling that the language difficulties and its different historical associations largely ruled out such a prospect, they did agree that Pakistan might set an example and its leaders exercise a useful influence. Mr. McGhee mentioned that Korean issue as one instance of this already. Mr. Garner says we should keep in mind, of course, that a close attachment between Pakistan and the rest of the Moslem world might have adverse consequences if the Pakistani ever felt we let them down and reaped the sympathy of their Moslem neighbors. It was agreed that, generally speaking, the Pakistan attitude towards the UN, Korea and other problems of concern to us had been on the whole helpful. As for the possibility of a rapprochement between Pakistan and the USSR, it was thought that while there was always the risk of flirtation, in which Pakistan might feel there were useful tactical advantages, the Pakistan leaders had no desire or inclination to move towards the Russian camp. Mr. McGhee thought we should keep in mind the useful role Islam might be playing with respect to the Moslem minorities in Central Asia. Mr. Thurston agreed there were at least a few indications that this attachment might work to our advantage.
Afghan–Pakistan dispute on Pushtunistan

Mr. Mathews said it appeared there had been an increase rather than a decrease in agitation and that meanwhile efforts at mediation had gotten us nowhere. He had been considering whether there was any new approach to the problem and he wondered whether the following plan might not be worthy considering:

1. Try to get the parties to agree to stop all propaganda during a cooling off period;
2. Propose that following this they hold a conference without an agenda.

This at least might give some encouragement to the moderate elements in Kabul and provide some opportunity for an exchange of views on the welfare of the tribes. While both sides were sceptical that his arrangement would bring about any appreciable progress towards the eventual solution of the Pushtunistan problem, it was felt that it might reduce the tension and was worth studying. Mr. Mathews agreed to discuss it further with Foreign Office and Commonwealth Relations officials later in the week.

Mr. Scott said the UK felt that it had shot its bolt with the Afghans and that further intervention on its part would be useless. He was also afraid that the sort of concerted pressure from outside powers which had already been tried would be dangerous to repeat. Mr. Mathews said that he appreciates these factors and he thought perhaps the US could take their initiative in suggesting the approach he had in mind. He agreed with the UK that the proposals might include the exchange of ambassadors between Pakistan and Kabul.

The consensus was that the Pakistani had been quite reasonable in their relations with the Afghans. Mr. McGhee said that the US has generally accepted the British position that Pakistan had succeeded to the treaty responsibilities of the UK and that the legal position it maintained was a correct one. We had in fact made it pretty clear to the Afghans we saw little or no validity in their case.

Mr. McGhee wondered about the motivation behind the Afghan position. Mr. Scot felt there was no proof that the Indians were responsible and general Scoones pointed out that the present Afghan dynasty owed its position largely to the support which had been given it by the tribes. As a consequence there was always the fear that Pakistan might wean away the tribes. He felt the Afghan contention that the tribes were dissatisfied was entirely artificial. If the tribes were dissatisfied, he said, they certainly would not have remained quiet for so long.

In answer to a question, General Scoones said the Pakistan subvention to their tribes was not a very considerable one. He believed the Pakistanis estimated it cost them about 40 million rupees per year. To meet the Afghan charges, Mr. McGhee wondered whether it would not be feasible to set up a mixed commission to study the facts about the treatment of tribes and such incidents as occurred. General Scoones doubted this would be effective. He felt the tribes would not accept such interference.
THE UNITED STATES AND INDIA

Consideration of arrangements for later full US–UK review of respective policies towards South Asia.

Mr. McGhee said there would probably be considerably more to consider in this connection later in the week when there was a discussion on the economic situation in South Asia 14 and on plans for economic and technical aid. As for future US–UK meetings of the present sort, he said he hoped to hold a meeting of US Chiefs of Mission in South Asia in February of year and that this might provide an opportunity to pass through London for a continuation of the present exchange of views. Mr. Scott said continued understanding was of the greatest importance. He warned that the situation in the subcontinent might deteriorate to the point where we were faced not simply with preventing an outburst but of containing it.

3.9

SECRET
Participants
Foreign Office
Mr. M.R. Weight, Assistant Under-Secretary of State.
Mr. G.W. Furlonge, Head, Eastern Department.
Mr. T.E. Evans, Head, Middle East Secretariat.
Mr. L.A.C. Fry, South-East Asia Department.
Mr. L. Barnett, Eastern Department.
Department of State
Hong. George C. McGhee (Items 12 and 19)
Mr. Samuel K.C. Kopper (All Items)
Mr. W. Sands (All Items)
American Embassy, London
Mr. Joseph Palmer 2nd (Items 12 and 19)

Kurds (Item 1 under Near East)

We said that while we were not alarmed, there seemed to be signs of increasing unrest among the Kurds in all the countries in which they are located and that the situation was perhaps potentially dangerous. We felt therefore it should be watched and that it might be desirable for the US and UK to exchange information in order to keep fully abreast of the situation.

The UK representatives indicated that they were not particularly disturbed by the Kurdish problem. They pointed out that the Kurds were always unstable and divided, and that, while the UK was aware that there was some unrest at the present time, it did not take the matter too seriously. The British representatives said, however, that they were always glad to exchange views and information with us and they agreed that the situation should be watched.
We informed the British that we were in the process of setting up additional consulates throughout the Near East and hoped that through these we could establish closer contacts with the Kurds and other tribesmen. It was agreed by both delegations that all approaches to the Kurds should be through the established governments of the countries concerned and that care should be taken not to build up the Kurds too much, as such action would lead to unrest. It was further agreed that the exchange of views and information between ourselves should be thorough normal channels, and that there is no need at this time to have special conversations on this subject.

Means of encouraging development of progressive government in near east (Item 19)

Mr. McGhee said that the US has been hoping that the activities of the Palestine Refugee Administration would give the US and the UK a lever to bring about needed reforms in the Near East, especially in the case of land. As the situation is now, the governments in the area have no desire to make political, economic and social improvements and there is insufficient pressure by the inhabitants, who have neither the political consciousness nor the ability to force more progressive measures. While the US has no ambitions in the area and while it is difficult for it to intervene in such matter, nevertheless the US.

The question was raised as to whether U.S. and U.K. military representatives in Greece should, like those in Turkey and Iran, be instructed to make a fact finding review of the strategic position there. It was decided that Greek problems should be more carefully thought through in Washington and London before our missions on the spot were asked to make a re-examination. After the fact finding on Turkey and Iran has been completed it would be easier to judge how Greece fits in.

The meeting adjourned with expressions on the part of both the U.S. and U.K. representatives of the usefulness of the conversations.

3.10

Memorandum by Mr. Charles W. Yost of the Policy Planning Staff to the Assistant Secretary of State for Near Eastern, South Asian and African Affairs (McGhee).

TOP SECRET, WASHINGTON, November 14, 1950

I received a phone call this morning from Colonel Ladue, who acted as military secretary of the Joint U.S.–U.K. politico–military conversations which were held in Washington on October 26. He said that he was following up on action being taken pursuant to the agreements reached at that meeting and that he wished to be certain that the Department of State and Defense had a common
understanding as to the action responsibilities assigned to State. He said that it is his understanding that the following three matters were assigned to State for action:

1. Consultation with the British in regard to the desirability of including the U.S. with the U.K. in any arrangements which might be made for base rights in Egypt;
2. Approach with the Greek Government, as occasion arises, to endeavor to dissuade it from agitating the question of Cyprus at this time; and
3. Consultation with the British in regard to the desirability of moving British troops into southern Iran in the event of an internal uprising limited to Azerbaijan alone.

Colonel Ladue said that he also presumed that we were continuing to press the British to conclude a favorable AIOC agreement with Iran, though it had not been definitely decided at the October meeting that we should pursue this matter further.

I told Colonel Ladue that the three numbered topics listed above are those on which it had been Mr. Jessup’s and my understanding that the Department of State had action responsibility. I said that it was my belief that action is going forward on these matters but that I could in any case once more advise the appropriate Bureau of Department that the Defense Department is expecting State to take the initiative on these matter.

3.11

TOP SECRET, [WASHINGTON,] December 28, 1950
REGIONAL POLICY STATEMENT: NEAR EAST

Estimate of the situation

Stability and orientation

NSC memorandum ‘Eastern Mediterranean and the Middle East–Basic US Position’ approved November 24, 1947, states, ‘The security of the Eastern Mediterranean and the Middle east is vital to the security of the United States.’

The report to the President by the NSC entitled ‘United States policy Toward Israel and the Arab States’, dated October 17, 1949 (NSC 47/2) states that the political and economic stability of Israel and the Arab States are considered to be of critical importance to the security of the United States.
The Arab States are all oriented towards the West in varying degrees, opposed to communism, and generally successful at present in minimizing or suppressing existing communist activities through restrictive measures. Their governments are conservative and generally stable from the short-term point of view. The Communist Party is non-existent in Yemen and Saudi Arabia; outlawed in Iraq, Egypt, Syria, and Lebanon and apparently unorganised in Jordan. There are influential groups such as the National Democratic Party of Iraq and the group associated with Akram Hawrani in Syria which are leftist but not sympathetic to communism. Throughout the Arab States, at the present time, extreme rightist or ultra nationalist elements may exercise greater influence and from a greater threat to maintenance of pro-Western orientation than the communists; for examples, the presently outlawed Moslem Brotherhood in Egypt; the organization of the same name, active in Syrian political affairs as the Islamic Socialist party; the independence party in Iraq and the Arab Higher Committee and other groups centering around the ex Mufti of Jerusalem. In addition to the influence of rightist and ultra-nationalist groups, the degree of ease with which military groups have seized and manipulated power of Syria threatens stability since it may encourage similar recourse to military coups elsewhere in the Arab States.

The political foundation in all the Arab States is weak, because of various deficiencies in their economic and social structures, the incompetence or apathy of leadership, and the weakness or absence of popular support for the governments in power, although elections in Syria, Jordan, and Egypt during 1949–50 indicate some advance towards more representative government. The continuation of the present internal situation in the Arab States, in which mass poverty and a low level of productivity prevail, will render them increasingly susceptible to exploitation and manipulation by extremist forces of the right of left.

Although the communists are endeavoring to penetrate discontented minorities, laborers, peasants, the poor white collar class and the intelligentsia in the Near East, and to exploit the anti-Western orientation of ultra-nationalist elements, at the present time the Soviet Union does not appear to be exercising direct pressure upon the governments of these states, nor to be taking full advantage of the considerable opportunities which exist for effective communist penetration and subversion. The diminution of direct Soviet pressure or propaganda against the near Eastern States together with the increasingly sharp criticism of the West is undoubtedly a Soviet tactic by weaning the Near East away from the West. The Soviet Union may well believe that, without making a maximum effort, conditions in the Near East are such as to favor the ultimate attainment of its objectives namely, to bring about abandonment of the area's pro–Western orientation and replacement of the governments now in power by governments amenable to Soviet influence.
Israel, although it continues to maintain an official policy of non-identification with the East or West, is favorably disposed toward the United States. Its moderate socialist government, dominated by the Mapai Party, is stable and energetic, and pursues a progressive program. The Communist Party is numerically small and has little influence. The Mapam left-wing pro-Soviet socialists, constituting the chief opposition to the present government, have also suffered some decline in strength and internal solidarity. The rightist groups, such as the General Zionists, in recent municipal elections gained considerable strength. Rightist extremist groups are no longer of major significance on the immediate political scene. However, the necessity on the part of the government of maintaining an internal policy of compromise in order to reconcile the demands of leftist and rightist extremists with the more moderate tendencies of the government party makes it more difficult for the government to adopt a north right Western orientation.

Israel's stability is threatened by the lack of peace settlement with the Arab States. The almost complete dependence of Israel on external assistance, both public and private, for meeting its import and other payment requirements makes it apparent that Israel has little capacity to service loans from its current foreign exchange receipts. Israel requires greatly increased imports for economic development to sustain its immigration program, but the results in increased production will only ameliorate Israel's balance of payments difficulties. The large-scale immigration program which Israel continues to pursue increasingly weakens its economic structure, exceeds the country's absorptive capacity, and aggravates Arab fears of Israeli expansion. Despite relinquishment of her mandates in the Near East, Great Britain continues to exercise considerable influence in some of the Arab States, through close diplomatic relations with these states; the presence of British advisors in key ministries; and the mutual defense treaties with Jordan, Iraq, and Egypt, although the latter two treaties are now being subject to strong criticism, particularly in Egypt. Great Britain also enjoys special political economic relations with the Persian Gulf States, Muscat and Oman through its system of treaties with these states and through its position in Aden Protectorate and Aden Colony. There are also extensive British commercial, petroleum, and investment interest in the Near East.

With termination of the French mandates in Syria and Lebanon, French influence has been limited to a measure of control of the Syrian and Lebanese. With the passing of French authority, Syria, and Lebanon lack the stabilizing influence of a close attachment to any western power. Syria, because it has been weakened by a succession of military coups, constitutes a particularly sensitive danger spot in the Near East, although constitutional government has been reestablished and there is hope that Syria may be entering a more stable period.

The United States enjoys an especially close relationship with Saudi Arabia, and Yemen is seeking closer ties with United States. However, despite the general pro-Western orientation of the Arab States, a factor which affects achievement of our objectives is the tendency of these states to regard United States policies and actions as motivated by Zionist pressures or as efforts to strengthen Israel.
Arab suspicions derive also from a conviction that American interest. In the near East arises only from a desire to contain communist expansion. With the decline of British influence and…………………………………………………………
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However, settlement of the Palestine problem as a whole, including the grave refugee problem, and the full restoration of services and commerce interrupted by the hostilities, will take place only gradually and over a relatively long period of time. There is an additional factor in the form of the serious situation in the Far East—That the Arab States will seek to capitalize on the deteriorating international situation is becoming clear.

It is doubtful whether the people of the United States appreciate the extent of latent and open antipathy towards the United Kingdom and France in the Arab and Asian world. The issue of nationalism and communism become muddled when the Arab and Asian leaders believe the European 19th century imperialism is involved in Indo China. They have great difficulty in believing that Nationalist aspirations can be realized when there is any remnant of European domination remaining.

Factors in the United States affecting American objectives and policies

Certain factors in the United States influence the implementation of our objectives in the Near East. The first is Zionist pressure and domestic political considerations. Second, articulate public opinion is generally sympathetic towards Israel on most Arab–Israeli matters in dispute, both because of (1) Nazi persecution of the Jews; (2) Israel’s successful stand against the Arabs; and (3) The Israel side on Near Eastern matters is given more publicity. On the other hand, public opinion, ill-informed on the Arabs in general, is normally apathetic towards them, or critical of what it, regards as a backward, feudal, undemocratic people who pursue an anti-Jewish or aggressive course with respect to Israel. A third factor, of more restricted effectiveness, is the long history of American cultural, religions and charitable interests in the Arabs. A new element, the outcome of which cannot as yet be predicted, is the fact the groups in the Protestant churches in the United States are studying the Near East this winter.

Area objectives in terms of United States national interests

The United States national interest requires with respect to the Near East:

a. Maintenance and strengthening of the orientation of the Arab States and Israel towards the Western democracies; development of an attitude of confidence and respect on the part of the peoples of the Near East, Arabs
and Jews alike, towards the United States which would facilitate the
maintenance and extension, where necessary, of existing United States
and British strategic rights and facilities in the Near East; and prevention
of Soviet domination of the area.

b. Strengthen, where possible, the ability of the Near Eastern states to
maintain internal security and protect themselves against aggression from
whatever source it may come;

c. Encouragement of economic development programs in the area, including
the increase in production of Near Eastern oil resources, as a means to
raise the standard of living and increase the stability and pro-Western
orientation of the area.

d. Continuation in power of moderate governments having an increasing
measure of popular confidence and support.

e. Prevention of Arab–Israeli hostilities, in accordance with the provisions
of the UN Charter and the tripartite declaration on Near Eastern arms
and security of May 25, 1950;

f. Reconciliation of Arab–Israeli difference at least to the extent necessary
to facilitate the preparation for and carrying out of military operations
in the near East by the Western democracies in the event that the USSR
precipitates general war.

g. Maintenance of our present economic, cultural and commercial interests in
the area, and continued access by the United States, along with the other
Western democracies, to the resources and markets of the regions, including
the preservation of nondiscriminatory treatment for United States nations;
and the creation of conditions which would lead the near Eastern govern-
ments to cooperate with the Western democracies, if circumstances
required, in denying the region’s resources to the Soviet bloc.

United States Policies

In light of the foregoing objectives, United States policy towards the Near East
should be:

a. To maintain an attitude of impartiality as between the Arab States and
Israel, including where appropriate the equitable extension of assistance
and support, rather than the withholding thereof;

b. To provide advice, guidance, and material assistance to contribute to the
development of area stability along economic, social, and political lines,
contingent, upon the willingness of these countries to apply the maximum
of self-help, and to encourage wherever appropriate the liberalization of
laws and of political and social institutions.

c. Within the limitations of our worldwide responsibilities and in cooperation
with Western powers of undertake to strengthen the Near Eastern states
militarily and to take whatsoever steps are now possible to make the maximum use of the manpower of the area in the event of general hostilities;

d. To encourage regional cooperation along constructive political, economic, social, and cultural lines, including restoration of services disrupted by the recent hostilities, such as commercial intercourse, the flow of petroleum products, and operation of and access to internal and international surfaces and air transport facilities;

e. To carefully appraise the desirability of entering into or giving impetus to the formation of any regional association with any of the Near Eastern states, to subject that policy to continuing review, taking into account American capabilities to defend our vital interest, the extent of our commitments elsewhere, and the defensive strengths of our allies;

f. To pursue a course of close United States, United Kingdom cooperation wherever possible to achieve our basic objective, with particular reference to the planning and conduct of assistance programs and the maintenance or extension of strategic facilities, and to refrain from action which might the to undermine the position of the United Kingdom in the Near East;

g. To pursue a course of close cooperation with France, wherever it still retains a measure of influence, to attain our basic objectives, bearing in mind that the principal value of French influence in the Near East lies in the cultural and educational field;

h. To take into account, in so far as it is possible, the national aspirations of the peoples of the area and to make known our views to the Western powers as occasion may require;

i. To encourage Turkey, Pakistan, and possibly other Moslem non Arab states, through the bonds which they enjoy with the Near Eastern states, to exert a constructive influence upon the latter, with particular reference to the reconciliation of Arab-Israeli differences, the strengthening of the area's non-communist orientation, and the attainment of constructive area cooperation, while refraining from encouraging any tendencies such as pan-Islamism which might adversely affect the relations of Turkey or Pakistan with the non-Moslem countries;

j. To stimulate greater understanding in the Near East of the aggressive intentions of international communism and the constructive aims of the United States and the other Western democracies;

k. To utilize the United Nations and/or the medium of direct negotiations between the parties concerned as the primary means of effecting a Palestine settlement wherever possible, to limit to a minimum direct United States participation in achieving such a settlement; and to support actively the settlement of the problem of the Arab refugees through peaceful reintegration into the life of the Near East.

l. To discourage where possible continued immigration into Israel.
…19. The capability of the United States to shape events in South Asia is severely limited. The United States cannot in the foreseeable future expect to bring the four neutralist South Asian countries into regional defense alliances. It cannot rely upon full support from the area for U.S. policies when these touch upon the colonial problems of its free world allies. It cannot fully satisfy the needs of the South Asian countries for external economic assistance. Nevertheless, much can be done to prevent South Asia from becoming pro-Communist. Progress can be made in increasing South Asian resistance to Communist ambitions and in fostering its recognition of its communist of interest with the free world…

23. Participation by the South Asian countries in regional organizations, such as the Colombo Plan and the Economic Commission for Asia and the Far East (ECAFE), particularly in the economic and technical spheres, and the membership of India, Pakistan and Ceylon in the Commonwealth, strengthen the ties between South Asia and the rest of the free world. It is in the best interests of the United States to encourage closer economic cooperation among the South Asian countries, and between them and the other free world countries. Assistance should therefore be extended when feasible to foster regional projects of economic importance to the area and to other free world countries in Asia…
...West in order to gain what protection they can against a successful Israel and in order to be in touch with the resources of the West. The decline of the Arab League (Footnoted: The 10th session of the Arab League Council adjourned after three dreary and routine meetings. In addition to an embarrassing lack of financial support, there is evidence that Arab rivalries have come into full play again.) as an important political force simplifies these individual approaches by permitting more realistic decisions. On the other hand, however, the local power superiority and the presumed ambitions of Israel prevent a final stabilization of the Near East. The maximum that can be hoped for is a prolonged stalemate accompanied by minor disturbances. The USSR has not developed any other means of exploiting the situation as effective as the general one of supporting every cause that will serve to perpetuate the over-all instability of the region. Soviet intrigues with the Kurdish minority in the area are not likely to be significant. The possible channel of the left-wing party in Israel is checked by the superior political authority of the Government and by Israel's admitted dependence upon the US.
9. India, Pakistan, Afghanistan: Moving still further East to the Indian subcontinent, changes in the relative positions of the West and the USSR become increasingly difficult to calculate.

Measured in terms of its past system of imperial and colonial controls the position of the West is weaker. But measured by current fact, the decline of Western authority has not automatically improved the Soviet position. Political reality now requires both the West and the USSR to bid competitively for influence over new national-units to which pressures can be applied only at the risk of building up resistance. The West, working chiefly through the UK, has played its hand with unexpected success in spite of holding some bad historical cards. It has gone further in maintaining its influence than has the USSR in developing its opportunities.

However, the very existence of new states in this region has released contradictory forces and created a degree of instability that increases US–UK security problems. Relations between India and Pakistan are being adjusted with difficulty. And currently, relations between Pakistan and Afghanistan are deteriorating alarmingly. (Footnoted: The possibility of open hostilities between these states should be tentatively considered: and the value of an exhausting tribal turmoil on one of the routes from the USSR to India should be kept in mind in connection with Soviet aspirations in Asia.) The heightened nationalism of India is developing a concept of India as the natural power center of Southeast Asia. A new factor is thus introduced not only into Western relations with India but into the policies and methods which the Western Power are trying to apply in Southeast Asia.

10. The Far East: In the Far East, generally, the relative power positions of the US and the USSR have definitely changed in the USSR's favor. It can be concluded that, in Europe, Soviet action against US security has been severely restricted, it must be admitted that the Far East, in contrast, has become a wide-open field for maneuver. Soviet policy and Communist ideology have been translated into programs of action that have wide popular appeal. Proof of this can be found in the success with which a small handful of Chinese Communist leaders have converted doctrine into a definitive mill... (cut off)
UNITED STATES AND THE SOVIET UNION

non–Soviet areas east of Iran, including the major offshore island groups (Japan, the Ryukyus, Taiwan, the Philippines, the East Indies and Ceylon) expecting Australia, New Zealand and the Pacific Island areas.

ASSUMPTIONS: (1) A continuation of present US policies in Asia.
(2) An indefinite continuation of the US–USSR ‘cold war’ with, however, the ever-present contingency of an outbreak of hostilities.

Note (found at the bottom of the first page) This memorandum has not been coordinated with the intelligence organizations of the Department of State, Army, Navy, and the Air Force.

1. Asia’s strategic implications.
Trends and developments in Asia are pertinent to this paper only as they are assessed in the light of US security interests and as they would effect the relative power positions of the US and the USSR in the event of war, not only in Asia but in other critical areas of the world as well. Trends and developments in Asia will be an index of the degree to which the USSR is capable of obtaining its objectives in that area as well as the degree to which US countermeasures are effective.

U.S. and Soviet strategic interests in the area here surveyed are discussed in detail in the CIA estimate ORE 17–49, extracts from Summary of which are set forth below:

“The USSR, in its drive for world domination, can be expected to continue its present attempts at expansion and consolidation in Russian by all means-short of direct involvement of Soviet armed forces, in an attempt to attain eventual decisive military superiority over the US in intercontinental warfare. Continued Soviet aggrandizement might precipitate open hostilities with the US before the USSR has achieved this decisive superiority…. There is grave danger that the USSR, with its vast territory and preponderant military manpower for employment in Eurasia, might well survive and successfully absorb an initial major US offensive against European USSR and thus achieve at least an intermediate stalemate. Under such conditions, and if the Soviet Union had established effective control over the Far East by occupation of key areas either in peacetime or in the war’s early phases, the USSR would be in a position to exploit a self-sufficient Far Eastern war-making complex in addition to its own European industrial and military establishment. This combination could provide the USSR with the capability for decisive action in global war against the US.

“Japan, because of its industrial potential, its large resources of travel military and industrial manpower and its strategic location, is the key to the development of a self-sufficient war making complex in the Far East. This fact was aptly demonstrated in World War II. Control of Japan’s industrial machine would be more valuable to the USSR than to the US, however, not only because the USSR has more immediate need for the products of Japan’s industry but also because the USSR will be in effective control of the area (chiefly northern China,
Manchuria and Korea) whose natural resources Japanese industry can utilize more efficiently. For this reason, long-range US security interests dictate the denial of Japan’s capacity both economic and military, to USSR exploitation.

“The present aggressive Soviet attitude in the Far East indicates that the USSR already appreciates that realization of the long term decisive potential of the region will be enhanced by early elimination of the US from the region, especially if accomplished without resort to war. Maintenance of the present US position in the Far East denies Soviet hegemony over key areas of the region, particularly Japan. Loss of that position, for any reason, will greatly facilitate Soviet exploitation of a potentially decisive war factor and will correspondingly reduce the means for subsequent US counter-action. US ability to derive full strategic advantage from the region and to deny its ultimate exploitation by the USSR largely depends on measures to be taken in the period extending from the present. Expansion of Soviet influence in the Far East greatly beyond present limits at the expense of the US Far Eastern position in the pre-war period, politically, economically and militarily, would tend to render the remaining US position militarily untenable from the outset of hostilities. Once having lost its present minimum position in the region, the US might well lack the resources needed simultaneously to maintain a major war effort against the Soviet European war-making centers and to deny Soviet realization of the war potential of the Far East.

US strategic interests in the Far East, therefore, are immediate and continuing, even if limited to denying consolidated Soviet control of the region. Key to this denial is integrated US control of the offshore island chain extending from the Philippines to Japan.

Thus, the offshore island chain, extending from the Philippines through Japan, is shown to be a key area in US security interests. Southeast Asia and India have a direct bearing on US security interests, as well. Southeast Asia is a source of strategic materials needed by both the West and the USSR and upon which Western colonial powers depend, to varying degrees, for hard currency earnings. Southeast Asia is also the seat of colonial–nationalist conflict, plagued by internecine strife and is, with few exceptions, in the throes of chronic economic distress—all factors which make that area highly vulnerable to Communist penetration.

With Indian participation, the British Commonwealth continues to dominate the Indian Ocean and India is in a position to contribute valuable support for US interests in Asia. India itself is capable of development as an industrial area of interregional significance. More importantly, India, as a major Asiatic power and as the prime example of transition from colonial status to full sovereignty without sacrifice of mutually advantageous relations with the West, is alone in a position to compete with Chinese Communism for hegemony in Southeast Asia. India requires, however, assurance of the eventual liquidation of Western colonialism in the area.
China poses a different problem. Communist control of China can now be taken as a certainty. Communist domination of China is significant primarily because it enhances USSR capabilities for obtaining Soviet strategic objectives in the Far East and, concomitantly, trends to insure the pro-Soviet political orientation of nearly half the population of that region with the consequent danger of eventual Soviet control over the remainder. Soviet ability to capitalize on the situation in China will depend on the degree of consolidation and control that the Chinese Communists can exert over all elements of Chinese society, and the control that the Kremlin can exert over Chinese Communist leaders. It must be assumed that the grasp of the USSR upon China and of the Chinese Communists on the Chinese people will, for the foreseeable future, grow more firm.

These developments, therefore, assure the USSR control over a large part of the potential self-sufficient war-making complex of Eastern Asia (North China, Manchuria and North Korea) by methods short of war and at the same time measurably increase the vulnerability of the remaining components (Japan and Southeast Asia) to Soviet capture. Finally, should war become imminent, Communist China would provide bases for Soviet forces which could threaten the offshore island chain, which is the minimum US security position in the Far East.

US aid to and continued survival of the Republic of Korea probably has been a psychological factor in deterring opportunistic adherence to Communism in other Asian countries, since Communist domination of southern Korea would have convinced many people that even US assistance is not capable of halting the growth of Communist power in Asia and the will to resist further Communist encroachments would have been considerably reduced in Japan, the Philippines and Southeast Asia. This not gain to US security interests in the Far East more than offsets the fact that, in case of Soviet attack, the life expectancy of South Korea would be, at best, only a few days.

2. Significance of future developments in Asia.

a. In the foreseeable future, the situation in Asia will provide the USSR with important opportunities for expansion of its control at the expense of the US political, economic, and strategic position in that area. Factors which do or will adversely affect the ability of the US to combat the unfavorable trends are:

i. Domination of China by the Chinese Communist Party.
iii. The dilemma presented by a US desire to encourage the nationalistic ambitions of colonial peoples of Asia presently being exploited by Asia’s Communists, and at the same time to provide economic support to the colonial powers as a measure of deriving their assistance in mutual defense against the spread of Soviet control in Europe.
iv. The manifold factors preventing the early conclusion of a satisfactory peace treaty with Japan and the diminishing returns from a prolonged military occupation.

v. Japan’s economic need for access to Communist controlled areas of Asia.

vi. Continued unrest in non-Communist areas of Asia, with special reference to the consequent vulnerability of the Republic of Korea and Taiwan.

b. The US objective of containing Communism in Asia, however, will be facilitated by the following factors:

i. US control of or predominant position in Japan, the Ryukyus and the Philippines.

ii. Natural Asiatic fears of Chinese expansionism.

iii. The possible solution of the Indonesian question.

iv. Continued British control of Malaya, a barrier to expansion of Communism through the Indies, as well as a source of strategic materials to the US and dollar earnings to the UK.

v. Dependence of Indochina, Thailand and Burma upon Western assistance.

vi. The position of India as a relatively stable, independent country with pro-Western inclinations.

vii. China’s expected inability to achieve the goal of economic development except by assistance from the West.

viii. Elements of conflict between CCP and Soviet interests in Asia.

c. Added to the factors of US advantage in opposing the spread of Communism in Asia which will tend to operate with or without US stimulation, there is available also a basis for unifying the non-Communist areas in concerted resistance to Communism, which basis, however, requires strong stimulation to be effective. It contains three fundamentals: a strong sense of nationalism, a general fear of Communism, and the economic interdependence of the non-Communist areas. The fact that these fundamental factors have been exploited or submerged by Communist propaganda in achieving Communist ends in no way minimizes Communist susceptibility to their exploitation in a program of resistance to Communism. It is reiterated, however, that the elements of unified resistance will not emerge spontaneously.

d. The requisites for effective exploitation of the available but latent resistance to Communism are the establishment of economic security throughout non-Communist Asia, which in turn will bring political stability and an increased incentive to resist Communism, and the availability of counter-force for employment in exceptional cases of need.
e. The present adverse trends in Asia are not susceptible to reversal by material assistance alone. The ineffectiveness of such emphasis has been amply demonstrated in China, while the effectiveness of a well-conceived political approach, expertly executed, is being shown in Indonesia. Financial and material assistance, where essential as an adjunct to other measures, will be most successful it is believed if extended as a stimulant to the recipients’ latent capacity for self-help rather than as a more monetary inducement not to accommodate with Communism.

i. Current trends and probably developments. Since 1945, developments in Asia have generally favored the USSR. Unless the US can devise and implement effective counter-measures, these developments probably will continue to do so increasingly in the foreseeable future. A discussion of future developments is to be found in the enclosure which follows……………………………
……………………………………………………………………
……………………………………………………………………

v. India, Pakistan, Afghanistan and Ceylon—the West Asia group.

A. The Subcontinent

Increasing political stability in India, Pakistan and Afghanistan over the next several years is indicated. Continuation of the favorable trend is, however, contingent upon two factors; (1) improvement rather than deterioration in the economic situation and (2) a peaceful and satisfactory solution of the Kashmir dispute. Failing a satisfactory solution in Kashmir, relations between India and Pakistan on the one hand and between Pakistan and Afghanistan on the other can be expected to remain at the present level of distrust and bitterness or at worst to degenerate into full-scale hostilities. This would result in the disappearance of Pakistan as a political entity, the emergence of a strife-torn and communally-inflamed India and the appearance of an expanded Afghanistan, so beset by tribal restiveness and internal turmoil as to invite Soviet occupation.

The relationship of Afghanistan–Pakistan dispute to the Kashmir problem lies in Afghanistan’s desire to assure that, in the event of war between India and Pakistan, Pakistan territory west of the Indus River would revert to Afghan control.

The financial demands upon India and Pakistan occasioned by the present state of affairs in Kashmir constitute a serious drain upon their economy. Equally unfortunate, preoccupation with problems arising from the Kashmir dispute, or from the subsidiary Afghanistan–Pakistan dispute, prevents proper attention by the leaders in each of the countries to problems which must be solved if unrest is not to increase. Given peace, and a lessening of mutual suspicions, it is believed that a gradually improving economic condition within each of the three countries can expected.
Internal exposition to the Government of Afghanistan is sporadic and no Communist or subversively-minded group of any significant proportions is believed to exist. Government projects have been undertaken which should result in a partial alleviation of Afghanistan’s primary problem—food production.

The Government of Pakistan, despite the recent emergence of internal hostile forces, is believed to be firmly entrenched and not likely of displacement within the next five years. A surplus of agricultural products other than foodstuffs and near sufficiency in food production permits maintenance of the present basic economic level, with gradual improvement in the over-all economy through a continuing excess of exports over imports of prime necessity. With the government’s alleged ability to dole out lands to its large refugee population over a period of several years and with the absence of any subversive group of significant size, at least in West Pakistan, serious unrest should be prevented.

India presents a more complex picture. Its economy is under considerable stress at present. Discontent among laboring classes and peasantry in many parts of the country is evident and both Communist and non-Communist dissidents currently constitute some threat to the stability of the present government. The governments strenuous……to increase food production with existing faculties, and to improve utilization of food produced, should result in a considerable decrease in the quantity of essential food imports. In the fields of both industrialization and land reclamation, adverse balances of trade need be improved by India if contemplated projects are undertaken in haste……such issues is highly desirable from the viewpoint of improving India’s well-being, it is believed that with the determined and sometimes ruthlessly forceful group not in control of the country, the basic psychological needs of the Indian people can be met sufficiently to assure that group’s continuation in power for the next six or seven years. During that time a slow but apparent economic improvement may result from the more gradual development of India’s potential, through increased purchases of capital goods from soft currency areas and the rational and efficient utilization of India’s internal capital for improvements within the country.

The threat to India’s stability from Communist agitation and the spread of pro-Communist thought will remain real whatever policy of development and improvement the Government of India may follow, although that threat is decreased by the speed with which economic improvement is attained. The apparent willingness of the Government of India to take all measures necessary to suppress what it considers subversion should allow an increase in that length of time.

B. Ceylon.

The maintenance of Ceylon’s present economic and political stability appears to be dependent upon its ability to withstand the peacetime deterioration of its rubber industry, large part of which cannot now operate profitably. The declining income from rubber exports is not so serious as is the discontent which may
develop from the failure of many of Ceylon's small indigenous rubber growers. The present conservative and pro-western government is fairly firmly established and it is believed capable of weathering the increased opposition which can be expected to develop as a result of the rubber situation. Nevertheless the possibility of a change of government, with control shifted to the more radical and irresponsible elements in the legislature, exists.

Evidence that the government is taking effective steps to lessen the Island's dependence on imported food stuffs and the continuing and profitable demand abroad from Ceylon's products other than rubber indicate than no serious deterioration of Ceylon's over-all economic position need be anticipated. As the standard of living in Ceylon is considerably higher on the average than that prevailing in India and Pakistan, the insistence upon economic improvement there is not so pressing.

4.3


CONFIDENTIAL WASHINGTON, MARCH 6, 1950

INVENTORY OF PROBLEMS, PROGRAMS AND QUESTIONS IN THE NEA AREA AFFECTING NATIONAL SECURITY.

A. CONDITIONS FAVORABLY AFFECTING OUR NATIONAL SECURITY

1. The basically favorable attitude and dispositions of most of the governments and peoples of NEA area toward the United States as evidenced:
   (a) By the friendly reception accorded American nationals and diplomatic representatives,
   (b) By numerous and repeated requests of many of these governments for a closer and more binding relationship with the U.S. either in the form of a regional pact or bilateral arrangements with U.S. alone.
   (c) By the granting of military air rights to us in such countries as Greece, Turkey, French, Morocco, India and Pakistan and air base rights in Saudi Arabia and Libya, and
   (d) By the overwhelming majority of the NEA countries voting with us in the UN General Assembly on almost all issues, including the resolution on the Essentials of Peace, on the continuation of UNSCOB and on the disposition of the Italian Colonies.

2. The natural economic pattern of the flow of the international trade, communications, shipping, investments being such as to suggest a continuing trend of strengthening ties, between the countries of the area and the
U.S., the Commonwealth and other friends. One of many examples is the oil concession extended by Saudi Arabia to American interests and the repeatedly expressed desire of that country to have its resources developed only by American capital.

3. The orientation of Greece, Turkey and Iran toward the western democracies, preventing the extension of Soviet control to the Near East, barring Soviet access to the Mediterranean and largely protecting India and Pakistan from direct Soviet penetration.

4. The potential value of the NEA area, particularly those countries on the periphery of the Soviet Union as possible bases or routes for counterattacks against the Soviet Union in the event of hostilities.

5. Coordination of our common strategic interests in the area with the British deriving there from the benefits of their long established cultural, economic, strategic and political ties with the several countries in the NEA area.

6. The inclusion in the Commonwealth of India, Pakistan and Ceylon and the recently demonstrated willingness of the Commonwealth to accept responsibilities in the South Asian area.

7. The existence in the United Nations of machinery for reaching peaceful settlements for numerous conflicts arising in the area such as:

   (a) Influencing the Soviets to withdraw their forces from Azerbaijan in Iran.
   (b) The establishment of a truce and conclusion of armistice agreements between Israel and the individual Arab states; and
   (c) The negotiation of a cease fire agreement between India and Pakistan over Kashmir.

8. The Soviets inept handling of its relations with certain of the NEA countries, particularly at governmental, diplomatic level.

B. PROBLEMS AND CONDITIONS UNFAVORABLY AFFECTING OUR NATIONAL SECURITY.

1. The basic problem posed by the upsurge of nationalism among the peoples of the area and the withdrawal of the former metropolitan powers from direct control of their former dependencies, resulting in the creation of numerous political and military power vacuums. Many of the independent states of the area are weak and, consequently, attract Soviet attentions in the form of attempted subversions, and rarely, direct intrusions.

2. The suspicion in many NEA countries, particularly marked in India and Burma, of our objectives in the cold war of our insistence on private investment as the principal base of economic development. As capitalism is closely associated with imperialism in the minds of many of the peoples of the area, they are apprehensive that territorial
imperialism on the part of the European powers is apt to be replaced by economic imperialism on the part of the United States.

3. A failure on the part of most of the countries in the area to think and act in terms of their own responsibilities, combined with an inclination on their part to look unduly to external sources for solutions to many of their own problems. When unreasonable demands are made for American assistance, difficulties are created in our mutual relations by our refusal or inability to extend aid sought.

4. A resentment against our apparent discrimination in providing Western Europe with vast amounts of economic and military aid as contrasted with the relative trickle flowing to the NEA area, particularly the Arab states, Iran and the South Asian countries.

5. The conviction of the Arab states that our support of Israel is inimical to their interests.

6. The poverty, lack of industrial and agricultural development and social backwardness in the area, resulting in varying degrees of internal weakness in all the NEA countries and making them susceptible to communist penetration.

7. The existence of numerous situations within the area which might lead to the outbreak of hostilities, such as the possibility of renewal of communist supported warfare in Greece, the continuing pressure and threats of the Soviet Union against Turkey and Iran, the dispute between Israel and Arab states over Palestine, the conflict between India and Pakistan over Kashmir and other problems, the dispute between Afghanistan and Pakistan over the border tribal area, and the internal strife in Burma complicated by the possibility of Chinese communist encroachment.

8. The conflict between our normal political, social and economic policies and those of the metropolitan powers in Africa, both for furthering the aspiration of the African peoples towards economic betterment and the encouragement of democratic institutions directed ultimately towards self-government.

9. A lack of appreciation and knowledge of the factual situation in the NEA countries on the part of the American public complicating the problem of winning public support for constructive programs in the area.

10. The lack of a basis for constructive regional associations in the NEA area. In the case of South Asia, India would be the natural leader for such grouping but its dispute with Pakistan over Kashmir, distrust by Ceylon, and the difference between Afghanistan and Pakistan over the tribal border area render difficult for the time being any such association.
11. The difficulty of improving basic economic and social conditions in many countries of the NEA are where the government and ruling classes are corrupt and inefficient and reluctant to attempt reforms which would affect their own selfish interests.

12. The repugnance with which most of the peoples and governments in the NEA area regard racial discrimination as practiced within the United States.

C. PROGRAMS IN EFFECT OR PLANNED TO IMPROVE THE ABOVE CONDITIONS

1. Political support through normal diplomatic channels and the United Nations to assist the NEA countries in realizing their legitimate objectives.

2. In virtually all of the NEA countries first emphasis being laid on assistance in economic and social development. In Greece and Turkey, ECA is the principal instrument in this field. In Iran, reliance is placed on Iran's own resources and those of International Bank. In Turkey, Israel, Liberia, Ethiopia, Egypt and Afghanistan Exim Bank loans are currently available for developmental projects. In India IBRD loans have been approved for railroad and agricultural projects and a third is being considered for a power project. An irrigation and flood control program for Iraq is being considered by the International Bank.

3. USIE programs in the entire NEA are for the wider dissemination of information so that United States polices and actions may be better understood.

4. Mutual Defense Aid Programs for providing military equipment and training in Greece, Turkey and Iran.

5. Scientific and cultural cooperation programs for the provision and exchange of scientists and technicians in the fields of minerals, research, agriculture, labor, irrigation, harbor development and child and women's welfare. Educational advancement is being provided under the Fulbright programs.

6. Proposed Point Four programs for technological development of backward areas having primary application to the NEA REGION.

7. The proposed continuation and improvement of the Palestine refugee program to reintegrate some 750,000 Arab refugees into the economic life of the area by providing for employment in irrigation and other works projects.

8. Proposed projects under section 303 of the Mutual Defense Assistance Act of 1949 for Burma, India, Pakistan and Afghanistan including military, economic and informational programs.
9. Proposed request for congressional authority to furnish procurement assistance to Saudi Arabia, Burma, Pakistan, India, Afghanistan and Liberia to provide, on a cash basis, legitimate requirements of military equipment.

10. A study in respect of possible United States action regarding a large part of the sterling balances of the NEA countries.

D. IMPORTANT QUESTION WHICH MIGHT BE RAISED OR PREVIOUS ANSWERS CONFIRMED

1. What importance is attached in continuing the U.S. military bases in the areas such as at Dhahran? Tripoli?

2. What importance is attached to the acquisition of additional U.S. military bases or rights in the NEA area?

3. What are the short and long range definitions of United States strategic interests in the GTI area? Africa? Near East? South Asia?

4. Should the United States associate itself in security arrangements bilaterally or multilaterally with Greece, Turkey, Iran, Saudi Arabia or other countries of the NEA area?

5. Should the United States undertake military staff talks either as participant or observer with Greece, Turkey or Iran?

6. What is our present strategic interest in acquiring stockpiles of strategic materials from the individual NEA countries where such materials are available?

7. What Congressional and public reaction could be expected if Burma were to be lost to the communist bloc?

8. In the event of demonstrated need, should the United States extend economic grant aid to Iran, India, Pakistan, Burma, or other countries of the NEA area in addition to assistance presently contemplated?

9. In the event general authority is not obtained to broaden section 408 (e) of the Mutual Defense Assistance Act of 1949 so that reimbursable aid might be extended to any country whose increased security is in the national interest, should authority be sought to extend reimbursable aid to Israel and the Arab states in addition to that presently contemplated for Saudi Arabia?

10. As regard the balance of power in Asia, is it in the national interest of the United States that India or Japan or both should be built up to position of ascendancy?

11. As regards many of the countries of the NEA area, what devices are available and how far should we go to penetrate the crust of inertia, incompetence and selfishness at the top in order to bring about……..
Memorandum by the Assistant Secretary of State for Near Eastern, South Asian and African Affairs (McGhee) to the Secretary of State


Subject: Economic Aid to South Asia and the Near East.

I believe it essential that we develop a more positive policy of economic development assistance to the countries in South Asia and the Near East, and am anxious that you be informed of our preliminary thoughts at this early stage.

Most of these states have newly achieved their independence, have non-Communist governments, and face grave internal political and administrative problems; they are weak financially and are underdeveloped. All are exposed to Communist pressures. India, Pakistan and Afghanistan constitute the only countries on the borders of the USSR and its satellites for which there is no program of United States economic assistance. Experience has shown that countries in such close proximity to the USSR orbit need the stiffening and confluence provided by the United States economic assistance. In the Arab countries there is added to their general weakness the internal pressures arising out of the emergence of Israel. Economic aid, which only we can provide, is necessary if we are to assure increased stability of the non-Communist governments of this region and maintenance of and increase in their western orientation.

ECA grant aid has been furnished Greece and Turkey on the west, and is now planned for the Southeast Asian countries starting with Burma on the East. Except for the limited Arab refugee program and small Export Import Bank loans to Saudi Arabia, Afghanistan, Israel and Egypt, no direct United States assistance has, however, been provided for the half billion people in the intervening Near Eastern and South Asian area. Funds provided under Point Four are not adequate to make an impact on the needs of the area. Private capital has not been nor is likely to be available in sufficient quantities.

Loans from the International Bank for Reconstruction and Development and Export Import Bank should be taken into consideration and will be helpful, but it is now evident that they will not be adequate to meet the need they do not meet the basic problem of deficiency in local currencies for development purposes, and of inability to meet interest and amortization charges out of available foreign exchange on the volume of capital needed. It does not appear that the need in question can be met by any solution of the sterling balance problem yet considered.

I believe we should begin now to plan a program to enable the countries of South Asia-India, Pakistan, Ceylon, Afghanistan beginning in FY 1952, to carry out developmental projects which would provide the basis for long-term progress in the economic sphere, particularly in agriculture. NEA has estimated, on the basis of present inadequate information, that at the outset the maximum amount required would be about $200,000,000 annually. Provision should be made,
where absolutely necessary, for local currency requirements. Such assistance should be supplemental to that from the country’s own and, where applicable, Commonwealth sources, and should not be, designed to meet balance of payments deficits. Execution of this program should be closely related to that of the proposed program for aid to Southeast Asia by use of Japanese yen counterpart. Consideration should be given to the advisability of having these programs administered by ECA or a parallel organization through country missions.

I hope that early reduction in the yearly amount will be possible as projects are completed and other economic and political factors improve. Concurrently with our planning, we will, of course, continue efforts to improve political conditions in South Asia.

With respect to the Arab states and Israel, a Palestine Rehabilitation Program is presently under way and a Point Four program is now in process of formulation. After some experience with these programs we will be in better position to make additional recommendations for this area.

I hope that Point Four operations can be conducted with our political ends in mind. Point Four survey missions to the sub-continent, working closely with the Embassies, could lay a sound foundation for a Technical Assistance program. They also would be studying and assessing this proposed program.

It is believed that the best strategy in the development of an economic assistance program for South Asia and the Near East is to lay a foundation through properly timed public statement by Department officials. Since there is already a South East ECA program which was largely the result of Congressional initiative, this new program might be considered as an extension of a request for a continuation of Southeast Asia aid. An increase in the funds re-quested for South Asia and the Near East would be required. By this extension, provision would have been made for possible programs of assistance to all areas peripheral to Russia. Indeed, if one excludes the Western Hemisphere and Africa as being relatively stable regions, all world areas of instability or potential instability would have been covered, if and when they need help of an economic character.

A program of long-range development aid to Southern Asia is a major step in the formulation of our post–ERP foreign economic policy. It is desirable that this step be taken in a way that will make a maximum contribution to our objectives in other areas as well as in Southern Asia. For example, it would be desirable that the development programs to be financed in Southern Asia be of a type which, both during their execution and upon their completion, would, insofar as consistent with our objectives in Southern Asia, reduce the need for U.S. aid to Western Europe. These considerations are, I understand, receiving considerable emphasis in the study that Mr. Gordon Gray is making, as part of his current assignment, of the possible need for a major program of U.S. aid to under-developed Asiatic areas. It would be desirable that such programs as the Department may now begin to plan for these areas be consistent, insofar as
possible, with the recommendations that Mr. Gray will make on this subject to the President and to the Public Advisory Committee to be appointed by the President.

Recommendations:

1. That the above tentative program be accepted as a basis for planning, and that NEA, E, and S/P, and R establish a working group under NEA chairmanship to study economic assistance that might be provided South Asia and the Near East in FY 1952 and immediately succeeding years.
2. That steps be taken through the Diplomatic Missions in India, Ceylon and Pakistan for the purpose of obtaining either prompt establishment of Joint Commissioner contemplated under the Point Four Act to plan the use of Point Four funds, or for a preliminary Point Four survey by a strong U.S. mission. Incidental to this function, the American Members of the Joint Commission of the Point Four mission would consider, with the Embassy staffs, which might be expanded for this purpose, the justification and nature of needs which may later be embraced by the prospective assistance program. Afghanistan, now being studied by a UN economic mission, would probably not be included in this proposal.
3. That please consider the timing of statements by the Secretary and other officers of the Department laying the foundation of the South Asia program in the public mind, and with Congress.

Memorandum by the Director of the Policy Planning Staff (Nitze) to the Secretary of State

SECRET [WASHINGTON] June 13, 1950
Subject: Comments on Mr. McGhee’s Memorandum of June 7, 1950 on Economic Aid to South Asia; and the Near East.
S/P generally supports the point of view put forward in Mr. McGhee’s memorandum. It believes, however, that:

(1) A program should be developed for the Near East, South Asia, and Southeast Asia as a whole. The problems are similar enough, both in fact and in the public view, that it would be a mistake to make the Program conform to the geographical division of responsibilities within State.
(2) The memorandum under reference does not adequately present the need for this program, i.e., the need is stronger than the memorandum indicates.
(3) The development of the program should be more closely tied in with the work of Gordon Gray than the memorandum appears to provide.
(4) The problem of laying a foundation in public opinion for the program should be deferred until the character of the program is more definitely established.
(5) The conception of the program, as developed in the memorandum, is not adequate to justify accepting the memorandum as the basis for planning. S/P therefore recommends that:
  (1) A working group be established to study what program of assistance to the Near East, South Asia, and Southeast Asia is needed support the achievement of U.S. objectives in this area. The group should consist of representatives from NEA, FE, E, SIP and R under chairman selected by NEA and FE.
  (2) The working group should immediately develop an outline of the information needed to elaborate the program and take steps to obtain this information, using the Diplomatic Missions and such other sources as may be available.
  (3) The working group should establish a relationship with Mr. Gray, which will ensure that the Department’s work will fit into the work being done by Mr. Gray.
  (4) The working group should develop a program designed to supplement and reinforce the efforts of the countries themselves, either independently or under the Commonwealth program.
  (5) The working group include in its report recommendations on the development of public support for the program, and that for this purpose P should designate an officer to work with the group.

880.00/7-1550: Telegram

4.6

The Secretary of State to the Embassy in Iran
TOP SECRET [WASHINGTON] July 15, 1950—3 p.m.
89. For Ambassador Grady from McGhee. sent Henderson 1, New Delhi, July 14, 1950:
Particularly in view recent events Dept reviewing possible courses action on all fronts to strengthen key areas which may be threatened by or can play important role in present or larger conflict. Specifically are considering possibility extension Far Eastern grant aid programs to include assistance to South Asian and NE countries, by action, which conceivably could be presented to Congress before adjournment.

Purpose this cable inform you present tentative thinking here and to elicit comments and suggestions prior to action of any kind.
I. Purpose of aid will be to strengthen orientation of key areas to Western Democracies and assist them build economic and indirectly military strength. Justification to Congress and US public would be based on necessity encourage populations defend independence and build defensive and offensive forces against Commie threats. Limitations available US resources call for careful consideration of priority areas. As ECA presently operating in Greece, Turkey and Southeast Asia, appears necessary now give immediate attention possibility assistance to India, Pakistan, Afghanistan, Ceylon, Iran; and possibly Arab States. Present tentative thinking in NEA Bureau aid of order $250 million annually should be sought.

II. View nature problem believe aid might take form:
   A. Administered by ECA missions under policy guidance Chiefs Diplomatic Missions, including all US Govt. technicians operating in relevant fields.
   B. Assistance to be limited specific projects connected with betterment basic economies: For example power and reclamation, major transport, and agricultural projects. Projects would be designed, bolster weakest points local economies quickly and achieve maximum impact. To provide local currencies needed, where necessary, program could include essential saleable commodities. Proceeds sale to be earmarked for local costs. Aid cannot be extended on balance payments deficit basis or as underwriting or increasing supply of consumable commodities determining standard of living.
   C. Program would be coordinated with and supplementary to other proposals such as point IV, common wealth aid and bank loans. Understand difficulties assuring other sources fully tapped before drawing on ECA grant aid.
   D. Not intended relate program to sterling balance problem unless later events demonstrate such course wise and acceptable in countries aided.
   E. Minimum stipulations would be active participation by ECA mission to assure resources made available are effectively used for intended purposes, and that other available resources are being used to advantage.

III. In justifying aid to Congress and US public obviously necessary relate to issues of cold war. Indeed important consideration will be indirect effect assistance on building of military potential through contribution to supporting economy and relief government budgets.

IV. Timing of appropriate contacts abroad to assure that aid will be sought if authorized by Cong is problem. If later so instructed, could you safely make top level approaches on which we could determine that aid would
be sought by India [Iran], at same time leaving relations unaffected if we failed secure early affirmative action from Cong.

V. Your views on these or any other aspects awaited with great interest.” We also appreciate receiving your telegraphic views not only in relation Iran but, in light your broad experience, in regard program as a whole. [McGhee.]

ACHESON

4.7

Policy Statement Prepared in the office of South Asian Affairs

Extracts

[WASHINGTON,] October 9, 1950

REGIONAL POLICY STATEMENT; SOUTH ASIA

ESTIMATE OF THE SITUATION

Stability in South Asia

All the South Asian countries have non-Communist governments, and the region enjoys an uneasy stability. The existence of popular political leaders and trained administrators enabled India, Pakistan and Ceylon to establish effective national governments upon their recent attainment of independence. The great majority of the peoples of these three countries and of the older independent nations, Afghanistan and Nepal, acquiesce in the rule of the present governments.

The region faces serious threats to stability inherent in mass illiteracy, communalism, poverty, disease and, in large area of India.

And East Pakistan, hunger. These threats are the more serious in India and Pakistan in view of the widespread popular expectation that economic and social betterment would follow independence. Moreover, the region’s natural resources are incompletely surveyed and underdeveloped, and it is industrially and technologically retarded.

The improvement of these conditions requires large capital expenditures. As the low productivity of the region affords little margin for capital formation given under the most peaceful conditions, and as indigenous savings are traditionally solidified in land or precious metals and jewels, or dissipated in speculative ventures, a significant part of the required capital must be sought from extra-regional sources.

In the short term, the communal tensions and the numerous political and economic disputes between India and Pakistan constitute the greatest danger to the stability of South Asian. Progress towards the settlement of these disputes remains discouragingly slow, and the possibility that the two major powers of the region may resort to war cannot be excluded. Other important dangers are the Afghan–Pakistan dispute over the status of the Pathan tribesmen and India’s serious food shortage. Food grain production in India falls some ten percent short of subsistence requirements, and the sizeable imports required to narrow the gap impose a severe drain on inadequate foreign exchange resources.
Communism does not immediately threaten the governments of South Asia. The USSR is not exerting in this region the direct pressure evident in Iran and Indochina. The Kremlin apparently considers that the economic and social difficulties confronting South Asian are such that it can in time bring the region under its sway through propaganda and subversion directed at labor and the peasantry. It utilizes for these purposes internal Communist elements in all the South Asian countries. However, in Afghanistan and Nepal these elements are a negligible force, due in no small part to the vigilance exercised by the two governments. Ceylon harbors three small communist parties—two Trotskyite, one orthodox—but their doctrinal and other differences prevent effective opposition to the government. In Pakistan the Communists, aided by the Soviet Embassy in Karachi, have acquired considerable influence in press circles, among the intellectuals and in certain labor unions. Although a small but aggressive Communist Party exists in India, the government has taken vigorous and reasonably effective steps to limit its activities and influence.

The prospect for the period 1950 to 1955 is that, barring intraregional warfare or widespread famine in India, the non-Communist elements now governing in South Asia can be expected to retain power. Their position will, however, become increasingly precarious if foreign economic aid is not forthcoming to assist them in containing the region's inherent threats to stability. The alternatives to the present ruling elements appear to be extremists of the revolutionary left or of the chauvinistic right.

International posture of South Asia

Despite the sovereignty of Afghanistan and Nepal, South Asia was for all practical purposes a part of the British Empire until and United Kingdom recognized the independence of India, Pakistan and Ceylon in 1947 and 1948. The region is still closely associated with the British as India, Pakistan and Ceylon remain within the Commonwealth, and the United Kingdom has special treaty relationships with Nepal. The British retain large investments and commercial interests in the region, and the South Asian governments have accepted military, economic and of her assistance from the United Kingdom. Sterling balance releases have enabled India and Pakistan to maintain an inflow of essential imports. These two countries and Ceylon have joined the other Commonwealth members, except the union of South Africa, in the preparation of a Commonwealth program to facilitate economic rehabilitation and development in South and Southeast Asia.

The close ties between the region and the United Kingdom have not however, resulted in the open alignment of South Asian with the Western democracies in opposition to Soviet imperialism. The South Asian countries, particularly India, publicly avow their wish to remain neutral in the cold war and to develop friendly relations with the Soviet bloc as well as the Western democracies. They attempt to avoid giving offense to the USSR and all except Nepal have recognized the
Communist regime in China. The Soviet bloc has vacillated from truculence to flattery in its relations with the South Asian governments.

The South Asian position derives from its preoccupation with internal problems and its determination to prevent foreign interference in its affairs. The region suspects the Western European nations and the United States of attempting to maintain in imperialist position in Asian and of discriminating against non-white peoples. Thus, India, which is discreetly eager to head a South and Southeast Asian regional association, regards the natural bases of such an association as anti-colonialism and neutrality in the cold war.

There is little immediate prospect that a regional association will develop in South and Southeast Asia. Ceylon and Nepal fear India’s size and potential power, and would be reluctant to enter into regional arrangements which might pave the way for Indian domination of the region. Pakistan is unwilling to accept a position subordinate to India and seeks to counter-balance India’s greater strength by developing close relation with its Moslem neighbors to the West.

South Asia’s suspicions of the United States and its predisposition to neutrality notwithstanding, the governments of the region have in practice recognized a closer affinity of interests with the United States than with the Soviet bloc. On crucial issues in the United Nations, the South Asian members—Nepal and Ceylon are not yet members owing to Soviet vetoes—usually find themselves in opposition to the Soviet bloc. In the economic sphere, fears of foreign capital as the supposed instrument of economic imperialism have not prevented the South Asian countries from looking to the United States, sometimes impatiently, for economic aid. They have also sought continuing sources of military material in the United States, thus far with meagre success. It is significant that India, Pakistan and Ceylon accord transit and landing rights to United States military aircraft.

For the period 1950 to 1955, assuming a continuation of the cold war, the international posture of South Asia offers the possibility of bringing about a gradual strengthening of the association between the region and the Western democracies. Should the cold war become hot in that period, the Western democracies would be faced at worst with neutrality in the region as the United States Government has received top secret, informal assurances from high officials of all the South Asian governments that their countries would not be found on the Soviet side in the event of war.

**Domestic limitations on United States policy toward South Asia**

Certain domestic factors limit the nature and effectiveness of United States policies with respect to South Asia. We cannot first all, assume by ourselves the responsibility of maintaining or raising the living standards of the region or defending it against aggression. Our resources, great though they may are not equal to this burden. In the second place, the existence of racial discrimination in the United States will constitute a constant impediment to our winning the full
understanding and confidence of the South Asian peoples. Thirdly, the United States public still has only a limited interest in the region and is only gradually developing some conception of its problems. Such public attitudes as exist are typified by a warm-hearted desire to assist the underprivileged peoples of the region on a humanitarian basis or by impatient demands that south Asia adopt forthwith an aggressive anti-Communist posture. During the period 1950 to 1955 some increased public understanding of South Asian problems may be anticipated.

U.S. general policies in the Near East and South Asia

United States objectives
The United States national interest requires with respect to South Asia:

1. Development of sound enduring friendly relations between the United States and the various countries of the region.
2. Continuance in power of non-Communist governments in the countries of South Asia and their strengthened ability and determination to maintain peace and resist Communist imperialism in Asia.
3. Increased South Asian participation in and responsibility for the solution of problems in Asia.
4. Development of an attitude in South Asia which would assist the United States and its allies to obtain the facilities required in time of peace or in the event of war, and which would prevent the USSR from obtaining military support or assistance from these nations, either directly or through the use of their facilities.
5. Access by the United States and friendly countries to the resources and markets of the region and the creation of conditions which would lead the governments of South Asia to cooperate in denying resources to the Soviet bloc.
6. Voluntary association of the countries of South Asia with the United States and like minded countries in opposition to Communism.

United States policies
United States objective with respect to South Asia can best be pursued by:

1. Pressing for the early settlement of intra-regional disputes;
2. Developing closer consultative relationships with the South Asian governments on world issues, particularly those arising in Asia;
3. Maintaining an impartial position between the several countries of South Asia, particularly India and Pakistan, by positive evidences of friendship to all;
4. Providing technical assistance to the South Asian governments in their efforts to develop the human and material resources of the region;
5. Reaching an early decision to extend financial aid to the South Asian countries for projects which have a popular appeal in the region and promise early and obvious results;
6. Cooperating with the South Asian governments in their efforts to maintain internal stability:
7. Supporting non-Communist, pro-democratic elements in the region:
8. Stimulating a fuller understanding in the region of the aggressive objectives of international Communism and the constructive aims of the United States and the other Western democracies;
9. Conducting a vigorous domestic information program to acquaint the American people with the aspirations and problems of the region;
10. Working closely with the United Kingdom in the attainment of our mutual objectives in South Asia;
11. Coordinating United States, United Nations, United Kingdom and Commonwealth programs for assistance to the region;
12. Encouraging cooperation among the countries of the region for constructive purposes, at the same time avoiding any appearance of inspiring the establishment of an Asian regional organization to include the South Asian countries; and
13. Enlisting increased participation of the South Asian countries in international effort to promote world peace and economic progress.

Lines of United States action

Political

1. Encourage and support UK and Commonwealth initiative to expedite equitable settlements of the Indo–Pakistan disputes over Kashmir and other political issues.
2. Take the initiative in attempts to facilitate a settlement of the Afghan–Pakistan dispute over the status of the Pathan tribes, discouraging as long as possible the submission of this issue to the United Nations Security Council or General Assembly.
3. Should India, Pakistan or Afghanistan continue unresponsive to further efforts to improve Indo–Pakistan and Afghan–Pakistan relations, consider withholding diplomatic support and material assistance as a penalty for intransigence, or offering such support and assistance as an inducement to cooperation.
4. Should the Indo–Pakistan or Afghan–Pakistan disputes lead to serious hostilities in the region, initiate action in the United Nations Security Council calling for an immediate cease-fire and take such unilateral non-military steps in support of the Security Council action as the circumstances indicate. Care should be taken to avoid Security Council action which could be construed as sanctioning unilateral Soviet military intervention. Should any belligerent disregard the cease-fire order, endeavor to mobilize
the full weight of United Nations sanctions and pressures against the offending country.

5. Undertake on an informal basis more intimate consultation with South Asian governments on our foreign policies and contemplated actions in the foreign field, and encourage those governments to consult more frankly with us.

6. As part of the foregoing consultations, at appropriate times explore with the South Asian governments possible solutions, where practicable within the U.N. framework, of such problems as the future of Korea, the future of Formosa, a peace treaty with Japan and arrangements for Japanese security, Chinese representation in the U.N. and the future of Indochina.

7. Include from time to time in speeches and other public pronouncements of the president and of the Secretary and other ranking officers of the Department friendly expressions of support for the present South Asian governments. In view of the anachronistic oligarchies existing in Nepal and Afghanistan, expressions of support should be directed toward governmental efforts to improve the lot and meet the nascent democratic aspirations of the people rather than toward the Afghan and Nepalese governments as such.

8. Maintain where practicable discreet and friendly contact with non-Communist, pro-democratic elements in South Asia in opposition to or otherwise not associated with the present government.

9. Maintain close liaison with the UK, Australia, Canada and New Zealand looking toward the maximum practicable coordination of US, UK and Commonwealth policies and actions directed toward mutual objectives in South Asia.

10. Support the application of Nepal and Ceylon for membership in the UN.

11. Initiate or support the selection of South Asian governments and their nationals for appropriate important UN organs, agencies and positions.

12. Expand the training program for South Asian language and area specialists.

13. Widen the scope of Foreign Service observation in South Asia by increasing the mobility of personnel at existing posts or by establishing new posts in localities now inadequately covered.

Economic

1. Exert our influence in the International Monetary Fund and directly with the parties to bring about a settlement of the Indo–Pakistan exchange rate dispute.

2. Direct technical assistance to the region under the bilateral Point Four program toward (a) the specific requests of the South Asian government, (b) the amelioration of regional food problems, and (c) the removal of other impediments to economic development, emphasis should be placed
on the training of indigenous personnel rather than the assumption of
operation responsibility by experts from the United States.
3. Extend all appropriate assistance to such private United States investors
as may show in interest in the region.
4. Conclude treaties of friendship, commerce and navigation with India and
Pakistan, and subsequently with other South Asian countries, making
such departures from the “standard draft” treaty as may be required by the
special circumstance of the region and as do not controvert fundamental
principles of United States foreign economic policy.
5. Encourage the South Asian governments to develop tax and other
economic regulatory structures which do not inhibit private investment,
foreign or domestic.
6. Support reasonable loan applications of the South Asian governments to
the international Bank or to the Export–Import bank.
7. Endeavor as a matter of urgency to obtain Congressional authorization
and appropriations for a program of economic grant aid to the countries
of the region, particularly to India and Pakistan, directed toward meeting
the capital requirements of essential projects to increase, in order of
priority, agricultural, mineral and industrial production.
8. Should it become clear that the foregoing program will not materialize
before July 1, 1951, seek funds during the 1951 fiscal year to finance the
sale of an additional 573000 long tons of train sorghum (Milo) to India
at the concessional price of $1.40 a hundred—weight.
9. Utilize every opportunity to support indigenous efforts to bring about
agrarian reform by democratic methods.
10. Maintain close liaison with the Commonwealth organization for technical
and developmental assistance to South and Southeast Asia.
11. Encourage the development or trade and other economic relations
between the region and Japan.
12. Take a more active and constructive part in the United Nations Economic
Commission for Asia and the Far East.

Military

1. Meet as far as possible in the light of other demands of higher priority
the requirements of the South Asian countries for military material not
available from other sources and required to maintain internal stability
and to strengthen resistance to Communist imperialism. Unless the
Kremlin should adopt a more aggressive posture toward South Asian and
the countries of the region should close ranks to meet this threat material
should be provided to the South Asian countries only on a reimbursable
(non-grant) basis.

Provide adequate opportunity for qualified South Asian armed forces per-
sonnel to receive specialized training in United States Defense training centers.
Intelligence

1. Keep under continuing review the objectives, activities and strength of the Hindu Mahasabha, its Para-military affiliate, the RSS, and related groups.
2. Keep under continuing review the objectives, activities and popular followings of the leaders of dissident political factions in Pakistan.
3. In following Communist activities in South Asia, give particular attention to developments in rural area, especially the formation of Para-military organizations among the peasants.
4. I undertake, with the assistance of non-official research organizations, comprehensive surveys of:
   a. The importance and urgency of agrarian reform as a factor contributing to the political stability of South Asia.
   b. Hindu society to determine the basic values and motivations of Hindu culture, and
   c. Pakistan society to determine the basic values and motivations of Islamic culture in Pakistan and the resistance of that culture of Communist ideological penetration.

Informational—Cultural

1. Forces foreign informational output and cultural activities on those ambitions and hopes of the South Asian people toward which progress might be make in the reasonably near future. As a corollary, avoid parading United States prosperity.
2. Stress parallels of outlook and interest between the United States and South Asian and, conversely, divergences of outlook and interest between South Asian and the Soviet bloc.
4. While focusing informational output and cultural activities on strategic segments of the South Asian population owing to the impracticability of a program directed at the masses, bear in mind that the ultimate target is the South Asian peasantry.
5. Among the strategic elements of the South Asian population, give special attention to non-Communist labor leaders and labour unions.
UNITED STATES AND THE SOVIET UNION

6. Step up domestic informal output to the United States public on South Asia, its problems, hopes and policies, and on United States objectives, policies and action with respect to the region.

Administrative

1. Widen the scope of Foreign Service observation in South Asia by increasing the mobility of personnel at existing posts and by establishing new posts in localities now inadequately covered.
2. Give continued attention to the improvement of housing, health services and other amenities at the South Asian posts.
3. Expand and improve the training program for South Asian language and area specialists.

4.8

B/B–NSC Files: Lot 63D351: NSC 68 Series
Report to the National Security Council by the Executive Secretary (Lay) [Extracts]
TOP SECRET (WASHINGTON), December 8, 1950.
Annexes to NSC 68/3 (The annexes to NSC 68/3 consist of revised versions of the annexes to NSC 68/1, September 21, none of which is printed. Annexes 1–7 of NSC 68/3 correspond as to subject to annexes 1–7 of NSC 68/1, although the titles differed slightly. However, NSC 68/1 was also accompanied by three annexes not included either in original or revised form in the Annexes of NSC 68/3. The three were Annex 8, “Long-Term Political and Economic Framework,” prepared in the Economic Cooperation Administration and the Council of Economic Advisers (regarding Annex 8, see Policy Planning Staff study of November 10, and footnote 2 there to, p. 404); Annex 9, “Organizations for Coordinating National Security Policies and Programs,” prepared in the Bureau of the Budget; and Annex 10, “The Economic Implication of the Proposed Programs: Required Fiscal, Budgetary and other Economic Policies,” prepared in the CEA. NSC 68/1 was also accompanied by an Appendix to Annex 10, “Technical Assumptions and Analysis Underlying the Economic Projections for 1950–1955,” also prepared in the CEA. It should be noted that an undated and much abbreviated version of NSC 68/1, Annex 10. is including in NSC 68/3 as Appendix “B” p. 427.)

United States objectives and programs for National security

Annex No.1, The U.S. Military Programs

(It is understood that this Annex will be made available by the Department of Defense prior to the Council meeting on Thursday, December 14, 1950).
Annex No.2, The Foreign Military and Economic Assistance Programs

Part A, Estimates for MDAP, Fiscal Years 1951 through 1955 (Prepared by the Department of State, in consultation with the Department of Defense and the Economic Cooperation Administration, and approved interdepartmentally at the FMACC level.)

Part B, Anticipated U.S. Foreign Grants and Loan Assistance (Prepared by the Department of State and the Economic Cooperation Administration)

Appendix to Annex No.2, The ECA Information Program
(Prepared by the Economic Cooperation Administration) Annex No.3, The Civil Defense Program (Not printed)
(Prepared by the National Security Resources Board)

Annex No.4, The United States Stockpile Program
(Prepared by the National Security Resources Board)

Annex No.5, The Foreign Information Programs
(Prepared by the Department of State)

Annex No.6, Foreign Intelligence and Related Activities
(Prepared by the Central Intelligence Agency, with the concurrence of the Intelligence Advisory Committee)

Annex No.7, The Internal Security Program
(Prepared by the Interdepartmental Intelligence Conference and the Interdepartmental Committee on Internal Security)

Annex No.2 The Foreign Military and Economic Assistance Programs

PART A. ESTIMATES FOR MDAP, FISCAL YEAR 1951 THROUGH 1955
(Prepared in the Department of State, in consultation with the Department of Defense and the Economic Cooperation Administration, and approved interdepartmentally at the FMACC level)

1. The estimates of appropriation requirements for military aid to all countries and economic support for NATO countries for Fiscal Years
1951, 1952, 1953, 1954 and 1955 include (a) the costs of furnishing military equipment, supplies and training to the countries determined to be eligible for grant assistance under the Mutual Defense Assistance Act and (b) the costs of programs calling for both a vastly expanded European production of military equipment (additional military production program) and the raising of larger forces in the European NAT countries. The estimates given below do not include the costs of certain emergency foreign military assistance programs, such as the cost of equipping and organizing a Korean military establishment. These estimates take into account recent price increases of military equipment. Progress in the technological field will require continuous review of existing programs and the possible adoption of new ones.

2. A more detailed breakdown of the estimated costs of meeting the requirements of the Medium Term Defense Plan (MTDP) for the European NAT countries (and Western Germany) together with the estimated United States assistance needed to meet those requirements. Estimated total costs of the MTDP requirements for Western Europe are $57.40 billion for the four fiscal years 1952–1955, inclusive. As indicated in more detail below, these are United States estimates of requirements costs, which will be subject to refinement as the European NAT countries furnish information on their costs of meeting their requirements under the MTDP. The estimated amount of resources, which the European NAT countries could mobilize and devote to defense needs, is about $45.00 billion, assuming the United States continues to furnish general economic support at rates averaging almost $2.0 billion a year. From this total should be deducted about $5.0 billion or more for essential defense expenditures of such countries as the United Kingdom and France in areas outside the North Atlantic Treaty area. In order to close this gap between requirements for NAT defense and available resources, which could be devoted to defense in Western Europe, it is estimated that about $25.40 billion of United States assistance is required between fiscal year 1952 and fiscal year 1955. The form of this required assistance is flexible within limits. In Table 2, it is estimated that United States assistance in the form of military equipment and training (items 2c and 6) will be $17.59 billion and in the form of general economic support for European military production and increased forces will be $7.81 million, or roughly in the ratio of 2 to 1. The extent to which the form of United States assistance could and should vary as between armament and economic support depends on a number of political, military and economic factors, including the overriding need for trained and organized European forces, the promptness with which European industry is mobilized for war production, the flexibility and expansibility of the war industries in both the United States and Western Europe, and the extent
to which the United States industry can and should be called upon to meet the armament requirements of this country and a major portion of those of the MDAP countries. The estimated division given above is believed to be practicable on the basis of pleasant information, but can and should be varied as circumstances require. The basis of the estimates is explained below.

3. The estimates of the costs of raising, maintaining and equipping the European NAT combat forces are based on the requirements of the Medium Term Defense Plan (MTDP) as developed by the NAT Regional Planning Groups and approved by the Defense Committee. The size and composition of the forces required for the defense of the European NAT area are those set forth in document 28 of the Defense Committee (dated October 28, 1950). The equipment costs were based on these forces equipped in accordance with modified United States standards, after adjustments were made for equipment on hand together with that equipment included in the fiscal year 1950 MDA Program. This will provide initial armament maintenance parts and ammunition. The equipment costs for capital equipment and maintenance parts and replacement for that capital equipment were based upon current United States prices. The gross cost of maintenance and expansion of European NAT forces was estimated on the basis of current aggregate costs of supporting troops (estimated at a one to one ratio) in the country of recruitment. No allowance was made either for the deployment of forces in countries other than the country of recruitment. The costs of stationing troops outside the North Atlantic area are not included in the estimates of requirements for the European NAT countries under the MTDP.

4. The estimated cost of armament to be furnished from the United States in the form of capital equipment represents about 60 percent of the cost in terms of current United States prices of meeting the aggregate capital equipment deficiencies of the European NAT forces of a size and composition called for under the MTDP and equipped according to modified United States standards. It is assumed that the European NAT countries (and Western Germany) would produce or procure about 40 percent of their estimated equipment deficiencies. The estimated cost of maintenance and replacement equipment was based on the assumption that the United States would furnish 16 percent of the gross maintenance requirements in fiscal year 1952, 14 percent in fiscal year 1953, 12 percent in fiscal year 1954 and 10 percent in fiscal year 1955. The 16 percent factor for fiscal year 1952 represents about 60 percent of the total rates for maintenance parts and replacement equipment for equipment on hand. Thereafter, it is assumed the armament industry of Western Europe will supply an increasing portion of current maintenance and replacement requirements for the equipment on hand.
5. The time-phasing of equipment requirements and of the estimated cost of furnishing armament from the United States was related to estimates of production lead time required to obtain the needed capital equipment from current production both in the United States and in the Western European countries. With respect to the United States, it was assumed that our industrial mobilization base would be broadened to accommodate the procurement by the Department of Defense for the needs of the United States armed forces as well as those of the MDAP countries with an overall shortening of production lead times in fiscal years 1953 and 1954. It is estimated that the capital equipment to be procured in the United States will be produced in time to meet the time-phased force requirements of the European NAT countries. It is assumed that with respect to the balance of European armament requirements, the industry of Western Europe will keep pace with American industry. The estimated costs of supporting European forces (item 1[b], except for maintenance parts and replacement equipment which are time-phased in relation to armament production) follow the time-phased requirements for the expansion of European NAT forces.

6. In fiscal and budgetary terms are expressed in and time-phased according to obligations. Actual expenditures, including the call upon available resources in the economy of the United States and Western Europe, would come at a later period. The estimated amount of resources, which Western Europe could make available for defense purposes, is on a current or an expenditure basis. Since estimated available resources (mobilizable in Western Europe plus those furnished by the United States) are only slightly in excess of time-phased requirements, an unanticipated peaking of defense expenditures in a given year would run into basic resource shortages. Furthermore, the longer the European NAT countries delay in raising forces and placing contracts for armament, the greater will be the likelihood of losing resources for defense use in the early years of the defense effort and encountering resource shortages in the later years. In addition to the difficulties of measuring, the incidence of defense burdens by countries is not known in detail; although the required studies are underway in the NAT organization. It is probable that these studies will indicate that assigned defense tasks will not be distributed by countries in accordance with economic and financial capabilities to sustain those tasks. Additional resources will be needed from external sources. Although account has been taken of the possibilities of transfers of resources among, European NAT countries, it is expected that unmanageable defense burdens which fall on certain European NAT countries will have to be compensated in part by additional United States assistance. For all these reasons, it has been deemed necessary to anticipate supplementary and justifiable requirements for United States assistance either in the
form of armaments or economic aid, in addition to that needed to meet anticipated dollar balance of payments deficits. The amount of aid in other than armaments is $7.81 billion for the four fiscal years.

7. All United States projected aid to the European NAT countries (and Western Germany) is included in Annex 1. However, certain countries are not directly associated with the defense program for the NAT community, but nevertheless will require continued economic aid to sustain their economies. These countries include, at least in fiscal 1952, Austria, Greece, Iceland, Ireland, Sweden, Trieste and Turkey. Aid for this latter group is included in Part B of this annex. United States aid will also be needed in support of European international economic institutions, such as the European Payments Union, the Schuman plan, and the Program of Trade Liberalization. The total aid figures in Part A and in Part B of this annex for European countries include such funds as may be required for these institutions although the specific amount needed for this purpose has not yet been determined.

8. Greece, Turkey and Iran, on the southern periphery of the Soviet Bloc, are the recipients of military aid under Title II of the Mutual Defense Assistance Act. The tense international situation requires continuation of measure to maintain and as practicable, increase the military potential of these countries which are among those likely to be the targets of further Soviet aggression and which are in an area whose security is of vital concern to the security of the United States.

9. The danger of satellite states engaging in hostilities against Greece counsels against the reduction of Greek forces under arms as was contemplated at the beginning of fiscal year 1951. Increased military supplies and economic assistance from the United States are essential to maintain those forces and to prepare them with the type of equipment needed to defend themselves.

10. Notwithstanding the marked effect of American military aid already rendered, the numerically strong, Turkish armed forces still lack adequate military equipment, supplies and training needed to attain the level of combat effectiveness deemed essential for that country. In order to attain combat effectiveness of the Turkish Forces, it is essential that the United States support the establishment and training of non-commissioned officers corps in the Turkish Forces.

11. It is necessary to maintain a steady flow of military supplies to Iran in support of the forces required to maintain internal order in that country and to give the Government and people confidence in their ability to do so. The Iranian Forces should be adequate to discharge, delaying action in the event of Soviet aggression in order to permit the withdrawal of the Shah and Government, with some forces, in the southern mountains in
ac accordance with the Iranian military plans and to permit implementation of a demolition program.

12. The five—year program recommended under Title II for Greece, Turkey and Iran (in millions) is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>1951</th>
<th>1952</th>
<th>1953</th>
<th>1954</th>
<th>1955</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$325.9</td>
<td>$271.3</td>
<td>$287.4</td>
<td>$262.4</td>
<td>$242.2</td>
</tr>
</tbody>
</table>

13. The foregoing estimates for Title II are based upon the following assumptions:

(a) That the international situation will not appreciably improve during the course of the five-year period, but that actual hostilities, either localized or general, will not commence, or the likelihood of hostilities will not substantially increase. In case of a more imminent danger of conflict, or of hostilities in any form in the general area, the aid requirements would require adjustment in light of circumstances prevailing at the time.

(b) That common-use items for the Greek armed forces will be provided in toto from the Greek economy, or, in regard to foreign exchange costs, by funds appropriated for the general economic support of Greece.

(c) That the size of the Greek, Turkish and Iranian forces will not be increased appreciably during the period.

(d) That the achievement of United States objectives in the Near East and South Asia will not require the furnishing of military assistance on a grant basis to countries other than those presently eligible for grant assistance under the Mutual Defense Assistance Act.

14. The Far East. The estimated requirements for military assistance on a grant basis to countries in the general area of China, including the Philippines and Formosa but excluding Korea, are given below:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Estimated Requirements (in million dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$375.0</td>
</tr>
<tr>
<td>1952</td>
<td>560.0</td>
</tr>
<tr>
<td>1953</td>
<td>467.4</td>
</tr>
<tr>
<td>1954</td>
<td>383.6</td>
</tr>
<tr>
<td>1955</td>
<td>358.7</td>
</tr>
</tbody>
</table>

15. Indo—China. This country is the key to the control of the mainland of Southeast Asia. Its loss would represent a major strategic reversal for the United States and its allies and concurrently a great increase in the political, economic and military power of the enemy. The preservation of Indo—China from Communist encroachment depends upon the success with which the military, economic and political programs
are concomitantly prosecuted. The military program will fail unless the political and economic programs are a success and vice versa. The immediate purpose of the political program is to secure for Bao Dai the support of Indo–Chinese nationalists’ sentiment. Even if this is achieved, Communist-inspired guerrilla operations will continue until a successful military program has been completed.

The success of the military operation depends upon the French who must prosecute it successfully. We are confronted by the dilemma between this fact and fact that the more political concessions the French make the less they have to fight for in Indo–China. They, nevertheless, should receive such aid as the United States and the United Kingdom can contribute.

The cardinal point of the United States policy in Southeast Asia is that Indochina must not be permitted to fall before the Communist pressure which is not [sic] symbolized internally by Ho Chi Minh’s movement, and externally by Chinese Communist troops on the Tonkin frontier. If Indochina is overrun by the Communists, all of the South–East Asian mainland would rapidly succumb. The strategic loss to the West and the resultant gain to the East would certainly make far more difficult our efforts to contain Communism elsewhere in the world.

To achieve our objective, it is recognized that a strong nationalist anti-Communist counter-force must be developed in that area. The nucleus of such a movement in Indo–China is represented by the three Associated States of which the State of Vietnam is the largest. These governments must be supported and strengthened in every possible manner, politically, militarily and economically.

The United States Military Aid Program for Indo–China is designed to help in the establishment of national armies, national guard and police forces for the three States and to supply American military equipment to the Army of the French Union.

The governments of the Associated States are being assisted in their efforts to develop their national armies in order to resist Communist fifth column and terrorist activities from within.

16. Korea. Any projection of probable military assistance requirements for Korea for the post–hostilities period must be based upon factors which cannot yet be assessed. The chief factors determining the amount, character and timing of military assistance to Korea include (a) the extent to which the UN will participate in any program of military assistance to Korea; (b) the magnitude of the internal security problem, including guerrilla operations; (c) the extent to which the Chinese Communists and the Soviet Union support and abet the guerrilla operations and border incursions; and (d) the necessary size of Korean military forces to insure the internal security and prevent border incursions.
17. Formosa. On June 27, 1950, the President ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary to this action, the President called upon the Chinese Government on Formosa to cease all air and sea operations against the mainland. The President stated that the determination of the future status of Formosa must await the restoration of security in the Pacific, a peace settlement with Japan, or consideration by the United Nations. The implementation of these directives of the President requires the furnishing of military equipment and training assistance to the Chinese Government forces on Formosa to enable them to defend the island and to assist the Seventh Fleet in rendering the island area secure.

18. Thailand. The objective of United States military assistance to Thailand is to enable that Government to carry through its announced intention to resist Communist encroachment. Since the threat to Thailand has not yet developed to severe proportions, there is an opportunity to modernize and train the Thai forces to resist Communist encroachment.

19. The Philippines. The United States has a unique responsibility in the Philippines because of a half century of American sovereignty over the islands. In addition, the Philippines furnish important bases and facilities for the United States forces. A serious internal security problem exists in the islands. The solution calls for military and economic assistance as well as political guidance. With respect to military aid, it is recommended that equipment be furnished to equip expanded security forces and to modernize and train the present forces. Greater emphasis is also being given to the training of the Philippine army.

20. Indonesia. The basic objective of the military assistance program for Indonesia is to strengthen the constabulary to enable it to perform effectively its function of maintaining law and order under the authority of the central government. This objective includes the prevention of smuggling activities in Indonesian waters.

21. The Other American Republics. The inter-American community is a source of both immediate and reserve political and economic strength. Its military strength is limited although not negligible. Its military manpower and the equipment presently available are essential to the maintenance of internal security in the other American states. Properly trained and equipped, the manpower of these countries could be used to maintain the security of lines of communication in the inter-American area and possibly to contribute forces to overseas operations. Although a specific estimate of training requirements and urgent equipment needs has not been included in the estimates given above, it is believed that nominal amounts of funds should be made available, when and if circumstances require, to meet training and selected equipment requirements of the
other American states in accordance with the policies laid down in NSC 56/2.7*

PART B. ANTICIPATED U.S. FOREIGN GRANT AND LOAN ASSISTANCE
(Prepared by the Department of State and the Economic Cooperation Administration)

1. The estimates foreign grant and local assistance were made on the assumption that we shall not be engaged in a major war, but that the Soviet Union will intensify its efforts to extend the orbit of its influence and control. Our objective in providing economic aid is to create situations of political and economic strength in the free world especially in critical areas whose present weakness may invite Soviet thrusts. However, as a consequence of increased demands on U.S. resources resulting from a military defense program that may require expenditures at a rate of $50 billion a year, claims on U.S. resources for foreign aid have been limited to programs that will meet most urgent and immediate needs. These programs have therefore been restricted to those fulfilling three broad purposes: (1) investment to increase the production and facilitate the distribution of critical materials directly needed for defense, (2) aid to strengthen the defense effort of our allies, and (3) aid to enable governments which are or can be expected to become friendly members of the free world to win the confidence and support of their own peoples as a solid foundation for political stability and national independence. To reduce the drain on U.S. resources, aid programs have been held to the minimum believed necessary to effect these purposes.

2. The basic task in Europe now is to build up the combined defenses of the European nations without seriously endangering thereby their economic strength. All U.S. military end-item and economic aid to assist in achieving this objective is included in Annex I. However, certain countries are not directly associated with the defense program for the NAT community but nevertheless will require continued economic aid to sustain their economies. These include, at least in fiscal 1952 the following countries: Austria, Greece, Iceland, Ireland, Sweden, Trieste and Turkey. Aid for this latter group is included in Annex II. U.S. aid will also be needed in support of European inter- national economic institutions such as the European Payments Union, the Schuman Plan, and the program of trade liberalization. The total aid figures in Annex I and in Annex II for O.E.E.C. countries include such funds as may be required for these institutions although the Specific amount needed for this purpose has not yet been determined.

3. The primary task in other areas is to assist them to make progress toward meeting the aspirations and demands of their people for the satisfaction
of their basic needs, to enable the governments thereby to command allegiance and support, and to maximize the output of materials essential to the continued strength of the free world.

4. In determining whether and to what extent to provide U.S. Government assistance in any given area, account has been taken of aid likely to be made available by the IBRD and other sources, and of increased dollar earnings that should result from expanded U.S. imports, upward price movements, and U.S. troop expenditures abroad. Aid has been scheduled in the form of U.S. Government loans for development projects normally regarded as bankable where it appears that recipients can carry additional dollar debt. Aid has been scheduled in the form of grants for technical assistance projects, including associated supplies and equipment required to make the technical assistance projects effective. In certain exceptional cases, grant aid has been scheduled for capital investment projects as well. This has been done only in the case of countries of great strategic importance to us, for which loans and investments cannot be contemplated in the near future and which, in the absence of certain capital goods, would experience rapid economic deterioration and political instability.

Making available funds for carrying out the foreign aid programs outlined below will not in and of itself achieve the foreign policy results desired. It will be necessary that the essential supplies, many of which may be in short supply, be assured both for shipment under the aid programs and for shipment for essential purposes where the foreign countries themselves are able to furnish the necessary funds. To accomplish this purpose as well as to minimize the drain on the U.S. economy in the form of non-essential exports careful examination will be necessary of the scope of our export controls and the policies under which they operate.

NOTES

Western Europe: The estimates for Western Europe are still in discussion among ECA, the Department of Defense, and the State Department.

Yugoslavia: Yugoslavia’s disaffection from the Soviet Bloc has subjected her economy to severe, strains because of abruptly severed trade relations with Cominform countries, heavy defense expenditures, and the greater need to succeed as a Communist state in rapid industrialization. It is in the U.S. interest that Yugoslavia remains outside the Soviet Bloc and maintain a viable economy.

To assist Yugoslavia to overcome the effects of the recent severe drought, grant aid of $64 million will be needed for expenditure in fiscal 1951. However, because certain government agencies are providing immediate food relief for Yugoslavia out of their existing appropriations, Congress will be asked to appropriate only $38 million. It is possible that, in consequence of the drought, further grant funds will be needed in 1952.

The IBRD rather than the Exim Bank is expected to provide further loan funds for Yugoslavia’s economic development.
Latin America: The program of economic assistance which is projected for Latin America is primarily one of production for defense purposes. The objectives are to increase the availability of critical materials which the U.S. will need for industrial and defense output, to maintain production of food and other items at a level adequate to meet the essential requirements of western Europe from this traditional source of supply, and to develop production which will minimize the dependence of Latin American States on imported food and other essential supplies in case of emergency. In addition, it will be necessary to speed up the construction of the Inter-American Highway.

Increased U.S. procurement and higher raw material prices will increase Latin America's dollar receipts and her capacity to service further dollar debt. Consequently the major part of U.S. assistance to Latin America is scheduled in the form of loan aid (largely for transportation, fuel and power facilities). It is estimated that Latin America will require foreign capital for investment at a rate of about $350 million a year, of which the International Bank may be able to finance about $125 million a year, leaving about $225 million a year for U.S. Government loans.

Grant aid for Latin America includes $64 million over four years for completion of the Inter-American Highway, and about $28 million a year for an expanded technical assistance program, with particular stress on aid to increase indigenous food production.

Japan and the Ryukyus: The estimates of budgetary requirements for Japan and the Ryukyu Islands represent, for fiscal year 1951, funds actually made available for obligation for fiscal year 1952, figures recently submitted by the Department of the Army to the Bureau of the Budget and for other years, tentative projections by the Department of the Army.

The assumptions underlying them, particularly those relating to Japan’s foreign trade prospects, are on the whole conservative. Should her foreign exchange earnings exceed the estimates, however, the more favorable economic position that would result from the projected level of aid in fiscal year 1952 would not be inconsistent with objectives of U.S. policy toward Japan.

The Defense Department is considering a partial pay-as-you-go arrangement to begin on July 1, 1951. If that arrangement is established, it would obviate the need for any GARIOA appropriation for economic aid to Japan, although GARIOA funds for administrative expenses and the reorientation program might continue to be needed.

South East Asia (including Formosa): The objective of U.S. aid is to strengthen the present moderate and Western-oriented governments in this area, to increase internal support for these governments, and to give effective evidence at the grass roots of U.S. Government constructive interest in the local welfare. The amount of aid actually required will depend on the direction and pace of current political and military developments. The estimates assume that there
UNITED STATES AND THE SOVIET UNION

will be no serious political degeneration in the countries concerned and that those countries which are now suffering military and guerilla operations will become gradually pacified.

The grant aid program for STEM countries is substantially a continuation of the program recommended by the Griffin Mission find recently initiated under ECA. It embraces rehabilitation and development projects with strong emphasis on technical assistance and associated supplies and equipment for direct implementation of technical assistance projects, as well as consumer goods needed to raise local revenues for rehabilitation projects without embarrassment to the fiscal systems of the country is concerned. The projects cover a wide range, but particular emphasis is placed on health, agriculture, and transport.

U.S. Government loan assistance is provided for longer-term capital investment projects in Indonesia and Burma which have capacity to service further indebtedness. Thailand's needs for long-term capital investment will probably be met by the International Bank. Malayan needs should logically be the responsibility of the U.K.

There is no immediate prospect of any substantial flow of private capital into the Philippines and it would appear that the economy is not strong enough to support loans for the minimum development required to achieve viability. With grant funds available for this purpose over the next few years, it is considered that public loan capital and private equity capital could then start to flow into the Philippines to support the type of development required for long-term stability.

New Zealand: New Zealand is not a member of the International Bank and will probably need Exim Bank assistance to expand productive capacity. Aid to New Zealand is aid in the common defense effort.

Near East: This area because of its location for international transportation and its oil production is of vital importance to the U.S.

Iran is more insistently under the pressure of Soviet proximity and interest than perhaps any other country. There is ferment and unrest in the neighboring Arab States. Immigration into Israel of Jews presently residing in Moslem States continues unabated and with it heavy economic burdens for the State of Israel. In addition there remain several hundreds of thousands of unsettled Arab refugees from the war between the Arab States and Israel.

The U.S. is already committed to assist in the resettlement of Arab refugees. In the case of Iran, it is desirable that the U.S. render effective assistance as tangible evidence to the government and the people of American interest in the preservation of the country's independence and to strengthen both the ability and the will to resist Soviet aggression find communist subversion. It is necessary in the Arab States to provide assistance that will give some forward momentum
to these static economies. In the case of Israel, it is in the U.S. interest that this new State receives the technical and financial aid which it will need to cope with its many difficult problems and discharge its international responsibilities.

In addition to aid for the settlement of Arab refugees, the grant aid scheduled for this area is intended to cover the cost of an enlarged program of technical assistance and associated supplies and equipment, ranging from specific projects at the village level for the improvement of health, sanitation and education facilities, training in agricultural technical and the provision of seed, tools and fertilizer, to broad survey and diagnostic missions.

Loan assistance is provided for capital investment projects in Israel, Iran, Lebanon, Saudi Arabia and possibly Egypt. (It may become necessary to increase the grant component for the Near East area if Iran is unable to secure loan assistance for necessary development projects.)

Africa: The bulk of the assistance for this continent is intended for the African dependent territory. The purpose of both the grant and loan aid is to expand and develop the production of strategic materials and associated improvements in transportation, power and port facilities, as well as indigenous food, fiber and other essential raw material production so as to increase and maintain the internal economic development of the African territories and their contribution to the Western European economies. The program is a continuation and expansion through the years 1952–55 of activities already underway in the ECA.

Western Europe’s 1949 imports from overseas dependencies, largely in Africa, amounted roughly to about $2.5 billion in value. U.S. imports from these areas come to about $400 million in value. Raw material and food exports from these territories included rubber, palm oil, sisal, hemp, hides and skins, cork, copra, vegetables, fruits, cereals, sugar and dairy products.

It is anticipated that the aid will be made available through and in cooperation with the European colonial powers. If carefully administered the program should contribute not only to the objectives cited above but should also have the effect of increasing employment, productivity, and economic and political stability throughout Africa.

Aid has been scheduled in the form of loans to the extent that loan aid appears feasible.

Small amounts of aid have been scheduled for the independent countries of Africa, largely for technical assistance.

South Asia: The situation in the Indian Sub-Continent is one involving, de facto economic deterioration to and the prospect of continuing, further deterioration as population growth outmans prospective increases in productivity. Continuing, nature deterioration appears inescapable unless external aid can be injected to reverse the trends that are now so clearly discernible. Reversal of these trends is an imperative vital interest of the U.S. India and Pakistan are of determinative importance in the pattern of Asian political relations. The present governments of India and Pakistan are moderate in policy and friendly to the West, find they
continue to command the support of the wide majority of their people. However, support is giving way to apathy, and organized parties on the extreme right (fanatic religions groups) and the extreme left are gaining strength as economic conditions continue to deteriorate. These adverse political and economic trends might be arrested now aid program, directed primarily toward improvement in productivity. If these adverse trends fire allowed to gain strength, however, a situation might, be created which—like that in China—could only be redressed through an effort lying beyond our capabilities. An aid program should also serve to demonstrate our interest in the welfare and aspirations of the people of this area and thereby tend to align them more closely with us in the face of Communist threats or blandishments.

The program proposed is about half of the deficit not covered by other sources envisaged by the countries concerned in connection with the development plans put forward at the Colombo Conference. While it will not support these plans in full, it will give impetus to the process of economic development in those countries.

It is not supposed that the aid program as scheduled for this area would of itself bring about significant, increases in living standards. It is hoped, however, that beyond the arrest of economic deterioration and consequent political instability during the next few critical years, the recipient countries at the end of such a program would have established an environment that, would encourage a maximum utilization of domestic savings and a reasonable flow of outside investment capital for further developmental activities.

Technical Assistance: The estimates represent the anticipated contribution of Point IV and to the UN Technical Assistance Program, the OAS and other international organizations.

APPENDIX TO ANNEX No. 2 THE ECA INFORMATION PROGRAM*

(Prepared by the Economic Cooperation administration)

The Economic Cooperation Administration has been instructed by Congress (Public law 535–81st Congress) “to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source and character, furnished by the American taxpayer.”

The Economic Cooperation Administration is therefore charged with a direct responsibility for conducting a foreign information program with regard to one specific aspect of the foreign policy of the United States. The great majority of its information work consists of thoroughly informing the people of the Marshall Plan countries of the achievements and objectives of the Plan.

While conducting this information program, the Economic Cooperation Administration in order to promote the success of the Marshall Plan, is involved in many aspects of the international information program carried on by the Department of State. It particularly is involved in information designed:
(a) To promote will and energy on the part of peoples whose governments are recipients of Economic Cooperation Administration’s assistance.
(b) To promote understanding of the nature of Soviet Communism and to encourage attitudes hostile to it in the countries involved.
(c) To promote through the exploitation of traditions, loyalties, hopes and fears the closer economic association of the nations of Europe.
(d) To promote a sense of urgency and sacrifice for the cooperative and collaborative defense of the free world.

The foreign information program of the Economic Cooperation Administration has been, and still is most vigorously conducted in the sixteen countries of Western Europe, which are recipients of Economic Cooperation Administration assistance. Foreign information services are being developed in the countries of Southeast Asia where the Economic Cooperation Administration is administering programs.

From the beginning, the Economic Cooperation Administration has decentralized the operations of its foreign information program. The largest information operation is in the Office of the ECA Special representative in Paris. That office assists the Mission information officers, particularly there in countries without counterpart funds or which are backward in informational media technical. It also functions on a Western Europe-wide basis to produce, in the various media, materials showing the overall achievements and objectives of the Marshall Plan in all the Western European members.

The ECA Mission in each participation country has an American information officer, generally one or two assistants, and a high-quality local staff composed of nationals (generally ex-newspaper and radio men) of the country concerned.

The ECA has also operated on the principle of vigorous participation by indigenous governments and peoples. It has paid close attention to organized labor in Europe, especially in countries like France and Italy where the Communists still control the largest labor confederations. It has labor information officers in the majority of the Missions.

ECA produces the bulk of its information materials in the country in which it is operating and distributes these through its own facilities, the facilities of the United States Information Service and indigenous channels. It employs all media—press, radio, exhibits, movies, contests, sound and projection trucks, wall posters, toy balloons, leaflets, booklets, games, signs on ECA projects and even troubadours in Sicily.

4.9

Paper prepared in the office of Greek, Turkish and Iranian Affair
(Extracts)
TOP SECRET (WASHINGTON), December 28, 1950
REGIONAL POLICY STATEMENT: GREECE, TURKEY AND IRAN

1. ESTIMATE OF THE SITUATION
   A. General

   The security of the Eastern Mediterranean and of the Middle East, is vital to the security of the United States. The maintenance of the territorial integrity and political independence of Greece, Turkey and Iran is an essential element in the security of that area.

   Greece, Turkey and Iran constitute a barrier between the Soviet world on the one hand and the vital oil lands and strategic communication routes of the Middle East on the other consequently, these countries which, with exception of Turkey, are inherently weak are the object of constant Soviet pressure. In as much as none of the three are capable of resisting this Soviet pressure unaided, the United States has extended to these countries political, economic and military assistance in varying degrees proportionate to their needs and absorptive capacity, and consistent with our commitments elsewhere. The growing military potential of the Balkan Soviet satellites, particularly Bulgaria, constitutes a threat to Greece and a source of concern to Turkey. Soviet forces in the Caucasus and in Soviet Turkestan possess the capability of military domination of Iran whenever international political factors make such a development feasible from the Russian standpoint. Greece, Turkey and Iran will continue to be threatened by Soviet imperialism until the power of the anti-communist world becomes superior to that of the USSR and its satellites or until the aggressive policies of the USA are changed. To date American policy has helped to prevent Soviet domination of Greece, Turkey and Iran. Greece and Turkey have adopted a militant anti-Soviet, pro-American policy. The United States, however, is faced with a serious immediate problem of reconciling United States policies, commitments and resources with the desire of Greece and particularly Turkey for full military alliance with the United States or with all of the North Atlantic Treaty Powers.

   The development of internal economic resources is a primary task in each of the three countries. Economic development is essential both in order to improve the abilities of these countries to maintain a military force appropriate to the present lack of international security and to develop a standard of living for the indigenous populations which will provide greater resistance to communist ideology and subversion. This problem is more critical in Greece and Iran than in Turkey.

   Greece cannot maintain its present standard of living or achieve economic self-sufficiency without continued American economic assistance, probably at least until 1954. Recent analysis suggests that future economic assistance to Greece should be provided in some what smaller annual increments in keeping
with the limited capacity of Greece to provide sufficient internal investment capital, public or private, to permit a substantial increase in its productive capacity. The United States has consistently urged the adoption of political social and administrative measures which would insure effective utilization of United States assistance and serve as a deterrent to communist subversion. These efforts have been only partially successful and the traditional partisanship of Greek politics and the inefficiency of the Greek Government continue to constitute a grave weakness in the Greek state. The Greek army, strengthened by United States equipment and advice, has restored internal security in Greece. Nevertheless, a continuing threat to the security of Greece derives from the growing military potential of Greece’s Cominform neighbors (particularly Bulgaria), from the presence of approximately 20,000 Greek guerrilla in Eastern Europe, and from the activities of the Greek communist Party as an agent of Soviet imperialism.

Among the principal problems regarding Greece are—
The development of a stable, democratic and efficient government.
The development of a viable Greek economy.
The maintenance of a Greek military establishment which is capable of maintaining internal security, of defending Greece against a satellite attack, of causing maximum delay to an attack involving direct Soviet participation, and, in the event of hostilities, of conducting guerrilla warfare in Greece and contiguous area.

4.10
KOREA—PAST AND FUTURE
Address by JOHN FOSTER DULLES before the Commonwealth Club of California, Sept 17, 1952

Part I—the past
The problem of Korea was on the Agenda of the United Nations Assembly in the Fall of 1947. The Soviet Government then put forward a proposal that United States and Russian troops be promptly and simultaneously withdrawn from Korea. This was quickly identified in the United Nations as a trick to enable the North Korean Communists to take over South Korea. The North Koreans then had an army of 250,000 highly trained troops which the Russians had been intensively training for two years. Many of their soldiers were drawn from the communist armies in Manchuria and China, which had had prior combat experience. They were equipped with Russian planes, tanks and heavy artillery.
The South Koreans had only about 100,000 troops, who had no prior combat experience or prior training and they had only light arms suitable for maintaining internal security.

The Pacific and Asian members of the United Nations pointed out urgently that if the United States troops were withdrawn under these circumstances, almost surely the Red Armies from the North would move down to take over all of Korea.

The United States Delegation shared this view. I was handling the matter in the Assembly for the United States, and I said in my opening speech on the subject of Korea on October 28, 1947.

We believe any Korean government established must, if it is to be more that a sham, have complete control over any armed Korean bodies which may exist or be brought into being. We believe that when the Soviet and United States forces are withdrawn no military equipment of any kind should be left behind which is not under the effective control of the Korean national government.

Subsequently, on November 13, 1947, speaking before a plenary meeting of the Assembly, I said:

The United States expressed the opinion that if the troops of occupation were to be withdrawn at once and before any central government was established, there would be no way of maintaining order and that chaos and quite possibly civil war would result.

As a result of these considerations, the United Nations resolution provided that, before there should be withdrawal of United States troops, there should be a national government of all Korea which would “constitute its own national security forces and dissolve all military or semi-military formations not included therein.”

At this same time Governor Dewey, the titular head of the Republican Party, in a public speech warned that a withdrawal of United States troops from South Korea would mean that the “armed forces of the North will engulf all of Korea.”

At a subsequent United Nation Assembly held in Paris in the Fall of 1948, a resolution was adopted establishing a commission to:

“Lend its good offices to bring about unification of Korean security forces in accordance with the principles laid down by the General Assembly in the resolution of 14 November, 1947.”

It also recommended:

“that the occupying powers withdraw their occupation forces from Korea as early as practicable.”
Washington had previously suggested that the resolution should call for the withdrawal of troops “within 90 days.” But because the United Nations realized that appropriate conditions probably could not be created within 90 days, it was decided that the Assembly recommendation should not fix any date, but leave discretion to the United States.

It was against this background that the United States took a series of steps beginning in the middle of 1949 which led to the Korean war of one year later on.

Step number one:
In June 1949, the United States withdrew the last of its troops which had been serving as a screen, deterring invasion from the north. It did so although the conditions indicated by the United Nations had not come about and although the Red Armies of the North were still vastly superior in strength to the forces of the Republic of Korea in the South.

Step number two:
When the United States screen was being withdrawn, the government of South Korea begged the United States for planes, tanks and anti-aircraft and anti-tank weapons, which might enable it to create a balance of military power along the 38th parallel and deter invasion. Its plea was joined in by the United States military observers in Korea. The money was available but the request was denied on the ground that the Administration had given Korea a low priority rating and that it was accordingly not eligible for the equipment which it sought.

Step number three:
In January 1950, Secretary of State Acheson made two statements on the United States’ Asian policy. He first said,

“The United States Government will not provide military aid or advice to Chinese forces on Formosa.” (January 5, 1950)

Then he defined what he called the Far Eastern “defense perimeter” of the United States as bounded by the Aleutians, Japan, the Ryukyus and the Philippines, leaving out South Korea and Formosa. Referring to such areas he said that,

“So far as the military security of other areas in the Pacific is concerned, it must be clear that no person can guarantee these areas against military attack.” (January 12, 1950)

He thus denied the hope of the Republic of South Korea that, in order to deter aggression, he should indicate that if South Korea were invaded, we would come to its help.

The State Department expressly anticipated that its policy would result in the Chinese communists taking over Formosa. It sent out a circular memorandum to our foreign officers discounting such loss; and it was generally assumed in
foreign circles that putting Formosa and Korea in the same category, so far as the United States defense interest was concerned, involved writing off South Korea also, particularly in the light of the previous action to withdraw the screen of the United States troops, to deny defensive armament to the South Korean forces.

In June, 1950, I went to Korea and there learned at first hand that the communists and South Koreans alike considered that the United States had abandoned South Korea as “expendable.” I tried by statements to the National Assembly and in press statements to counteract that impression but it was then too late for that very week (June 25, 1950) the Red Armies invaded.

Subsequent United States military estimates were that an attack of such proportions as was launched would, as a matter of logistics, take about six months of preparation from the date when the decision to attack was first made. This indicates that the decision to attack was taken shortly following the January policy statements of Secretary Acheson, which were made while the Chinese communists, headed by Mao Tse-Tung, were conferring with Stalin at Moscow.

Once the attack came, we reversed our previous positions which had invited it.

We sent back into Korea United States troops, many, many times the number which we had taken out, and this time they went back, not to deter aggression, but to fight and die under most adverse conditions.

We sent into Korea, heavy equipment in the form of planes, tanks, anti-aircraft and anti-tank weapons many, many times as much as would have enabled the South Koreans to deter aggression.

Finally, the same Secretary of State who had publicly proclaimed that the United States “defensive perimeter” did not include Korea felt obliged to say that we had to fight in Korea “because it was the only way of protecting our own national security.”

Part II—the future

Once war in Korea became inevitable, the American people, as is their glorious tradition, united wholeheartedly behind their government in the prosecution of that war. Republican leaders rallied to support a Democrat Administration.

Some point to that unity as proving that the American people and the Republican Party approved the policies that led up to that war. That inference, I fear, is a dangerous one. It suggests that, hereafter, the only way in which the American people can register disapproval of policies that get us into war is to show disunity in the face of our enemies in time of war. I hope we shall never come to that, and I regret the attempts to gain political advantage out of the fact that, in time of war, the American people put patriotism ahead of politics.

Those who profess to be deeply concerned in the future of our country would do well to commend Republicans, rather than taunt them, because they closed ranks with Democrats in the face of the enemy.
As regards the future, I cannot prophesy. The Administration has long since given up any hope of military victory which, at one time, seemed to be within our grasp. For nearly a year and a half now the military objective has been to win a stalemate. But the fighting has gone on with a steadily mounting casualty list, with a vast expenditure of ammunition, which could constitute a vitally needed reserve, and with a cost in dollars which is difficult to estimate but which probably is, directly, about $10 billion a year.

For 15 months now, the Administration has been negotiating for an armistice. The negotiations show a lack of imagination, resourcefulness and competence. To say that, involves no reflection on our officers in charge of the negotiations. They have not been trained to compete, in negotiations, with the top flight civilian communists of the Kremlin. More basically, the negotiations show a false estimate of the situation by our political authorities.

It seems to have been assumed that a military stalemate in Korea would, of itself, create the basis for a military armistice. We seem to have forgotten that the war in Korea is but one phase, and from the Soviet viewpoint, a minor phase of the global struggle between Russian communism and ourselves. In its present stage that struggle is primarily a political struggle, in which the Soviet communists are carrying out their program for our encirclement by getting control, of the peoples of Asia and the Middle East. Already they have made great progress by getting political control of the China mainland. However, they have to consolidate their position in China and they want to push on to get control also of other peoples, such as those of India and Japan. In this connection the fighting in Korea has been made into an enormous asset for the Russian communists because their propaganda has enabled them to use the Korean war to improve greatly their position throughout Asia. They have won, hand down, the propaganda war. They have largely succeeded in persuading the one thousand million people of Asia that we are not only militarists but militarists of the most barbaric kind, waging war by germs, by liquid fire and other horrible methods against defenseless communities and women and children. They have flooded Asia with “eye-witness” stories and photographs which seemed to prove their point. I venture to say that, of all the Asian peoples who have any opinion on these matters, at least 90 percent feel horror at what they believe to be our barbaric methods in Korea. In most of the world today, we stand morally convicted of vile atrocities.

If the Korean war is thus seen in its overall setting, and that is the way the Kremlin looks at it, it has been enormously contributing to the success of the communist over-all Asian program. Why should they end it? The causalities we inflict on North Koreans and Chinese are a cheap price for the Russian communists to pay for their immense propaganda triumphs in Asia.

The moment may come when the masterminds in Moscow may calculate they have squeezed all the propaganda advantage that they can get out of continuing the Korean War and that they can get greater political advantage by giving us
an armistice. But as things stand today, it is our enemies who are daily making
gains out of the Korean War and who have the initiative because, while the
fighting war is stalemated, they are winning the important propaganda war.

If we want to end the killing in Korea, we must create a situation such that,
on the basis of all factors, continued fighting will not produce net gains for
Russian communism in Asia. There is no way in which we can effectively nullify
communist propaganda within China, although even there we could do much
more than we are doing. We could easily do much more than we are doing in
India, Japan and other Asian countries which are not behind the Iron Curtain.
Our great opportunity, however, lies in carrying out an effective counter-offensive propaganda against the Chinese and North Korean communist forces
in North Korea. Our air superiority gives us a tremendous scope which we have
largely neglected. We have, to be sure, dropped some leaflets, but they have not
been effective as is demonstrated by the few who have deserted and by the
temper of the communist prisoners when they are first taken.

The possibilities that we have are illustrated by the attitude the Russian communists took toward shuttle bombing across Germany during World War II. That
was a military operation of great advantage from a purely military standpoint.
But the Russian communists forced its discontinuance because it brought their
people into contact with the greater freedom and the better standards of living
of the West. They saw our airmen with their superior equipment and their
greater sense of personal dignity. They glimpsed magazines and pictures which
portrayed the infinitely better living conditions of our people. The communist
leaders were so afraid of this that they required a discontinuance of a military
operation which had great advantage.

Today, we could so deluge the communist forces in North Korea with effective
propaganda that their rulers would want to get them out of the range of that
propaganda and be eager to end the condition which made it legitimate for us
to carry on that propaganda by air drops.

General Eisenhower had given much thought to this problem and he believes
that to win the war of propaganda is one of the several ways by which the Korean
War could be brought to an honorable close on terms more advantageous than
those now being considered. As a matter of fact, the armistice line now proposed
settles nothing; it leaves South Korea economically cut off from essential power
and irrigation facilities slightly north of the armistice line and perpetuates all of
the conditions of internal division and strife which led to present civil war, and
which will assure that a second such war is an ever-present menace.

It is still possible to do better than that, and I hope we shall do better. The
basic trouble is that the administration has consistently had a blind spot so
far as Asia was concerned. It has never seen the Asian danger in its true light.
It has looked upon Asia as a secondary and relatively minor theatre, whereas
Soviet Russia has, for long, had an “Asian first” program. Stalin said, long ago,
that Asia and the dependent and colonial peoples provided “the road to victory
in the West.” The events unfolding there are part and parcel of a long-range program, adopted about 25 years ago and which has ever since been resolutely and successfully carried out.

I was glad to note that Governor Stevenson, speaking here last week, said that the East may provide the communists with “the key to world power”; that Asia represents an “overwhelming preponderance of power” and that with Asia under their control, the communists might “win a bloodless victory in a weakened and frightened Europe.” That is a refreshingly new approach for a Democrat to take, and I hope that he can get his party to scrap their past and present indifference to Asia and unite with the Republicans, who have long held that view and pressed for adequate Asian policies. Then we will have made a good, though belated, start in frustrating the designs of our enemies and in preventing their developing, in Asia, the power which might enable them ultimately to crush us.

Over six years ago, I wrote a series of articles on Soviet foreign policy and what to do about it. I then said that wars generally “get started by mistake. National leaders begin by pushing outward their national domain and sphere of influence at points, where, they calculate, there will be little resistance.” And, finally, they find to their chagrin that they made a bad calculation. “If we have another great war that is probably the way it will come. No one will deliberately plan it. It will be the result of miscalculating.”

I went on to say that in the past we have gotten into wars because we have not made apparent in advance that we would react as we did. “In not making apparent, in time, our devotion to our ideals, we were guilty of contributory negligence. We must not make the same mistake three times in a generation.”

Unhappily, in the case of Korea, we were again guilty of contributory negligence and we did make the same mistake three times in a generation.

Fortunately, that mistake has not been fatal, for most of us—although we should pause to recall that it has been fatal for about 25,000 American boys. But most of us have won a reprieve. Let us use it so as to gain, for our leadership, the wisdom and vision which can save us from further mistakes which would bring on the final, ultimate disaster.
Submitted by the DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the INTELLIGENCE ADVISORY COMMITTEE

On 23 November 1954. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, G–2, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant to the Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

Central Intelligence Agency

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Communist courses of action in Asia through 1957

The problem

To estimate Communist, particularly Chinese Communist, courses of action in Asia through 1957.

Conclusions

1. Although the USSR possesses preponderant influence in the Sino-Soviet partnership, the main outlines of Communist policy in Asia are almost certainly determined jointly by consultation between Moscow and Peiping, not by the dictation of Moscow. Chinese Communist influence in the Sino–Soviet alliance will probably continue to grow. We believe that such frictions as may exist between Communist China and the USSR will not impair the effectiveness of their alliance during the period of this estimate.

2. The current tactic of the Communists in Asia appears to be a variant of their familiar policy of combining professions of peaceful intent with continued efforts at subversion and continued expansion of the Communist capability for war. The chief new element in this policy, evident since the death of Stalin and particularly since calling of the Geneva Conference in early 1954, is a heightened effort to convince non-Communist countries that Moscow and Peiping desire “peaceful coexistence,” that reasonable and profitable arrangements with the Communist Bloc are possible, and that US policy is the only obstacle to a new era of peace in Asia. This new element conforms with present world-wide Communist tactics of minimizing tensions and of exploiting methods to divide the free world, and particularly to detach the US from its allies, during a period in which the significance of US nuclear superiority is being reduced. The professed Communist desire for “lessened tensions” in Asia appears in fact, however, to be marked by a desire to lessen the dangers of full-scale US military action against mainland China and to dull the vigilance of non-Communist Asia, while at the same time continuing Communist expansion by means short of open war.
Within this framework, the Communists are prepared to maintain a state of extreme tension with the US and Nationalist China, accepting the attendant risks. In brief, Communist China and the USSR will continue their present policy of wooing Asia with protestations of peace, while at the same time continuing to subvert Asia, in the expectation that this long-range “peaceful coexistence” policy will with minimum risk result in both the realization of their present military and economic objectives and the eventual elimination of US influence from Asia.

3. The Chinese Communists will continue committed to the “liberation” of Taiwan and the offshore island, defining this issue as an internal affair in which foreign interference will not be tolerated. Hence this issue will continue to present the greatest danger of large-scale warfare in Asia.

4. We believe that as long as the US continues its firm support of the Chinese National Government, remains committed to the defense of Taiwan, and continues to keep major air and naval units available in the general area, the Chinese Communists will not attempt a full-scale invasion of Taiwan or the Pescadores. Short of invading Taiwan, the Communists will almost certainly concentrate on an interim policy of subversion and other means of softening up Taiwan for ultimate takeover.

5. We believe that the Chinese Communists will almost certainly increase the scale of their present probing actions against the Nationalist—held offshore islands, and will probably attempt to seize some of the major offshore islands. They would almost certainly attempt to seize some of the major offshore islands if their probing actions were to provoke no appreciable US counteraction.

6. We believe that the Viet Minh now feels that it can achieve control over all Vietnam without initiating large-scale warfare. Accordingly, we believe that the Communists will exert every effort to attain power in South Vietnam through means short of war. Should South Vietnam appear to be gaining in strength or should elections be postponed over Communist objections, the Communists probably would step up their subversive and guerrilla activities in the South and if necessary would infiltrate additional armed forces in an effort to gain control over the area. However, we believe that they would be unlikely openly to invade South Vietnam, at least prior to July 1956, the date set for national elections.

7. Elsewhere in Asia (the Nationalist—held offshore islands and South Vietnam excepted as per paragraphs 5 and 6 above), the Communists will probably not, during the period of this estimate initiate new local military actions with identifiable Soviet, Chinese Communist, North Korean, or Viet Minh forces.

8. The Asian non-Communist countries are dangerously vulnerable to the expansion of Communist power and influence because of their military
THE UNITED STATES AND INDIA

weakness and consequent fear of antagonizing Communist China, the social and economic problems they face, and the prevalence of anti-Western nationalism. The effect of the Geneva Conference and subsequent events has been to increase this vulnerability. Accordingly, the Communist leaders almost certainly estimate that they have a wide area of maneuver open to them in Asia in which they can safely continue efforts at subversion and support of armed insurrection without incurring unacceptable US counteraction.

9. The Communists will probably continue to exercise considerable control in the northern provinces of Laos and will retain a capability for subversive activity against the Lao Government. However, we believe that the Laotians can limit Communist political advances and that an anti-Communist government will remain in power providing it continues to receive outside assistance and the Viet Minh do no invade or instigate widespread guerrilla warfare. We believe that the nature of Communist aggressive action against Laos will be moderated by the Communist desire to continue their “peaceful coexistence” line in Asia, particularly directed toward Indian reactions, and to a lesser degree by the possibility of US counteraction.

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11. Japan and India will become increasingly important targets for Communist “coexistence” policies and propaganda. We believe that the Communists will continue their efforts to undermine Japan’s stability and present orientation and will seek an expansion of economic and cultural relations. They will make greater effort to create the impression that their terms for a resumption of diplomatic relations with Japan are flexible, and may offer to conclude a formal peace settlement during the period of this estimate. We also believe that the Communists will focus increasing attention on India in an effort to insure at least its continued neutralism, and if possible to bring it closer to the Communist Bloc. However, even at the expense of friction with India, Communist China will seek to increase its influence in the Indo-Tibetan border area.

12. Communist influence in Indonesia has grown considerably since the present government took office in July 1953, and as a result of recent political developments the government is increasingly dependent upon Communist parliamentary support for its continued existence. We believe the Indonesian Communists will probably continue to support the present government or, if it falls, to work for the establishment of another government in which they would participate or in which their
influence would be strong. They will try, through both constitutional and illegal means, to expand their influence in the bureaucracy and the armed forces, and to prevent the formation of a unified and effective opposition. They will probably also attempt to strengthen their capabilities by the organization of a Party-controlled armed force. In general, however, they will probably avoid highly aggressive tactics in the near future, lest these provoke counteraction by the military or by domestic opposition groups before their own strength has become great enough to deal with it. However, present strengths and trends are such that a Communist takeover in Indonesia by subversion or force is possible during the period of this estimate.

Discussion

I. Introduction

13. The net effect to date of the Geneva Conference and of subsequent developments has been to advance the Communists position in Asia. Western prestige, in particular that of France and the US, has suffered greatly. Absorption of North Vietnam has strengthened the Communist strategic position in South East Asia, and has greatly increased Communist capabilities to subvert the remainder of Indochina, and South East Asia as well. Communists China’s claims to great power status have been enhanced. Lastly, the Communists’ “peace offensive” has had some successes in further deceiving many non-Communist elements as to ultimate Communist aims. The conclusion of the eight-power Manila Pact and the establishment of closer ties between Pakistan and the US have some potential for countering future Communist pressure, but their effect to date has not offset the gains of the Communists.

II. General considerations

Communist objectives in Asia

14. The USSR and Communist China share the following long-range objectives in Asia: [a] augmentation of the military and economic strength of Communist Asia; [b] elimination of US influence in Asia, and extension of the area of Communist political influence; and [c] neutralization and eventual domination of non-Communist Asia.

15. We believe that Communist China seeks: primarily, to carry out rapid industrialization of its economy and modernization of its military establishment and, for this purpose, to obtain greater Soviet assistance; to increase Chinese Communist influence over Communist movements in Asia; to gain an acknowledged position as a world power and as the
leader of Asia; to gain control of Taiwan; and to eliminate the Chinese National Government. Communist China considers Taiwan to be part of China, and looks upon its acquisition as unfinished business of the Civil War. Apart from this, however, we believe that the Chinese Communists feel under no immediate compulsion to expand China’s present borders, but will continue to keep alive certain border demarcation disputes.

16. We believe that the USSR seeks: to make Communist China a strong and reliable ally; to this end, to increase Communist China’s military and economic strength; but to keep China dependent upon the USSR; and to increase Soviet influence over communist movements elsewhere in Asia.

17. Certain Communist leaders elsewhere in Asia probably entertain objectives for their countries which do not coincide with the short-term aims of Moscow and/or Peiping. The objectives of the local parties may be considered in the formulation of Communist tactics, but over-all Bloc strategy will probably be formulated primarily on the basis of Sino-Soviet objectives, sacrificing if necessary the ambitions of local Communist Parties.

Communist relationships

18. The USSR has never controlled Communist China as it has its European Satellites, but seems rather to have dealt with China as an ally. In this partnership Moscow possesses preponderant influence because of the superior power of the USSR and because of Communist China’s military and economic dependence on the USSR. The USSR is acknowledged by Communist China as leader of the Bloc. Nevertheless, the main outlines of Communist policy in Asia are almost certainly determined jointly by consultation between Moscow and Peiping, not by the dictation of Moscow. Communist China possesses capability for some independent action, even for action which the USSR might disapprove but which it would find difficult to repudiate. We believe, however, that the two countries are disposed to act in concert.

19. The influence of Communist China in the Sino-Soviet alliance has been growing since 1949. This growth has been accelerated since the death of Stalin, and has recently been made evident in the Sino-Soviet accords of 12 October 1954. This process is likely to continue during the period of estimate. On a number of questions frictions may exist between Moscow and Peiping: over the control of Asian Communist parties, the nature and timing of action against Chinese Nationalist territories, the amount and character of Soviet aid to China, and perhaps other issues. We believe, however, that such frictions will not impair the effectiveness of the alliance during the period of this estimate.
20. The Chinese Communist regime has effected a virtually complete consolidation of control in continental China. There is considerable popular resentment of the central authority, but there is no indication of serious organized resistance.

21. On the basis of present evidence, we believe that Chinese industrial expansion under Peiping’s five—year plan will result in nearly doubling by 1957 the 1952 output of the modern industrial sector. However, farm output has lagged during the last two years, and during the past year the regime has moved to impose more rigorous controls over the economy in an attempt to maintain its industrial progress. To counteract increasing consumption pressures, Peiping has monopolized the distribution of important consumer goods and has instituted a rationing system for large segments of the population. To increase its controls over production, the Communist regime is establishing a program providing for compulsory sales of specified amounts of farm products to the state and has speeded up socialization measures which by 1957 aim to organize over half the nation’s farmers and handicraft workers into production cooperatives and to place virtually all industry and trade under state enterprises.

22. The Chinese Communists have certain capabilities for, and have demonstrated considerable skill in, employing trade or trade overtures for political warfare purposes, even with the limited means at their disposal. Moreover, the regime has with some success sought to convey the impression that relaxation of trade controls would open large markets for industrial products in Communist China and would develop sources of raw materials, a development which would ease some of the problems now facing industrial countries such as Japan and certain western European nations. In addition, the regime has impressed many non-Communist countries with its statements that trade controls are a major hindrance to a general reduction of political tensions in Asia. Actually, these claims of the possibility of greatly expanded trade appear to be largely propaganda. In time, with the development of its industrial base, Communist China’s capability for political warfare by economic means will be enhanced. The USSR’s capability in this regard in Asia is far greater than that of China, but is still substantially limited by internal Soviet demands and other pressing needs within theBloc.

23. The Chinese Communist Army of over two million has been gradually improving in combat and organization effectiveness. The role of the Navy will be primarily limited to operations in coastal waters. Its capabilities may be increased by the addition of at least 6 submarines and 50 motor torpedo boats. The Air Force, which has some 2200 aircraft, of which
more than half are jet propelled, is gradually improving in numbers of aircraft, quality of aircraft and equipment, and in combat effectiveness. It is limited primarily to operations under conditions of good visibility, and is unlikely to develop a substantial all-weather capability during the period of this estimate. During the period of this estimate, the Chinese armed forces will remain critically dependent on the USSR for resupply of heavy equipment, spare parts, aircraft, and POL. However, the strategic position of China will be improved by the expected completion in 1955 of a new Sino-Soviet rail link through Mongolia.

24. Chinese Communist forces are capable of overrunning Thailand, Burma, and the free states of Indochina against the Non-Communist forces currently present in those areas, or against any indigenous forces likely to be developed in the area during the period of this estimate. The Chinese Communists will have the capability throughout the period of this estimate to seize Taiwan, the Pescadores, and the offshore islands if opposed by Chinese Nationalist forces alone. Communist China is capable of successfully defending itself against any invasion effort by any non-Communist Asian power, despite China’s logistical problems and vulnerabilities to attack.

25. The demands of Communist China’s domestic programs, together with China’s vulnerability to air attack, will probably tend to inhibit Chinese acceptance of major risks in the field of foreign affairs. If, as we believe probable, these domestic programs go forward without major setbacks, this progress will augment China’s capabilities for extending Communist influence in Asia. There might be some danger of foreign policy adventurism in the event of major setbacks in China’s domestic programs. We believe, however, that on balance such setbacks would have the opposite effect—that of dictating abstention from military aggression.

26. The Communist regimes in North Korea and particularly in North Vietnam augment Chinese Communist and Soviet military and political strengths in Asia. These two areas will serve both as buffers protecting China and the USSR, and as bases for further Communist political or military expansion in Asia. The economies of both North Korea and North Vietnam will be closely coordinated with those of the Communist Bloc during the period of this estimate. Primarily because of Bloc aid, North Korea will probably effect substantial economic recovery by 1957. However, pre-1950 levels of production in North Korea will probably not have been attained, and heavy demands on the populace will almost certainly detract from willing support of the regime’s programs.

27. The Viet Minh is consolidating and reorganizing its armed forces by grouping previously independent regular and regional units to form new divisions with augmented firepower. This augmented firepower will result principally from a high level of Chinese aid in 1954, including illegal aid
since the cease-fire. By the end of 1955, the Viet Minh will probably have at least 11 or 12 infantry divisions, two artillery divisions, and one anti-aircraft division. These developments would more than double the pre-Geneva combat effectiveness and capabilities of Viet Minh regular army. It will exert an even greater intimidating effect upon the Vietnamese than it has to date. A Viet Minh Air Force will probably be developed, covertly or otherwise, during the period of this estimate. The Viet Minh regime will continue to require Bloc military, technical, and possible economic assistance, and its policies will probably reflect a consensus of Sino-Soviet views. The Viet Minh is expanding and improving its transportation and communication facilities, including rail and highway links with South China.

28. The large overseas Chinese communities in many Southeast Asian countries provide the Chinese Communists with a significant potential channel of subversion. Such support as was given by these overseas Chinese to the Communist regime diminished substantially since 1950 under the impact of Communist domestic policies affecting the families and property of overseas Chinese, as well as a consequence of Communist efforts to extort remittances from overseas Chinese. At present the great bulk of the 10 million overseas Chinese tend to be politically inactive and neutral, with the politically-minded minority split between allegiance to the Communists and the Chinese National Government. However, Communist influence among overseas Chinese youth has been increasing, especially since the Geneva Conference. In sum, the subversive role of the overseas Chinese in Southeast Asia generally is limited by the apolitical nature of most overseas Chinese, by their isolation in the Southeast Asian communities, and by the popular onus they tend to bring to any cause with which they are too closely associated. However, these overseas Chinese maintaining numerous ties with the Chinese mainland will provide a useful channel for Communist infiltration, espionage, and propaganda activity, and would, in the event of war or insurrection, constitute a grave threat.

Non-Communist vulnerabilities

29. Within most of the countries of non-Communist Asia, a state of uneasy equilibrium exists. No Communist party outside of Vietnam and possibly Laos at present possesses a military strength sufficient by itself ... of the national government. Furthermore, no Communist party in the area, with the exception of that in Indonesia, has the capability of significantly influencing the national government’s alignment. Despite these facts, the Asian non-Communist countries are dangerously vulnerable to the expansion of Communist power
and influence because of their military weaknesses and consequent fear of antagonizing Communist China. …………… ………………. the social and economic problems they face, and the prevalence of anti-Western nationalism. The effect of the Geneva Conference and subsequent events has been to increase this vulnerability.

30. South Vietnam remains the most vulnerable to Communist subversion and expansion. Developments in Vietnam will have a direct bearing on non-Communist prospects in Laos and in Cambodia would markedly increase the vulnerability of other Southeast Asian states to Communist tactics.

Communist estimate of the situation

31. There has been no evidence of change in the basic Communist view that the US represents the center of opposition to the maintenance and extension of Communist power in Asia. While the Communists almost certainly believe that the ultimate US objective in Asia is the overthrow of the Chinese Communist regime, they interpret present US domestic and foreign policies as indicating that the US in the foreseeable future does not intend, unless provoked by Communist action, to wage large-scale war or to run great risk thereof in Asia. (rest of paragraph illegible)

32. The Communists probably also believe that their capabilities for a long, primarily political struggle are greater than those of the US. The Communist leaders almost certainly estimate that they have a wide area of maneuver open to them in Asia in which they can safely continue efforts at subversion and support of armed insurrection without incurring unacceptable US counteraction. The Communists probably recognize that differences among the non-Communist powers on many aspects of Asian policy make it difficult for the US to bring effective force to bear against Communist expansion through measures short of overt aggression.

33. The Communists almost certainly believe that recent events, while demonstrating US reluctance to become involved in major war in Asia, have delimited more clearly the area in which the US would take military counteraction to prevent Communist military conquest. In particular, the Communists probably believe that open military aggression against Japan, Taiwan, the ROK, Thailand, the Philippines, or Malaya would lead to strong US counteraction, probably including action against mainland China and possibly including the use of nuclear weapons. They probably further estimate that an overt military attack against Laos, Cambodia, or South Vietnam might result in at least local US military action, and that an overt attack on any other non-Communist Asian state would entail serious risk of US military counteraction. Moreover, there is almost certainly also a large twilight area of possible courses in which the Communists are
uncertain of US reactions. Such courses probably include attacks on the Nationalist offshore islands, greatly intensified paramilitary subversion in Indochina, or infiltration of armed groups into Thailand.

34. The Communists, particularly the Chinese Communists, almost certainly regard the orientation of Japan and India as the key to the future balance of power in Asia. The Communists probably believe that Japan’s ties to the West can be weakened by a policy involving economic and political inducements. They probably consider that in the near future a policy toward India which shows at least a superficial respect for India’s position in South and Southeast Asia will best maintain India’s neutral position.

35. The Communist estimate of US actions and reactions in Asia will be the factor of paramount importance in their determination of courses of action in Asia throughout the period of this estimate.

III. Main lines of communist policy in Asia

36. The current tactic of the Communists in Asia appears to be a variant of their familiar policy of combining professions of peaceful intent with continued efforts at subversion and continued expansion of the Communist capability for war. The chief new element in this policy, evident since the death of Stalin and particularly since the calling of the Geneva Conference in early 1954, is a heightened effort to convince non-Communist countries that Moscow and Peiping desire “peaceful coexistence,” that reasonable and profitable arrangements with the Communist Bloc are possible, and that US policy is the only obstacle to a new era of peace in Asia. This new element conforms with present world-wide Communist tactics of minimizing tensions and of exploiting methods to divide the free world, and particularly to detach the US from its allies, during a period in which the significance of US nuclear superiority is being reduced. The professed Communist desire for “lessened tensions” in Asia appears in fact, however, to be marked by a desire to lessen the dangers of full scale US military action against mainland China and to dull the vigilance of non-Communist Asia, while at the same time continuing Communist expansion by means short of open war. Within this framework, the Communists are prepared to maintain a state of extreme tension with the US and Nationalist China, accepting the attendant risks. In brief, Communist China and the USSR will continue their present policy of wooing Asia with protestations of peace, while at the same time continuing to subvert Asia, in the expectation that this long-range “peaceful coexistence” policy will with minimum risk result in both the realization of their present military and economic objectives and the eventual elimination of US influence from Asia.
37. The Communists will attempt to impress free world countries, particularly Japan and Asian neutrals, with their willingness to negotiate outstanding issues. In so doing, they will probably make proposals for settlements which may be attractive to some non-Communist nations but contrary to US interests, and, as at Geneva, may on occasion make significant procedural and tactical concessions. Communist China may attempt to negotiate, on the basis of the Chou-Nehru five points, a series of mutual nonaggression, coexistence understandings with most of its Asian neighbors. In these efforts, the Communists will continue to seek greater recognition and acceptance of the Peking regime, and to hold out the promise that Asian and world problems can be solved by Great Power deliberation if Peking is permitted to participate therein. In addition, the wisdom of closer diplomatic ties with Peking will be impressed upon non-Communist Asia by constant exaggeration of Communists China’s strength, progress, and peaceful intent.

38. The Communists will almost certainly make every effort to publicize the attractive possibility for non-Communist nations of increased trade with the Bloc, and to blame the trade control program, and the US as the chief supporter of that program, for the failure of international trade to reach higher levels. Communist China will also seek such trade to supplement Bloc assistance to China’s industrialization program, to reduce such demands on Bloc over-all economy as this program may now entail, to carry out politico-economic courses of action elsewhere in Asia, and to reduce the level of domestic political pressures required to support economic programs. It is probable that Communist China will continue to exchange trade missions with many non-Communist countries and to negotiate trade agreements, both formal and informal, which express hopes of a high level of trade and disapproval of trade restrictions.

39. Except as noted below with respect to the Chinese Nationalist held offshore islands and South Vietnam, the Communists will probably not, during the period of this estimate, initiate new local military actions in Asia with identifiable Soviet, Chinese Communist, North Korean, or Viet Minh forces. Communist courses of action will probably be designed to expand the area of political struggle while maintaining and increasing capabilities for future military action. The Communists will almost certainly attempt increasingly to utilize Communist China’s power and prestige in Asia as a spearhead for Bloc policy there.

40. Despite our estimate that new Communist military aggression in South and Southeast Asia is unlikely, the Communists might undertake new aggression in reaction to US policies, or a result of miscalculation on their part of probable US reactions, or because of prospects of easy success in some area, especially if the strength and determination of the US and states cooperating with it seemed to be weakened. In particular, acute crises
UNITED STATES AND THE SOVIET UNION

may arise out of the Geneva settlement or out of the Chinese Communist determination to gain possession of the Nationalist-held off-shore islands and Taiwan. Thus, throughout the period of this estimate, the possibility of war remains.

41. The Chinese Communists will continue their efforts to subvert and exploit the overseas Chinese in Southeast Asia. They will attempt to gain control over schools and youth, commercial and other groups, and will exploit continuing ties between these communities and mainland China for financial purposes, and as a channel for infiltration, espionage, and propaganda. The degree of Communist success in exploiting the overseas Chinese will be strongly influenced by the over-all fortunes of Communist China. However, because the usefulness of most of these Chinese is limited (their members are apolitical, culturally isolated, and disliked by the indigenous populations), the Communists will probably concentrate their activities primarily on the governments and indigenous populations of Southeast Asian countries. The Chinese Communists may even make compromises on the nationality status of overseas Chinese, believing that such compromises would not greatly diminish the subversive potential of the overseas Chinese communities.

IV. Specific courses of action

Nationalist China

42. The issues between Nationalist and Communist China will continue to present the greatest danger of large-scale warfare in Asia. The Peiping regime will continue committed to the “liberation” of all Chinese Nationalist held territory, defining this issue as an internal affair in which foreign interference will not be tolerated. The future course of Communist action toward the offshore islands and Taiwan will be determined largely on the basis of Communist estimate of US reactions. (The Assistant Chief of Staff, G–2, believes that this paragraph should read as follows: Chinese Communist activity against Taiwan and the offshore islands has fluctuated during the last four years from almost complete indifference to recent heavy pressure against the Chinnens and the Tach’ens. Current pressure appears to be part of an over-all pattern of Communist politico—military action. The Peiping regime is committed to the “liberation” of all Chinese Nationalist—held territory and has defined this issue an “internal-affair” in which foreign interference will not be tolerated. A successful assault against the offshore islands is well within Communist capabilities, and it would be unreasonable to assume that they think otherwise. These islands pose no particular military threat to the Chinese Communists and are of only limited military, political, and psychological value to the Chinese Nationalists. However, the Chinese Communists, by continuing military
pressure against the offshore islands without direct assault, are able to keep the Chinese Nationalists and the US on the defensive wondering where the Communists will strike next. In addition, Communist propaganda concerning Taiwan tends to accentuate the divergence of views between the US and her allies on the China question.”

43. We believe that the Chinese Communists will continue to bomb and conduct raids against the Nationalist-held offshore islands, to occupy undefended adjacent islands, and to increase air, naval, and artillery activities. They will almost certainly increase the scale of such probing attacks on the offshore islands, and will probably attempt to seize some of the major offshore islands during the period of this estimate. They will almost certainly attempt to seize some of the major offshore islands if their probing actions were to provoke no appreciable US counteraction. On the other hand, as long as the US responds to these probing attacks with shows of force, the Communists may not attempt all-out assaults against the major offshore islands. In any event, the Chinese Communists may attempt to provoke local incidents involving US forces which could then be put formally before the UN as a case of US aggression and of US interference in the internal affairs of China.

44. We believe that as long as the US continues its firm support of the National Government, remains committed to the defense of Taiwan, and continues to keep major air and naval units available in the general area, the Chinese Communists will not attempt a full-scale invasion of Taiwan or the Pescadores. They probably believe that such actions would lead to war with the US, possibly including nuclear weapon attacks on mainland China. If the Chinese Communists should come to believe that US determination to defend Taiwan had markedly decreased, the likelihood of a Communist assault on Taiwan would be greatly increased. Finally, if the Chinese Communists should come to believe in the course of their tests of US intentions or otherwise that the US would not in fact defend Taiwan and the Pescadores, they would probably attempt to take over Taiwan by force.

45. The Communists will almost certainly concentrate on an interim policy of subversion and other means of softening up Taiwan for ultimate takeover. To this end, they will probably attempt to undermine the international and domestic position of the Chinese National Government and to weaken its ties with the US. Through propaganda and diplomacy, they will attempt to embarrass and discredit the US and the National Government, to exacerbate existing differences between the US and its allies and other non-Communist powers on the Taiwan issue, to promote international favor for an ultimate disposition of Taiwan acceptable to themselves, and to put pressure on the US to withdraw its military protection and support.
Meanwhile, through continuing operations against the offshore islands, psychological warfare, subversion, and perhaps nuisance air raids against Taiwan, they will try to undermine Nationalist morale, increase their espionage and sabotage potential on Taiwan, encourage defections, and promote political unrest on the island.

**Indochina**

46. We believe that the Viet Minh will continue to gain in political strength and prestige and, with Chinese aid, to increase its military striking power in North Vietnam. The Viet Minh probably now feels that it can achieve control over all Vietnam without initiating large-scale warfare. Accordingly, we believe that the Communists will exert every effort, to accomplish their objectives through means short of war. Viet Minh agents will continue to subvert all susceptible elements of the population, to intrigue to prevent the coalescence of the various factions and the building of any strength in the South, and Viet Minh “shadow-governments” and politico-military networks will be established wherever the failure of the national government or the French to impose controls leaves the Communists a vacuum in which to operate. As a result of their activities and probable degree of penetration in South Vietnam, it is possible that the Communists will succeed in convincing most Vietnamese in the South of the inevitability of Communist control.

47. If, on the other hand, South Vietnam should appear to be gaining in strength or if elections were postponed over Communist objections, the Communists probably would step up their subversive and guerrilla activities in the South and if necessary would infiltrate additional armed forces in an effort to gain control over the area. However, we believe that they would be unlikely openly to invade South Vietnam at least prior to July 1956, the date set for national elections, because: (a) they would consider that their prospects of gaining control over the area without resort to invasion continued to be highly favorable; (b) they would be concerned over the possibility of US military counteraction; and (c) they would probably fear that invasion would induce the neutral nations in Asia to move toward open alignments with the West.

48. The Viet Minh is adopting a conciliatory line toward France, thus seeking to exploit French hopes of retaining their economic and cultural interests in North Vietnam. It probably hopes that French susceptibility to an arrangement with the Viet Minh will increase and consequently reduce French willingness to support a strongly nationalistic state in South Vietnam.

49. The Communists will probably continue to exercise considerable control in the northern provinces of Laos and will retain a capability for
subversive activity against the Lao Government. However, we believe that the Laotians can limit Communist political advances and that an anti-Communist government will remain in power providing it continues to receive outside assistance and the Viet Minh do not invade or instigate wide-spread guerrilla warfare. We believe that the nature of Communist aggressive action against Laos will be moderated by the Communist desire to continue their “peaceful co-existence” line in Asia, particularly directed toward Indian reactions and to a lesser degree by the possibility of US counteraction.

50. However, if South Vietnam should fall to the Viet Minh during the period of this estimate, Communist capabilities for pressure against Laos would be substantially increased, and the Laotian will and capability to resist these pressures would be correspondingly lessened. The extent to which the Communists chose to exploit this situation would depend almost entirely on their estimate of the probable reactions of the Manila Pact powers and of the neutral countries of South and South-east Asia.

51. Although some Vietnamese Communist troops and their dependents have been evacuated from Cambodia, we believe that a sizeable Viet Minh cadre has been left behind. Moreover, the Cambodian Communist armed bands, although ending their guerrilla activities, have failed to demobilize or to turn over their arms. Future events in Cambodia will be considerably affected by developments in Vietnam and Laos. A Communist takeover in South Vietnam would increase Communist capabilities against Cambodia and would impair Cambodian will to resist further Communist pressures, through we estimate that the Cambodians would be more resolute than would the Laotians under similar circumstances.

Japan

52. Japan will become an increasingly important target for Communist “coexistence” policies and propaganda. The Bloc powers will continue to seek an expansion of economic and cultural relations, playing upon exaggerated popular expectations in Japan of the potential benefits of trade with Communist China. They will continue to hold out the possibility of negotiations leading to closer relations with the USSR and Communist China as a means of resolving economic and security problems facing Japan. The Communists will make a greater effort to create the impression that their terms for a resumption of diplomatic relations with Japan are flexible, and may offer to conclude a formal peace settlement, possibly involving the return of some small Japanese islands such as the Habomais, and the conclusion of a non-aggression pact. There are no indications at present of any change in the basic Sino-Soviet requirement that Japan terminate its alliance with the US as a precondition for diplomatic relations
UNITED STATES AND THE SOVIET UNION

or a peace treaty, but it is possible that within the period of this estimate the Communists may be willing to accept something less.

53. The Communists will continue their efforts to undermine Japan’s stability and present orientation through subversion by the Japanese Communist Party, and through intensification of informal negotiations between non-governmental groups. The Japanese Communists will continue to subordinate armed revolution to the “peaceful” demands of “united front” and “unified activity” tactics. At the same time, the Japanese Communists will continue to develop their covert organizations and may, on occasion, resort to sabotage and limited acts of violence.

India

54. The USSR and Communist China will focus increasing attention on India in an effort to insure at least its continued neutralism, and if possible to bring it closer to the Communist Bloc. Communist China may seek to conclude a formal non-aggression pact with India, and may even agree to an informal delimitation of respective Sino-Indian spheres of influence in Southeast Asia. Even at the expense of frictions with India, Peiping will probably establish diplomatic relations with Nepal, and seek to increase its now limited influence there and in Bhutan, Sikkim, and elsewhere along India’s borders.

55. Within India, the native Communists will probably continue their efforts, largely through legal and constitutional procedures, to build a united opposition against the ruling Congress Party. They will seek to exploit nationalist, neutralist, and anti-Western sentiments, and probably to aggravate Indian–Pakistani differences. The Communists in India may join in riots and employ other violent tactics on a small scale, particularly where outbursts of violence have been instigated by non-Communist groups. Local Communists will try to enlarge their influence within the Kashmir government.

Korea

56. Communist policy during the period of this estimate will probably seek to continue a stabilized situation in Korea. We believe that the chief features of this policy will be: (a) to refrain from renewing hostilities in Korea, but to be militarily prepared for a resumption of hostilities; (b) to refuse to accept any settlement in Korea which either endangers continued Communist control of North Korea or precludes hope of eventual Communist control of all Korea; (c) to rehabilitate North Korea and to strengthen its military and economic power; and (d) to attempt to weaken the ROK by infiltration and subversion.
57. The Communists probably will withdraw most if not all Chinese troops from Korea within the period, claiming credit for reducing tensions in Korea and thereby imposing pressures on the US to effect further US troop withdrawal from Korea. Dissolution of the Neutral Nations Supervisory Committee in South Korea, if it takes place, will almost certainly evoke a sustained propaganda campaign against the US, but probably will not lead to renewal of hostilities or serious incidents in Korea. The Communists probably will continue to urge that negotiations on the unification of Korea, possibly in the form of a new international conference, be reopened. They will continue to suggest that if unification cannot immediately be achieved, lesser arrangements can, such as economic and cultural intercourse between North and South Korea. The Communists will almost certainly not agree to unification based on free elections under UN supervision, but will probably be willing to make procedural concessions in negotiations and to enter into economic and cultural contacts with the ROK. The Communists nevertheless will continue efforts to increase their now limited capabilities for subversion within South Korea, and for exploiting political instability and grievances against the US and Japan.

58. ……………………………………………………………………………
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“We believe…, …” that the Communists would wish to avoid becoming involved again in war with US/UN forces, and therefore that they would invade South Korea only if they estimated that the invasion would not lead to such involvement.

Indonesia

59. Communist influence in Indonesia has grown considerably since the present government took office in July 1953, and as a result of recent political developments the government is increasingly dependent upon Communist parliamentary support for its continued existence. Communist influence has been exerted especially through Communist activity in Indonesia’s principal labor, veterans, and agricultural organizations, respectively, SOBSI, PERBEPSI, and the B.T.I. At the same time, Minister of Defense Iwa, who has had a long history of Communist association, is attempting to isolate anti-Communist elements in the security forces and to develop new military commands under his direct control. It is possible that other individuals under direct Communist control will by invitation participate in a government during the period of this estimate, and in this case Communist influence would probably rapidly increase.
If no prompt and determined counteraction to this latter development were taken the chances favoring a complete Communist takeover would be high.

60. We believe the Indonesian Communists will probably continue to support the present government or, if it falls, to work for the establishment of another government in which their influence would be strong. They will try, through both constitutional and illegal means, to expand their influence in the bureaucracy and the armed forces, and to prevent the formation of a unified and effective opposition. They will probably also attempt to strengthen their capabilities by the organization of a Party—controlled armed force. In general, however, they will probably avoid highly aggressive tactics in the near future, lest these provoke counteraction by the military or by domestic opposition groups before their own strength has become great enough to deal with it.

61. The prospects of the Communists in the election, now scheduled for mid–1955, are unclear, and may depend on election procedures which the Communists will attempt to influence. If an anti—Communist government came to power in the near future, with or without elections, we believe that the Communists, because of their present limited capabilities, probably would not consider violent reaction on a large scale to be feasible. Their principal efforts in such a case would be devoted to the improvement of their local organization and of their capabilities for future action. On the other hand, if a government of the present character continues in power and if Communist strengths continue to grow as rapidly as in the period since 1953, the chances of a Communist take-over by subversion or force during the period of this estimate will greatly increase.

**Thailand**

62. The Communists probably consider that their prospects in Thailand depend chiefly upon the course of events in Indochina. They will continue subversive activities in Thailand, primarily among the Chinese and Vietnamese communities. However, the most significant Communist activities relating to Thailand will be conducted from outside the country. We believe that there will be increasing subversive activity supported from southern Yunnan and Laos. In addition, Peiping will exert pressures on the Thai Government to join a Peiping—organized “peace bloc.” To this end, former Thai Premier Pridi Phanomyong may become increasingly prominent in Peiping as a spokesman for such “coexistence.” We believe that these tactics will not have significant effects in Thailand as long as Western assistance and support to Thailand continue and the Thai are not faced with an imminent military threat from China or major Communist gains in Indochina.
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Burma

63. The Chinese Communists face a peculiarly difficult problem in determining what balance to strike between soft and hard tactics, since obvious support of the insurgents within Burma would probably move Burma closer to the West and arouse Indian apprehension of Chinese Communist intentions. Furthermore, Moscow and Peiping probably do not consider the present Burmese Communist leadership wholly reliable. We believe that the Chinese Communists will attempt to pursue a middle course toward Burma: continuing a “peace policy,” while fostering subversive activities, particularly in the border areas.

Pakistan

64. Although the USSR and Communist China will continue to maintain correct diplomatic relations with the Government, Communist policy will be weighted in favor of subversion and occasional terrorism. The aims of the Communists will be necessarily modest: to increase their now limited strength in Pakistan, and to lend a hand in causing an existing government to be replaced by one less pro-US and anti-Communist. They will attempt in particular to exploit provincial, ethnic, and religious differences, the unsolved refugee problem, and differences between India and Pakistan.

Elsewhere in Asia

65. The present policy of infiltrating incipient nationalist movements in Malaya will probably increase Communist political potential in that area by the later period of this estimate. Communist policy involving the Philippines, Ceylon, Hong Kong, and Macau is likely to continue along present lines.
PART I

5.1

INDIA. Minutes of report by Ambassador to India Chester Bowles, at the 6/12/52 Psychological Strategic Board meeting. WH Minutes (20), 6/1/52. Top secret (sanitized).

PSYCHOLOGICAL STRATEGY BOARD REPORT BY HON. CHESTER BOWLES,
U.S. AMBASSADOR TO INDIA
MADE DURING THIRTEENTH MEETING
Held June 12, 1952, Room 5104, New State Bldg.
21st St. and Virginia Ave, N.W.
Washington 25, D.C.

UNDER SECRETARY BRUCE: We have Ambassador Bowles with us. We are very happy to have you, sir. If you would give us the benefit of some of your, shall I say, observations on questions of India, we'd be very happy.

AMBASSADOR BOWLES: Well, I might for a few minutes. Perhaps it would be more worthwhile if you brought up things you'd like me to talk about. I could talk about India for three hours and I might talk about the wrong part of it rather than the part you'd like to hear.

DEPUTY SECRETARY FOSTER: I'd like to ask a question, if I may. How good were these three journalists who just returned from Peiping and give us this resume recently here. Chet, of the great virtues of the new Commie regime in China? This is a little off India, as such.

AMBASSADOR BOWLES: Well, I have only seen in the paper some reports. There was one that came in from two journalists. One of them I saw was a very confidential, very extremely anti-Communist report that he made to Nehru before he left on previous trips..........................

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days later. I haven’t seen anything since September 1st. There was a report by Bob Campbell (?), last Sunday, which I thought was about what I expected. He said he thought China had made a good deal of material progress but deplored the manner in which it had been done. He thought the methods were vicious and definitely not suited to India and it was very clear to them what the Chinese operation seemed to be. That is all I have seen.

DEPUTY SECRETARY FOSTER: One of the things they have consented on was the fact that the Russian Advisory Commission was kept separate from the Chinese and then, obviously, were not dominated, the policies of the Chinese Communists, that they were advisers and were cooped up, segregated, kept away from them and I didn’t know how good their powers of observation were.

AMBASSADOR BOWLES: That is in line with the report…………… that went there before.

DEPUTY SECRETARY FORSTER: He’s just gone again hasn’t he?

AMBASSADOR BOWLES: Yes………………………………….......................

GENERAL SMITH:……………………………………………………………..

AMBASSADOR BOWLES: I haven’t seen him. You know more about this than I do.

There were two reasons why they went. In the first place, they went because they didn’t know how to get out of it. The Chinese sent down a delegation to go all over India. The second reason was they wanted to get a more balanced view before the Indian people picked a very carefully group that would give that and carry some weight.

We analyzed the group very carefully. I don’t know any pro-Communist in it. I know one person who might be called a very faint fellow traveler. The rest of them are very specifically and definitely anti-Communists. There were several Socialists there who bitterly hate and detest Communism and have often stated so.

Mrs. Pandit was chosen as chairman.

Nehru talked to me very freely and openly about this. She felt she had some understanding what Russia was like, having been there. It was very pleasant……

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They, of course, had this view that, sooner or later, it may be possible to open up some ground between China and Russia. I think the last six months—five months ago hey thought the round was open anyway. I don’t think there are many illusions on that subject now. However, they feel that, basically, the Red Army is no influence in China, that can’t be a threat to China that it was, for instance, to satellites and to Yugoslavia, that that is not an influence there; the Chinese basically dislike foreigners and basically have many reasons to not be particularly pleased with the Russians. They say many of the jokes in China are Stalin’s effort to demonstrate that he was really for them at the time he was
really supporting the Nationalist government in 1945 and 1946. There are lots of wisecracks about the deviationists that must have been at work.

Of course, it wasn’t Stalin’s fault. They feel and express it over and over again that the one big factor that can bring about a change some day, if that is possible ever in Soviet strategy and Soviet attitude—not “attitude,” but “strategy”—is an independent China. I don’t mean a pro-West China. They’re not naïve enough to think that is ever possible, but a China that is at least independent of Russia. They say, today, that perhaps Russia has a whole new factor to defend with reasonably independent China in her back days. I didn’t think there are any illusions about the way it stands today, but they maintain this hope. Nehru, over and over again, said to me,” Give me a better hope. Is there a better hope for changing the Russian fundamental concepts?” he says anything that tends to push or play into the Russian minds by pushing China is a mistake. He said, “At least you will admit she’s fully engaged to be married.” I said, “Yes, I will, but I don’t think they’re quite married yet. I think the date of the wedding could be postponed.” Only history is going to tell what validity there is in that.

That is their view, and that is, basically, the reason why this Commission went abroad. I deplored the fact the people on it were not more politically experienced. There was, however a great deal of talk about attempting to talk to some of the Chinese, saying, “Look, you’re Communists. We don’t like Communism. We don’t agree with it, but you’re Communists. Why don’t you be Lenin Communists instead of Stalin Communists? Lenin, later he was blocked in Warsaw, went to work on his own country and made his peace with the Baltic States, and Turkey was the Dardanelles, and other. Why don’t you follow that strategy and bring tranquility and peace to Asia rather than this the twenty years to build up your country and follow the new Stalin thing?” They were looking from quotes from main during this period, quotations from what Lenin said when this change took place.

It is important too, in understanding India, the fervency which they hold they would agree with her is quite a faint hope. They don’t think it is an active hope now. They say history takes a long time and if anybody could have possibly foreseen some of the wild happenings of the last ten years, they’d only say, “We will add this to the list. This could happen.” As I say, Nehru would come back and say, “Tell me any event that would bring about a basic change in Russian strategy. I don’t know what it is. If somebody knows, tell me.”

On Korea—they are clear on Korea. Both Mrs. Roosevelt and I covered this backwards, forward, up and down with Nehru. He agrees fully on the position we have taken on the armistice. He does not agree with the publication of the prisoner numbers. He says in his opinion that was a bad blunder. He said, “If you had simply let them on—as far as we know, all these people will go back—we have no knowledge they won’t go back. Why wouldn’t they go back? But they’re going to be darned certain if any number of them don’t want to go back, they’re not
going to be forced. If you concentrate on that and concentrate on the screening method, you might have gotten agreement but when you threw the number in their face, you made it difficult.” If they put a feeler down from Peiping, would we be willing to send back Chinese if they agree to keep North Koreans? He said. Of course, they missed the point. He thought it was a cynical thing. They understand that very clearly. I don’t think you are going to find them making any abrupt or critical statements publicly to any great extent against the Chinese unless the Chinese goad them or move into Southeast Asia. They’re not going to do that. They’re going to try to keep currency to some kind of semblance of reasonable living.

However, I think you will find them being fairly rough on the Soviet Union increasingly. They’re very aware today that the Communist Party in India is financed from Moscow, which was something they didn’t know a few months ago. I asked his Minister, “You’ve got good men around India. Why don’t you put them to work and find out how they’re financed?” You see, Indian Communists are a bad lot of people. Maybe there is no connection. Well, there is a connection. It is through the books there. There are many ways, of course. One specific way is the books that are published free in Russia, sent to India and sold by the Communist Party there with the proceeds going into the coffers of the Indian Communist Party. I said, the attacks on you are financed right out of Moscow. The whole plan, the whole deal is financed there through these books and through other ways too.” They discovered that was true and a light began to dawn. They began to look around for a law to ban these books. They’re still looking for it. Whether there is courage to pass a law to ban them I don’t know. They asked me what that would do to us. We’ve got some books that we put out through Indian publishers. I went to Nehru and Bajpai. Both of them said they’d like to admit to this; they think it will be discovered anyway; they’ll be perfectly frank and hold nothing back; they appreciate it. I said, “You know we are publishing these books. I’d like to print an advertisement in the AMERICAN REPORTER, our weekly paper, and say the American Government is making it easier for the Indian people to buy these books at cheaper prices.” He said, “My God, don’t do that. We don’t want you to get hit by what may happen.”

I brought it up with Nehru before I left. He said, “I’ll find out about it. I’ve missed it. I’ll let you know when you get back.”

The Tass representative out there who is head of the Russian Information Service has upset them by some of the things he’s done and said from Moscow and the things he’s fed back, the attacks on the Indian government. They told me they were throwing him out of the country.

They told me that the conversation that the Indian Ambassador had with Stalin was 25 to 50 per cent on the subject of propaganda being put out of Moscow against Nehru that they did not like. They told me this man would be gone by the time I get back. I don’t know whether he will be gone or not, but that is what they said.
The Communist Party there has—I think we have it in reasonable shape at the moment. As you know, they’ve got about five per cent of the vote, a little more than that, of the number of Representatives of the Parliament. They have been completely vicious, reckless, ruthless and come out in fairly true colors.

A lot of the Indian press is fairly conservative. Maybe they’ll be a healthy element. The Indians are full of that thing. Maybe there will be healthy opposition. Today, it is very clear that they’re not. They’re completely vicious in irresponsibility and opposition to the credit of the Socialists. A non-Communist Party’s united front idea has not worked. That is one of the few places in that situation where it hasn’t worked. They have not gone along with it. Now, I don’t think the Socialists ever will go along with it. I worried about the KMP and get the feeling they’ll begin to get insignificantly drawn in. I don’t think so. I think it is possible, not probable. If this effort in parliamentary disturbance fails, they may resort to violence again. If they do, I hope they will handle it better than last time. Last time, they moved in and shot a lot of the wrong people. The result was that everywhere in the elections this year the places where the Communists had taken over, where revolts had taken place, were places where the Communists got the heaviest vote, which is not healthful. I hope, if it does come again, they’ll handle it a little bit more rationally. They were pretty rough last time on a lot of people who were not Communists at all.

I keep saying over and over again that we sometimes make the mistake of thinking too much in terms of governments and failing to think in terms of people. You can develop most friendly relations with Nehru. You’re going to have your ups and downs with him, but I am always ready to take the one step back that I think we are going to have to take. I am always expecting to get a rap sometime that will put us back. It hasn’t come yet, but probably will. By and large, it will be three steps forward and one step back. If the Nehru government fails, it is not going to do much good to have good relations with them back in 1932 or 1953. If they fail, that’s that. You are not going to get anything else there that you can work a deal with in my opinion.

The Nehru government is working hard. They have done more, as I think you know, than any country in the world to help themselves. They handled a huge refugee problem without foreign aid. They got the biggest water development program in the world without foreign aid. They’ve got one river valley development, irrigation program, that is bigger than Grand Coulee by eighty per cent, and Grand Coulee is the biggest in the world. It is Bhakra. They’ve got Damodar and Hirakud that are almost as big. They’ve got a lot of smaller ones pushing hard. They’re scraping in an effort to find rupees to carry forward their program. They have reduced or eliminated subsidies on grain. As a result, rice prices went up 55 per cent in Bombay, Delhi, and other cities. The Communists have always been weak in the cities. They stage mass demonstrations. You can call the action of the government in freeing up that money for internal development courageous or just a little foolhardy. I think
they would have been better to go only partway. The Russians, of course, would have done it in a ruthless way, but in a democracy you don't operate that way. They went too far. As a result, the Communists have not got a hand in the cities. I think they'll backtrack to get food prices down as much as they can.

I won't bore you with my views on the aid program. I can only say, if we don't keep this ball rolling out there, we are making a fundamental mistake that we are going to deeply regret. The ball won't roll our way unless there is enough aid to keep it rolling.

I have a mythical man set up for me out there; twenty-eight years old. He's very much for us on the side of democracy. He wants democracy to win but also wants to be on the winning side. He feels he'd better watch his step and he wants his Communism to appear to be on the winning side. He's got thirty or forty years ahead of him and he's going to place his bets there and rationalize and say maybe it will be different in India; maybe we can change it; maybe the Gandhi influence will make a difference. He, by the tens of thousands, will start to place their bets the other way. If you wait until the bets are placed the other way, Congress can vote us a billion dollars out there and it will just be down the drainpipe. If they come through with moderate amounts now, it will be as good as any money we are spending anywhere. It is very hard to get the viewpoint understood. People seem to understand many of our assumptions and disagree with the final step. I think this may be a little like China in '47 or '48. It didn't make much difference what you did; the ball game was lost. I think in '55 or so if this ball game is lost, then you can spend your money until the cows come home. Then it won't do you any good. I hope this won't burst out in flames because it is coming. There's no question about it.

I am not one of those people who say all you have to do is fear people and they're going to vote against the Communists. That is extremely naive. There was more radicalism in 1935 in America and in 1932 when people began to get jobs and go ahead. It was then when the sit down strikes came. You've got to do more than help them meet economic problems. You've got to put something in their hearts, something in their minds. You've got to make them share in the building of India. It can't be our job. It's got to be their job. If when they get through they say, “That America—America did this for us,” I don't think it would be a great success. On the other hand, if they say, “Look at what we did ourselves. We're grateful to America for the assistance. We've got an answer to Communism. We've got something better than the Chinese,” then you've got a democratic partner in Asia.

You've also got to hit the intellectuals, a frustrated, middle-class group, most of them. They haven't had a hungry day in their life, but they get frustrated. The universities turn them out by the thousands. We've gone to work on them and have a big program that we hope to start in August. It is terribly essential to hit them too.
In my pleas for aid I don’t say all you have to do is give them aid and the ball game is won. It’s not that simple. You could give them all the money for aid and the ball game might be lost. Assuming we are wise enough to do it in the right way to build up their confidence in themselves build up such concepts in their own minds of democracy, what it can do, then I think the ball game can be won.

I don’t have to add if this ball game is lost out there, I’d hate to take a look at the French Chamber of Deputies the following morning, or any of these Western European countries. When these people decide to place their bets the other way, they’re going to do it by the thousands and it will have a snowballing effect here. If we look on the losing side, a lot of our friends are going to jump on the fence. Some of our friends will jump the fence completely. Psychologically, you are going to be in a losing situation. I feel very keenly and deeply about it. I think we are playing for very, very great stakes.

I don’t think enough people have been to India and I know the top people in the State Department have hardly been to India. They haven’t been able to get there for one reason or another. They go to Tokyo, Manila, Formosa, then Istanbul, Cairo, and sometimes get there. We are in the middle. I have had two Congressmen visit us this year. They stayed six days. You say I’m lucky. I wish I had a hundred because they would better understand it. Newspaperman don’t get there. It’s in the middle. It gets forgotten.

In my opinion, it is the basic key to Asia. We’ve got the formula. We’re moving in the right direction. We need support.

UNDER SECRETARY BRUCE: Any other questions?

May I ask one? You spoke of Southeast Asia. What is the present Indian attitude about that portion of the continent? Would they regard with a great deal of apprehension the loss of any of the states in Southeast Asia to the Communists?

AMBASSADOR BOWLES: Oh yes. It is fascinating to talk to Nehru on this. If you talked to him four months ago—I did many times—about Indo-China, he would start out giving you a twenty-minute lecture on imperialism, colonialism, the French hanging on to a rich fort hold, etc., when supporting Bao Dai. You’d get it for twenty minutes. Now, you get it for thirty seconds. You get it still for the record. Then they say, “What are the French doing? Are they going to hang on there?” And they’re worried. They’re not worried enough to quite make the jump. That I go over this over and over again with them. They say, “All right: you don’t like Bao Dai. We don’t like the French.” The French are playing a losing game. It’s a terrific training cost. There is only one reason they’re there and that is to dam up this cork in the bottle. “You know perfectly well,” I said this to Nehru two and a half weeks ago, “a few days after the Communists move into French Indo-China, Thailand will change its government like a suit of clothes. They have a file, an index of governments ready to pull out.” I said,
“How long is Burma going to stand up? You’ve got them on your boundary line. What do you prepare to do about it?” Well, they change the subject, but they’re very, very deeply concerned, deeply concerned. I find the best approach I have out there is to try to make them think it out our way by saying, “What are we doing wrong? How would you do it differently? It’s no use for you to come around and Monday-morning-quarterback on us. If we are handling the Korean situation wrong, you’ve got an obligation to tell me how to handle it, how to handle Indo–China—that was your solution, the Indo–China. You have no right to come around and criticize America the day after something goes wrong. I want your help.” I asked Nehru one day if he’d take a half hour out and tell me what he’d do if he were Secretary of State. I said, “Go ahead and be Secretary of State and give me your policies.” We had some great fun. He started out to do a lot of things. I said, “My friend, you are in a political year. You can’t do that.” He said, “What’s politics have to do with it?” I said, “What did it have to do with it when you were running for election? Remember all the things you said you couldn’t do because you were in an election? We are in an election and can’t do that. We can’t handle this colonial situation quite the quick easy way we’d like to do it.” When he got all through—there were a great deal if gags about it—it wasn’t too different from what we were doing. He said, “Would you try to out-Vishinsky?” He said, “You’re got a good case but you talk too loud and sound too smug. When you talk to them about our failure to join the league or their implications about our failure to join the league, what it costs us and costs the world, then you’re on common ground with them. You say you’re not going to repeat that mistake again and allow the vacuum that developed in Europe.

The whole colonial question is very keen. I think we kept them from breaking out too hard on Tunisia. I wouldn’t be surprised if they did break out unless some reasonable solution could be had in the next two or three months.

You sent back a letter to the Secretary, suggesting that we may find ourselves liquidating colonialism mob by mob over a period of the next ten or twelve years. Wouldn’t it be right to try to look at it squarely now and begin to find a means of liquidating it without the mobs and on a more orderly basis through some proposal to UN?

I suggested associate members of UN as a status for possibly Morocco, Tunisia, and others, intermediate status give them the right to talk, be free enough to vote, some device.

It seems to me we’ve got to have ideas somewhere there. I’m feeling for something. I know I haven’t got it. But if we could do that, maybe an extension of the commonwealth idea. I know the troubles with France. I know they’re very grave. We simply, it seems to me, have got to get—assuming that always our crisis come in the next year, we sometimes fail to do the things, it seems to me, that must be done for the five and ten year period. I am just suggesting that is something always to think about. We can’t lose this moral position we have.
Of course, we have lost it to some degree, but I know that compromise is necessary. I am perfectly aware of the problems.

I’d like to add just one thing on the information programs. I think there are just two points on that. No. 1, I think there is a danger sometimes that we talk too much to each other and to people who are already convinced. Some of our statements find a ringing response from people who already agree with us. That is valuable because those people must be kept in line. It is also good to have them arguments to give their friends.

I am wondering always if the target shouldn’t be more the men on the fence, the confused person who doesn’t quite go along with it. I think we are a little wrong here. The Russians would go somewhere else—that in-between man who must be persuaded. Sometimes information work that looks successful may not be as successful as it appears because the success may be among people already convinced.

No. 2, I feel perhaps one of our biggest weapons in the propaganda world is the attitude of our people themselves abroad. It is very right to say to everybody abroad he is an American ambassador, etc., but it is nevertheless true. One discontented stenographer with three martinis can do you more harm with a bad remark that can reverberate all over a city and be exaggerated with each step than you could make up. I don’t think people should be sent to posts if they don’t want to go to them. I told our people if they don’t feel their job is one of the most important they’ve had, I’d try to get them transferred. I tried to get them to learn Hindi. The white man’s always been told he doesn’t have to learn the language. Now they’re free and feel entitled to that courtesy. I feel every person whom those embassies consult and everything else ought to get a better indoctrination and really feel a responsibility for doing the right thing, making Indian friends, Burmese, or wherever they happen to be. I think that the personal contact is something we don’t do as well as we should. Now, we don’t do it at all perfectly in India, but we are trying desperately to improve it. Even a cruise ship which goes around the world—why not make sure every person taking that cruise ship gets information about our problems with those countries? One of them came into Bombay, a prohibition port, and the first thing he had to have drinks there. After reverberations, he said, “To heck.” It’s a little thing.

All in all, I think we are doing better but not well enough. I think there are high hopes. I think there are also great dangers and great opportunities.

UNDER SECRETARY BRUCE: Thank you very much, Mr. Bowles. It has been extremely interesting to us.

GENERAL SMITH: Did you ever have any opportunity of talking to Nehru about the possibility of approaching the Burmese government with regard to a more tolerant attitude toward indigenous tribes?

AMBASSADOR BOWLES: Yes, I did. He said they agreed very definitely. They already talked with them; we couldn’t be more right; he thought the Burmese
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government was much more aware of it. We talked about this three or four weeks ago. The KMP, of course, is a great source of excitement. I have given them my word, based on the State Department's word, that there is nothing in it. They have accepted that. At a press conference, Nehru said, “I have the word of the American Ambassador this is not so and I accept that word.”

UNDER SECRETARY BRUCE: Thank you, sir, very much. Nice t-o see you.

AMBASSADOR BOWLES: Good to see you.

. . . . Ambassador Bowles then withdrew . . .

5.2

Intelligence Report
Nehru's ATTITUDES TOWARD COMMUNISM, THE SOVIET UNION, AND COMMUNIST CHINA, No. 6269, DATE: JULY 24, 1953

Security information

THIS IS AN INTELLIGENCE REPORT AND NOT A STATEMENT OF DEPARTMENTAL POLICY

This report was prepared from information available through June 30, 1953, by the Research for Near East, South Asia, and Africa. This Intelligence report is being circulated to offices additional to those most directly concerned, as being of possible interest. When it has outlived its usefulness, it may be destroyed in the manner prescribed for CLASSIFIED material.

Abstract

The evolution of Jawaharlal Nehru's thinking on Communism, as reflected in his writings, speeches and private conversations, has been one of gradual disillusionment. Nehru was too greatly influenced by English liberalism and the Gandhian philosophy ever to have become a Communist. During the Indian struggle for independence, however, his strong antipathy for Western colonialism favored the parallel development of a sympathetic attitude toward Communism, which he regarded as a champion of nationalist aspirations. Marxism’s ostensible ideals of social equality and socio-economic betterment appeared to him to coincide in large measure with his own. Nehru's intellectual sympathy with communism began to wane in 1942. When the Indian Communist party dissociated itself from the Indian nationalist movement, and was largely dissipated following his assumption of governmental responsibilities in free India. The revulsion that Nehru has felt for the Indian Communist party because of its violent tactics and extra territorial loyalty has been extended to international communism, whose character as an instrument of Soviet imperialism he now apparently recognizes.
Nehru became enthusiastic about the Soviet regime as a result of a brief visit to the USSR in 1927, during which he came to regard Soviet Russia as an Asian workshop where social and economic problems similar to those of India were being successfully tackled. In the past decade, Nehru's admiration for the Soviet Union and its achievements has cooled considerably. Although he has avoided public criticism of the USSR because of his desire not to impair unnecessarily India's relations with this power, he has nevertheless indicated in private that he recognizes Soviet expansionist tendencies and deprecates Communist suppression of human liberties. However, he is still inclined to search for excuse for Soviet intransigence and to give the USSR the benefit of doubt in international affairs. He clings to a belief that the self-assertive aspects of Soviet foreign policy may be attributed, at least in part, to the coolness of the West towards the USSR in its early years.

Nehru has long believed that the future well-being of Asia depends largely on the maintenance of cordial relations and a spirit of cooperation between the two largest Asian nations, China and India. Consistent with this view, Nehru was on very friendly terms with the Nationalist Chinese Government, and since Mao's rise to power he has sought to win the confidence of the new regime. He feels strongly that (1) Western hostility towards Mao's government is largely responsible for the closeness of its present ties with the USSR; and (2) China eventually can be lured away from the Soviet orbit if other countries approach it in a spirit of friendship and equality. The Indian PM has been reluctant to characterize Communist China as other than a peaceful; nation whose intentions have been misjudged by the West. He has, nevertheless, quietly and systematically strengthened the defenses of the Indian borders facing Chinese territory.

I. Introduction

History and his own remarkable personality have combined to assign Jawaharlal Nehru an important and complicated role in world affairs. The independent spirit that has marked many of the Indian PM's personal actions and national policies has it roots in the inner conflict arising from a congeries of basic and frequently contradictory influences. Among these are (1) an allegiance to Indian concepts and values; (2) a deep-rooted respect for England's humanist traditions, history, and legal institutions; (3) an early attraction to Marxism, which impressed him as providing an effective response to the world crisis and slump of the 1930's and the most meaningful analysis of capitalism, imperialism, and war; (4) his close association with Gandhi in the long and bitter struggle against the UK for Indian independence; and (5) in more recent years, a growing concern for his government's stability, against which the Communist Party of India constitutes a serious potential threat.

The following paper will not attempt to synthesize these various influences into a character of Nehru. Rather, it will confine itself to tracing—largely through
II. Nehru’s period of sympathy with communist and its Soviet Union, 1907–1942

During his college days in England (1907–1913), Jawaharlal Nehru read the socialist classics to supplement his formal training in the natural sciences and law. Shortly, after his return to India, he joined the Indian campaign for self-rule and underwent many hardships, including extended periods of imprisonment, in the ensuing struggle. Not only did the nationalist Nehru develop strong feelings of antipathy towards Western imperialism but he also found himself in intellectual sympathy with much of Communist ideology. Thus emotionally caught up in India’s fight for independence, Nehru was perhaps especially susceptible to the Marxist analysis of capitalism, imperialism, and war. In any case, Marxian theory became an integral and enduring part of his political thinking. He wrote of this period in his autobiography:

The theory and philosophy of Marxian lightened up many a dark corner of my mind. History came to have a new meaning for me. The great world crisis and slump seemed to justify the Marxist analysis. While all other systems were groping about in the dark, Marxism alone explained it more or less satisfactorily and offered a real solution. (Jawaharlal Nehru, Toward Freedom [New York: John Day Company, 1941], p. 230). Toward Freedom is the American edition of Nehru’s autobiography, most if which was written while he was in prison between June 1934 and February 1935. It was first published in London in 1936.
Two additional chapters, written in August 1940, appeared in the American edition.

For Nehru, as for many Asians, capitalism became synonymous with exploitation, imperialism, and war. As he explained it:

I realized more and more how the very basis and foundation of our acquisitive society and property was violence. The violence of the capitalist order seemed it was, aimed at a new order based on peace and cooperation and real freedom for the masses. (Ibid., p.229)

He believed that England was “notoriously preparing for war,” but that “to every student of recent history, it is clear that Russia does not want war.” (Jawaharlal Nehru, Soviet Russia [Bombay: 1949/first published in 1929/p.128]).

At a meeting in London in 1936, Nehru was asked what India would do in case of Soviet aggression. He replied, “… There is no power in the world today which is more peaceful or less inclined to aggression than Soviet Russia.” (J.S. Bright, ed., Important Speeches of Jawaharlal Nehru, Lahore: Indian Printing Works,p.310)

In 1927, Nehru paid a brief visit to the USSR on the occasion of the tenth anniversary celebration of the Soviet state. After his return to India he wrote a series of articles about his trip for Indian newspapers. These articles were later incorporated into a small book entitled Soviet Russia, which dealt with themes ranging from the life of Lenin to conditions in Soviet prisons.

Throughout this book, Nehru’s comments on the USSR were admiring and sympathetic. He was greatly attracted to this land “which has launched on one of the mightiest experiments in history.” Although he attempted to maintain an objectivity by professing prior ignorance of the Soviet Union and by suggesting that one’s reaction depends “on the angle of vision and the philosophy of life of the observer,” Nehru’s angle of vision was clear: he was “fascinated” by the “strange Eurasian country of the hammer and sickle, where workers and peasants sit on the thrones of the mighty and upset the best-laid schemes of mice and men.” (Soviet Russia, p. 2)

Nehru’s first reaction to Moscow were enthusiastic. He noted that the Soviet capital was in many like any great city, but “in Moscow Asia peeps out from every corner…… Even the saris of my wife and sister, unusual as they were in Moscow, attracted less attention there than in Berlin or Paris.” (Ibid., p. 13)

However, it was more than this, and more than Moscow’s “beauty,” its “innumerable golden domes and wide squares, and board streets” that attracted him. It was that “contrasts between extreme luxury and poverty are not visible, nor does one notice the hierarchy of class or caste, Merit or status is not judged by wealth or by the largeness of the salary. (Loc. Cit)

These articles portrayed the terrible problems faced by the Bolsheviks and the hostility of the outside world, leaving the impression that the terroristic excesses of the regime were unavoidable and even to be forgiven in view of the problems
that had been faced and the progress being made. Nehru continued, “A host of enemies attacked and tried to strangle her by cutting off food supplies…. During this period she….has to contend against the hostility of the most of the government of Europe and of the super capitalist United States of America.” He concluded that any progress at all would have been remarkable in the face of these difficulties, adding, “The testimony of all competent observers is that she has progressed.” At another point he remarked, “Above all there is admiration for the group of men who did not flinch at the mightiest of obstacles.” (Ibid., p. 54)

In his autobiography, Nehru admitted that “official dogmatism” and “heresy hunts” in the Soviet Union were “Deplorable,” but described these developments as understandable “in view of the tremendous changes taking place rapidly in the Soviet countries when effective opposition might have resulted in catastrophic failure.” He questioned whether the Soviet tried to go too fast, suggesting that “a slower tempo might avoid much of the misery,” and answered himself by saying, “But then the question arises whether really radical results could be obtained by slowing down the rate of change. Reformism was an impossible solution of any vital problem at a critical moment when the basic structure had to be changed….“ (Toward Freedom, p. 230)

Nehru was particularly impressed by “reports of great progress made by the backward regions of Central Asia under the Soviet Regime.”(Ibid., p.229). He felt an identity with the Russian in purpose and background which he did not feel with citizens of the West. In his booklet on Soviet Russia, he said:

Russia interests us specially because conditions there have not been , and are not even now, very dissimilar to conditions in India. Both are vast agricultural countries with only the beginnings of industrialization, and both have to face poverty and illiteracy. If Russia finds a satisfactory solution for these, our work in India is made easier. (Soviet Russia, p.3.)

There is little doubt that the Russian experiment had great appeal for Nehru. Writing in 1929, he acknowledged that he “was filled with a new excitement “ about the Soviet experiment and he often used superlatives in describing the Soviet Union. For example, he described the October revolution as “the greatest revolution since the French revolution,” and Lenin has “the greatest Man of action in our century.” In commenting on John Reed’s book, Ten Days that Shook the world, he said, “as one reads… the wonder grows that such a miracle (as the October revolution) could have happened and succeeded.” (Ibid., p. 37)

He mentioned that there are “many who tell us that Russia is a land of anarchy and misery and the Bolsheviks are assassins and murderers,” but he said that he saw nothing of the sort, that his impressions were favorable, and that his reading had “confirmed these impressions.” (Ibid., pp. 33–34.) Throughout his book about the USSR, he managed to counter his quotations of anti-Soviet propaganda with examples to the contrary. The fact that Nehru was able to find so much evidence which he felt contradicted anti-Soviet propaganda during his
only visit to the USSR probably planted lasting doubts in his mind about the reliability of anti-Soviet literature in general.

Nehru was not wholly uncritical of the Soviet Union during this period. In most of his writings and speeches between 1920 and 1942, he admitted disapproval of much that had been done. In his autobiography, he wrote: “Much in Soviet Russia I dislike the ruthless suppression of all contrary opinion, the wholesale regimentation, the unnecessary violence, that “with all her blunders, Soviet Russia had triumph Dover enormous difficulties and taken great strides…” On balance, after weighing his criticisms and sympathies, he concluded that he was “all in favor of Russia, and the presence and example of the Soviets was a bright and heartening phenomenon in a dark and dismal world.” (Toward Freedom, p.229)

III. Factors modifying Nehru’s thinking about communism

A. The influence of Nehru’s British education and associations

One of the diverse sides to Nehru’s personality is that of the Cambridge-educated humanist who once wrote, “I have become a strange mixture of the East and the West, out of place everywhere, at home nowhere.”(Ibid., p. 353.) There is a part of Nehru which is deeply wedded to British culture, to “the England of Shakespeare and Milton, of noble speech and writing and brave deeds, of political revolution and the struggle for freedom of science and technical progress.” This is the Nehru whose “roots are still perhaps partly in the nineteenth century…too much influenced by the humanist liberal tradition to get out of it completely.” (Ibid., p. 348)

The impact of his British training and associations on the Asian nationalist leader is best described in his own words:

Personally, I have too much to England in my mental make-up ever to feel wholly alien to her, and do what I will I cannot get rid of the habits of mind, and the standards and ways of judging other countries as well as life generally, which I acquired at school and college in England. My predilections (apart from the political ones) are in favour of England and the English people, and if I have become what is called an uncompromising opponent of British rule in India, it is almost in spite of these. (Ibid., p. 266.)

All of Nehru’s writings indicate that eighteenth and nineteenth century liberalism and rationalism have had an important effect on his thinking. English rationalism comes through his writings in many ways—as in his insistence that Marx’s theories are not infallible, but simply display “quite an extraordinary degree of insight into social phenomena” which doubtless ignore or underrate “certain subsequent tendencies, like the rise of a revolutionary element in the middle class.” (Ibid., p. 349) His books consistently reflect a belief in the importance of doubt, an unidiomatic, searching approach to most issues, a revulsion against violence and cruelty. Bertrand Russell and George Bernard Shaw
are as much a part of Nehru's background as is Karl Marx. “[My] bourgeois background follows me about,” he wrote in his autobiography, “and is naturally a source of irritation to many Communists.” (Ibid., p. 348)

In later years, Nehru has been influenced by leaders of left-wing thought in England. He is an avid reader of New Statesman and Nation (London), which has given him strong support in its editorial pages. This support may well have tended to reassure him as to the validity of some of his more controversial views.

Nehru’s “predilections” for England and English culture were not always as apparent as they are now. Although presently an advocate of Anglo-Indian friendship, Nehru often wrote bitterly about the British during the years of the independence struggle. While in jail in 1944, he wrote: “I wanted to keep as far away from England as possible …” The idea of visiting there was “distasteful” to him and he “had no wish even to discuss India’s problems with Englishmen.” (Jawaharlal Nehru, The Discovery of India [New York: John Day Company, 1946], p. 505) Or in jail in 1940: “The way of cooperation does not lie for us; the hundred-year-old hostility will remain and grow in future conflicts, and the breach, when it comes as come it must, will also not be in friendship but in hostility.” (Toward Freedom, p. 376)

Yet even at the time that Nehru was writing bitterly of England from his jail cell, he admitted, “… I have many friends there and old memories draw me.” (Discovery of India, p. 505) In another passage he wrote, “… I have loved much that was England, and I should have liked to keep the silken bonds of the spirit between India and England … I wanted India’s freedom for India’s sake, of course; but I also wanted it for England’s sake.” (Toward Freedom, p. 376) And, in New Delhi in 1949, he proudly claimed before the Constituent Assembly that India had achieved independence with the goodwill of all. (Jawaharlal Nehru, Independence and After [New York: John Day Company, 1950], p. 241)

Nehru remained very critical of British policy until after World War II. The action that revived his latent friendship for Britain was the manner of UK withdrawal from India, under a labor government elected in 1945 for which he had considered sympathy. In an interview with A.T. Steeled of the New York Herald Tribune in 1950, Nehru said, “The British made a good impression here by the manner in which they left India and, generally speaking, Indians are sympathetic to the labor government’s economic policy.” Then too, England was no longer a “dominant country” or a threat to India, and Nehru could more readily admire what he considered the best in England—it’s rationality, orderliness, moderation, and its cultural traditions.

Equally important, the men and women who came to India to cut the bonds of Empire were singularly well-fitted for the job. Nehru formed a fast friendship with Lord and Lady Mountbatten. On the departure of the Mountbattens from India, Nehru referred to them as “very dear and intimate friends of ours”. He stated warmly, “The bonds that tie the Mountbattens to us are too strong to be broken and we hope to meet here or elsewhere from time to time…”

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(Ibid., p. 371). They have met again “from time to time” during Lady Mountbatten’s visits to New Delhi; and when Nehru visits London he often spends a day or so at the Mountbatten residence.

After having written in 1940 (and frequently before and after) that British actions meant “the ending of all hope that we shall ever march together,” (Toward Freedom, p. 376). Nehru was criticized by many for his decision in the spring of 1949 to remain in the Commonwealth. But Nehru strongly championed the Commonwealth tie before the Constituent Assembly and the nation as a “new type of association” which would bring important advantages to India. (Independence and After, pp. 268f)

He pointed out that “all kinds of contacts had arisen between England and this country” and that many British institutions had become part and parcel of Indian life. He said that he was “the patent example of these contacts, speaking in this Honorable House in the English language.” (Ibid., p. 276)

Nehru’s friendly relations with the UK after independence, his readiness to remain within the Commonwealth, and his fondness for the Mountbattens and British upper-class society indicate the extent if Nehru’s attachment to England. A friend who has accompanied Nehru on trips in Madras said, “Nehru loved to reminisce about his college days in England and said he often wished he could be there. An Indian associate of Nehru’s has remarked that “nowhere does Nehru appear to be so much at home as when in London, with British intellectual and aristocracy. There he shines his brightest.”

Nehru’s own aristocratic Kashmiri Brahman heritage may have been instrumental in drawing him toward British aristocracy, and conversely, in tempering his interest in Communism. In any case, he appears to have adopted the typically upper-class British attitude towards the US, which he regards as immature and somewhat vulgar.

**B. Nehru’s attitude toward the United States**

Another factor which has influenced Nehru’s attitude toward Communism and the Soviet Union is the disfavor in which he has held the US, an attitude which has become more evident since the British left India. As noted above, Nehru has frequently referred to the “immaturity” of the American people and has deprecated what he regards as their “materialistic culture”. In what was intended to be a compliment to American industriousness, Nehru told an Indian audience in 1950 that “Americans may not be very idealistic, but they do know how to work.” In that same year, Nehru reportedly not only expressed his abhorrence of the “Americanization” of many parts of the world but also his determination to vent the United States cultural invasion of India.

Upon the achievement of Indian independence, Nehru transferred much of his former distrust of Britain to the US. He admitted to New York Herald Tribune correspondent A.T. Steele that Indians were more sympathetic to England than to the US, among other reasons because British was “no longer such a
dominant power”. A June 10, 1951 *New York Times* article points out: “The late colonial administration also left an extreme distaste of great powers, whoever they might be. This works particularly to the disadvantage of the United States, which Indians regard as ‘top dog’ in the world today.”

As early as 1944, Nehru was questioning whether America might not develop a new kind of imperialism: “whatever the future may hold, it is clear that the economy of the USA after the war will be powerfully expansionist and almost explosive in its consequences. Will this lead to some new kind of imperialism?” (Discovery of India, p. 558) One of the major features of Nehru’s foreign policy is his anti-colonialism, and he has sometimes appeared to fear, Western imperialism as much as, if not more than, that of the USSR. Robert Trumbull explained this in a *New York Times* article in June 1951, by suggesting that “Nehru and others place more stress on the undesirability of Western imperialism’ than on Communist imperialism because colonial rule is of recent memory.” (*New York Times*, June 10, 1951)

The reluctance that until recently Nehru has shown in accepting American aid reflected his fear of American power and influence. He believed that the US was seeking to exercise undue influence in Asian affairs and doubted the sincerity of American intentions. He questioned whether our proclaimed interest in building democracy in Asia was not merely a front for our campaign against the Soviet Union. Suspicion if American motives and dislike of American culture have not only fortified Nehru’s non-alignment foreign policy, but have also inclined him to give the USSR the benefit of his doubts.

During the past year or so, however, Nehru’s attitude towards the US has appeared more friendly. Not only has he expressed enthusiasm for the American foreign aid program, (T-3216, New Delhi, February 29, 1952, Confidential. The Indo–American aid agreement was signed in January 1952) but he also appears to have a somewhat better understanding of the United States position in world affairs. Nehru’s suspicion of American motives has abated somewhat, a change in attitude exemplifies by the following remarks made during a recent speech in Hyderabad:

Some people say no nation such as India should be dependent upon foreign aid and in general this is probably correct. However, aid from America has been given us from the very best of motives and without strings of any kind. For this reason we welcome this assistance. (T-1401, New Delhi, October 2, 1952, SECRET)

C. Nehru’s admiration for Gandhi

During the Indian campaign to overthrow British colonial rule, Nehru was in close association with Mohandas Gandhi and was widely regarded as the latter’s chief disciple and heir apparent. Though Nehru never fully accepted Gandhi’s doctrine of non-violent revolution, no other man has had so profound an effect on Nehru’s thinking. It was largely because of his compliance with Gandhi’s ideas that Nehru suffered so many years in prison.” Thus, imbedded in
Nehru’s mind along with his intellectual sympathy for Communist ideology and his respect for English tradition is the Gandhian philosophy of “truthful means” and “non-violent resistance to evil.”

Writing about Gandhi, Nehru said, “Step by step he convinced us of the rightness of action, and we went with him, although we did not accept his philosophy” (Toward Freedom, p. 191). Although Gandhi did not share Nehru’s leanings towards Marxism, Nehru always conceded that Gandhi “knew India far better than we did.” (Loc. Cit.). When Gandhi and Nehru differed, Nehru usually deferred to Gandhi’s wishes.

At the time of Gandhi’s death, Nehru said, “… Such as we are, we have been moulded by him during these years; and out of that divine fire many of us also took a small spark which strengthened and made us work to some extent on the lines that he fashioned.” (Independence and After, p. 21) Later, in a broadcast to New Delhi, he said, “…. It would be better that we raised no memorial to him, for the only fit memorial is to follow reverently in the path he showed us and to do our duty in life and in death.” (Ibid., p. 29.)

D. The effect of communist party tactics

The ruthless methods of the Communist Party of India have revolted Nehru and have doubtless tempered his sympathies for Communist ideology. In a 1949 press conference, Nehru remarked that the Communist Party of India “has done more damage to Communist ideals than any opponents of Communism, because it has set itself out to fight every natural nationalist urge of the Indian people.” (India News Bulletin, November 19, 1949)

Even during the period he was most drawn to Communism, Nehru wrote, “… But Communist often irritated me by their dictatorial ways, their aggressive and rather vulgar methods, their habit of denouncing who did not agree with them.”

In spite of Nehru’s early admiration for the Soviet Union and his sympathy for Communist ideology, he was too deeply influenced by English liberalism and Gandhian idealism—and, in later years, antagonized by the tactics if the Indian Communists—ever to have become a member of the Communist Party.

IV. Development of a more critical attitude toward communism, 1942–52.

In the decade preceding the outbreak of world war II, Nehru’s sympathetic attitude toward Communism was at its height. Typical of his views on Communism at that time were the following remarks made before the Indian National Congress in 1936:

If the future is full of hope, it is largely because of Soviet Russia and what it has done, and I am convinced that if some world catastrophe does not intervene, this new civilization will spread to other lands and put an end to the wars and conflicts which capitalism feeds. (Quoted in Towards Freedom, p. 398)
A significant revision in Nehru’s attitude toward Communism began in 1942. His sympathy for Communist doctrine and the Soviet Union lessened perceptibly, and he even began to talk of preventing the spread of Communism.

The change in Nehru’s thinking was brought about by various factors, one or more important of which was the withdrawal of Indian Communist Party support from the Indian nationalist movement some months after Germany’s attack on the Soviet Union in 1941. (The Indian National Congress, though opposed to Germany and Japan during World War II, refused the validity of Britain’s declaration of war for India. The congress leadership maintained that only an independent Indian government could declare war on behalf of the Indian people). Nehru told the American vice-consul in Bombay in 1945 that during a critical period (1942) the Communist Party had cooperated with the UK and by so doing had created a tremendous psychological barrier between the Indian Communists and Indian nationalists.

In recent years, Nehru has publicly denounced the Indian Communist Party both for its method and for its allegiance to a foreign power. Though in the past he not infrequently criticized Communists by suggesting that it was “difficult to be patient with many Communists,” he would balance his criticism by saying, “But they are a sorely tried people, and, outside the Soviet Union, they have to contend against enormous difficulties.” (Towards Freedom, p. 350). By 1948, however, he was no longer much concerned over their difficulties, for as Prime Minister of free India he was principally concerned with maintaining law and order in the new state.

In July 1948, Nehru strongly attacked the Indian Communists in a speech before a large group of workers in Madras. He said:

I do not and will not accept the manner and method of those who call themselves Communists, because I find that, in the name of economic doctrine, they are, at the present moment, trying both to coerce and sometimes to commit all manner of atrocities in the provinces…. No country or government worth the name can put up with this. If any group of people want to declare war against the state, then the state is at war with them. (D-855, New Delhi, July, 1948, Restricted)

Since he became Prime Minister, Nehru has frequently warned the Communists that as long as his government remained in power it would “not allow India to be turned into a land of chaos and disorder.” He has said that the Communists have shown by their activities they will spread their ideology at the revolver point, and therefore, “there is no alternative for us but to oppose such things tooth and nail.”

Not only has Nehru denounced Communist activity in India during recent years but his government has taken vigorous measures to counter the activities
of the Indian Communist Party. In Hyderabad, where Communist activity
was most intense, a military government was set up late in 1948 to cope with
Communist organization. Thousands of Communists in Hyderabad and in other
parts of India were jailed without trial for periods up to six months.

At a December 1949 press conference, Nehru gave what might be considered
a revised version of his philosophy on Communism:

You might theoretically come to the conclusion that a certain structure of
society will yield good results, but you have to take into consideration not
only the productive apparatus of a country, technical capacity, etc., but also
whether in trying to introduce that society you may not for a long period put
an end to all production due to conflicts and other reasons. While your ideal
may be an extremely good one, in reaching that, if you reach it at all, you may
have to spend a generation or two in extreme distress, lack of production,
and poverty. Are you prepared to pay the price of extreme starvation for vast
number of people in the name of doing good to those people? You have to
consider those human and other factors. (D-1120, New Delhi, December
12, 1949, Restricted)

In 1949 he told an INS correspondent: “… Obviously we do not want Com-
munism in India… What is happening in Asia is that vacuum is being filled…
We are trying to meet this difficulty in India by not permitting the vacuum to
occur. (D-773, New Delhi, September 6, 1949, Confidential)

Nehru has sometimes distinguished the policies and methods of Stalinist Com-
munism from Marxian theory. Thus in March 1951 he told Robert Trumbull of
the New York Times that Marxian theory, “if it could be divorced to the economic
and social requirements of particular nations.” In discussion the two aspects of
Communism socialistic economic theory and the tactics of Communist parties
Nehru said:

The first aspect is largely idealistic, which may be looked upon as a distant
objective to be aimed at… But the Communist Party tactic is something
which is distinct and separate and which is rather closely allied to expansions.
I object to that tactic. My personal reaction is that the Communist Party is
completely unscrupulous. (New York Times, April 1, 1951)

In a recorded conversation with another American, Norman Cousins, Nehru
stated in March 1951 that the threat of Communist encroachment would
inevitably meet widespread opposition: “Undoubtedly if, as has often happened
recently, Communism comes not only as an economic doctrine but rather as
an extension of imperialism … there is bound to be resistance to it, which
resistance will grow. (Norman Cousins, Talks with Nehru, New York: John
Day Company, 1951, p. 41)
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In another interview with Robert Trumbull, published in the New York Times on April 12, 1951, Nehru reportedly “made it clear that he abhorred Communist expansionism and the suppression of human liberty by Communist governments in many countries. He not only wants more of this here, but disapproves of it elsewhere on principles which he said were taught by his preceptor, Mohandas Karamchand Gandhi”.

Nehru now apparently believes that improvement of economic conditions is the best method of preventing Communism whereas previously he believed that Communism was the most effective way to bring about an improvement of economic conditions. In an interview with Marguerite Higgins of the New York Herald Tribune in September 1951, the PM asserted:

The best deterrent to Communist aggression in the Far East is an economically sound India. If we can succeed in the experiment in the Far East of combining democratic methods with the task of raising the living standards of the people we will have shown that the free world’s way is better than the Communist way. Thus we will break down the Communist idea.

In September 1951, Nehru and his Home Minister, C.R. Rajagopalachari, refused to receive an Indian Communist Party deputation unless the party made an unequivocal declaration dissociating itself from violence and sabotage and giving practical evidence of this disassociation. Rajagopalachari stated that no such assurance was forthcoming but that, on the contrary, violent crimes were being continued.

In a speech before the opening session of the annual convention of the Congress Party on October 18, 1951, Nehru said “propagated hate as a doctrine, and its policies and economics have assumes the form of a dogmatic religion with all its fanaticism which tolerates no heresies and persecutes those who differ from it.” (New York Times, October 19, 1951)

In spite of Nehru’s condemnation of the methods of the Communists he nevertheless has expressed admiration for their self-sacrifice and courage. In 1951, he told Congress members, “Apart from the policies of the Communists, which I don’t approve, the way they work among the masses and their spirit of sacrifice are worthy of emulation.” (New York Times, September 10, 1951)

He went on to urge Congress members to emulate the “zeal and whole-hearted enthusiasm” of Communists in organization work. Nehru’s admiration for these characteristics has remained constant over the year. In his autobiography, he had written, “I have always admired their great courage and capacity for sacrifice.… They suffer as human beings and there is a tragic nobility about such suffering.” (Towards Freedom, p. 350)

Nehru not only looks with increasing disfavor upon international Communism but also has to some extent shifted his views on Marxian theory. During a press conference in February 1952, he took the position that “Marx is out of date.” He went on to say: “To talk about Marxism today is, if I may say so with all
respect, reaction. I think the Communists with all their fire and fury are in some ways utterly reactionary.” (D-2088, New Delhi, March 3, 1952, Restricted, p. 16) He elaborated upon this theme in a speech to Congress members in Madras at a later date when he suggested that world Communism “had bred certain rigidity of thoughts which could not adapt itself to changing conditions”. (Hindu, Madras, October 11, 1952. Nehru reiterated the view on February 1, 1953, that the Communist movement throughout the world had become “reactionary” because its adherents pursued dogmatically “old and obsolete theories”. New York Times, February 2, 1953.)

During the above-mentioned press conference in which Nehru criticized Marxism, he also made reference to the Indian Communist Party’s connection with a foreign country, presumably the Soviet Union, when he stated: “I wish to combat every kind of disruptionist tendency in India apart from the fact also that the general policy of the Communists is conditioned by factors which are extraterritorial.” (D-2088, New Delhi, March 3, 1952, RESTRICTED, p. 17.) During a speech in Parliament on May 22, 1952, he not only labeled Indian Communists as “counter-revolutionaries” and “bigots of religion” but also added with unmistakable bitterness: “It is one thing to admire another country and seek to learn from it; it is a totally different thing to think of that country as more than one’s own country.” (Statesman, Delhi, May 23, 1952) A few months later, Nehru became exasperated at a mob of 3,000 demonstrators who tried to disrupt a public meeting at Ujjain. He warned the demonstrators that there was no room in India for those who did not cooperate with the government in working to overcome the country’s difficulties. Nehru added, “If the Communists believe that they can achieve their ends by staging demonstrations and disturbing the peace, I should like to tell them that they must go to the native place of Communism with their Red flags and placards….” (1. T-1168, New Delhi, September 17, 1952, UNCLASSIFIED; Hindu, September 17, 1952)

On December 18, 1952, a Congress member of the Indian Parliament, referring to a speech made by Stalin in which encouragement was extended to Communist parties in countries outside the Soviet Union, addressed the following question to Nehru: “Doesn’t the speech indicate the Communist Party of India owes extraterritorial loyalty and that Russia will count on their support?” Nehru reportedly retorted: “I need not go to Marshal Stalin’s speech for that.” (Hindu, December 19, 1952)

“The propensity of the Indian intelligentsia towards Communism”, Nehru allegedly told a European dignitary in 1952, “is mostly the expression of sympathy for the Asian peoples’ fight against the remnants of Western imperialism. Sympathy for Communism does not mean that the respective person is a potential recruit for the Communist Party.” (C-95875, September 8, 1952, SECRET) According to Ambassador Bowles, Nehru stated in a private conversation that Communists theory is opposed to his own philosophic belief and those of the India people. He said he would oppose Communism in India whenever it tried to undermine the stability of the state. The PM also expressed the opinion that while
Communism is not at present a serious problem in India it must be regarded as a potential threat, particularly if India lags in its economic development.

V. The development of a more critical attitude toward the Soviet Union, 1942–1952

It was during World War II that Nehru's attitude toward the Soviet Union first showed signs of change. In The Discovery of India, which Nehru wrote in 1944, he mentioned for the first time the expansionist tendencies of the Soviet Union and generally displayed a more critical attitude toward the USSR. Upon the achievement of Indian independence in August 1947, Nehru's official attitude toward the union of Soviet Socialist Republics was friendly, but he had begun to find certain of its policies disquieting. By 1949, his attitude toward the Soviet Union had cooled appreciably, due in part at least to the difficulties encountered by his sister, Vijaya Lakshmi Pandit, during her Ambassadorship in Moscow.

On March 17, 1949, Madame Pandit stated that her government had been: 
"slow to recognize the Communist menace for what it is but is well aroused now."
She pointed out that Indians were aware of the danger of Soviet action in the Far East. During the same month, Ambassador Henderson reported that Sir Girja Bajpai had repeated to him a conversation he had had with the Prime Minister which indicated that Nehru was losing confidence in India's ability to cement relations with the Soviet Union. According to Bajpai, Nehru had said that in spite of his efforts and those of the other members of the Indian Government to maintain friendly relations between the Soviet Union and India, Soviet policy would eventually create a deep gulf between the Soviet Union and India, and India would eventually associate itself fully with those powers who were cooperating to oppose Soviet aggression.” However, Bajpai went on to say:

The Prime Minister felt nevertheless that he should continue to exercise patience as far as the Soviet Union was concerned and should conduct himself in such a way that any deep rift which might finally separate the Soviet Union and India would clearly be the handiwork of the Soviet Union and not of India. (D-240, New Delhi, March 18, 1949, SECRET)

Other indications of Nehru's gradually growing disillusionment with the USSR were his concern over the Communist coup in Czechoslovakia and his reported sympathy with Yugoslavia in the latter's break with the Soviet Union. In March 1948, Nehru began a talk before the constituent assembly with a comment on the death of Jan Masaryk. He said, “Not only is this in itself a very tragic event, but in the circumstances in which it has occurred, it may have grievous consequences.” (D-279, New Delhi, March 30, 1948, Restricted. Cf. Independence and after, p. 223) Nehru is reported later to have remarked that the Communist coup in Czechoslovakia was to be deprecated because it could
not meet the Gandhian test that “no end was good unless it was accomplished by good means.” In 1949, C.S. Jha, Joint Secretary of the Ministry of External affairs, cited the fact that Nehru had sympathized with Yugoslavia against the USSR as evidence of the Prime Minister’s opposition to Soviet expansionism in Eastern Europe.

Despite Nehru’s gradually increasing dissatisfaction with the Soviet Union, he has been prone to look for excuses for Soviet behavior and policies even when he has found them blameworthy and to hold the Western powers at least partially responsible for the unfavorable direction which Soviet foreign policy has taken. In a conversation with Assistant Secretary of State George McGhee in March 1951, Nehru said that the USSR is what it is today largely because of the way the nations of the world isolated it during the early years of its existence.

During this conversation, Nehru agreed with Assistant Secretary McGhee that the Soviet Union had aggressive and expansionists designs, but declined to comment on the suggestion that collective action is necessary to combat the forces of aggression. (D-2156, New Delhi, March 14, 1951, SECRET)

In a confidential conversation with Ambassador Bowles in November 1951, however, Nehru reiterated the view that the USSR is presently an aggressor, suggested that it had become an imperialist nation on the same pattern as the Czarist regimes, and even went so far as to state that he fully understood the American position of balancing Soviet forces in Europe. (T-1661, New Delhi, November 7, 1951)

On October 1, 1952, according to Ambassador Bowles, Nehru privately expressed the opinion that the Soviets probably did not want an armistice in Korea at his time because continuation of the war enabled them (1) to tie down United Nations troops without any loss to themselves, (2) to test new military equipment, and (3) to keep the Communist Chinese dependent upon them for military supplies. (T-1409, New Delhi, October 2, 1952, SECRET)

In contrast to the increasingly critical character of the views which Nehru has expressed privately, his public utterances regarding Soviet expansionism continue to be marked by caution and restraint. Although the Prime Minister has publicly condemned Communist Party activities in India and elsewhere and has doubtless recognized the danger to former colonial areas arising from Soviet sponsored local Communist movements, he has never publicly accused the Soviet Union of imperialism.

He has been somewhat less inhibited in public criticism of other aspects of Soviet rule, however, whereas in the past Nehru often talked about the “wonders” that the Soviets have performed in education and economic development, he has recently on several occasions publicly disparaged the Soviet rate of progress on education and technology as compared with that of independent India. (Hindustan Times, New Delhi), May 23, 1952; T-2899, New Delhi, January 20, 1953, UNCLASSIFIED)
1. Nehru was deeply aggrieved by the Soviet rejection of the plan which India put before the United Nations in November 1952 to resolve the deadlock in the Korean armistice talks. In a public address before 100000 people in Bombay, the Prime Minister not only deplored the fact that the Soviet delegate had “forcefully rejected” the Indian resolution in the United Nations but also commented ruefully, “The Russian attack was somewhat unkind to us … I am extremely sorry to hear Russia and China imputing motives and doubting our good faith in the Korean issue”.  
(Hindustan Times, December 7, 1952)

VI. Nehru’s relations with China

A. Attitude toward Nationalist China

Although Nehru’s trip to China in 1939 was less than two weeks in duration, it convinced him that India and China should work out the future of Asia together. He wrote that he found China “not only wise and profound, deep in the lore of its own great past, but also a vital people, full of life and energy, adapting themselves, to modern conditions. On the face of even the man on the street there was the imprint of culture,” But above all, he wrote:

I had the privilege of meeting on several occasions the supreme leader of China, Generalissimo Chiang Kai-Shek, who embodies in himself the unity of China and her determination to be free. It was also my privilege to meet the first lady of the land, Madame Chiang, who has been a continuous source of inspiration to the nation.

He found (“to my joy”?) that his desire that the two countries should draw closer to each other was “fully reciprocated by China’s leaders,” “Often as we sat in a dug-out,” Nehru reported, “and enemy planes were bombing the city, we discussed the past and present of our two countries and the bright promise of their future cooperation.”

In 1942 the Chiungs visited India. Of this visit, Nehru wrote in an American periodical:

The recent visit of Generalissimo Chiang Kai-Shek and Madame Chiang to India was not only of historic significance but has given us a glimpse of the future when India and China will cooperate for their own and the world’s good. (Jawaharlal Nehru, “India’s Day of Reckoning,” April 1942, p. 67B)

Official restraints prevented the Chiungs from having much contact with the Indian people, but the Generalissimo did succeed in meeting with Nehru and Gandhi for several hours during the visit. Apparently, no record was made of their discussion. Nehru reported only that:
Their presence in India itself at that critical stage and their manifest sympathy for India’s freedom helped bring India out of her national shell and increased her awareness of the international issues at stake. The bonds that ties India and China grew stronger. (Discovery of India, p. 457)

In 1946 Nehru received a telegram from Madame Chiang which expressed concern over his health and safety, promoted by press reports that he had been detained and injured, Nehru replies telegraphically: “Thank you and the Generalissimo for your kind inquiry. I am quite well…. We often think of you. Greetings and good wishes.”

Throughout the years prior to Indian independence, the Chinese Nationalists supported the Indian freedom campaign. In 1947 the Chinese press greeted the announcement of pending India independence as an incident of “primary importance for the future of Asia.” Gandhi’s death, the American Embassy in Nanking reported in February 1948, was a “great shook” in China. “News of the assassination made screaming headlines in all papers. Special prominence was given to the texts of condolences extended to the people of India by President and Madame Chiang Kai-Shek.”

When the first Chinese Ambassador to India presented his credentials in March 1947, he referred to the visit of the Chiang, which he said was “followed by many renewed efforts at Sino–Indian cooperation.” The Indian Ambassador to China presented his credentials a month later and said, “It will always be one of the cardinal objectives of India’s foreign policy to develop the most friendly relations with her great neighbor China.”

The American Embassy in New Delhi reported in 1949 that the Government of India did not appear to be greatly concerned over Communist victories in China, and that India may possibly be among the first and among the least reluctant to enter into relations with a new Government of China dominated by life. Circumstances suggest that the Government of India does not wish to be embarrassed in the future by its relations with what it considers to be the bankrupt Kuomintang government. (D-292, March 26, 1949, SECRET)

B. Attitude toward Communist China

Nehru was keenly desirous that Indian–Chinese relations should not suffer because of the Communist victory. If anything, he apparently thought Indian
friendship was more important than ever, in order that China should not become isolated from the rest of the world as had the Soviet Union. He was anxious that China should not become “a mere plaything of Russia.” According to an Embassy dispatch, Nehru remarked that he felt “that the Chinese civilization is so individualistic and differs so greatly from that of other countries, including the USSR, that the government establishment by the Chinese Communists will not be ‘merely and extension of Russian influence.’” (D-324, New Delhi, April 21, 1949, SECRET)

Furthermore, Nehru indicated that he believed the Communist victory in China was an expression of popular opinion in favor of Communist land reform appeals and against the “corruption” and “reaction” of the Nationalist regime. At the world Pacifist Conference in December 1949, Nehru said that the official of the Government of India had satisfied themselves that the Communist regime had the support of the people of China and that it intended to work for their “good” before extending recognition. (D-27, New Delhi, January 6, 1950, SECRET) He described China first as India’s neighbor, and secondly, as “a great country with a great task.” (D-1821, New Delhi, January 25, 1951, UNCLASSIFIED)

Nehru’s hopes for the future of Asia have looked towards a close degree of cooperation between India and China. In a speech delivered before the American Foreign Service Conference in New Delhi in April 1949, Nehru stated that India and China would in the future enjoy primacy in Asian affairs as they had in the past. He expressed no particular interest in the views of the smaller nations of Asia; since they occupy a position subordinate to India and China, they would have no choice but to organize around the two larger countries. (D-324, New Delhi, April 21, 1949, SECRET)

In 1944 Nehru wrote: “… The small national state is doomed. It may survive as a culturally autonomous area, but not as an independent political unit.” He reaffirmed his preference for world unity over regional unity, but “if people are foolish enough to avoid world unity” China and India must form the basis for Eastern unity. (Discovery of India, pp. 547–548) He had suggested several years earlier the possibility of forming an “Eastern Federation” headed by China and India. (Toward Freedom, p. 367 cf. Jawaharlal Nehru, The Unity of India, London: Lindsay Drummond, 1941, p. 327.)

The Indian Prime Minister has been reluctant to characterize China as other than a peaceful nation, and he has often called attention to “the remarkable fact” of Chinese and Indian coexistence being an aggressor. He was expressed the opinion that agrarian unrest and poverty have been more responsible than Communist agitation for the troubled conditions in postwar China and he has insisted that the postwar political ferment throughout Asia may be attributed to the desire of Eastern peoples to free themselves from the “yoke of Western imperialism.” (D-324, New Delhi, April 21, 1949, SECRET)
Although there are indications that Nehru was greatly shocked to learn that the Communist Chinese were invading Tibet, he clings to the belief, at least publicly, that China is not presently an aggressive force in Asia. During the interview with Assistant Secretary McGhee in March 1951 in which Nehru agreed that the Soviet Union had aggressive and expansionist designs, he denied that Communist China was yet showing similar tendencies. When asked whether his method of negotiation with Communist China had produced results, he said it had. He said it had stopped them from taking all of Tibet and had produced a reply to the cease-fire proposals which came close to being satisfactory. (D-2156, New Delhi, March 14, 1951, SECRET)

Despite Nehru’s repeated assertions that China is not presently an aggressive force in Asia, he is said to be deeply disturbed by the recurrent reports of Communist intelligences and military activity as well as infiltration along the Himalayan border areas. In September 1950, while discussing the possibility of Communist aggression in Asia, Nehru said: “We are well aware that if aggression should come it would be from the East and not from the West.” (Cited in C-Weekly Intelligence Report, February 1, 1952) Two months later, in a reference to the McMahon Line (which purports to define India’s northeastern boundary), Nehru declared before the Indian parliament: “We will not allow anyone to come across that boundary.” (T-1277, New Delhi, November 21, 1950, UNCLASSIFIED)

After the invasion of Tibet, the Indian Government appointed a military commission to study the defense problems of northern and eastern India, and as a result of the commission’s recommendations, additional checkpoints have been established along vulnerable border areas. The government also made a secret survey of northeastern India to check possible routes through which Communist troops could enter India. Early in 1952, the Indian Army dispatched a number of excellent officers into Assam to strengthen the Assam Rifles and to institute closer security measures all along India’s northeastern frontiers. At roughly the same time, notwithstanding Nehru’s official attitude of non-interference in the internal affairs of other countries, he sent an Indian military mission to Nepal to reorganize the army of the mountainous kingdom lying between India and Tibet. In addition, India agreed to supply light arms, automatic weapons, and uniform for 10,000 Nepalese troops and to aid in the construction of military usable roads and airfields in Nepal. In the latter part of April 1952, Nehru visited the Indian protectorate of Sikkim and other possibly vulnerable regions along the Indo–Tibetan border. (India has treaties with Bhutan and Sikkim which would permit it to defend these areas in case of outside attack)

In a speech delivered to a multi-racial gathering at Kalimpong, he said: “All doors of India are open to our friends, but every door will be closed to our enemies.” (Statesman, Delhi, April 30, 1952, PTI). At Darjeeling, Nehru said that he did not think any nation had aggressive designs against India but he felt nevertheless
that people in the frontier areas should be in a state of constant alertness for the defense and security of the country. (Statesman, Calcutta, April 28, 1952, PTI)

Nehru’s China policy appears originally to have been based on the assumption that, once the Communist Chinese could be assured impunity from external attack, they would give full attention to domestic problem. Therefore, he opposed United Nations action above the 38th parallel in Korea, deplored the United Nation’s naming of China as aggressor, insisted that Formosa be given to Communist China, and urged that American troops be withdrawn from Japan. Because he has entertained the hope that Indian friendship can draw China way from the Soviet orbit, Nehru has been disposed to give China the benefit of doubt in international dispute and to practice patience in his effort to realize a working cooperation. There has been little evidence, however, that Communist China has responded favorably to India’s conciliatory by the apathetic response of the Communist Chinese to his policy of friendliness, made the following observation in the autumn of 1951: “I am afraid that we have been too optimistic in our hopes for China. It looks to me now as if it may be many many years before she regains her independence from the Soviet Union.” (New York Herald Tribunes, September 25, 1951)

There is also little if any evidence that Communist China has been appreciative either of India’s prompt recognition or of Nehru’s efforts in behalf of Chinese membership in the United Nations. Although K.M. Panikkar, India’s Ambassador to China from April 1948 through June 1952, frequently expressed admiration for the accomplishments of the Communist regime. PM Nehru told Ambassador Bowles during confidential conversations that he did not share Panikkar’s enthusiastic view of China and that Panikkar had idealized the situation. Nehru added that Chinese cruelty and disregard for life a especially had been shocking to him and to many Indians. He agreed that China is a potentially aggressive and expansionist state, but said that it is presently unable to carry out such politics. He reiterated the hope that his policy of friendly cooperation with China may lessen Chinese reliance upon the USSR. The PM intimated, however, that he has few illusions about Chinese policy: he supports a friendly policy towards China, he told a Ambassador Bowles, because he believes it offers a hope for the eventual emergence of an independent, peaceful Chinese state. (T-1661, New Delhi, November 7, 1951) It is not unlike that Nehru realize India might not survive in a hostility divided Asia, and that fear may be the rationale for cooperation and friendship with Communist China.

Although Nehru is reluctant to modify his China policy, there is nevertheless reason to believe that the Indian PM’s earlier judgements have been shaken considerably. In November 1952, at the time India out its proposal to resolve the deadlock on the Korean truce negotiations before the United Nations, Nehru confided to Ambassador Bowles that he found the Communist Chinese increasingly difficult to deal with and that he found it hard to understand their
stand on the Korean prisoner issue. (T-2118, New Delhi, November 20, 1952, SECRET) Communist China’s subservience to the Soviet Union in rejecting the Indian truce formula was particularly distressing to Nehru.

Nehru’s recent remarks, both private and public indicate at least the incipience of a more realize view of the totalitarian nature of the present government in China. During a public speech in Hyderabad in January 1953, Nehru acknowledged Communist China’s progress in economic planning, but reminded his audience that “many bigger projects have been taken in hand in India than in China” and that “in China nobody gets an opportunity to criticize the government.” (T-2889, New Delhi, January 20, 1953, UNCLASSIFIED)

5.3

INDIA. Eisenhower instructs Ambassador Cooper speak with Nehru prior to Khrushchev and Bulganin visit in the hope of preventing India from accepting economic aid from the Soviets. WH memo (4), 1955

It seems to me that the visit of Bulganin and Khrushchev to India on the eighteenth of this month could mark a turning point for India at a time when the danger in the Middle East and in Asia may be as critical for the Free World as that which Europe faced in 1948. I am particularly impressed by the following considerations:

1. Nehru is rightfully proud of the way India has in large—measure met, importantly with U.S. Advice and assistance, her historic problem of agricultural production. Meanwhile China, under Communism, has been unable to do so. Her people are still suffering from famine and starvation.
2. Nehru’s next major goal is to get India firmly on the road to becoming a great industrial nation. “Attaining this objective is the only-way she can hope to raise the standard of living of her 360 million people, 85 percent of whom now live off the land.
3. Nehru feels that unless his efforts are successful and he produces a better life for his people than Mao does in Communist China, he will not be able to hold his people. Thus, the achievement of his goal takes on major psychological and political significance, as well as economic and social importance.
4. Loans, technicians and quantities of machinery and equipment have been poured into Red China by the Soviets.
5. Reports from India indicate that she feels she will have to borrow up to—$1 billion in—foreign exchange during the course of her next five-year plan if she is to achieve the major industrial goals that have been set, and there have been informal feelers to the effect that—India would welcome a loan from the United States.
6. Top Soviet economists and engineers have been working on the staff of India’s five-year planning board and they have already offered to lend India the money (with repayment in Rupees) and build for her a million-ton steel mill.

7. Bulganin and Khrushchev are fully aware of Nehru’s ambitions and of the rivalry which exists between these two great Asian powers. Therefore, it would seem logical that they would take full advantage of their visit to India to exploit this situation by making new and irresistible offers to India.

There are reasons to believe from reports since Nehru’s trip to Moscow that he is getting worried about what may happen if India gets too close to Soviet Russia. Nevertheless, if he feels it is his only chance of achieving his goals of raising the standard of living of his people through industrialization and of outstripping Red China, he might feel he would have to take the risk of further involvement with the Soviets to get their indispensable help. On the other hand if he felt there was the possibility of some other way out, it would seem logical that he would at least postpone a decision or commitment for the time being.

In view of the foregoing, please instruct Ambassador John Sherman Cooper to deliver the attached letter to Mr. Nehru as soon as possible in order that it may prior to the Soviet visit on November twenty-second.

Alternate: (In view of the foregoing; please instruct Ambassador John Sherman Cooper to call on Mr. Nehru, as soon as possible in order that it may be prior to the Soviet visit on November twenty-second, and convey to him our interest in learning more about India’s plans for the future in the field of industrial development. Ambassador Cooper should inform Nehru that the United States admires greatly what Nehru has achieved in his development programs to date, particularly in the fields of agriculture and rural development. In addition, the Ambassador should indicate that the United States is prepared to consider sympathetically the question of loans relating to the financing of dollar exchange requirements for the development of India’s new industrial program.) D.D.E

5.4

Nelson Rockefeller, recommends U.S. to Prime Minister Nehru, prior to arrival of Bulganin-Khrushchev and, stating U.S. interest in India achieve industrial goals in next 5. WH letter (4), 11/7/55. Secret.Dcls

THE WHITE HOUSE
WASHINGTON
November 7, 1955
Dear Sherm:
The attached letter to the President contains are urgent recommendation relating to the Bulganin-Khrushchev forthcoming visit to India they arrive there on November 18th or 20th.
In view of Foster’s absence in Geneva, I have not cleared this memorandum officially with the State Department. However, I think you will find that the reasoning is very much in line with Ambassador Cooper’s and the operating people’s point of view.

The attached quote from today’s State Department Daily Staff Summary is particularly pertinent to this subject.

With best wishes,
Sincerely.
Nelson A. Rockefeller

THE WHITE HOUSE
Washington
November 7, 1955

Dear Mr. President:
The visit of Messrs. Bulganin and Khrushchev to India on the eighteenth or twentieth of this month could mark a turning point for India. The danger in the Middle East and in Asia may be as critical for the Free World today as that which Europe faced in 1948.

I remember the keen interest you expressed at Security Council last year in a London Economist special report on the problems and progress of India and in your view of her pivotal importance in Asia.

Nehru is rightfully proud of the way India has in large measure met her historic problem of agricultural production (importantly with U. S. advice and assistance). Meanwhile China, under Communism, has been unable to do so. Her people are still suffering from famine and starvation.

Nehru’s next major goal is to get India firmly on the road to becoming a great industrial nation. Attaining this objective is the only way she can hope to raise the standard of living of her 360 million people, 85 percent of whom now live off the land.

We know that Nehru feels that unless his efforts are successful and he produces a better life for his people than Mao does in Communist China, he will not be able to hold his people. Thus, the achievement of his goal takes on major psychological and political significance, as well as economic and social importance.

We know of the loans the technicians and quantities of machinery and equipment that the Soviets have poured into Red China.

We know from reports that Nehru feels India may have to borrow up to $1 billion in foreign exchange during the course of the next five-year plan if they are to achieve the major industrial goals that have been set, and there have been various informal feelers as to whether the U.S. might be willing to consider making.

We know that top Soviet economists’ and engineers have been working on the staff of India’s five-year planning board and that the Soviets’ have already
offered to lend India the money (with repayment in Rupees) and build for her a million-ton steel mill.

Bulganin and Khrushchev are fully aware of Nehru's ambitions and of the rivalry which exists between these two great Asian powers. Therefore, it would seem logical that they would take full advantage of their visit to India to exploit this situation by making new and irresistible offers to India.

There are, however, reasons to believe from reports since Nehru's trip to Moscow that he is getting worried about what may happen if India gets too close to Soviet Russia. Nevertheless, if he feels it is his only chance of achieving this goals of raising the standard of living of his people through industrialization and of outstripping Red China, he might feel he would have to take the risk of further involvement with the Soviets to get their indispensable help. On the other hand, if he felt there was the possibility of some other way out, it would seem logical that he would at least postpone a decision or commitment for the time being.

RECOMMENDATION

Therefore, I recommend that the United States get a message to Mr. Nehru prior to the arrival of Bulganin and Khrushchev.

Such a message might state that the U.S. admires what India has done in the way of development focused on agriculture during the past five years has been proud to contribute to that development and is interested in cooperating with her in achieving her industrial goals in the next five years. (It would appear that the major needs will be largely loans from the Export-Import Bank and technical help in various industrial fields)

By far the most effective message would be a direct personal communication from you to Nehru. The establishment of such a direct channel of communication might also be invaluable in the future. I would recommend that instructions be sent to Ambassador John Sherman Cooper asking him to call on Mr. Nehru.

Sincerely,
Nelson A. Rockefeller

5.5

CONFIDENTIAL
DEPARTMENT OF STATE
WASHINGTON
April 21, 1956

MEMORANDUM FOR THE PRESIDENT

Subject: Official Visit of Prime Minister Nehru, July 7 through 11, 1956

We have now heard from Ambassador Cooper that Prime Minister Nehru would
prefer a quiet place in the mountains to a public place or hotel such as Greenbrier. I therefore recommend that you take the Prime Minister to Camp David.

Ambassador Cooper has informed us that Prime Minister had indicated that he would like to speak over national television and radio network. The Ambassador also stated that the Prime Minister would probably welcome an invitation to speak to Congress but asked that no steps be taken to arrange this pending confirmation by the Indians.

I think these suggestions have merit and would suggest that after spending July 8 and 9 with you at Camp David, the Prime Minister return to Washington for his speech and Congressional appearance, if he decides that he would like to do this, prior to his departure for London on July 11.

John Foster Dulles

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Nehru Visit.

We are now working out, in collaboration with Ambassador Cooper, a detailed schedule for Prime Minister Nehru’s visit, which will be sent to you soon for approval. Meanwhile, I would like your concurrence in the following suggestions, advanced by Ambassador Cooper, with which we agree: (1) that the Vice President and I meet Nehru at the airport when he arrives and see him off at the airport on his departure; (2) that you and Mrs. Eisenhower have lunch alone with Nehru and his daughter, Mrs. Indira Gandhi, on the day they arrive; (3) that he pay a call on you during the afternoon of the first day; (4) that you have a small dinner for Nehru the first night (a suggested invitation list is attached); and, (5) that Nehru pay his final call on you in the afternoon of the day of his departure.

We plan, if you concur, to put Nehru and his daughter in Blair House the night of July 7 and put Mr. Pillai, the Secretary General of the Foreign Office, and Matthai, Nehru’s personal assistant, in Blair-Lee House. We would also put up in Blair House Nehru’s valet and one secretary. We understand that Nehru wishes to spend his last night at the Indian Embassy.

I plan to give Nehru a large dinner on the evening of July 10 and we hope that on the same day the Vice President will have a lunch for him at the Capital.

John Foster Dulles
30 November, 1956
[India] Supplemental Information concerning Prime Minister Nehru [Nehru's lack of success in mediating the Suez crisis and the strong criticism evoked in the Indian press for the Indian vote against the UN General Assembly resolution calling for the withdrawal of Soviet troops from Hungary have combined to undermine Nehru's confidence and prestige as a world leader for peace. Eisenhower's prestige in India has been greatly enhanced by the US support of the UNGA resolutions on the Suez situation, and recent events in Hungary have shaken the image of Soviet “Peaceful co-existence”. As a result, Nehru's attitude when he visits the US in December should be less intractable than it has been since he became Prime Minister]. Gen. Richard Collins, Dep. Dir. (Intelligence), Joint Staff, Memorandum, to the Chair., JCS. Nov. 30, 1956. 1 p. TOP SECRET NOT RELEASABLE TO FOREIGN NATIONALS. Declassified Jan. 30, 1978. Released 1979.
THE JOINT CHIEFS OF STAFF
WASHINGTON 23, D.C.
30 November 1956

MEMORANDUM FOR: Chairman Joint Chiefs of Staff
Subject: Supplemental Information Concerning Prime Minister Nehru

1. In view of Mr. Nehru’s planned visit to the United States in mid-December, I wish to supplement my memorandum of 11 September 1956 on this subject.
2. Throughout the Middle East crisis, Mr. Nehru’s efforts to play the role of mediator (through V.K. Krishna Menon) have been unsuccessful. The fact that Menon has alienated virtually all parties to the Suez problem has somewhat deflated Nehru’s concept of India’s peace making role in the world affairs.
3. The Indian vote against the UNGA resolution calling for the withdrawal of Russian troops from Hungary evoked unprecedented criticism in the Indian press. Mr. Nehru’s belated statement disapproving of Soviet representative measures marked the first instance in Nehru’s career where he reversed a foreign policy stand because of criticism at home.
4. As a result of U.S. support for the UNGA resolutions on the Suez situation, President Eisenhower’s prestige in India’s is at all-time high.
5. The atmosphere for influencing Mr. Nehru’s thinking during his coming visit is therefore much more auspicious than it would have been last June, when his visit was postponed. His confidence in India’s world leadership for peace, in his own infallibility in foreign affairs, and (above all) in
Russian ‘peaceful co-existence’ has been somewhat shaken by recent events. The corresponding increase in prestige which has accrued to the United States, and specifically to the President, should make Mr. Nehru’s attitude less intractable than at any time since Nehru became Prime Minister of India in 1947.

RICHARD COLLINS
Brigadier General, USA
Deputy Director for Intelligence
The Joint Staff

5.8

INCOMING TELEGRAM
Department of State
From: New Delhi
December 7, 1956
On Nehru: Three Sections (Section one missing)
Section Two
The fact is that Nehru and present governing team in India is perhaps as able as Western-oriented, and certainly as committed to democratic norms, as any team India is likely to produce some years after Nehru’s passing. The team which follows Nehru will emerge from the generation which was educated during the Non-cooperation movement and which has never experienced the contact and exposure to Western thought and norms, which Nehru’s generation did. This team is bound to be more Asia-for-Asian minded more inclined to employ authoritarian methods to achieve socio-economic goals and to keep pace with China, unless Nehru has first successfully blazed way through democratic norms. This is one reason Nehru must attach importance he does to achieving targets of second five-year plan. And this is compelling reason for our accommodating certain of our objections to Nehru’s policies and views and more clearly orienting our policy to the strategic purpose of assisting Nehru to achieve a democratic counterpoise to China which would exert magnetic attraction throughout Free Asia.

Lines of approach: We would anticipate that the general structure of the talks would include:

(1) Points of view which the President would wish to present to Nehru in order to influence him and to elicit a fuller estimate of Nehru’s intentions and
(2) Areas of information which the President may wish to elicit from Nehru to estimate more fully background of Nehru’s thinking on major international and domestic issues and on what he may wish to secure from the U.S.
Presentation of US views: It is basic that the President detail our general strategic concept, our estimate of the situation with particular reference to the Soviet-Sino bloc, our reasons for believing this bloc has not abandoned its aggressive intentions, and concept of “competitive coexistence” within framework of military strength which it is necessary to maintain until adequate disarmament safeguards can be implemented. If Nehru accepts (as we think he will) fact that our intentions are peaceful, other problems should be more easily handled. We feel President should develop thesis that long-range objectives of India and US are parallel, that our methods differ principally because of differing responsibilities and estimates of situation, that our methods can be brought to better focus of complimentarity, that India’s methods rely in large part on shield of West’s defensive strength. President must obviously also discuss our positions vis-à-vis Suez, the Middle East and Eastern Europe.

Believe unnecessary to suggest bases of President’s explaining our policies re variety of matters on which he and Nehru cannot agree: Admission Red China to UN, Military bases, security pacts, military aid to Pakistan (latter three are inherent anyway that President should discuss these issues in attempt to soften Nehru’s position. Also believe President should reiterate traditional American opposition to colonialism and economic imperialism and should be prepared to discuss, if raised by Nehru, present US positions on Goa, French possessions in North Africa (notably Algeria), Cyprus, Kashmir and Indochina. Feel also that he should mention that private American capital might assist India’s planning goals if Indian investment climate were improved by conclusion of pending treaties and some form of government-to-government investment guarantee.

Though Department has materials to brief (adequately on Nehru attitudes), following submitted as pertinent:

1. Pakistan: Despite presence Chou En-Lai in India, we have information that India gravely worried about Chinese motivations and moves and suspects that Pakistan and China may in some fashion connive against Indian interests. Nehru, of course, is not convinced that Pakistan is arming against USSR or China. It would be well to repeat Secretary’s assurances to Nehru in March that US would come to Indian assistance if attacked by Pakistan. It would be better if Nehru could be convinced that US could prevent attack. Mention might be made that it is better for US to be ally of Pakistan than for some other military powers.

2. Red China: Difficulty of justifying American policy to Nehru is that he believes so firmly that Chinese Communists could be “morally contained” more effectively if moral conscience of world-focused on them through membership in UN. President should certainly explain our tedious efforts to obtain no-use-of-force commitment from Chinese Communists in
Formosa Strait. Our case against Red China's use of hostages to further its international policies should be stressed.

Information to be sought from Nehru: In addition to recommendations that President draw Nehru into early discussion of India’s economic goals and difficulties (in realization that Indian foreign exchange crisis will require some credit by May, 1957), suggest followings:

1. Underlying rationale for Indian policy of non-alignment: Here, and against context of preparing American opinion and Congress for possibilities of long term economic assistance, President should, we think, frankly discuss with Nehru the difficulty of providing large-scale assistance to India until and unless American opinion convinced that India and US are somewhat closer together on political problems and objectives.

2. Underlying rationale for Nehru’s faith in PanchShila, so recently disregarded by USSR: Parallel between PanchShila and UN Charter and Briand-Kellogg Pact might be employed to highlight necessity of our preserving military posture and deterrent capabilities. Nehru will be understandably sensitive in this area of discussion.

(SECTION THREE OF THREE)

3. Indian policy re East European satellites. Here it must be remembered that India and Nehru to some extent equate satellite problem with Kashmir problem, i.e., India does have some sympathy with soviet desire to secure and defend a security belt as is openly evident also by Indian attitude toward Nepal.

4. Evidences that India is aware of Chinese danger along her northern border and Chinese threat of subverting Nepal and Burma. We believe Nehru highly conscious and worried on these scores and sees parallel between USSR and Yenan and Red China and Nepal and Burma.

5. Suez and a general Middle East settlement, including Israel and the future role of USSR via-a-vis Egypt and Syria. Nehru’s attitude toward Nasser as an Arab leader seeking to extend his and Egypt’s influence over all Arab states could be explored since we know Nehru is concerned with a militant Pan-Islam.

6. Indian election forecast.

Issues to be raised by Nehru. Nehru can no doubt be relied on to raise the gamut of issues mentioned above to which no agreement can be reached and regarding which our maximum obtainable objective will be to convince him of our peaceful goals and thus ameliorate his criticism by enlarging his understanding of our motives and purposes. The big question in our minds is whether Nehru will ask specifically for US aid and whether the initiative in raising India’s acute
economic problems should be left to him. We think it would be better for
president to take initiative since it could be done without committing ourselves
and would simultaneously pave the way to discussion of ways and means of
composing policy differences toward the end of achieving a climate of opinion,
which would support large scale assistance to India.

Assumed, we are vitally interested in preserving democratic norms in India,
there must be full and frank discussion of the biggest immediate threat to those
norms.

The threat, as we see it, is that India cannot (1) achieve its socio-economic
goals, as rapidly as China and by democratic norms in India’s economic stability
will be in jeopardy by May 1957. As result depletion of foreign exchange
unless fairly immediate foreign economic assistance is forthcoming. We think
what Nehru wishes most to leave India is proof that India can modernize and
industrialize under democratic techniques. But, conditioned as he is with a
colonial psychosis and its overtones of economic imperialism, and dismayed as
he is with external and internal developments within recent months, he may be
too proud to risk an impression that he visits the U.S. with a begging bowl.

Nevertheless, fact that his entourage includes five-year plan experts indicates
his preparedness for economic discussions.

All things considered, we believe the better political and psychological
approach would be for the president to open the subject rather than run risk
that Nehru might raise it relatively late in the discussions and too late to permit
president and Nehru and their advisors to explore subject fully.

While Nehru obviously has many subjects other than his economic difficulties
which he will wish to discuss, we repeat that we think the economic development of
India is the primary motivation of his external and internal policies and that perhaps
best way of sharpening focus of talks, while easing Nehru’s sensitivities, would
be to invite him fairly early to discuss his developmental plans and problems.

Conclusions: we feel strongly that ‘moment of history’ has arrived which if
seized and exploited, can give us much firmer anti-communist an anti-red
China counterpoise in India. We can as it were, redress our emphasis in Europe
and on the periphery of Asia by more firmly consolidating our position with
Indian land power. We think this should be possible without prejudicing our
NATO and other pact relationships. If India were convinced of our enduring
interest in seeing her through the critical years ahead. India might be expected
to ameliorate some of her present objections to American policy, especially
as regards Pakistan, SEATO and the Baghdad Pact. Risks are involved but it
appears to us that the risks are greater of losing India through failure to exploit the opportunities now presented.

BARTLETT

5.9

Briefing for Eisenhower prepared by embassy officials prior to arrival of Nehru. DOS cable (10), 12/7/56. Secret Dcls 10/26/83. Incomplete.

INCOMING TELEGRAM

Department of State
DECEMBER 7, 1956
FROM: NEW DELHI
TO: Secretary of State

Views and recommendations expressed here in represent coordinated beliefs of senator cooper and embassy re president's talks with Nehru. Senator cooper's illness has thus far prevented him exploring Nehru's thinking more than superficially but he will talk further with Nehru before returning. Briefing books covering political and economic factors pouches December 8 and will also be hand-carried by senator cooper. Following submitted as precise our thinking to assist in briefing the president.

Overall objective, external and internal events of past few months 'affecting indo-American relations, and offering opportunities to clarifying and improving them, combine to raise stakes of Nehru visit to more than ordinary state visit or what might have come from meeting had it been held in July. As we see situation, we and India are more before an open gate than at crossroads. Externally, India almost certainly faced readjustments of policies in which factors within its economy are compelling influences.

Basic fact is that American prestige is higher than it has been for several years and at time when India more susceptible to accepting American moral and material leadership as counter weight to UK-commonwealth ties, loss of prestige of USSR, and uneasy political, social and economic rivalry with red china. This posture coincides with internal economic crisis which unless resolved, could mean rapid erosion of India's democratic forms and the faith of her present leaders, notably Nehru himself, that India can achieve a democratic Asian counter poise to red china.

Without resort to authoritarian techniques which could progressively shift India into the communist orbit.

This Indian crisis centers on a potential inflationary spiral and growing shortfall of foreign exchange requirements which, unless somehow obtained, will place India behind china in the competition for economic progress and defeat second five-year goals regarded by us as minimal to safeguard India democracy……
THE UNITED STATES AND INDIA

In context of his problems and disappointments with USSR (Hungary, Panchshila), and china (Burma, Nepal), we feel Nehru will be more amenable to frank, friendly discussion our problems and his than he might have been in past. He is perhaps less sure and hence will be more sensitive. We feel his economic problem may perhaps be uppermost in his mind but that he will likely be too proud to raise it in form of a specific request for us aid to meet India’s desperate need for foreign exchange though this is tactical matter which secretary and president must decide, we believe our overall objective might be easier to attain if president fairly early in talks invited Nehru to discuss his planning objectives and problems and to submit suggestions of ways in which us might assist.

………………………………………………………………………………………………………………………………………………………………………

Additionally, we feel there is another crucial factor which should govern president’s attitude toward Nehru’s sensitivities and biases in areas where he and Nehru must now obviously agree to disagree….. China, Pakistan, military bases and pacts, nuclear tests. (department will note that Nehru and Chou-En-Lai have during latter’s visit agreed to disagree on several issues, including Hungary).

BARTLETT

5.10

Dulles reports on conversation with Indian Prime Minister Nehru at Blair House, topics include: 10 American imprisoned in Communist China; attack on Egypt, Baghdad Pact. DOS Memo (2), 12/16/56. Secret. Dcls 11/29/83

DEPARTMENT OF STATE
THE SECRETARY
December 16, 1956

MEMORANDUM OF CONVERSATION WITH PRIME MINISTER NEHRU AT BLAIR HOUSE

I reported briefly to Mr. Nehru about the NATO Council meeting from which I had just returned. I explained that there was considerable misunderstanding about our attitude toward the attack on Egypt. The real basis for our complaint was not failure to consult but the fact that the charter and the North Atlantic Treaty. Mr. Nehru said that this point of view coincided with their own. Their objection had not been failure to consult, although there had been such failure, but the use of force as an instrument of national policy.

We discussed briefly the Chinese Communist situation. I said that before there could be any change in our attitude there would have to be a number of changes
on the part of the Chinese Communist regime. At the moment the sticking point was the ten Americans imprisoned. So long as they were imprisoned we could not allow other Americans to visit despite very strong pressures from our news gathering agencies which have been invited by Communist China.

Mr. Nehru said that Chou En-Lai had indicated that there were failures on our part. I denied this in some detail and suggested that he check with Ambassador Mehta.

In this connection I said that I was sorry to learn that Ambassador Mehta might be leaving. He was a very fine Ambassador and we had developed good understanding with him.

We discussed the Baghdad Pact. Mr. Nehru said that whatever had been the original intention it had been diverted into Arab politics. He thought that the Iraqi Government was very unstable and unpopular and he hoped that the United States would not be joining the Pact. This action might forfeit the increasing esteem with which we now held by the Arab peoples.

I said that there was considerable pressure to have us join the Pact at the present time. It was still under consideration. Some of our defense people have felt that we should join to check Soviet aggression in the area. The matter was still in abeyance and we recognized the complications of Arab politics, of which Mr. Nehru spoke.

Mr. Nehru said that just before he left New Delhi he had a message from the Government of Laos saying they were greatly concerned that we had informed them that if they carried out their agreement with the Pathet Laotians, we would cut off our aid. Mr. Nehru said that while undoubtedly there were some Communist elements in the Pathet group the leader was, he thought, more of a nationalist than a Communist. I said that I was not up to date on this matter, but I knew we felt that the entry of the Pathet group into the government, particularly having regard to the posts which they demanded, would quickly lead to a Communist takeover and under those circumstances we were not interested in helping the government economically and financially. I said I would look into the matter and get up to date and advise him further before he left.

We discussed the European satellite situation, Mr. Nehru said that forces were at work which demonstrated within Russia a desire for more security and freedom and in the satellites for a greater recognition of their independence. He did not think that the Communists had liquidated or could liquidate the desire for nationalism.

I recalled the talk which I had some months ago with the Yugoslav Foreign Minister where he had said that there should be friendly governments around Russia. I had agreed but said that unless the Russians move fast they would find themselves surrounded by hostile peoples and, consequently, in the long run, hostile government. Events had demonstrated my point more rapidly than I had expected. Mr. Nehru agreed that the Russians had been too slow to recognize
nationalistic trends. He felt that the present situation was fraught with danger and I said I had taken the same position in my estimate of the world situation that I had given at the NATO Meeting.

5.11

INDIA, Briefing paper for Nehru's visit 12/16–12/20/56. WH memo (110, 12/56. Confidential. Dcls 12/13/83.)
BRIEFING PAPER—NEHRU VISIT, December 16–20, 1956
Declassified on September 13, 1978

General background

*United States–Indian relations*

United States–Indian relations began to take form early in the 19th century. Missionaries were among the first Americans to enter India, and did pioneering work in linguistic, educational and medical as well as evangelical fields. Today there are more American missionaries in India than ever before, about 4,000 including families. The number of American businessmen currently in India, including families, number several thousands, and American investments in India amount to about $100 million.

Political relations between India and the United States came into being about fifteen years ago as a result of World War II, which brought large numbers of American soldiers to India. The United States had certain assets in its dealings with the Government of independent India which came into power on August 5, 1947. There was, and still is, to a lesser extent, a fund of goodwill for the role played by the United States in urging the British to withdraw. There were also many liabilities which became evident over the years. There was a profound degree of ignorance in each country of the other. India was extremely color conscious and the United States was strong. Progress has been made since 1947 in minimizing some of these causes of misunderstandings, partly through the activities of the United States Information Services in India, the extension of a total of about $890,000,000 technical and economic aid on a regular basis since 1951, and the efforts of the American diplomatic and consular offices in India.

Disparities in power and responsibility between India and the United States have created many problems in U.S.–Indian relations in the recent past. Chief among these have been policy differences about colonialism, Pakistan and the containment of Communism. With regard to colonialism, Indians are very critical that the United States has not lent more support to anti-colonial movements throughout the world. Concerning Pakistan, India has been keenly disappointed in the failure of the United States to support India in the Kashmir dispute, and continues to be indignant over U.S. military aid to Pakistan. Further, in India’s eyes, Pakistan’s adherence to the SEATO and Baghdad Pacts has aggravated
the United States' involvement in Indo-Pakistan disputes. Nehru has said that while India does not doubt the United States motives in granting military aid to Pakistan, Pakistan cannot be trusted to refrain from using its modern military equipment against India.

Although it is with the Free World that India has most of its ties—whether geographic, economic, social, political or military—India does not feel a comparable identity with the Free World as such, and particularly with the West. From a Western viewpoint India stands in the Free World, but has often leaned very considerably towards the Communist bloc diplomatically. From the Indian viewpoint, India is merely pursuing an independent foreign policy, which involves acceptance of, “good will” from whatever quarter it may come. The United States is now faced with the problem of fostering better relations with India while at the same time, in the national interest, standing firmly for just and practical solutions to specific issues on which India is deeply committed to different courses of action.

**Divergent viewpoints of United States and Indian foreign policies**

The basic aims of Indian foreign policy are to assure national security, considered to be threatened chiefly by Pakistan; to build up an Indian-led sphere of influence in Asia and Africa, considered to be impeded mainly by Western colonialism and influence (though also by Communist ambitions to some extent); and to promote world peace and harmony, considered to be threatened largely by the power rivalries between the United States and the USSR. Though the United States has similar aims, with regard to its own interests, it differs with India in identifying the chief threat in respect to each objective and by emphasizing the need for Free World collective security.

Many of the policy differences between India and the United States arise from the basic issue of the relative priority to be given to countering the threats of Communism and colonialism. While the United States has generally given first priority to meeting the threat of Communism through national and collective security, India has usually granted higher priority to the elimination of Western colonialism in Asia and Africa. In doing so it is guided by a relatively optimistic estimate of the Communist Bloc’s intentions and by a relatively high degree suspicion of the Western motives. Unlike the United States, moreover, Indian considers that it has an immediate neighbor, Pakistan, whose intentions toward itself cannot be trusted. Since Pakistan is now Western-allied, India cites out attitude toward Pakistan as the chief example of how United States and the India viewpoints diverge.

**United States objectives in the Nehru visit**

The United States hopes (1) to increase Mr. Nehru’s respect for and appreciation of the general objectives of American foreign policy, (2) to bring out such broad and significant areas of agreement between the United States and India as the development of broader international cooperation, the need for armament
controls and inspection safeguards, economic expansion in underdeveloped areas, standards of international conduct, and democratic liberties and representative institutions; (3) to “agree to disagree” on those specific foreign policy issues which clearly involve differing Indian and American concepts of national security and national interest, (4) to give a sympathetic hearing to the Prime Minister’s views and make him feel he has been consulted on the problems discussed, and (5) to establish a closer personal relationship between the President and the Prime Minister.

Recommended subjects to be raised by the President

India’s economic development problems

Anticipated Indian Position

1. Nehru may indirectly broach the subject of a loan to India, up to perhaps $500 million, to support India’s substantial economic development programs and tide India over a cumulative emergency in foreign exchange requirement.
2. In seeking future United States support, Nehru may refer to current Indian Government approaches to the International Bank for Reconstruction and Development and to the International Monetary Fund.

Recommended United States Position

1. Although Nehru might raise this subject on his own initiative, it is recommended that the President broach the general subject of India’s economic development plans at an early stage of the conversations. A sympathetic interest might be expressed in the progress of India’s economic development. In order to avoid misunderstanding, such as the creation of the impression that a formal request for a loan would be favorably received or rejected, Nehru might be reminded of the fact that financial assistance of such magnitude would almost inevitably require legislative action. The related point might be made that in the course of Congressional hearings on a question of this type, general political relations between India and the United States would probably enter into public discussion.
2. The United States follows the practice of giving considerably weight to the recommendations and studies of the managements of those institutions and to their established practices.

Events in eastern Europe

Recommended United States Position

1. The United States is not seeking a new ally in Hungary, and is prepared to give careful consideration to proposals for guaranteeing the neutrality of a new Hungary. These proposals might reflect the Austrian example.
2. Any satisfactory solution would have to include these elements; (a) a
government free of Moscow control which can enlist the support of the
Hungarian people; (b) an expression of willingness by this new government
to comply with UN resolutions calling for the admission of UN observers;
and (c) an announcement by the USSR that it categorically agrees to
withdraw its troops from Hungary. UN members should also declare their
willingness to support a program of relief and rehabilitation for the new
government.
3. The United States would welcome India’s help in persuading the USSR
to cease its military intervention in Hungary.

Anticipated Indian Position

1. India is pleased to learn that the United States would accept an un-
committed Hungary, but is doubtful if the Soviets would be willing to
accept as Austrian type neutrality for Hungary as long as United States
troops continued to be based in Europe as part of the NATO complex.
2. India is in basic agreement with these objectives, but cautions against
outside interference in attempting to bring about a government free of
Moscow control lest it result in even more oppressive measures by the
USSR. To gain Soviet acquiescence to withdraw its troops, the West
should take no action, which would humiliate the USSR. If humiliated,
the Soviet will refuse to cooperate in any way.
3. Mr. Nehru has been in communication with Soviet leaders on this subject
and would not hesitate to explore with them further possibilities, which
might lead to a peaceful settlement.

Subjects likely to be raised by Prime Minister Nehru

Events in the Near East

Anticipated Indian Position

1. Mr. Nehru might urge closer U.S.–Indian collaboration to bring about
a settlement of the Suez problem. India’s immediate interest has been
to stop the fighting and to secure the withdrawal of foreign troops from
Egypt. India presumably still favors Suez negotiations on the basis of the
six principles, not on the basis of the 18-nation proposals.
2. Mr. Nehru may indicate India’s willingness to use its good offices to obtain
Arab consent to a peaceful settlement of the Arab–Israeli question on the
basis of guaranteeing Israel’s territorial integrity.

Recommended United States Position

1. The United States is gratified with Indian support for the UN
efforts to resolve the crisis, and hope it will continue to lend the UN its
THE UNITED STATES AND INDIA

constructive assistance. With the assistance of the UNSYG, negotiations should soon be resumed between the UK, France and Egypt on a future regime for the Suez Canal based upon the six principles already agreed upon. (FYI Only India’s efforts to mediate the Suez dispute unilaterally have not been welcomed by the UK, France or Egypt.)

2. The United States has set before the General Assembly a resolution which suggests how this urgent problem should be approached, and hopes it will be possible for India to support United Nations efforts to solve this long-standing issue.

The China problem

Anticipated Indian Position

1. There is little current danger of Chinese Communist aggression and subversion against neighboring states, because of their preoccupation with their own internal development. It is imperative for India’s economic development that peace be maintained in Asia. In pursuit of this goal India has attempted to place the Chinese Communists on record against the use of force and interference in the affairs of its neighbors.

2. All Chinese are agreed that Taiwan is a part of China, and India would like to see Taiwan eventually come under the control of the Chinese Communist government without resort to force, as a result of gradual United States disengagement.

3. There is a chance that the Chinese Communist will gradually obtain a considerable degree of independence from the USSR, if they are not forced to depend solely on the Soviets for lack of relations with non-Communist nations, particularly the United States.

Recommended United States Position

1. We see no essential change in the nature of the Chinese Communist regime which supported the North Korean aggression, later intervened with its own forces, and now continues to occupy North Korea and introduce new armaments in violation of armistice. This regime has also continued to threaten the peace by building up the Vietminh forces, and by pressing military preparations opposite Taiwan.

2. The United States must take the necessary measures to strengthen friendly countries against Chinese Communist attack or subversion, particularly the GRC to which we are committed by treaty to protect against armed attack. Any other step would disastrously weaken those in the Far East who are staunchly resisting Chinese Communist subversive efforts.

3. Chinese Communist bonds with the USSR, based on the Sino–Soviet military alliance of 1950, appear as strong as ever. We do not consider that unilateral conciliatory moves by the U.S. would have any weakening effect.
Chinese representation issue in the United Nations

Anticipated Indian Position

Communist China should represent the 600 million Chinese in the UN because it is the established government on the China mainland. Only if it is given its rightful place in the UN, can the problems of the Far East be effectively settled.

Recommended United States Position

The United States doubts that the Chinese Communists truly represent the Chinese people. They have ruled the mainland only by totalitarian control over the lives and minds of individual Chinese, millions of whom have been executed or condemned to slave labor. The U.S. and a large majority of UN members strongly oppose admission to the UN of a regime which threatens peace in Korea, the Taiwan area and elsewhere, defies the UN itself and refuses to abide by normal rules of international conduct.

The Geneva talks with the Chinese communists

Anticipated Indian Position

1. Mr. Nehru undoubtedly favors continuation of the Geneva talks, and may support the recent Chinese Communist proposals that removal of impediments to trade and cultural exchanges be discussed in the talks. He would probably also favor a meeting at the Foreign Ministers’ level.
2. India does not concede that the Chinese Communist holding of the American prisoners is completely unjustified, but has made efforts to secure their release in the interest of lessening the tension between Communist China and the United States.

Recommended United States Position

1. In view of the Chinese Communist failure to fulfill their commitment under the agreed announcement of September 10, 1955 to release the 10 imprisoned Americans and their refusal to renounce force in the Taiwan area, we have grave doubts as to their good faith in the Geneva talks, and do not consider it useful or prudent to discuss additional subjects or to hold discussions at a higher level.
2. The Chinese Communists continue to hold the 10 Americans in prison for the purpose of political extortion, as plainly revealed by Ambassador Wang Ping-nan who stated that their release would be governed by the “state of relations” between the United States and Peiping.

The Seato and Baghdad Pacts

Anticipated Indian Position

1. India believes that the SEATO and Baghdad Pacts have increased cold war tensions in Asia and have hindered the cause of peace. Any further
strengthening of these pacts, such as U.S. adherence to the Baghdad Pact, would be deplorable to India and would exacerbate tensions in the Near East.

2. Pakistan’s adherence to these pacts, coupled with U.S. military aid to Pakistan, has upset the ‘balance’ of power between India and Pakistan.

Recommended United States Position

1. The U.S. believes military preparedness is one but not the sole deterrent and favored the establishment of these pacts for this reason. The U.S. has no quarrel with India’s efforts to exercise “moral containment” of the Communist bloc, but is convinced that it is not enough, because of the Communist states’ record of repeated violations of its treaties and other solemn obligations. The Asian members of these pacts share our view, and their acceptance of military assistance from the West is an exercise of their sovereign right to self-defense. The U.S. will consider India’s position along with other factors bearing on proposals to strengthen the SEATO and Baghdad Pacts.

2. Pakistan has assumed the same obligations as well as acquired the same rights as any party to the pacts or recipient of U.S. military aid. Pakistan’s dependence upon the West for military supplies and replacements should serve to curb any mooted military adventure against India. The U.S. assures India that U.S. influence in Pakistan would be extended to the fullest to discourage any possible aggression.

Problems in United States–India–Pakistan relations

Anticipated Indian Position

1. United States military aid to Pakistan has increased the threat to India from those elements in Pakistan who believe that it should take military action against India. This aid has compelled India to divert planned expenditures from economic development to the procurement of more military equipment, but for general policy reasons India will not accept grant military assistance from the United States.

2. India’s relations with Pakistan are further complicated by Pakistan’s adherence to the SEATO and Baghdad Pacts, and by Pakistan’s continued claims to Kashmir and certain canal waters flowing from Kashmir.

3. Pakistan–Afghanistan relations continue to be aggravated by U.S. policy towards Pakistan. U.S. military aid to Pakistan was a factor in Afghanistan’s willingness to accept large-scale military and economic aid from the USSR.

Recommended United States Position

1. The President has publicly confirmed that if our aid to Pakistan were directed against another country in aggression, he would immediately
undertake appropriate action to thwart such aggression. The U.S. is willing, consistent with its own and its allies defense requirements, to help India secure military equipment from the West…………………………
………………………………………………………………………………
………………………………………………………………………………

2. The United States believes that the settlement of these disputes is primarily the concern of India and Pakistan, and to favor any mutually acceptable solutions.

3. We are concerned about the poor state of Afghan–Pakistan relations growing out of Afghanistan’s ‘Pushtunistan’ policy, which we regard as ill advised. We are also concerned about Soviet activities in Afghanistan, which suggest they hope eventually to achieve political as well as economic control.

*The Kashmir dispute*

**Anticipated Indian Position**

Pakistan has committed aggression in Kashmir. Pakistan’s acceptance of U.S. military aid, and the support it has received from the SEATO and Baghdad Pacts, have changed the entire context of the dispute. Because of these circumstances, India believes it would be inappropriate to have a UN-supervised plebiscite. India would, however, be willing to accept a partition roughly along the cease-fire line.

**Recommended United States Position**

The United States fully supports the UN Security Council’s resolutions in this dispute, and is of the opinion that subsequent developments do not alter the validity of these resolutions. It is the U.S. view that under UN Security Council resolutions, India and Pakistan are committed to a plebiscite so long as no other solution is mutually agreed upon by both parties.

*The Goa dispute*

**Anticipated Indian Position**

Because of India’s “national interests and national safety”, Portuguese rule in Goa, Diu and Damao cannot continue. India will not resort to force to liberate these Portuguese possessions. The United States could rectify the general impression of its Goa policy by making a public reaffirmation of its opposition to colonialism in this case.

**Recommended United States Position**

The United States has stated in as formal a manner as possible that it is not taking sides on the merits of the Goa dispute. It cannot be responsible for distortions of this position. The U.S. Congress last June passed a joint resolution sympathizing and supporting efforts of other peoples to achieve self-government or independence under circumstances enabling them to assume an equal station among the world’s free nations. But Goa does not seek independence; it is a subject of conflicting national claims.
THE UNITED STATES AND INDIA

Disarmament

Anticipated Indian Position

1. Mr. Nehru may reaffirm the Indian proposals for the suspension of nuclear weapons tests.
2. Mr. Nehru will be interested in the U.S. reaction to the Bulganin declaration sent to the President on November 17, 1956.
3. Mr. Nehru will probably wish to obtain the latest U.S. views with respect to the whole disarmament question.

Recommended United States Position

1. The United States believe that properly conducted nuclear tests do not at present constitute a hazard to human health and safety, and is cooperating fully with the UN Radiation Committee in the collection and dissemination of data on this subject. If a disarmament agreement can be reached to limit nuclear weapons under proper safeguards, the United States would be prepared to agree to corresponding restrictions on the testing of such weapons.
2. For the first time the Soviets indicate some serious consideration of the proposal for aerial inspection first set forth by the President. The declaration does not, however, include reciprocal inspection over both the Soviet Union and the United States. On the basis of preliminary study, it appears that most of the declaration reiterates previous Soviet positions.
3. The essentials of the present U.S. position are: a) the development and implementation of an adequate inspection system; b) a reduction in force levels to goals serving as a yardstick for appropriate reductions in conventional armaments and military expenditures; and c) in the nuclear field, steps leading to the future use of nuclear materials for peaceful purposes exclusively; contributions of fissionable materials to an international atomic agency; and the limitation and monitoring of tests as part of a system of disarmament.

5.12

INDIA. Eisenhower and India’s Prime Minister Nehru meet at WH 12/17–12/56, topics include: Near East, Hungary; reunification of Germany; India’s 5 year economic plan. DOS memo (28) 1956. Top Secret. Dcls 12/9/81. Incomplete.

MEMORANDUM OF CONVERSATIONS WITH
PRIME MINISTER NEHRU OF INDIA, DECEMBER 17–18, 1956

The conversation was general insofar as it affected common problems of India and the United States. It was often specific insofar as it affected common problems
of India and the United States. It was often specific insofar as it applied to expositions by the Prime Minister of India's problems involving Pakistan, economic development, and so on. It was conducted on a very friendly basis; there were no arguments or even informal debates of any kind.

The Mid-East

The Prime Minister gave his impressions of the Mid East difficulties, their causes and consequences, and made certain suggestions of what might be done to improve matters.

According to him, the causes of the recent acute disturbances in the Mid-East are those as generally accepted by the public and discussed in the newspapers. This applied both to the Canal stoppage and to the Israeli attack.

He seemingly disagrees with most others as to the degree of guilt that rests upon Nasser. At least he said, “Nasser is the best of the group of Egyptian army officers and others for whom he is the spokesman. Under present condition, if Nasser were removed there would come into power someone who would be more inimical to the West and more unreasonable has actions that is Nasser.” He agreed that Nasser was immature when he came to power, but he thinks he has come quite a way in the last two or three years.

He understands the provocations under which the French and British reacted, but he thinks their invasion was stupid and cost them much, particularly in the world opinion and prestige. He thinks that a Pan-Arab Confederation, responding to the whims of a Nasser, would constitute an increased danger for all users of the Canal and for all who are interested in keeping Russia out of the Mid-East.

He believes that King Saud probably offers the best counter for Nasser if the latter really pushes any attempts to become head of an Arab Confederation.

The non-operation of the Canal is costing India and other Asiatic users more than they can afford and they are anxious to see the Canal again in operation.

I pointed out to him that this would be easily accomplished had Nasser contented himself with blocking the Canal at one point. I quoted as an example of Nasser’s instability and impulsiveness his action in sinking some 39 or more vessels in the Canal. The Prime Minister agreed that this was a foolish act, but he repeated that in his opinion Nasser was more of a brake on what the Egyptian junta really wanted to do that he was a spur to drive them on to even more ill considered activity.

I gave the Prime Minister the complete story of the Aswan Dam negotiations that were finally used as an excuse by Nasser for seizing the Canal Company in late July. He seemed astonished to learn that our original offer had in effect been rejected by Egypt and that the Egyptians had no right to be surprised when our own announcement of loss of interest in the project was made public.
THE UNITED STATES AND INDIA

I told the Prime Minister that I thought he should exert his fullest influence on the Egyptians to make certain that moderation and common sense were substituted for impulsiveness and antagonism so that all of us might cooperate in getting the Canal again in operation. I told him that we had used our influence to temper the British and French and Israeli attitude and would continue to do so.

He agreed that we must make an earnest attempt to settle the underlying grievances in the region.

He spoke disparagingly of Nuri of Iraq, but did not mention the Baghdad Pact as such.

He brought me a letter from the President of Syria. He did not give me the transmittal note, but make the following statement. “This letter was handed to our ambassador by the Foreign Minister of Syria, who said that it was sent by the President’s direction (or approval)” to Nehru for delivery to me. A copy of the letter is attached to this memorandum.

While Nehru said he had not read it carefully; he did agree when I spoke to him about it that it is mere repetition of the Arab complain as voiced by Nasser in some of his speeches. Incidentally, Nehru attempted to absolve the Arab speakers by saying their public figures seemed to get excited when they addressed a crowd and always talked in extravagant terms under such circumstances.

Hungary

He expressed a considerable sense of horror and shock about the Hungarian situation and said that India had sent at least token help by shipping certain cargoes of food and other supplies to the Hungarian refugees. I told him that his stock had gone up in the United States when he finally made a very positive statement of protest in regard to this tragedy and advised him to repeat that statement either in his television address to the people of the United States or in his press conference, which is to take place on the 19th. In addition, I told him that I thought it would be helpful if India would make an offer to take at least a token number of the refugees.

Nehru made some observations concerning the results of the Hungarian affair. He said that it spelled the death knell of International Communism. Hungary, he pointed out, was a State that had been under complete domination of the International Communists for a period of ten years. Yet in all that time they had made so little progress in converting the people to real Communism that we had the spectacle of an uprising in which people were perfectly ready to be killed rather than submit again to their Communist overlords. He felt this was a terrible shock to the men in the Kremlin and that they would likely have to make a reappraisal of their plans. He seemed to feel that the Communist appeal from now on would be clothed in words and language more likely to appeal to the dissatisfied and needy of the world, while threats and the effort to nominate by force would become less and less.
He felt that by this same action, the standing of Communist parties in every country where they are located would be badly damaged. He said that in many cases prominent men had resigned from the party and others were attempting to apologize with every little success.

He believes that this is propitious moment, because of this great blunder of the Soviets, for the free world to move in by strengthening the faith and hope of those who would naturally like to live in independence and freedom, but who have been at least partially misled by the Communists doctrine. He said that there was great significance that Poland was continuing to win, step-by-step, greater independence from their Moscow overlords.

He summed up his opinion by saying, “Nationalism is stronger than Communism.”

**Communist China**

He talked about Communist China. He felt that logic demanded that any government controlling six hundred million people would sooner or later have to be brought into the Council of nations. He felt that Chiang Kai-shek and his Army on Formosa were showing the ravages of time and that eventually Formosa would be a weakened area which almost by force of circumstance, would fall into the hands of the Communists. He asked me how I felt about that region.

I told him that the bill of particulars that the American people held against the Red Chinese included the following.

(a) They were branded by the United Nations as an aggressor because of their invasion of North Korea and the fact that they had never done anything to clear themselves of this stain.

(b) They had supported and probably provided part of the forces for the invasion in Northern Indo-China in defiance of all international law. In addition, they had operated aggressively against both Laos and Burma…

I told him further that America was disgusted with people who broke their pledged word, as the Chinese had with respect to our prisoners, and that we were very tired of the kind of diplomatic department and manner that the Chinese had exhibited over the past several years.

With respect to the Chinese prisoners in our country, I have him the facts and found that he was aware that the Chinese had refused to allow the Indian Ambassador to inspect our jails to see whether any of the Chinese prisoners incarcerated there for crimes wanted to return to China. I told him we were perfectly ready to send any back that wanted to go.
I told him that, if there was to be any break in the log jam at this moment, I thought the first thing necessary was the release of our prisoners and the next would be the withdrawal of Chinese forces from Korea, thought a third and very useful thing would be renunciation of forces by the Red Chinese in accomplishing any further objectives in that region.

India—her attitudes and relations with others

(a) Policy on neutrality. Nehru went to considerable trouble to explain the reasons why India pursued a policy of “neutrality.” First he said that he used the word neutrality in its traditional sense as meaning a position of aloofness from power combinations, particularly power combinations that were at war or threatening war between themselves. He made clear that he did not use the word to distinguish between concepts of government based on the dignity of man and those based on dictatorships.

He spoke about as follows: India might, logically, fear attack from two countries only—the USSR and China. Concerning such a possibility it is apparent that either one of these countries would have great difficulty in conducting large conventional operation against India, because of the fortunate location of the Himalayan mountain chain.

He next pointed out that both these countries had vast internal problems and if they attacked anyone, it would logically be a nation that posed either a threat to them or the possession of which would provide great advantage. India fulfills neither of these conditions. He said that if a world war eventuated finally, Russia would be too busy in other area to attack India.

His next point was that he had with China 1800 miles of common border. His said that if he were to attempt the defense of this border by armed force, it would be such an expensive proposition that India would necessarily fail in its purpose of raising the standards of living and so saving India from Communist through internal collapse.

Finally he said if a country is to be an ally of any other in a defensive organization, it must do its military part. He said that India was no position whatsoever attempt to arm in proportion to its population geographical size and therefore any definite alignment by India with the free work would serve only to weaken rather than to strengthen the combination.

(b) Attitude toward socialism. Nehru’s attitude is that all countries are a “little bit socialistic—that there is no such thing as pure free enterprise practiced in any country. One the other hand, we do have the extreme of Communism as practiced in the Soviet Union—and we have the practice of some degree of socialism in all countries. This degree or level of state management in operation is often determined by the conditions prevailing.
One of the conditions is that capital must be acquired for industrial development and at times only the government can do this.

In India they do not refer to these two phases of economic development as ‘socialism and free enterprise’. They call them the private sector and the public sector. He said that in his case the public sector was necessarily larger than the United States and he gave me some books which present in some detail what they consider to be the logical division between these two sectors. However, they overlap. But he did stress the point that they are not necessarily mutually antagonistic. On the contrary he felt that they were mutually helpful. He specifically stated that land ownership and small business would remain in the private sector.

(c) Nehru talked to me a considerable time about Pakistan. He reviewed that historical development that led to partition and is unquestionably bitter at the British for what he believes is their part in promoting the anomalous position of two nations in the Indian sub-continent. He is particularly resentful of the fact that the Pakistan did not obtain independence by their own efforts; they obtained it through the success of Indian nationalism. He described in detail the terrible administrative job that was brought about by partition and particularly emphasized the difficulties that arose out of the migrations of people between the two countries—Hindus moving from Pakistan into India, and Moslem from India into Pakistan.

In spite of this great movement, he said that India never accepted the theory of the organization of states along religious lines. As a proof of this he cited the act that there are 40 million Moslems in India today and Moslems are represented in his Cabinet. He said these great migrations ceased for a while, but now they have been renewed, not by any movement of people from India into Pakistan, but by the anxiety of the Indians in East Pakistan to leave that country. He says that India is having to absorb these people at the rate of 1,000 a day.

All this creates unrest as well as economic dislocation.

Nehru made a great point of the fact that the Moslems in the India sub-continent are not the descendants of invaders. They are merely Indians who were converted to the Moslem faith: he said, “We speak the same language, often we are of the same families, and in nearly all cases we are good friends.” He painted out that when any question except political ones arose, the Pakistani and the Indians appeared to be one and the same people—which he says they really are. But when political questions come up, they are bitter opponents.

He said that there are four outstanding problems between the two states, none of which is considered insuperable:

(1) The division of river waters between Pakistan and India.
(2) The settlement of property claims arising out of the migrations back and forth across the border;
(3) Kashmir
(4) (The fourth has slipped my mind, but I have the impression that it had to do with the continuing migration of the Hindus from East Pakistan into India.)

The only one of these questions that he thought would cause any real difficulty in settling (and he indicated India was ready to take a very tolerant attitude toward the others) was Kashmir. He talked about Kashmir at length.

His first contention is that the people of Kashmir want to belong to India, although unfortunately I failed to ask him why he had always opposed a plebiscite in the region. He reviewed in detail the original tribal invasions of Kashmir (following upon partition)—the employment of India troops to stop the invasions, the establishment of armistice lines and pointed out that economic and political life has now become crystallized around the existence of this armistice line. The armistice line gives Pakistan one-third the territory and one-fourth the population of Kashmir. He believes that if the United Nations would approve of the status quotas a basis for permanent settlement, both sides would approve, although there would be some grumbling.

Finally, he pointed out, with respect to Pakistan, that the Indians have a popular belief that the Pakistani are ready to launch an attack against India. He cited the newspapers of the area and the world of what he calls fanatics in trying to promote this idea. This is one reason why the supply of arms to Pakistan aroused so much apprehension and even resentment in India.

(d) Goa. Nehru next described the Goa situation. He maintained that India would not use force to settle this matter, but he did feel that if Portugal would cease creating new irritations and resentments in India the thing would work out in the long run on a peaceful basis. He particularly referred to what he called the unjust long-term imprisonment of Indians who simply walked into Goa to protest. He insisted that Goa was of no economic value to Portugal and existed merely to satisfy the Portuguese feeling that it helped to make them an “empire.” Here again Nehru’s intense reactions to the “colonialism” were quite evident.

(e) Nehru thought we could be of some help both in the Goa and in Pakistan problems. He thought we should urge Portugal to release the Indian prisoners, one of whom is a member of the India Parliament. This he said would be only a gesture, but it would at least show some respect for India. He thought we could help in the Pakistan problem by urging Pakistan to cease using its newspapers (which he says are really state-controlled) to incite the fears of the Indians. They are, apparently, intensively jingoistic. He said that if Pakistan’s newspaper propaganda would talk peace instead of war the whole situation would be greatly ameliorated.
Second Five-Year plan

Mr. Nehru outlined in considerable detail his aims and objectives in India's Second Five-Year Plan. The First Five-year Plan was devoted almost exclusively to increasing agricultural productivity; the Second leans more toward industrialization. However, the chief objectives of the First Plan have become sufficiently understood by the Indian people, he hopes that progress along agricultural lines will continue automatically.

He is particularly interested in a sort of rural ‘self help’ plan. This plan organizes villages into groups for every kind of improvement—health, education, agriculture and general welfare. The reason for the organization is the paucity of instructors. To each village is assigned a young man who has normally had only one year of training. To each ten villages a supervisor with somewhat more training is allocated, and to each hundred a man who is more advanced in all of these matters. To this latter man is assigned also a staff of specialists in the things they are trying to accomplish. He gave me the number of these organizations that had developed; while I have forgotten the number, I do recall that it was astonishing in its size.

Mr. Nehru sees as his only difficulty in achieving the objectives of the Second Five-Year Plan the shortage of capital. The Plan itself has a “private” and “public”, sector, and he feels that capital will be short in both these. He did not hint to me that he was looking for help from the United States, but of course his failure to do so did not mean that he would disappointed to have long-term, low-interest loans. Attached to this memorandum is one of the three books Mr. Nehru gave me on the Five Year Plan. This particular pamphlet is a summary of the others.

Southeast Asian States and Indonesian affairs

We talked at considerable length about this particular subject, but nothing especially new was brought out during the conversations. The one point he made was that he believed we were making a mistake in Laos by demanding that the Government exclude any Communists or Communist sympathizers from the Cabinet as the price of securing from us financial assistance that Laos needs. He pointed out that Laos was in a rather desperate situation. That Government had even inquired from India whether it would supply the money Laos previously expected from the United States provided Laos should feel forced to go ahead with the plan and include a Laotian from the Communist sector in the Government. He remarked, “Of course we have no money to help them so they will go to one place only the Communists.”

I mentioned Diem (of Vietnam) to him several times and remarked that we felt he was doing a good job. On this subject Mr. Nehru merely said nothing. I have no idea where he approves or disapproves of Diem.
He seemed to think that there would be no great, aggressive efforts, within the near future, of the Communists to take over more territory. He rather felt the would more in where opportunities were good and not too costly, but that both China and Russia now had many problems of their own at home and would probably be somewhat less aggressive in efforts toward expansion.

In talking about Indonesian affairs, he had little to say except that he seemed to doubt the formation of a really stable government for a long time to come. This is not so much because of the diverse interest of the various sections of Indonesia—as I understood him—but rather because of some of the animosities arising out of differing religions.

German reunification

Mr. Nehru emphasized the fear that Russia has of a rejuvenated Germany and expressed the view that the matter would be settled only if a European organization was set up that to the Russian mind would be a guarantee of their own safety. For example, he talked about the establishment of a great neutral belt reaching down through Europe into the Mediterranean. This would include all the present satellite states as well as Germany. All of this, together with the “officially neutral” states—namely, Sweden, Austria and Switzerland—would, he thinks, possibly be the best answer to the whole works.

I expressed to Nehru my grave doubts that a people as strong and virile as the Germans could ever be successfully treated as neutrals, particularly in view of their long history in Europe and the fact that they are the most dynamic people of the region. He agreed that this might present some difficulty, but he did repeat—and I agreed—that the Russians are honestly fearful of a German resurgence to great power.

India–American relations

The subject of Indian–American relations was not discussed at great length, but Mr. Nehru expressed the hope that our personal meeting and conversations would open up an additional channel of communication which would, he hoped, make the occurrence of misunderstandings and mutual suspicion less common than heretofore.

While talking on this particular subject, I have him every chance to bring up the name of Krishna Menon. For example, I mentioned that our Ambassador in Moscow G.

Mr. Bohlen, had spoken in the highest terms of his Ambassador in that city, a man whose name I understood was Menon. He merely said it was gratifying to hear such a good report, but still avoided any mention of the other Menon.

I did get the very definite impression that he was sincere in his hope that understanding between our two peoples and governments would improve.
Naturally I expressed the same kind of hope, and tried to show him by every
courtesy I could think of that we appreciated the effort he had made in coming
to visit us. For example, I directed that he be transported back to London in the
Presidential plan—and I had delivered to him in New York the day after he left
Washington a farewell letter thanking him again for his courtesy.

I particularly asked him to do his best to see that his people and his gov-
ernment did not become too excited by the speeches and statements of some
of our more irresponsible people who pose as statesman. He was quite clear in
his own mind as to the divisions of authority in our form of government and
states that he himself paid little attention to what some of our more ambitious
politicians sometimes said. On the other hand, I gathered that whenever anyone
criticized his pet policies (of neutralism, standing-between-the-two-great-power-
blocs, Five-Year Plans, violent anti-colonialism), he would always react quickly
and in rather extravagant terms. (end)

Prime Minister Nehru of India came in to see the President at 10:25, December
19, 1956. In the office he was unaccompanied,

Note: Practically impossible to hear the Prime Minister.

The President first asked him how his press conference had gone this
morning; the Prime Minister said very well, and they discussed the mechanics
for a moment or two.

The President said he had a number of reports this morning from the Mid-East,
some were quite hopeful. Said our Ambassador had a long talk with Nasser
and found him more flexible than formerly and more nearly able to recognize
our viewpoint. He also said he had nothing particularly new to add about
Hungary. The Vice President is on his way there to see what can be done to
relieve the situation of refugees. The President would like to see other countries
take at least small numbers—mentioned South America, where countries are
under populated. He mentioned that there seem to be a lot of professional
people coming out of Hungary now. He said Austria was glad to act as a
temporary haven, but wants the refugees out of there as soon as possible. Also,
the Hungarians so far want to continue on as fast as possible.

The Prime Minister suggested it might be better to support these people in
Austria; perhaps some day they could go home. The President said of course it
would be easier and less costly to support some of them in Austria rather than
bringing them over here, but the Austrians have been urging that we increase
our quota, which the President has done to the extreme limit allowed by law.
He doesn’t think it would hurt us to take in 40 or 50 thousand.

In answer to a question from the prime Minster, the President said he thought
there would be at least 150,000. The President said these figures could be wrong,
that he had not got the reports of his committee yet.

The President replied to another question that he would not know of any
reason to oppose any (of the Hungarian refugees) from going back to Hungary.
The President mentioned that he knew the Prime Minister was to see Secretary Dulles this afternoon and at that time they would work on the statement that will be released at the conclusion of the Prime Minister's visit. The President said he would have no objection to whatever Nehru and the State Department agree upon.

The President said that, in looking back over their talks of Monday, he was not sure that he had made clear how much importance the United States attached to the reunification of Germany.

(Nehru replied)

The President in answer said that he realized that Russia did a lot in World War II and has certain legitimate fears—one of them was a completely revitalized, belligerent Armed Germany. We have no intention of allowing that to occur. That is one reason we never considered an independent army for Germany, but only as a part of other nations that have been equally abused by Germany and fearful of her. Actually, France has far more reason to be frightened of Germany than has Russia—and we don't close our eyes to the fact that the Russian fears have some reasonable basis—but we do think they have been very rigid in their refusal to talk about any plan which could bring this about in a framework of general European security. The President said also that in October of 1955 we tried hard to get the Russians to go along with any initial steps.

The President changed the subject, saying that since his visit with the Prime Minister he had been parading his new knowledge of India and Pakistan. He said as he looked back on their conversations he found them most constructive.

Nehru spoke at length. The President said that we have constantly maintained that we are not seeking to assist Pakistan with any though that her strength vis-à-vis India should be increased.

He also stated that whenever we sold or gave arms to another country, it was with the understanding that such arms should not be used aggressively.

In response to a question, the President said that of course he wouldn't argue with the Prime Minister about Soviet motives because it is one that has no proof. But their apparent desire to communize the world goes along with the Marxist doctrine for world revolution of the proletarian. He said that now on the Prime Minister's side of the argument, when he used to talk, in the latter part of 1945 and early part of 1946 with his good friend, Marshal Zhukov had always said, “all we are interested in is that we have there a friendly government.” The President—then the General—had replied that we want them to be the friends (of the Russians) but were they going to be free and Zhukov's answer was, “Oh, yes, they would not be friendly otherwise.” So again it is the old story of colonialism that you cannot make friends by dominating them.

Nehru answered, “That is true.” And he went on with other remarks.

The President then asked if Nehru meant to suggest that the whole of Germany and of Eastern Europe should be lumped together in a “neutral zone.” The President said that he thought the only real flaw in such a hope was not
that the West would demand that Germany be with them, but he failed to see how a great nation like Germany could be reduced to the point that it would be merely the buffer—not even a buffer—sort of a vacuum between the West and the East.

The President also pointed out—in reply to a question—that there was no similarity between the relationship of West Germany and the allies on the one hand, and Russia and the satellites on the other was a forceful domination—the other a voluntary associations.

If Adenauer should be defeated by the Socialists who might want to take a neutral position, there would be no answer on our part except to acknowledge their right to do so. He said the Prime Minister did awaken in his mind this idea. Let there be a true Warsaw Pact among all nations who want to join it, starting with Poland, Czechoslovakia, Romania, Bulgaria and Hungary; let them make a voluntary pact among themselves for neutrality, not necessarily complete disarmament, because normally a neutral nation has to make some effort to protect its neutrality. But they could say: “We are neutral, we are not West, we are not East, we are going to be friendly to all the countries.”

The President said he thought that idea would begin to make some sense, when approved by free election, and certainly it would conform to everything we have said. All we want is for them the opportunity to decide their own fate. If Germany chose to join such a Pact, we could have nothing to say. The President said he cannot see how we could, under the principles and policies under which we operate, take exception to such a thing, if that is what they choose to do.

However, the President said—this cannot be tested now because the Eastern governments are not free to act. He said they thought it would be a fine idea to get those countries of Eastern Europe free enough to tell how they want to live. Certainly we have got to explore every idea.

The President said that he could say frankly that we do not want our troops abroad; to start with, no occupational troops have ever made friends for the countries from whence they came. He said—consider our troops. They are well paid; compared to the little shopkeepers and the lower income people among whom they live, they are wealthy. That does not create goodwill. We would like to get them back. As it is, nobody living West of the Eisenach-Linz Line will agree to one single American soldier coming home. When we sent them there, it was never considered to be a permanent arrangement.

But aside from the certain sense of security Europeans gain from the presence of the troops themselves, they constitute hostage—so the countries of West Europe have a firm commitment that if those countries are attacked, we are at their side. And so none of those nations want us to withdraw our troops.

We do have difficulties. If one of the soldiers commits a crime in Germany, it is a most complicated business. We have had trouble all over the world because our government will not allow these troops to stay unless we can assure them
that the men (accused of crime) will be tried by our system. Of course, when they are on leave and on the status of any other tourist, then they are subject to the laws of the land in which they are stationed.

The subject of disarmament came up. The President said that if we could have confidence in the world of the Russians, if we could get hold of anything that credit the Kremlin desire to be straightforward and honest—we would not have so much trouble. But Russia is a very big country that has not published a single word about its military activities or it says one thing one day and one the other. So when it proposes that by decree “we will reduce our forces to such and such a number and we will foreswear atomic rule,” no one can believe them. We cannot go to our people and say, “you can trust that statement.”

The President said that the real reason for his Geneva open-skies program was primarily to develop “mutual confidence—to convince both sides that we are not going to live under the threat of surprise attack, because this kind of reconnaissance would prohibit it”. Under that confidence, we could go ahead. It was not in itself an answer to disarmament problems, but he said also to the Russians if they wanted also their system of inspection, which is detachments at ports, etc., he said he would accept it.

Recently, in the last message we had from Bulganin, he said the Soviets would accept aerial inspection over a limited area on both sides of the East–West line in Germany. He said, there is some little “give,” apparently, finally in one of their messages.

Mr. Nehru said he believed this to indicate some real change in the Soviet attitude. The President said he hoped so, because it would be dreadful if you didn’t have some hope and faith. He is hopeful that it does mean some little realization on their part that they can’t just sit there and say ‘Nyet, Nyet’—they have got to do something! He said when he made his open-skies proposal, Bulganin was sitting at the table and received it with enthusiasm—apparently as far as the President could see, the Soviets were hoping for some kind of an agreement and Bulganin spoke of it in glowing terms.

Then as we left the table, Khrushchev walked out of the room with the President and said, “I don’t agree with our Chairman.” The President asked, “And why not?” He said, “This is just an intelligent gimmick—this is just a way to find out what we are doing.” The President said, “I am offering to give you a pattern of what I am doing and then give you the inspectional facilities to see whether I told you the truth.” Why doesn’t that created confidence?

In any event Khrushchev defied Bulganin—but Bulganin’s first reaction was favorable. The President said he admitted that because of our defensive arrangements, we give the Soviets cause for propaganda. Our bases and our flights to places we have been inspecting (our places are stationed where they may sometimes in bad weather fly over Iron Curtain countries) annoy the Russians. But we feel that if you have a nation that is secretive with everything on
the military end, the only thing you can is to keep watching it all the time—we don't know what else to do.

Nehru spoke about a survey of world economic needs.

The President replied that he had been talking about that to Secretary of State—and he has been searching for a good way to propose something. He thinks that some proposal through the United Nations to make an honest survey of the world economically—its resources and needs and of the legitimate ways in which any country can look to its friends for the kind of help that they need, would be good.

In the meantime, we might push technical aid. The President said he understands that there is sometimes useless duplication; by and large we have a very successful program. It is of no interference to anybody because it is purely technical and professional.

We might do something to get a survey started and see what is the response from the other side. The reason the President proposed his atomic bank at the United Nations was because he thought then we would start a business organization that would lead people to expand their contacts, because once you talk about atomic power you almost have to talk about hydroelectric power and fuel power and related matters. The plan has made-letter progress.

The President then said he had to make an inaugural talk and he wants to make it one that is meaningful to all our friends in the world, not just to the people in the United States. He wants to assure the world that, as everyone should know, we seek no territorial gains, that we have in mind no new kind of colonialism.

We don't fear a country where decision lies in people: we fear a country where decision lies in one individual or one small group. Therefore as we try to develop self-reliance or self-support among nations.

The President said that we in the United States recognize clearly that if all of Western Europe should fall to the Communists, then the Communists would have the power to proceed with their threats against the rest of the world. He said he is talking in the short-term military field. As the Prime Minister had indicated, in the long run Communism really does defeat itself. The President remarked that both France and Britain are friends of ours.

The President mentioned his correspondence on Suez with Sir Anthony Eden, which started as far back as early July. He said that someday if he and Prime Minister Nehru both were retired old gentlemen, he would like to show him the letters. He said he feels that if anything is an universal as our own country's disapproval of any fighting over this thing, he knows it is shared pretty well throughout the whole world. We had this terrible problem, how to keep our friends from acting aggressively, but yet not letting them go so far down the economic drain as a result of their impulsiveness that they become prey to Communist penetration!
The President went on to say that there is also a new factor, the one Nehru
pointed out the other day. Russian was probably counting on a few extra
divisions there in the satellite countries. So we would have had to set aside an
equal number of divisions to keep them from causing trouble. The President
said he admits it is quite different, adding, “I don’t know what you think of
that.” The President thought of Eden as a very fine, famous man, and always
found his associations with him most pleasant.

An interesting thing, said the President, is that atomic capability on both
sides of the Iron Curtain had more or less neutralized itself so far as European
thinking is concerned. So there has been a resurgence of a feeling of dependence,
particularly in Germany, on conventional arms. He said Chancellor Adenauer
today is pushing us harder than ever for more forces; sends us the most
extraordinary messages, to the effect that we are running out on them, disturbing
their people, making it more difficult for him. He has gotten very upset about it.

Saudi Arabia. In this latest ramification, in the last year, time and again we
told King Saud exactly what we are doing. He still says that our kind of talk is
making it difficult for him politically.

The Prime Minister talked at length, mentioning the name of Chou En-lai.
The President said that is number one priority. He spoke of the incident of the
invitation for newspapermen to go over there, and our thought that, step by
step, we might have been able to reach some kind of modus vivendi.

The President spoke of his conversations with Chiang Kai-shek. When he
visited there right after the War, he was impressed to hear everybody talking
perfectly freely, and that they seemed to like “having us around.” They put the
President in the most beautiful quarters he has ever been in. There seemed no
danger, or no thought of any molestation or interference. The President said that
he, for one, was particularly shocked when we saw developing in the country
those terrible pictures of United States victims.

The President said he would like to get our people over their currently very
adverse attitude toward Red China. They put Red China at the bottom of the
list, even below Russian, which he does not understand—but that it is true. He
thinks most of it is about the ten prisoners and the fact, as he had told Nehru
the other day, of the casualties suffered in Korea. Our people are sensitive—in
World War II, they thought that it was something that had to be fought. He
said he never heard discussed so much the theories of World War II as of the
casualties of Korea. So the President thinks the main thing from our side is (a)
the ten prisoners, and (b) Korea.

With those things straightened out, we would of course naturally do some-
thing with our public opinion here; secondly, we could do something, as the
President had said before, about sending newspapermen over there who would
begin to find out what they are thinking. There would then be a flow of news
coming back that would tend to ameliorate this uneasy state of pandemonium.
And there could, out of such a small achievement as this, spring something very fine.

But the President’s feeling, as of this moment, is that it is impossible for us to take the first step. He said Foster Dulles may have a different view, but that this is his own feeling.

The President told Nehru that he is a man who is without personal ambition whatsoever. He has no ambition left in the world except to leave a record—not a personal record, but knowledge that something has been advanced to help the cause of peace in the world.

The President told the Prime Minister he would not have stayed in this position had people in the Administration not insisted that it would be wrong to make a change at this moment when we have so many critical things started in the world—and their insistence that he just had to try to carry on. (The President personally feels it might be nice to just sit on the farm, play a little golf, and call it a day.) But if the President could hope to ease the tension, so that finally we could work out the details, raise living standards, and bring about greater happiness—that is the only thing he could possible look forward to.

So the President is willing to do anything, go anywhere, provided he can be shown that it would help rather than exacerbate the situation. Sometimes one may go, when so much is expected, and there turns out to be a collapse of effort when a miracle is not produced overnight. Before taking any such more, the President would want to be sure it would advance the cause of world understanding a little bit.

The President told of his having left a sick bed to go to the conferences at Panama—though he added that he did think it helped put him back in the harness again, that he improved steadily since that trip.

The President looks forward to seeing Nehru again this evening (dinner at Embassy). He did want to tell him how much he derived from this meeting—has gained much, he is sure in understanding that will be helpful. He looks forward—as he hopes Nehru does—to personal correspondence, for which he thinks this meeting has opened the possibility. He mentioned that there are a number of heads of State with whom he now corresponds, and once a personal contact has been opened up, it is possible. One to whom he does write is the King of Saudi Arabia.

The President continued: ‘So if at any time you have an idea, particularly this line you were talking of something you would now wish to get that might come better say from a country like our—particularly if there were some kind of investment or money involved that we could provide and that would come better from us—you make the request and I will certainly give it every possible consideration. Because I expect the same thing.’

The Prime Minister thanked the President. His statement concluded with, “as to what we should do about guns.”
The President recalled the Prime Minister’s having raised that question before, and said he has thought about it a great deal. He said this is one question on which we have tried as usual to remain a friend of both sides. At this moment of course Portugal is a member of NATO. And we have a base on the Azores. That is about our relationship with them. The President thinks we have no particular trade—said something about size and population.

The President does not know how acute this is in India’s public opinion today—but said that we are trying to straighten out the Mid-East and get the Canal operating, which he thinks is just as important to Indians it is to Western Europe and to us. He said we are trying to take advantage of what we believe to be a very great adversity to the Communist dictator pressures and objectives. He thinks if Nehru could hold off a little bit and defer moving in Goa in any way, it would be better to being up now. The President wanted it understood that he was merely “talking off the top of his head”—first of all, as he said before, he does not know how really deeply this matter affects Indian public opinion throughout the nation—and if it is as urgent as he thinks it is, of course Nehru cannot defer it, but would have to do same thing.

After Nehru spoke, the President next said he thinks that here is a specific thing about which he can talk to Foster Dulles, something that would tend to reduce tension—because Portugal, however spurious their claim, would not be abandoning their own claims. The President recalled that Nehru told him there was a question of income and money, which he at first said he would take up with Secretary Dulles. Then he added the suggestion that Nehru himself bring it up when he sees Mr. Dulles this afternoon. Nehru said he already has mentioned it to Mr. Dulles. The President then asked, “Did—you mentioned these prisoners?”

(Nehru talked at some length.)

The President said that if any nation uses aggressively any arms even given to them by the United States, they are going to be in trouble with us. This does not mean that we would go to war, but the first thing we would do would be to stop any further shipments to them. We have always been very careful not to give great stoke of ammunition, so that no one can go too far astray. On top of that, the pressure would be put upon them, because we have been helping them economically as well as militarily. The President said he cannot insure that we would never support them, but we would oppose and try to block any such move as, for example, Russia coming into the Mid-East.

The President asked the question, “Is Kashmir the real bone of contention, or is that only a manifestation of the country?” The Prime Minister replied, then apparently changed the subject. The President’s next statement was that he will give the subject some thought and will try to produce an idea. But, he said, we would not want to be pushing ourselves forward as a mediator in such a thing.
The President hoped the Prime Minister enjoyed his stay; said his travel arrangements are all set, that he need not worry about a thing on that.

5.13

President Eisenhower Letter to Nehru (May 16, 1958)
Department of State
SENT TO: Amembassy NEW DELHI 107
PRESIDENTIAL HANDLING
Please delivery following message from President to Prime Minister Nehru:
BEGINNING TEXT Dear Prime Minister: I am sure that you share my deep concern over the grave developments presently taking place in the Near East, particularly with respect to Iraq and Lebanon. I have asked Ambassador Bunker to inform you of the basis of the United States decision to respond affirmatively to the request of the President and Government of Lebanon for further assistance. We have made clear publicly our hope and intention, which I am happy to reassert to you, that the United Nations should take over from us the direct responsibility for assisting Lebanon in maintaining its sovereign independence and territorial integrity as rapidly as it can effectively do so. We have pledged our readiness to withdraw our forces from Lebanon as soon as the United Nations can act.

You will, I am sure, appreciate the difficult considerations which had to be faced in reaching our decision to respond to the appeal from lawful Government of Lebanon. The dispatch of this country’s armed forces to a foreign country, although at the initiative of the latter, is a matter which cannot be lightly decided. At the same time we had to consider the fact that ever since Lebanon achieved its independence, a development to which our Government was proud to contribute, we have enjoyed the friendliest relations with this small peace-loving country. Throughout its history as an independent nation, Lebanon has played a constructive role both in the Arab world and in the world at large. It has threatened no one. It has not only fully abided by the decision taken by the United Nations, but has also effectively contributed to the advancement and strengthening of that organization. Lebanon’s contribution in the field of basic human rights alone has been highly significant.

In the light of this, we have been sorely troubled by the conflict which has raged in Lebanon over the past weeks. We have recognized that among the elements contributing to that conflict were internal questions which were matters strictly for the Lebanese people themselves to decide. We sincerely believe that were the Lebanese people to have been left alone to resolve these questions that solutions to them would have been achieved by now. However, from the very beginning of the conflict, disruptive forces outside of Lebanon have sought to exploit it and through tactics including inflammatory propaganda campaigns, armed infiltration, cash subsidies to dissident elements within the country,
and the use of subversive agents have tried to destroy Lebanese integrity and to impose upon the Lebanese people a government which would permit major questions of its internal and external policies to be decided by one of Lebanon’s powerful immediate neighbors.

We were convinced that the implications of this situation in terms of the threats which were presented to world peace and order were such that his was a matter properly to be dealt with by the United Nations. To this end, we strongly supported the Lebanese action in submitting its case to the Security Council in June. We were gratified by the Council’s speedy action in establishing a group of observers in Lebanon to assure that further outside assistance to the insurrection would cease. We have given the strongest moral and material support to the United Nations Observer Group and to the Secretary General in their endeavors to carry out the purposes of the resolution. We were gratified that the Government of India for its part extended such effective cooperation to this most laudable effort.

It was our belief that the work of the Secretary General and the observers was proving effective in reducing the amount of outside interference in Lebanon and facilitating a return to a situation in that country where the outstanding internal issues could be resolved by the Lebanese people themselves. The uprising in Baghdad on July 14, however, shocked free men everywhere. We have yet to be fully informed as to the course of events in Iraq but, to our deep regret, we were aware that the most ruthless violence has been employed and important Iraqi personalities have been brutally murdered. It is clear from these tragic developments that the aggressive forces which have been unleashed in the area were such that tiny Lebanon could not cope with them, with its own meager defensive resources. It is equally clear that the sovereign independent states of West Asia face the gravest danger as efforts to impose foreign leadership upon them are intensified. To permit legally constituted governments to be overthrown, one after another, through illegal and violent means and as a result of external interference could in our view lead only to a repetition of the tragic history of the 1930’s when mankind stood idly by and watched nation after nation lose its independence until a global conflict was inevitably precipitated.

It was in this context that the President and lawful Government of Lebanon made their urgent request to us for armed assistance and in this context that I was convinced that despite the risks involved both material risks and the risk of misunderstanding and misrepresentation of our nation, we had no honorable course to respond affirmatively to the Lebanese request.

Simultaneously, through our representative to the United Nations, we informed the Security Council of the action we were taking, an action which the United Nations Charter declares is an inherent right of all sovereign states. We have submitted to the Council a resolution which would in our view provide an effective basis for the United Nations’ taking over the grave responsibility which we have assumed. We have instructed our forces in Lebanon to extend
Prime Minister Nehru’s response to President Eisenhower
New Delhi
June 7, 1958

My dear Mr. President,
Ambassador Bunker handed over to me on the 16th May your personal letter of the 14th May. I am grateful to you for your personal interest and concern in matters affecting us. I hope you will forgive me for the delay in sending a reply to your letter.

Soon after I received your letter, I left Delhi for a brief rest in the inner valleys of the Himalayas. Ambassador Bunker himself suggested that here was no necessity for an immediate reply to be sent to you and that his could wait till my return. Apart from my absence from Delhi, the suggestions you were good enough to make in your letter required very careful consideration by us, as they raised important issues.

Even before I left Delhi, I had a long talk with Ambassador Bunker on the subject of your letter and pointed out to him the various aspects of the problems and the difficulties we had to face. On my return from the mountains, I had another long interview with Ambassador Bunker. He was good enough to give me a note amplifying the proposal made in your letter. We discussed this also. I have no doubt that the Ambassador has communicated to you what I said to him on both these occasions.

I need no, therefore, write at any length now. But I am taking the liberty of enclosing a copy of the report of a speech I made in our Parliament on April 6, 1958. This deals with Indo–Pakistan relations and I attempted to give in it our approach to all the problems that had arisen between India and Pakistan. It deals, in particular, with the basic difficulty we have faced throughout these years in our dealings with Pakistan. There is also reference in it to the report that Dr. Graham made to the Security Council after his recent visit to India.
This speech will, I hope, make it clear to you how anxious we have been ever since independence to have normal and friendly relations with Pakistan. We had hoped that the old conflicts and the policy of hatred and violence, pursued by the old Muslim League, which indeed had led to the partition, would cease. It was obviously to the advantage of both countries to live in peace and friendship with other and to devote themselves to their social and economic development which was so urgently needed to give a social content to our freedom and independence. Unfortunately for us and for Pakistan, our hopes were not realized and the Pakistan Government continued to pursue that old policy of hatred and violence. Every Government that comes into power in Pakistan bases itself on this policy of hatred against India. It is the basic fact that has to be recognized. In our opinion, the settlement we so ardently desire cannot come if this policy of hatred continues.

Military pacts and military aid have made Pakistan in terms of coercing India. No self-respecting country can submit to this; much more so when that country is an aggrieved party and the other country continues to profit by its aggression. Unfortunately, the encouragement that Pakistan has received, in the Security Council and elsewhere, has led her to continue her policy of aggressive intransigence.

I realize fully that, whatever the rights and wrongs may be in regard to these disputes, it is highly desirable to settle them and turn the course of events in the direction of peace and cooperation. I entirely agree with you, Mr. President, that we should make every effort to his end. The question that arises is how best this can be done, because a wrong step may well lead to further difficulties. We have experience of trying to explore various avenues and making proposals for discussion, which found no response from Pakistan and led to further confusion. Indeed we were made to suffer for every step that we took in the hope of facilitating a settlement. Despite all this, it is our desire that our two countries should resolve their differences and develop friendly relations with each other. To this end, we shall continue to work, but, in doing so, we cannot submit to what we consider basically wrong, for any such submission would not solve any problem and would only aggravate our conflicts.

We have always been of the view that a settlement of our various issues with Pakistan can only be arrived at satisfactorily by direct contacts between the two countries. If third parties intervene, even though that intervention proceed from goodwill, the position becomes entirely different. The aggressor country and the country against whom aggression has taken place, are put on the same level, both pleading before that third party. It is this difficulty that has faced me in considering the proposal that you have made. Ambassador Bunker has told me that it is not intended that my person should act as a judge or umpire. Nevertheless, by whatever name the third person might be called, his intervention would tend to be regarded as of that kind and might well add to
the present difficulties. Any visit of such a person could not be kept secret and the result would be greater public excitement.

Kashmir, Canal Waters and other matters in issue between India and Pakistan are the result and not the basic cause of Pakistan hostility to India. The atmosphere between the two countries has been worsened further by the incitement by Pakistan authorities of subversion and sabotage in Kashmir and by speeches by Pakistan leaders advocating holy war against India. Pakistan authorities have been responsible for frequent border incidents; early this week, seven of our border police were shot down in cold blood while negotiating under the white flag with their Pakistan counterparts along the border.

I have ventured to point our frankly the difficulties that face us. At the same time, I appreciate greatly your concern and I am anxious to explore all possibilities which might lead to happier results. I do not think, for the reasons I have given above, that a visit by a special representative, as suggested by you, would be helpful. Ambassador Bunker is in touch with us and we shall gladly discuss with him any development that might arise or any avenue that might offer itself for exploration.

May I again express my gratitude to you, Mr. President, for your personal approach to these matters which concern us intimately. I know that you and your country mean well by us and we are happy that there has been a growing understanding between our countries.

With warm regards,
Yours sincerely,
Jawaharlal Lal Nehru

5.15

INDIA. Eisenhower and Nehru correspond regarding cessation of nuclear tests. DOS letter (2), 11/27/58, Confidential. Dcls 12/7/83.
November 27, 1958.

Dear Prime Minister:
Paul Hoffman, who has just returned to this country, gave me an account of the interesting conversation he recently had with you. He was profoundly impressed by your clear dedication to the cause of a just and lasting peace.

Universally you are recognized as one of the most powerful influences for peace and conciliation in the world. I believe that because you are a world leader for peace in your individual capacity, as well as a representative of the largest of the neutral nations, your influence is particularly valuable in stemming the global drift toward cynicism, mutual suspicion, materialistic opportunism and, finally, disaster.

For my part, I shall without ceasing continue the attempt to convince the world, including the Soviets and Red China, of our non-aggressive, peaceful intent.
I ask nothing more from them than the right, which I am equally ready to accord to them for each side to satisfy itself that the mother is sincere in its peaceful protestations.

A case in point is the seeming impasse that has been encountered in the progress of negotiations at Geneva on the techniques of preventing surprise attack and developing an acceptable plan for the cessation of nuclear tests. These negotiations, I feel, must not breakdown.

Quite naturally, we on our side, believe we have been eminently reasonable and conciliatory in our attitude. But our conviction in this regard does not necessarily mean that our people's sincerity, so obvious here, is accepted by all peoples elsewhere.

This note is inspired not only by Mr. Hoffman's recent report to me of his visit with you, but by my lively recollection of the friendly and, to me, profitable conversations that we had in 1956, as well as by the profound feeling I have that there is no greater task lying before any political leader today than that of helping to relieve the tensions that plague mankind.

With assurances of my deep respect and continued warm regard

Sincerely,

Dwight D. Eisenhower

FROM: NEW DELHI
TO: Secretary of State
PRESIDENTIAL HANDLING
December 2, 1958

I delivered to the Prime Minister at 12:30 pm, November 29 President Eisenhower's letter of November 27, 1958. Mr. Nehru said that he was very grateful to the President for writing him in such a way. He then referred to the difficulty of the problems posed by the President's letter and by Mr. Hoffman's recent talk with him. One had to give very careful thought to determining the right approach; the approach could succeed or fail depending on whether the timing and the manner had been psychologically right. Mr. Nehru said that he often felt reluctant to inject himself into situations because he felt that the motive could easily be misunderstood; people often resented others concerning themselves with mates which might not (repeat not) be primarily the business of that other person. Hence, the problem of how he might be most useful; a false step which might engender an adverse reaction could well end that person's usefulness.

I mentioned that President's obviously high estimate of and regard for Mr. Nehru's powerful influence for peace and conciliation and the President's strong feeling that the negotiations at Geneva on cessation of nuclear testing and the prevention of surprise attack offered potential first steps towards
relaxation of the tensions existing today. The President, I said, felt that it was extremely important that those negotiations should not (repeat not) breakdown. I wondered whether this was not a situation in which the Prime Minister’s great influence could not (repeat not) be quietly used. I added that Paul Hoffman in talks with the President, Mr. Hammarskjold, and others, had received the impression that the area of disarmament offered the best approach toward attempting a relaxation of tensions.

The Prime Minister was silent for several minutes apparently turning the matter over in his mind and then said that he believed that the field of disarmament offered the most likely approach. Progress in disarmament would certainly help to relieve tensions. Of course, something more than this was required. The highly industrialized countries, even though reducing the manufacture of weapons, were in a position to get back quickly into such production. Consequently something more was needed and this involved an attitude of faith on both sides that agreements and obligations would be carried out. It included also provisions for the necessary inspections and controls to see that agreements were fulfilled. The Prime Minister then returned again to the need for thinking through carefully the method, the timing, and the psychology of any effect he might make. He said that Mr. Hoffman had wanted him to pack his bag and rush off to make a speech in the United Nations. This had discounted for the matter needed much more thought. One could never know either what the effect of his speech might be. Often the quiet approach could be more effective and if one hit upon just the right twist one might make progress. The Prime Minister repeated again that he was most grateful to the President for having written him and that he would reply shortly. He left Delhi Saturday afternoon to be gone until Monday and I assume that he will reply to the President on his return.

Comment: The Prime Minister was obviously pleased that the President had written him as he did and I believe also that he is giving the matter of some useful intervention on this part which might help to relieve the tensions and rigidities existing in the world today very serious thoughtful consideration. It seems to me that the responsibility was weighing heavily on him and that he felt the nature of any such approach was all important. Messrs. Hoffman and Bowles (repeat Bowles) received a similar impression. As they expressed it “Mr. Nehru feels that he would have only one shot and he wants to be sure that it is the right one.”
THE UNITED STATES AND INDIA

Please deliver following letter from President to Prime Minister Nehru
September 2, 1959
Dear Mr. Prime Minister:
As you know, I am currently engaged in a round of visits in Europe, prior to
receiving Chairman Khrushchev in the United States.

I am pleased to be able to tell you that my talks with Chancellor Adenauer
and Prime Minister Macmillan have been most useful, as I expect will be my
talks with President de Gaulle. I have been strengthened and heartened in my
determination to explore every possible avenue which might lead to a just and
lasting peace by the first hand reaffirmation of common aims and basic unity
which my trip is providing.

In the midst of these talks, I have been distressed to learn from your
statements in Parliament that India is experiencing serious trouble with the
Chinese Communist regime over border incursions trouble and certain matters
concerning Tibet. These difficulties are of concern to India’s friends and indeed,
to all peace-loving countries.

Last September 11, in a speech to the American people, I had occasion to
comment on other actions then being taken by “the Chinese Communist regime”.
I said that we, on our part, “believe that we should never abandon negotiation
and conciliation in favor of force and strife”.

It is distressing, now, to observe that once again the Chinese Communist
regime is acting in disregard of that principle.

I would like you to know that I am personally following these events
with concern and that I fully appreciate the problems, which they have created
for you.

I appreciated very much my opportunity to see Madame Pundit yesterday and
to learn directly from her some of the circumstances of these border violations.
During our talk, I was especially, grateful for your cordial invitation to me to
come to India, which she conveyed.

With expression of my high esteem warm regard,
sincerely,
Dwight. D. Eisenhower
HERTER
PRESIDENTIAL HANDLING
Following for insisted delivery is text of letter from President to Prime Minister
September 16, 1959
Dear Prime Minister,
I found your letter of the 13th to be most interesting to me and to this gov-
ernment. I of course hope that your difficulties with Red China can be settled
amicably and justly. Unfortunately there seems to be a growing amount of
evidence that the chipset Communists are embarking on a more aggressive
policy, apparently in the hope that through foreign the threat of force they
may weaken their neighbors. I applaud your determination to adhere strictly to
JAWAHARLAL NEHRU

peaceful methods in solving your own then, unless. Your country is tasked. As you know, Khrushchev is now in our country. My invitation to him was sent, of course, in the prayerful hope that he could show a more conciliatory spirit than has been apparent in his public statement and in the instructions that he has obviously given to his representatives in Geneva and elsewhere. I could think of no better way to explore the possibility that, in a personal meeting, he may be ready to move somewhat more in the direction of peace, than toward increased irritation and possible conflict.

I treasure your invitation to visit India. The prospect has been much on my mind and I am sure you are aware that I have long wanted to make such a visit. The principal deterrent is the considerable number of governments that apparently might take amiss such a journey unless I could include each of their countries in my itinerary. However, I am still working on a program that might possibly eliminate this difficulty. I should think I could give you a definite answer within the next few weeks.

With assurances of my highest esteem and personal regard,
Sincerely,
Dwight D. Eisenhower

PART II

5.19

Confidential
Incoming Telegram
Department of State
From: New Delhi
To: Secretary of State
No: 2816 MAY 6, 1958 11:28 AM
Sanitized
PRIORITY
PRESIDENTIAL HANDLING.
When I was arranging with M.O. Mathai for date Nehru deliver package letter (emtel 2811), he reiterated extent to which Nehru was personally touched by President’s letter about possibility of his retirement. He said Indira Gandhi had inquired whether the letter could be published and that he (Mathai) personally thought publication together with Nehru's reply might do considerable good. There were those in India who were saying that Nehru was not very popular with the United States and United States might be more inclined to aid India if Nehru retired. President’s letter could obviously refute this point of view. Mathai said Nehru also struck by fact this was only letter from abroad that he received about his retirement and Mathai felt it would be valuable publicize this fact.

Mathai told Indira it would of course be necessary to obtain president’s permission to publish this letter.
While I cannot give considered judgment without having seen the text of Nehru’s reply to president, which I gather from Mathai has already been dispatched, I feel there could be considerable advantage in publication at proper time provided sentence referring to intention to communicate about Indo–Pakistan relations were deleted. Such deletion were of course essential to preserve package secrecy and I could explain necessity for it to Nehru when I deliver package letter.

Also feel publication would be very helpful here in what it discloses of president’s thinking about soviet relationships quite aside from its reference to Nehru.

Department should, however bear in mind in considering possibility of publication that some Indians may consider that the letter contains implication that Nehru will be invited to any summit.

If……………………………………………………………………………
…………………………………………………………Nehru has already requested publications, I feel this request will be difficult to refuse.

Request department comments soonest for use in case Nehru raises question with me.

Bunker

5.20

Letter from President Kennedy to Prime Minister Jawaharlal Nehru, and Nehru response. November 13, 1961
Declassified on August 11, 1977
November 13, 1961

Dear Mr. Prime Minister:
May I tell you in this last brief note how happy we all were made by your visit. I have long felt that I new you from your books, your speeches and public statements and perhaps most of all from my sense of what was happening in India under your leadership. It was a joy, therefore, to meet you in person for something more than a brief and formal talk.

I think I understand your thoughts and problems better as the result of our conversations. I venture to hope that you will leave with a better understanding of both the problems I face and the goals my administration has before it.

I wish you a pleasant journey to Mexico and a safe return to India.

Sincerely,
John F. Kennedy
His Excellency
Jawaharlal Nehru,
Prime Minister of India.
Sent c/o Mr. Samuel King, Ambassador Hotel Los Angeles, California, via White House telegraph room.
My dear Mr. President,

Your telegram to me reached me as I was leaving Los Angeles for Mexico. I am deeply grateful to you for your warm and friendly message.

I am leaving Mexico City today on my way back to India. I shall pass through New York City but I shall only spend about an hour at the airport and change planes. I shall go straight to India except for a few hours halt at Cairo where I hope to meet President Nasser.

It was a great pleasure to me to have the opportunity of frank talks with you. You are good enough to say that they helped you in understanding the working of my mind. I am sure those talks as well as our informal meetings on several occasions were helpful to me.

I can well understand the great burden you carry and how much the peace and future of the world depends upon the vital decisions that the United States will take from time to time. I am convinced that your policy aims at peace to which all of us attach such great importance. I believe that in our basic aims there is a great deal in common. I can assure you that you will have our fullest cooperation.

As you know, our constitution itself is based on the ideals laid down in the Constitution of the United States. We may express ourselves differently from time to time, according to our judgment, but those basic ideals remain. It is always our effort, though it may not always succeed, to express ourselves in the language of moderation so that our words might not create barriers to understanding which is so necessary if we are to help in creating an atmosphere which leads to the solution of the problems that all of us have to face. That is the lesson we learnt from our leader Mahatma Gandhi.

It is our earnest desire to cooperate to the largest extent possible for us with the United States. We realize that the future depends so much on what your great country thinks and does.

We shall look forward with eager expectation to the visit of Mr. Kennedy to India. She will be our honor guest and friend. We shall avoid embarrassing her with protocol and formalities, hope that it will be possible for you also to visit India some time during the next winter months. The best time of the year to go to India is from November to March when the climate in North India is pleasant and generally agreeable.

May I express again our gratitude for all the friendship and understanding that we received in Washington.

My regards to you and Mrs. Kennedy and all our good wishes.

Yours sincerely,

Jawaharlal Nehru

5.21

Letter from President Kennedy to Prime Minister Jawaharlal Nehru. November 28, 1961.
Dear Mr. Prime Minister
November 28, 1961

Thank you for your gracious letter written on the morning of your departure from Mexico City.

I am most happy that you found our talks helpful. I fully agree with you that our outlook on the world has much in common. This gives promise of fruitful cooperation between us and further exchanges of ideas, which I know would be of benefit to me.

I want you to know that I am always available to you by whatever mode of communication you choose. I would only add that I shall continue to set that Ambassador Galbraith is kept fully abreast of our thinking, and I hope you will find it possible to talk freely with him to all subjects:

I wish to thank you also for the invitation you and Mrs. Gandhi have extended to Mrs. Kennedy to visit India, and for your understanding of her desire that her visit be related and informal. She asked me to tell you how much she is looking forward to her trip. I wish I could accompany her in person, as I shall in my thoughts. I hope that circumstances will permit me to pay a visit to India at some later time I have taken due note of the months…..

Again, may I say how satisfying it has been to me that you could visit us, and how highly I value our cooperation.

Sincerely,

/s/ John Kennedy
His Excellency
Jawaharlal Nehru,
Prime Minister of India.

5.22

Department of State
Washington
November 20, 1961
Declassified on August 15, 1975

MEMORANDUM TO MR. MCGEORGE BUNDY, THE WHITE HOUSE

V.K. Krishna Menon, India’s Defense Minister and Chairman of the Indian Delegation to the UNGA, has an appointment with the President from 10:30 to 11:00 a.m. on Tuesday, November 21. [You will recall the appointment was made at the suggestion of Prime Minister Nehru]

Enclosed is a talking paper for the President’s use, a biographic sketch of Mr. Menon, and two supplemental papers on Indians activities in the UN.

Mr. Krishna Menon will be accompanied by Ambassador B.K. Nehru. Phillips Talbot, Assistant Secretary for Near Eastern and South Asian Affairs, will also be present.
Meeting with Krishna Menon, Chairman of the Indian Delegation to the United Nations General Assembly
Tuesday, November 21, 10:30 to 11:00 a.m.

Background:
It may have been at Krishna Menon’s own instigation that Prime Minister Nehru suggested that you see him. The Prime Minister may simply have been doing a favor for an old friend, or his willingness to request the appointment may have been calculated to enhance Krishna Menon’s prestige in view—of the general election next February when he will be seriously challenged by a strong, highly-respected opponent. Krishna Menon’s motives in meeting with you are certainly to strengthen his position abroad where he wishes to establish himself beyond question as India’s authoritative voice on international affairs and possibly as Nehru’s direct channel to the White House; and at home, where he is aware of the threat to his Parliamentary seat.

Despite Menon’s pose as Nehru’s alter ego—which posture is given substantial credence by Nehru’s own behavior toward him—Menon has little prestige or respect at home in his own right. He has many enemies in India including several members of the Cabinet and senior Congress Party leaders who will undoubtedly take control of the Party when Nehru is gone. Nevertheless, he has managed by the alternate uses of great charm and ruthlessness to retain the Prime Minister’s benediction and to confound his foes in a number of situations where another man might have been removed from office for cause. Something of Krishna Menon’s personal background is given in an attached biographical sketch.

Ambassador Stevenson and members of the USUN Mission are most anxious that Krishna Menon will not be able to derive from his meeting with you any personal satisfaction or enhancement of his stature which inevitably would be used by him to our disadvantage. Our UN Mission’s experience has led to the conclusion that Krishna Menon is untrustworthy, emotionally biased against the United States, and inclined at every turn to influence Indian policy toward positions at odds with or obstructive to our own.

Menon’s opposition to nuclear testing accurately reflects the Indian position and is undoubtedly sincere. Nevertheless, by his statements which have tended to equate U.S. and USSR actions; by his failure to acknowledge it was the Soviets who first resumed testing; and by his deliberate and extensive quoting
THE UNITED STATES AND INDIA

of misleading statements from non-official sources in the U.S. press, Menon has conveyed the impression he is far more critical of the U.S. than of the Soviet Union. A reading of his UN speech on nuclear testing suggests he consciously used the old courtroom trick of introducing evidence, which he knew would be inadmissible, solely, for its effect on the Jury—as if the U.S. were on trial before the General Assembly.

In the half hour he will have with you there will be little opportunity for Krishna Menon to discuss at length any subject of substantive importance, nor has he indicated what particular matter he wishes to raise, if any. It is suggested that your attitude toward Krishna Menon during the interview be correct, formal and reserved without, of course, intimating any feeling of unfriendliness.

It is important that Menon, upon the conclusion of the meeting, be given no basis for asserting that significant new ground was covered or important understandings arrived at.

Talking Points:

1. You had a friendly, frank and useful exchange of views on a number of world issues with Prime Minister Nehru.
2. Your conversation with the Prime Minister reaffirmed the broad identity of values and objectives, which India and the U.S. share. We respect India's foreign policy and the considerations that govern it from the Indian vantage point.
3. The U.S. appreciates India's contribution to the UN's efforts in the Congo, which is an example of U.S. and Indian cooperation in a common cause. We appreciate also India's support of an effective UN organization.
4. Concerning nuclear testing, and the whole range of issues between The Free World and the Communist bloc, the U.S. bears enormous responsibilities and is confronted with vexing dilemmas as a major Free World protagonist. The U.S. Government will bend every effort to work out peaceful solutions to the critical issues that disturb the world. We are not afraid to negotiate with anyone who himself is prepared to negotiate. To this end the U.S. and the rest of the Free World must work with maximum harmony and purpose.
5. The focal point of this effort is the United Nations. It is here where India and the U.S. should be able to make significant progress toward the goals we both share. It is in our mutual interest that we work together as closely as feasible on tactics, approaches and the adoption of positions which advance us toward our shared goals.
6. There is, of course, criticism in the U.S. of certain actions and statements made by the Indian delegation at the UN. This criticism reflects public disappointment over the attitudes of our Indian friends in these very
critical times and does not help advance our mutual causes in UN deliberations. You assured Prime Minister Nehru of your desire and intention to work closely with him in the months and years ahead. A great part of this cooperative endeavor must take place at the UN.

7. We recognize and appreciate the motives that cause India and a good many other countries to wish to be non-aligned with respect to issues that must ultimately be negotiated among the major military powers. We would only ask that non-alignment not mean an attempt to split every disagreement exactly down the middle, and that India should make her decisions based on the merits of the case and the principles of the United Nations Charter, rather than on the relative intransigence of the Great Powers concerned. When the non-aligned act this way, their action tends merely to encourage the USSR to adopt even more extreme positions. (Some elaboration of this point is included in the memorandum, “India and the United Nations”, which was brought to the President at Newport by Ambassador Galbraith, and which is attached.)

8. The United Nations represents a forum in which the nations can by consensus remove whole subjects, and whole areas of the world, from the direct competition between the Great Powers, i.e. from the “Cold War”. It is therefore in our mutual interest that India and the United States work together as closely as possible on tactics, approaches, and the adoption of positions, which advances us to our shared goals.

VENGALIL KRISHNAN KRISHNA MENON

V.K. Krishna Menon, India’s roving Ambassador, perennial delegation airman to the United Nations, and leading interpreter abroad of Indian foreign policy, has also served as Minister of Defense since April 1957. An able, fluent and impassioned orator with a keen and nimble mind, he has sought to give practical effect to India’s chosen policy of meeting between the western and Communist powers. He believes for example that the Geneva Accord of 1954 which ended the war in Indochina resulted largely from his own activities on the sidelines. Menon’s egotism and aggressiveness has antagonized his own compatriots as well as his colleagues in internal conferences. The viciousness of his criticism, combined with his saturnine figure, his cane and his shock of silver hair give the impression of an angry, embittered prophet hurling the word of God at the human race. Menon greatest political assets on the Indian political scene are the unswerving support of Prime Minister Nehru and the appeal he makes to anti-western and anti-Muslim elements of Indian society by his repeated denunciations of the west and of Pakistan.

Although he has been forced to temper his often-expressed admiration for Communist China in the wake of the Indian border dispute Menon has long been a champion of the Communist Bloc and a bitter critic of the United States.
He professes to believe that all U.S. actions are governed by unreasoning and immature responses to domestic political pressures. Menon recently admitted that all major powers, including the Communists, look to their own needs first but he condemns Western lack of flexibility when confronted by Communist intransigence and praises the attitude of the Soviets whenever they make some minor concession.

Menon’s tenure as Defense Minister has been no less controversial than his other activities. He has been charged by his critic with ignoring the military threat of Communist China on India’s northern borders and for having failed to have prepared the Indian Army to meet this threat. He has meddled with promotions and assignments on the higher levels of the Army command in order his critics charge, to make the Army loyal to him personally. He has undoubtedly improved, the conditions of service for the common Indian soldier but even in doing this he is accused of having ulterior motives. Menon attempted to woo the Indian Navy by providing in various ways defense links support of an Indian naval officer’s faithless wife. The trial received, nationwide attention, and Menon’s behind the scenes maneuver was cynically noted by all who were aware of it. At his initiative the Indian Army and Air Force have become involved in highly dubious aircraft and truck manufacturing project and; eatery because of Krishna Menon will copter and other Air Force equipment have been purchased from the Russians. Menon is held in utter contempt by the majority of the senior officers in the Indian military establishment, and there are rotors that even some of his favorites are not completely loyal to him.

Born on May 3, 1897, Krishna Menon was educated at the Universities of Madras and London (M.A.), and studied under the late Harold Laski at the London School of Economies. His career has included positions as secretary of the India League in London from 1929 to 1947 and as Indian High commissioner to the United Kingdom from 1947 to 1952. He was occupied with UN activities from 1952 to 1959, and served as a Minister without Portfolio from 1956 to 1957.

Menon is an ascetic bachelor with a considerable capacity for hard work. He neither smokes nor drinks, and appears to subsist almost entirely on countless cups of tea.

Enclosure III to President
Talking Paper for Menon Meeting

SOME SPECIFICS ON UNHELPFUL ACTION BY MENON AT THE UNITED NATIONS

1. Successor to Secretary General Hammarskjold
In the period immediately following the death of Dag Hammarskjold considerable sentiment developed for moving ahead with the election of a successor, going directly into the General Assembly if necessary to overcome a Soviet veto.
The major reason why we were unable to proceed expeditiously was Krishna Menon’s lobbying against any solution which was not based on U.S.–Soviet agreement. In so doing, Menon advanced a formula virtually indent with that of the Soviet Union, whereby an individual would be appointed to direct the work of the Secretariat in close consultation, harmony and collaboration with three Deputy Secretaries General (one from U.S.; one from the USSR; one “neutral”). Menon also advocated an alternative solution that would have had the SYG rotate annually on a geographic basis.

Such proposals were unacceptable to us, of course because they would have undermined the powers of the Secretary General destroyed the concept of an impartial international civil service and incase of the first proposal, injected the “troika” into the second level of the Secretariat. As a result of representations made by Ambassador Galbraith to Nehru we learned Menon was not acting under instructions and he was told not to intervene further. The fact that an acceptable solution was finally reached some seven weeks after Hammarskjold’s death does not negate the fact that an equally acceptable solution could undoubtedly have been reached much earlier and much less painfully if it had not been for Menon’s activities.

2. Nuclear Testing

On October 16 in the Political Committee of the General Assembly, Krishna Menon made two statements which were clearly characteristic of his attitude. (The net import of his numerous interventions on the subject of nuclear testing was to equate underground testing with atmospheric testing; equate U.S and Soviet responsibility for the resumption of tests and equate 50 megaton tests with small tests.)

On the question of preparations for nuclear testing, carried out during the Geneva talks while the moratorium was still in effect he said “no one argues that the United States is for nuclear tests” it has not resumed tests but has followed the others, and it could not have resumed the tests unless it had been prepared for it. I pointed out the other day how long it takes to prepare these underground tests, and when the main debate comes, my delegation will give the facts which have been published by the United States Government in this regard. So preparations have been going on both sides.”

On the question of atmosphere testing as opposed to underground testing in a test ban treaty, he said, “We ourselves have reservations on this treaty because we would not be happy about any treaty that permitted any kind of explosion, whether it be underground, on the ground, on the moon, or wherever, it was. They are all part of the same family, and it makes no difference. That is our position.”

3. Cuba

On October 31, 1960 Krishna Menon informed Ambassador Barco of the U.S. Del. that India would vote with Cuba to allocate the Cuban item charging the U.S. with aggression to the Plenary. The United States strongly opposed allocation to
Plenary, where Castro would have exploited the item for propaganda purposes. We advocated its allocation to the Political Committee where it could be given serious attention. When Ambassador Barco told Menon the U.S. would take a “most serious view of this matter” Menon refused to change his position, arguing that the whole Afro–Asian group (47 States) had decided to vote with Cuba. Subsequently, we learned from U Thant of Burma that there had been no such decision by the Afro–Asians, who were split on this question in the votes on allocation the next day, November 1, 1960, India and 17 others from the Afro–Asian group voted with Cuba, 12 Afro–Asians voted against Cuba and with the U.S. while 17 abstained or absented themselves.

INDIA AND UN
There are three kinds of issues in the United Nations:

1. Major issues between the Great Powers (Nuclear Testing, Disarmament).
   a. On these issues the Indian posture in the UN tends to be more critical of United States than of Soviet positions. A current example is the Indian unwillingness to make a distinction between Soviet nuclear tests and our own.
   b. We think that the views of non-aligned countries, stated in the UN can be a valuable guide to world opinion, a useful pressure against extranet positions, and a prod to serious talks between countries that have serious problems to settle between them.

But whenever the non-aligned lean more heavily toward the, Soviet side of an issue it encourages the Soviets to take a more extreme position and prevents rather than encourages, the process of compromise and accommodation.

2. Colonialism or North–South issues.
   a. The Indian attitude is- to push, for rapid independence everywhere- though India is not among the extremist in the influence on apartheid for example, India exercises a moderating influence within the Afro–Asian group.
   b. We want to work just as rapidly as possible toward self-determination for all dependent peoples. The leadership of India toward moderate and practical arrangements, especially in the case of the British who have demonstrated their willingness to move all of their territories toward self-determination and independence, will help speed up the process.

3. Executive Operations of the UN.
   a. The Indian attitude is highly pragmatic, but they generally end by supporting (and being willing to contribute to) executive operations that can be justified as keeping the Cold War out of a situation.

The Indians provided a 5000–man brigade at a crucial moment in the attrition of the UN Force in the Congo.
b. In the many situations around the world where there is not a direct great power confrontation, India and the U.S. can usefully cooperate in keeping the Cold war out by the establishment of an effective presence of the United Nations. In the Middle East, and the Congo at present, this cooperation exists. With India’s agreement, the UN can gradually expand this useful role and thereby expand the area from which the Cold War is excluded by international action.

c. When the Indian delegation in New York insists that the United States and the Soviet Union must agree on every UN action, that often makes it more difficult, not easier, for Ambassador Stevenson to achieve agreement with, the Soviets.

For example: After Hammarskjold was killed, the Indian delegation declared that Soviet agreement was essential to the appointment of even an interim successor and pushed a modified “troika”: the idea of rotating the Secretary General position among three, UN undersecretaries. This had the effect of hardening the Soviet demand—for arrangements that would have compromised the integrity—of the Secretariat and undermined the powers of the Secretary General as defined by the Charter and by Hammarskjold’s practice. Only when the Indian Government called off the initiative of its UN Delegation was it possible for the bulk of the UN’s members to persuade the Soviets that no form of “troika” had a chance of approval, and that the new Acting Secretary General should have the full powers of the Secretary General.

5.23

CENTRAL INTELLIGENCE AGENCY
7 January, 1964
Intelligence Information Cable
Prime Minister Nehru’s Health
Sanitized

1. The Governor of Orissa informed president Radhakrishnan on 7 January that Prime Minister Nehru was not well and that Nehru is not complying with the suggestions of his doctors. Radhakrishnan immediately requested that a medical check up be made and asked that Nehru’s Delhi’s doctors be ready to go to Orissa. Radhakrishnan was informed that Nehru had high blood pressure, and that Nehru needed three weeks rest. A special plane took Delhi doctors to Orissa and Nehru agreed to abide by the decision of the doctors.

2. News of the sickness of Nehru was squelched by the aide-de-camp of the governor of Orissa. The press trust of India was asked to cancel its story of Nehru’s illness and later, after a further check, a doctor’s bulletin was issued stating that Nehru was unwell.
3. Earlier in the week, Radhakrishnan saw Nehru's condition and asked Nehru to take a rest and do less work. Nehru was shocked, but mentioned the cabinet secretariat and his own secretariat to close down many of the files and asked the secretariats to divide the files between Mrs. Menon and Dinesh Singh, deputy minister of state.

4. President Radhakrishnan has asked the orissa governor to keep him informed hourly of Nehru's condition. (member of the president's household's comment: if anything happens the president will take over without dissolving parliament and the leader will be elected later by consultation).

5. …………………………………………………………………………………
…………………………………………………………………………………
End of message

5.24

CENTRAL INTELLIGENCE AGENCY
Intelligence Information Cable
13 January 1964
sanitized
SUBJECT
PRIME MINISTER NEHRU’S HEALTH
11 January 1964

1. Prime Minister Nehru suffered a coronary thrombosis resulting in partial paralysis of the left side. His situation is definitely improving.

2. Prognosis is that Nehru can live another four or five years if he limits himself to a few hours of strictly desk work per day. He must not take on any ceremonial functions, travel or become involved in emotional crises. It is not at all certain that Nehru can be persuaded to follow such a limited routine.

3. Field dissem: state army navy air usmsmi

(END OF MESSAGE)

5.25

Incoming Telegram
Department of State
Confidential
FROM: NEW DELHI
ACTION: SEC STATE 2138
DATE: JANUARY 14, 4 PM
Sanitized
Late Saturday afternoon I had long relaxed talk with………………………who was usual frank, warm and informative self. Following points emerged:

1. There seems to be considerable uncertainty in regard to Nehru’s health; ………………………….himself is not sure whether favorable or unfavorable diagnosis is more plausible. At different times in conversation he spoke of prime minister as being out of commission for only thirty days after which he would be active but on reduced schedule, to other extreme of assuming he will be unable to continue as prime minister.

2. In any event prime minister’s sudden illness has been severe blow small but vigorous and skillful Menon-Malaviya group members of which cling desperately to prime minister as their only means of exercising major influence. Their tactic according to……………………………………….has been to present prime minister as only true voice of India and to attempt to place great majority of congress who oppose them in position of being anti-Nehru and therefore opposed to premises of India revolution.

It has been their assumption that Indira can be persuaded by flattery to believe she is logical successor to Nehru; in meantime she can serve as communications bridge between them and prime minister himself.

……………………………………….expressed view congress party middle-of-road group would not tolerate this situation; moreover in his opinion Menonites underestimate Indira’s intelligence. Although she is shy person and undoubtedly pleased by attention they have lavished on her she has been disillusioned with Menon element of party. (in this context see embtel 1120 of September 19 covering my conversation with Indira in regard to Menon.)

3. …………………………………………confirmed that the prime minister temporarily incapacitated, Nanda who is technically no. 2 in cabinet will act as chairman. However,… ………………Considers him confused man still drawing indiscriminately on labor experience of many years ago. TTK would be more powerful voice in temporary government combination with Kamaraj also in strong role. However, it would be mistake to exaggerate strength of TTK as an individual acting on his own. His influence lies largely in his personal abilities; his political roots are weak. (from other sources, we gather suggestions that a deputy prime minister be named for at least for the present being shelved).

4. If prime minister’s health requires him to resign, which I thought on balance…………………was inclined to guess may occur, Shastri will almost certainly emerge as prime minister with Kamaraj and TTK in strong supporting position.
5. In regard to other congress leaders of party…………………………. Stated Morarji Desai is unlikely prospect. Because of doctrinaire religious position, obsession with prohibition, and general inflexibility. S.K. Patil was man of great ability but lacked political philosophy which really related to Indian attitudes; moreover he was emerging as negative political opportunist whose energies were almost wholly focused on undercutting prime minister whose position he wished to assume. Although Asoka Mehta had obvious political weakness he had intellect, integrity, and strong roots in India in social framework and his influence might grow. Jai Prakash Narain, who is lacking in realism in regard to essential political matter, is increasing irrelevant to Indian political scene. Patnaik was strong possibility for future. However at moment he is too much of opportunist with no clear-cut political philosophy. I remarked that Gove Khosla with whom i spent two days in orissa recently and who knew Patnaik well in his role as chief minister said he was in many ways ablest man of coming generation in India but that he was not ready for top job since his perspective has not clarified. At moment Khosla was inclined to think he would be dangerous, unpredictable and easily swept off his feet. However, this tendency might diminish as he gained more experience and it was possible that Patnaik might emerge constructive and effective force. … ……………………………….. Said his respect for Khosla and would be inclined to accept his evaluation.

6. I asked……………………………………………… To tell me frankly how he felt United States. Policies could best be fitted to present situation and whether he had any suggestions on how we could conduct ourselves here more effectively. He replied we seemed to be doing well, that lectures I had given at Delhi university had considerable impression in many key parts of congress party, the press and elsewhere. Regardless of ups and downs of Indian politics he was hopeful we would maintain our confidence in India which for better or worse was most crucial nation in Asia. He was concerned that aid program would be cut and that we would be unable or unwilling to help India secure moderate but efficient military establishment which she needs and is determined to get.

7. Comment: from several sources I infer that… ………………. Is exerting significant influence in present situation…………………………….

I expect in next few days to send further thoughts and evaluations of consequences for Indian policy and its administration of Nehru’s illness. One of key elements in situation is and will be Nehru’s own attitude, and in present circumstance dependable indications of this are very hard to come by. If as we believe he has suffered some kind of stroke, he may well be even more disinclined than ever, perhaps even unable, to make far-reaching decisions affecting himself.
5.26

Incoming Telegram
Confidential
Department of State
RR RUEHCR
DE RUSBAE 493 11/1055Z
R 111020Z ZEA
FM AMEMBASSY NEW DELHI
TO RUEHCR/.SECSTATE WASHDC
INFO RUSBKP/AMEMBASSY KARACHI
RUDTLN/AMEMBASSY LONDON
STATE GRNC
MARCH 11 1964 2:09PM
sanitized
CONFIDENTIAL ACTION DEPT 2659 INFO KARACHI 948 LONDON 902
MARCH 11 4:20 PM
On Monday Talbot and I paid brief courtesy visit on Nehru and were shocked by
his mental and psychological deterioration. Although he looked well physically
it was quite impossible to communicate with him. Our combined effort to draw
some response on several subjects that would normally have interested him was
unavailing. His mind was simply not ..................................................
..............................................................................................
Based on this ten minute visit it is difficult for me to believe that he can last
long as effective political force in India.
Gp–3.
Chester Bowles

5.27

Confidential
OCI No. 1579/64
CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
27 May 1964
CURRENT INTELLIGENCE MEMORANDUM
SUBJECT: Nehru’s death.

1. When Nehru announced to the world in 1948 that the great Indian
independence leader Gandhi had died, he described the event in terms of
a “light” having “gone out of our lives.” India was fortunate that darkness did not immediately follow but rather that Nehru’s “light” burned equally bright and last yet another 16 years. There is no “light” of equal magnitude in Indian politics today; Nehru was too jealous of his own power to allow one to build up. Now he is dead, the victim of a stroke, his second in six months, and India must settle on the next brightest “light” available.

2. Lal Bahadur Shastri, a diminutive, retiring, moderate 59 year-old, is likely to be the choice of the Congress party group in Parliament which must now select a new leader. Shastri, former home minister who left the cabinet at Nehru’s request last August in a move to strengthen the party’s organizational wing, was brought back into the cabinet following Nehru’s first stroke in January. Nehru and those close to him successfully resisted suggestions that Shastri be named deputy Prime Minister; as a result Shastri has been functioning as minister-without portfolio. In fact, however, the succession was already in train.

3. Long regarded as one of Nehru’s closest and ablest lieutenants, Shastri began slowly to be the focal point of government. In parliament he began to be associated in the public mind with major policy pronouncements and with the major issues on the day; within the party, leaders began sorting themselves out into categories pro and anti-Shastri and found that those who are pro-Shastri were very much the stronger; a recent public opinion poll conducted by the newspaper The Statesman put Shastri well out in front as the public choice for succession to the prime minister ship.

4. The public, however, does not choose. The choice will be the party’s, formally by the Congress Party’s members of parliament, actually by the party’s top bosses, most of whom prefer Shastri to other possible contenders. In his short period as front runner, Shastri has managed to acquire some new enemies; he has been very much in the van of the moderates dealing with the Kashmir question and has thus earned the ire of both the extreme right and ever, and the centrality of his public image has probably more than compensated for his association with divisive issues.

5. Until parliament makes its choice, the government will be in the hands of G.L. Nanda, Shastri’s successor as Home Minister and the second ranking man in the cabinet. Nanda is not a serious contender for the prime minister ship but neither is he a Shastri man; in the past five months he has asserted the prerogatives of his protocol position and succeeded only in alienating those who are on the Shastri bandwagon. Nanda’s head could be the first to roll in any Shastri cabinet, and aware of that strong possibility, Nanda will milk his present role for all it is worth. How long that will be is an open question. Hindu funeral rites are brief and quick; Parliament is in session and the powers are therefore assembled; the succession should be quickly decided.
6. As of 0800 EDT, Nehru’s funeral is planned for 0800 (New Delhi time) 28 May–2300 EDT 27 May.

5.28
Outgoing Telegram
Department of State
Unclassified
VERBATIM TEXT
ACTION: Amebmassy NEW DELHI FLASH
MAY 27 1964, 11:28AM
Deliver following message soonest from President Johnson to Mrs. Indira Gandhi:

QUOTE Dear Mrs. Gandhi:
When we met recently, I recall we shared the hope that we would not so soon be faced with this tragedy. I find it difficult to express the sense of personal loss which I feel as the result of the death of your father. His passing has left his country and all mankind, to whom he gave so much in word and deed, the poorer.

I shall always treasure my all too brief association with Prime Minister Nehru. He was always so generous of his time, as he was to so many of my countrymen. His comfort at the time of the assassination of President Kennedy was a great source of strength to me. That we should lose this great man, so soon after our own loss, grieves us more deeply than we can express.

I know the sorrow you must feel at the loss of your father. He had much more to offer India. Yet you will be sustained, I know, I in the knowledge that history will always remember to crucial part he played in India’s struggle for independence. His leadership and wisdom were indispensable at its most critical years and his devotion to the great Indian adventure of freedom was unwavering. History will also record his leadership in starting the world on the road to an enduring peace. Mrs. Johnson joins me in extending our deepest sympathy.

Sincerely,
Lyndon B. Johnson UNQUOTE
End.

5.29
Incoming Telegram
Department of State
LIMITED OFFICIAL USE
26 ZZ RUEHCR
DE RUSBAE 1178 “/1145Z
Z 271140Z ZEA
Presence of high level American as president Johnson’s special representative at Nehru funeral would be highly desirable if physically possible. Funeral starts 1:00 pm (0730z) may 28 (change from embtels 3538 and 3539) and will last four or five hours. Would be satisfactory if special representative arrive before ceremony is over even though not present at beginning. Assume official delegation will in any case be designated.

GREENE

CFN 3540 1:00 PM 0730Z 28 3538 3539
NOTE: ADVANCE COPY TO S/S–O AT 8:02 AM 5/2764
PASSED WHITE HOUSE AT 8:08 AM 5/27/64

5.30

Incoming Telegram
Department of State
LIMITED OFFICIAL USE
ZZ RUEHCR
DE RUSBAE 1177 27/1130EC
Z 0 271115Z ZEA
FM AMEMBASSY NEW DELHI
TO RUEHCR / SECSTATE WASHDC
INFO RUSBTA / AMCON CALCUTTA
STATE GRNC
BT MAY 27 1964 8:16 AM
COUNTRY TEAM MESSAGE

With Nehru’s death, India’s remaining political leaders are now face to face with their most difficult decisions. First and foremost of these is question of succession, which despite Nehru’s illness, has not really been confronted.

It is already announced that Nanda as senior minister will handle prime minister’s work for time being and that congress parliamentary party will meet on 6 pm Thursday. However this eventuates, and whether or not further interim devices are resorted to, we anticipate period of adjustment and transition, which may last some days or even weeks and during which obviously no major decision on government be deferred. We do not attempt predict outcome of this episode. At risk of stating the obvious, venture
suggest number of concepts and principles United States government posture should reflect over next few days:

1. United States of America honors memory of a great leader and his contributions to his own country and the world.
2. Successor of leadership is matter for people of India to decide for themselves. United States does not repeat not have a role in this.
3. United States has confidence in strength and wisdom of India and in ability of Indian people to carry forward tasks on which they have embarked. Even though there is change of leadership, there is continuity in spirit of India with which we are proud to be associated in many ways.

Most immediate practical applications of foregoing we suggest are:

1. Appropriate messages to president of India and Nehru’s family (Mrs. Gandhi, Mrs. Huthessing, Madame Pandit) and designation of official representation at funeral announced for 8:00 am Delhi time may 28.
2. Although there may transpire to be ways in which we can act or not act in specific situations to influence course of events, for next few days we will not be able to discern this and even whether such effort is necessary or desirable from the standpoint of our interests.
3. At same time, programs of assistance, association and cooperation which are underway and well established will continue, reflecting our confidence in India. Manifestation our steadiness, our confidence may indeed be greatest contribution we can make at this time to stability here.

GREENE
NOTE: ADVANCE COPY TO S/S–O AT 8:20 5/27/64
PASSED WHITE HOUSE AT 8:35 AM 5/27/64

5.31

Confidential, Department of State
INFO: Amconsul MADRAS, Amconsul, BOMBAY, Amconsul CALCUTTA, Amembassy KARACHI, Amembassy KATHMANDU
Amembassy NEW DELHI August 18, 1964

Chester bowles on India’s new government, prospects and problems
In the last six weeks I have spent a major fraction of my time discussing the political and economic outlook of the new Indian Government. These visits have included all but one member of the Cabinet, several State Chief Ministers, regional political leaders, journalists, civil servants and the best informed members of the Diplomatic Corps.
Although the impressions which emerge are in some ways contradictory and paradoxical, I thought it might be worthwhile to give you a personal analysis of where things appear to stand.

Effect of Nehru’s death

However frustrating Nehru may have been on occasion, he was a great man whose impact on India will endure for generations. His control over the Congress Party organization and the minds of the Indian people has almost no precedent among modern democratic societies. With some notable exceptions he was extraordinarily skilled in his grasp of basic principles. He had a clear concept of what he wanted India to be, with a profound commitment to democratic concepts. His sense of political timing was often brilliant.

Yet Nehru was in many ways a poor judge of people and consequently he often clung stubbornly to individuals who were a detriment to what he was trying to accomplish. Even when Krishna Menon’s political liabilities had become clear to his most trusted colleagues and friends, Nehru was reluctant to let him go. In the words of one Cabinet Minister, “Jawaharlal clung to Krishna as a French monarch might hang on to his favorite mistress.”

Another weakness was his failure to outgrow the ideological perspectives of the 1930s. Although Nehru often spoke admiringly about Socialism, he never clearly defined what he meant by it; it was a good word suggesting social justice and a better life. Capitalism, in an equally vogue soft of way, was a bad word suggesting exploitation, greed and skullduggery. If India must tolerate a private sector, let it be limited and closely watched.

Transfer of power

In view of the emotional grip that Nehru had on the people and Government of India, the transfer of power to the new regime was a spectacular political achievement. Although the Indian Constitution served as the legal guide, there was no tradition to shape its application.

In dealing with this open-ended political situation President Radhakrishnan played a crucial role. Under the Indian Constitution, the specific and implied powers of the President are almost absolute. The founders of democratic India, strongly influenced by the British experience, had assumed that in fact these powers would never be used.

Dr. Radhakrishnan, a keen student of government, realized that since the traditional restraints which surrounded the British monarchy were not present in India this assumption was open to question. Consequently, following Nehru’s death he was determined that a new government which had been elected directly by the people should promptly assume office. Thus at the President’s insistence Nanda, the senior Cabinet Minister, became Prime Minister minutes after Nehru died and within six days the Congress Party had chosen a new Cabinet.

This was not a routine exercise. I know Dr. Radhakrishnan well and I am convinced that with his strong views on how the Indian Government should be run he would have found many personal satisfactions in assuming executive
powers for two or three months under his constitutional right to “President’s Rule.” Moreover, a plausible rationalization for such a pause in the democratic process was readily available, i.e., the Indian people needed an interval to recover from the emotional impact of Nehru’s passing, and the Congress Party an opportunity to sort out its conflicts and to reach carefully considered decisions in regard to the new government.

The fact that Dr. Radhakrishnan chose instead to follow a course of action designed to provide a democratic precedent for those who follow him testifies to his integrity and to the sophistication of the Indian.

Another important and, I believe, favorable political development involves the nature of the power struggle between the members of the congress Parliamentary majority, on the choice of a new Prime Minister.

The members of the Parliamentary majority had assumed that, as in the United Kingdom, they would choose the new Prime Minister and his Cabinet. Influential State political leaders, however, refused to accept this view and ultimately they proved to be the stronger force.

In part, the decision to intervene reflected their concern that in a straight vote of the Congress Parliamentary majority, Morarji Desai might be elected Prime Minister. However, discussions with State leaders bring to light an additional reason for exercising direct influence on the choice of the Central Government. i.e., their concern that with Nehru gone irresponsible members of the Parliamentary majority, anxious to promote their personal ambitions, would agitate for frequent changes in the makeup of the Cabinet which, in turn, would lead to chronic instability at the Center.

In considering the implications of this political conflict, the fundamental differences between the British and Indian parliamentary situations should be taken into account. In this United Kingdom unbridged differences puts each Member of Parliament to considerable inconvenience, there are built-in pressures to keep the differences within acceptable bounds.

In India the near total dominance of the Congress Party creates a different tactical situation. With Nehru’s firm hand no longer available as a check, recalcitrant Congress Party members with real or fancied grievances against the leadership could lobby irresponsibly for changes in government policy and in the makeup of the government itself without risking a general election.

The fact that such a fundamental adjustment in the distribution of political power was handled skillfully and expeditiously, that the ablest individual was chosen as Prime Minister, and that in competence and perspective the new Cabinet is significantly superior to the old testifies to the sophistication of the Indian leadership and the viability of the Indian democratic system.

Present sources of political power

In addition to Lal Bahadur Shastri, the most powerful Congress Party leaders are now Kamaraj, President of the Congress Party and former Chief Minister
of Madras State, Atulya Ghosh, political leader of West Bengal, and N. Sanjiva Reddy, former Chief Minister of Andhra Pradesh and Minister of Steel and mines in the new Cabinet.

Just outside this inner circle is a group of secondary political leaders each of whom has a certain amount of grass roots influence in his own right. Among these, S.K. Patil, formerly Mayor of Bombay and now Minister of Transportation, is probably the most influential, followed by Y.B. Chavan, Minister of Defense, and Swaran Singh, Foreign Minister.

The remaining members of the Cabinet, although competent in varying degrees, lack political roots: T.T. Krishnamachari, Minister of Finance; Humayun Kabir, Minister of Petroleum and Chemicals; Ashok Sen, Minister of Law; M.C. Chagla, Minister of Education; and C.G. Subramaniam, the able Minister of Food and Agriculture. Their future roles depend largely on their capacity to get things done without treading on too many toes in the process.

Morarji Desai, in my opinion, is a rapidly diminishing political force. He had assumed that the Congress Party majority in Parliament would select the next Prime Minister and he was confident it would choose him. Although he was persuaded at the climactic moment to second Shastri’s name and put up a show of good will, he is a bitter man.

In a recent long conversation in his New Delhi home, Desai castigated almost everyone from the former and present Prime Ministers through the whole range of Congress Party leaders. Kamaraj and his associates are aware of Desai’s antagonism and are methodically under-cutting his dwindling strength in the Punjab, Uttar Pradesh, Orissa, and elsewhere.

Krishna Menon also appears to be in a weak position. It is generally known that he tried to make a deal to support Desai for the Prime Ministership. Although it is conceivable that some dramatic turn of the wheel might restore him to a position of influence, it is difficult to imagine the circumstances which would bring this about.

The political outlook

Thus the extremes of right and left are in eclipse and everything appears to be waiting on the ability of Lal Bahadur Shastri to establish a strong government of the center. Whether he can fill the vacuum left by Nehru in whole or in part and under what conditions depends on several factors.

In my opinion, Lal Bahadur Shastri is potentially strong and effective leader. He has an appealingly earthy quality, great personal integrity and a commitment to a secular democratic state that is reminiscent of Gandhi himself. He is also a skilled political operator with an inner toughness that often surprises those who know him best.

If it had not been for his illness, which has kept on the sidelines half the time since he became Prime Minister, Shastri by now might have emerged as a dominant political figure in his own right.
Yet because of his health he remains an uncertain factor in the Indian political scene. When I last talked to him ten days ago he appeared active and well. On Independence Day, August 15, he spoke simply and effectively from the walls of the Red Fort without coat or umbrella in a monsoon downpour. Nevertheless he continues to see too many people, to involve himself in too many details and to work too many hours each days.

Whatever may lie ahead, the record of the Shastri Government thus far is an affirmative one. Because of his strong personality and his grip on both the party machinery and the public mind, Nehru was able to sweep many messy political situations under the rug. When he was criticized for not removing Chief Minister Kairon in the Punjab or the Bakshi Government in Kashmir, he could stare down his challengers and threaten to leave the Congress Party and the nation to find their own way without him.

The new Shastri Government is not strong enough to ignore the more urgent and better publicized score pots in Indian society. It is literally forced, therefore, to face up to difficult and to find the best available solutions. It has already removed Kairon from office and appears ready to tackle equally unsavory situations in Uttar Pradesh and Orissa. It has had the courage to schedule elections for Kerala next January; a decision that it might conveniently have postponed. It is moving effectively to cope with the food problem.

The new government’s ability to make difficult decisions is also reflected in the sudden appointment of Swaran Singh as Foreign Minister. The announcement was made when three key Cabinet Ministers (TTK, Indira Gandhi and Chagla), each of whom it may be assumed wanted the job, were out of the country.

I can personally testify that S.K. Patil, another prospect, also had no hint of the forthcoming appointment. Two hours before Shastri sent the announcement to the press, Patil told me that he was gratified that Shastri had decided to keep the External Affairs portfolio himself until he felt personally on top of foreign policy problems.

There are some who fear that the new government will be so dominated by the more parochial State political leaders that it may lose its power effectively to shape national policies. Although this fear is plausible, I believe it may be exaggerated.

Under the Indian constitution the center with its Presidential powers, its control of national budgets and its consequent responsibility for the preparation of the Five Year Plans, it bound to play a dominant role in shaping national economic and social policy.

Although no one can be sure, I believe that the political balance between the States and the Center may indeed be healthier than in the Nehru era when everything depended on a national leadership which Nehru in his declining years often failed to exercise.

Now it is the Congress leaders in the States who have to answer to the electorate in regard to high prices, for lags in development plans, and for strained
relations with India's neighbors. With Nehru gone they will be less willing to tolerate Parliamentary irresponsibility or alliance in dealing with such bread and butter questions, and because many of them are southerners who are far removed from the old struggles among Muslim, Sikh and Hindu that have plagued North India for a thousand years, they are less intransigent in regard to a settlement with Pakistan.

Another affirmative and closely related factor is the strengthening of the ties between North and South. The Southern leaders who have often chafed at their relatively weak position in the Central Government have come into their own, both in the Cabinet and in the Councils of the Congress Party. The forces of national disintegration which were so worrisome in the mid-1950s are, for the time being at least, in retreat.

In regard to national policy making in general, one of my major concerns relates to the deeply rooted Indian conviction that a consensus should always be reached before major actions are taken. Although this is a praise-worthy objective and Indian leaders often exhibit great skill in bringing divergent views together, it can be a debilitating exercise. Indeed in some critical situations it may give an irresponsible minority what amounts to a veto power over national policy.

**Outlook for Indian foreign policy**

It is generally assumed even by the far Left that the new government will be more favorable to the position of the Western powers on most issues and somewhat less inclined to cling to a doctrinaire concept of non-alignment.

For 20 years, Nehru so dominated India's foreign policy thinking that, except for the weeks immediately following the Chinese attack in 1962, few dared to pose difficult questions. The only civil servant who had a really significant impact on Indian foreign policy since independence was G.S. Bajpai who retired in 1952.

Nevertheless, during the next few months, the new government is unlikely to take fresh positions on controversial questions unless forced to by circumstances. In regard to issues involving the Soviet Union and the United States, the government will be particularly sensitive to left wing charges that it is planning to scrap Nehru's interpretation of non-alignment.

Over a somewhat longer time span, however, I believe that a firm but tactful American diplomacy can persuade the Indian Government not to risk its relations with us by a too close association with Moscow. Under reasonably favorable circumstances, we may also be able to persuade the Indian Government to take a more forthright position in regard to Chinese expansionism in Southeast Asia.

The present Indian leadership is keenly aware of the danger of Chinese gains in this area, and fearful that a sudden Sino-Soviet rapprochement may leave them in a dangerously exposed position.

In view of the present military and political uncertainties in South-East Asia and India's key geographic position and potential political weight, a closer United
States–Indian political military relationship should, in my opinion, be given a much high priority in the development of United States foreign policy.

Last November we lost a unique opportunity to preempt any significant Soviet military relationship with India and to secure an Indian commitment to closer political collaboration in blocking Chinese expansion in Asia generally. We will remiss, in my opinion, if we assume that similar opportunities in the future will wait upon our convenience.

The current attitudes of the new Indian Government toward Pakistan are ambiguous. With the exception of Chagla, I know of no one in the Cabinet who is opposed to an effort to improve relations with Pakistan.

Yet deeply rooted conflicts such as this rarely succumb to sudden total solution and the new Indian Government is not likely to feel strong enough at this stage to negotiate a full blown agreement—even if Pakistan were prepared to do so.

Nevertheless we should not lose our own perspective. Since last January the corrupt Bakshi Government has fallen, Sheikh Abdullah has been freed and a more competent and graft-free administration with a free press and free speech has been established in Kashmir. Although a Pakistan–India settlement continues to elude us, there has been more progress than in many years.

In the negotiating phase which is about to start we should encourage the following (1) modification of the Indian position in regard to the “evictee” problem which may lead to an agreement on the handling of minorities in each country; (2) serious consideration of the need for a binational administrative and consultant mechanism to handle current and future disputes; (3) increased emphasis on the importance of cooperation in economic matters, and if these milestones are successfully passed (4) the creation of an atmosphere within will permit serious effort by both nations to develop a realistic approach to the question of Kashmir.

**Outlook for Indian economic policy**

Economic policy and prospects are, of course, related in significant degree to the political climate. A confident, effective, secure Indian Government will be in a position to promote bold economic policies that a wobbly government could not undertake. Here again, there are several affirmative factors which indicate that the new Cabinet may move in the right direction.

Although his loss as a national unifying force is a grievous one, Nehru’s departure has cleared away some formidable obstacles to faster economic development. For years even the most strongly entrenched members of the Cabinet hesitated to make fresh moves in the economic field for year of running headlong into one of Nehru’s prejudices and being suddenly moved down by a blast from on high.

Since Nehru’s illness last January the key ministries have gradually free themselves from these fears. If the political situation as a whole remain reasonably stable, this process should continue at an increasing tempo.
THE UNITED STATES AND INDIA

We already see increasing encouragement and incentives for the private sector as evidenced by the recent affirmative GOI response to our suggestion that a United States fertilizer consortium be requested to create facilities with a production capacity of six or seven million tons of fertilizer annually. Indeed, Subramaniam appears to be taking hold in a vigorous way on almost all questions involving Indian agriculture. American proposals which the Indians viewed with great skepticism a few months ago are rapidly although hesitantly emerging as national policy.

The food shortage is serious and before the rice harvest in October and November it is likely to become more so. However, there is no famine, nor is there likely to be any in the foreseeable future. A glance at the record of the past and the prospects for the future may serve to place the current situation in perspective.

From 1953 to 1960 food grain production increased at a rate of nearly five percent annually with almost no rise in prices. This was well ahead of the 2.2 percent annual increase in population.

Since 1961 India has had three uneven and inadequate monsoons and the opportunities to open up new acreage which had accounted for India’s steady increase in output have begun to run out.

Although the current shortage reflect the resulting leveling of output, they are also due to several other factors; (1) the steady increase in incomes which have made it possible for millions of Indian families to move from coarse grains to wheat and rice; (2) the diversion of fertilizer to the more profitable cash crops; (3) rapid growth of a modern poultry industry and the improvement of daily herbs; and (4) the incessant, irresponsible talk of shortages that has caused millions of families to buy more than they need.

However, the present food-price crisis with all its dangers has had at least one affirmative result: it has forced the Indian Government to look on increased agriculture production as its number one objective. With the prospects of a favorable monsoon and the vigorous implementation of other new policies in regard to fertilizer, water and prices the situation may be expected to improve significantly.

While economic decisions in regard to capital investment will not always come through as rapidly as we would like, they are already significantly easier to get and more likely to be along the lines we advocate.

Conclusion

In my view, the primary threat to the Indian Government in the next few years may be its lack of confidence. During colonial times the government belonged to the British and therefore was a legitimate target for everyone’s frustrations. Now that Nehru’s towering presence has gone, most articulate Indians are returning to their old habits. Not only is the government viciously attacked by the opposition parties for its shortcomings fancied and real, it is attacked by the various factions within the government itself.
Thus the public rarely hears of India’s many significant successes; the focus, often with utter irresponsibility, is on graft, corruption, ineptness and failure. If this continues, many millions of Indians may increasingly come to believe that if the government itself says it is that bad, it must indeed be so.

I am also concerned with the general reluctance to come to grips with the problems of land distribution. Although the State reforms of the last few years have eased the problem somewhat, there are far too many landless laborers and insecure tenants with no political stake in the existing order.

A tightening of the Communist grip in certain key labor unions and a Mao Testing type approach to the rural areas admittedly not yet in evidence, could combine in the next decade to create considerable political ferment. In considering this weakness in Indian society, I am disturbed to think that no democratic government has achieved an effective redistribution of rural lands to permit wide ownership without bloodshed.

The economic objectives we have set for ourselves in India appear well conceived and realistic. We should continue tactfully but persistently to press the Indian Government along the lines we feel are in their interest and our own—including much greater emphasis on the welfare, prosperity and progress of the 350 million Indian peasants.

In the area of politics, our major objectives should be to prevent or lessen Soviet influence at strategic points in the Indian economy and military establishment, and to persuade India to relate her efforts more closely to ours in curbing Chinese expansionism in Asia. We can live with non-alignment in regard to the Soviets; China is a different matter.

Chester Bowles

5.32

NEHRU: A GREAT INDIAN STATESMAN
Remarks of Vice President
Hubert H. Humphrey
New York, New York
January 27, 1965
It is a privilege for me to join with you in honoring a great man of our time, Prime Minister Jawaharlal Nehru.

The opening of this exhibit in the United States would have the approval of the man we are honoring tonight. Twenty five years ago, in April 1940, he wrote of America that more and more of India’s thoughts were attained to “this great democratic country which comes almost alone to keep the torch of democratic freedom alight in a world given over to violence and aggression and opportunism of the worst kind”.

5.32
In the past twenty-five years America’s thoughts have turned more and more to India and to the man who did so much to keep the torch of democratic freedom alight on the vast continent of Asia.

But now Nehru is gone. The eulogies have been read. The editorials have been written. His ashes are now a part of the waters and the soil of India, the land to which he gave himself unsparingly.

For this audience—which includes so many of his friends and colleagues—I need not dwell on his achievements. You know them better than I. In the United States he was and is widely esteemed as the George Washington of country—the man who guided his nation through its difficult founding years. In these formative years he won great admiration and respect because he led the freedom and left a working democracy, an example for the community of new independent nations to follow. Long before he became Prime Minister he wrote that the test of a nation’s heritage is the kind of leaders to which it has given its allegiance. In his own lifetime he demonstrated once again the ancient truth that in governing a nation—whether new or old—political leadership is most important of all. He succeeded in molding a nation of continental proportion, of varied linguistic and religious groups—in the fact of formidable economic obstacles.

But he is remembered today because he not only looked inward to the problem of his country—but outward to the problems of the world. In playing a world role, he exerted a course of non-alignment for India between East and West. Though the paths of non-alignment can sometimes lead to pitfalls, he never abandoned his belief in the necessity of preserving freedom.

In playing a world role, Prime Minister Nehru always attached special importance to the United Nations—and it is especially fitting that this exhibit be opened in New York, the seat of the United Nations—and in the year 1965, International Cooperation Year.

The International Cooperation Year I might remind you was first proposed by Prime Minister Nehru to the UN General Assembly in 1961.

Under his leadership India established itself as a major voice in the United Nations. When the history of our times is finally written, the role played by Indian forces in United Nations peace-keeping operations—in the Congo, Gaza, Cyprus, Korea—and elsewhere—will merit special commendation.

President Johnson said at the time of Mr. Nehru’s death: “For so long we had counted on his influence for good…” The period of his influence was long; it included the tenures of four of our Presidents; Lyndon B. Johnson, John F. Kennedy, Dwight D. Eisenhower and Harry S. Truman.

Each of these Presidents know him well and two of them visited him in New Delhi—President Johnson in 1961 while Vice President and President Eisenhower in 1959. Mr. Nehru besides his 1949 visit with President Truman, came to Washington in 1956 to meet President Eisenhower and again in 1961 to talk with John F. Kennedy. There is a charming photograph, which may be
in this exhibit, of the Prime Minister making one-in-one with Mrs. Kennedy on the White House. It was a short time later that Jacqueline Kennedy made the journey to India and welcome given to this lovely women by Prime Minister Nehru and his countrymen warmed the hearts of all of our here at home. It is a privilege for us to welcome here tonight-another lovely lady, the late Prime Minister’s daughter, Mrs. Indira Gandhi, who is widely known and admired in our country.

The connection between the United States and Mr. Nehru goes back to Franklin Roosevelt. Nehru’s faith in the ULS was matched by Roosevelt’s wartime.

From Franklin Roosevelt to Lyndon Johnson American interest in India’s development has continued. I will recall with satisfaction that in 1961 I joined with some of my colleagues supporting legislatures which enabled India to obtain American wheat too alleviate the severe food shortage of that time.

Since these days, relations between our countries have grown close. The late Prime Minister’s vision of a new India in which the common man would be free from the age-old obstacles of poverty, disease and social discrimination—a new India to be created by hard workman self-help and democratic planning and methods—has attracted the support and assistance of my country. I believe that this assistance should continue and will continue.

In the later years of his tenure in an aforesaid attack by China in India’s territory invoked an immediate sympathetic American response. At Prime Minister Nehru’s request, President Kennedy rushed emergency military assistance to India’s battled armed forces. We are continuing to help India’s defenses in a common resolve that free men can and must defend themselves and their liberty when challenged by outside totalitarian aggressors.

Nehru was among the first to perceive that a new era had come with the splitting of the atom. His profound grasp of the realities of the nuclear age led him to resist the temptation to develop an independent nuclear capability. As one who understood the perils of nuclear proliferation. Nehru would rejoice that his successors have backed his advice and resisted the call to join in a nuclear arms race which could only bring peril to ruin and to the world.

There should be no surprise that the United States stood with India in its hour of need. For we share so much, the rule of law, free elections, an democratic system, the checks and balances of a written constitution, a belief in the integrity of the individual, a desire for extending the benefits of modern society to all.

The exhibit we are to open tonight depicts the Nehru about whom I have spoken, his growth, the growth of India and his connections with the United States. I am pleased that the Government of India has put it together so that we and hundreds of thousands of Americans can see it.

I hope that this exhibit will give those who view it something of the vision of the men it depicts, a visionary who felt that India would only advance if it
THE UNITED STATES AND INDIA

could dream, draw strength from its great poet, and put vision and dream into motion. And that vision was well expressed in a statement by Mr. Nehru made in 1939:

“And yet, and yet, the sands run out and this mad world rushes on, and problems multiply and if we do not keep pace with them we perish. The world of today is not for the compliance for the slow of foot or those who are the slaves of events….”

If we are to honor his vision, we must use ideas as a tool and not as a couch. As heirs of Nehru I am confident you will need his prophecy and honor his vision. As friends of India we in the United States will rejoice in your success in achieving these aims.
Memorandum by the Deputy Secretary of State (Rusk)

TOP SECRET [WASHINGTON,] January 18, 1950

The National Security Council has assigned the following project to its Staff: (NSC Action No. 270, January 5, 1950)

“Directed the NSC Staff, with the advice and assistance of all appropriate Executive Departments and Agencies, to prepare a report for Council consideration assessing and appraising the objectives, commitments and risks of the United States under a continuation of present conditions or in the event of war in the near future, in relation to our actual and potential military power, in the interest of national security, including any recommendations which should be made to the President in connection therewith.”

A copy of the Executive Secretary’s memorandum to the Council giving the background of this project is attached.

During the preparation and upon the completion of this report the Department will have full opportunity to assure that other Departments and agencies understand better the integration and inter-relationship of our political and military policies and programs. Real progress should be made towards clarifying the basic concepts and the principal elements of our national security program both, in the event of war or under a continuation of conditions similar to the present. This study should bring about not only a greater understanding on our part of the strategic thinking of the military departments, but should also enable us to have a more direct effect on their thinking. At the same time we will be able to explore carefully the broad implications of our own programs as they affect and are affected by our military policies and by our actual and potential military power. It may well be that we shall ourselves find profit in ideas and suggestions from the military and other agencies and departments.
This study will obviously call for important contributions by all of the bureaus and offices of the Department. For example, it might be worthwhile for each of the principally interested bureaus and offices to consider the feasibility of preparing, as a first step, the following material:

a. List and describe briefly the principal problems and conditions in the area of its responsibility favorably or unfavorably affecting our national security.
b. List and describe briefly the principal projects and programs, in the area of its responsibility, in effect or planned measures to attack the above problems or improve those conditions.
c. List important questions, pertinent to its area of responsibility, which might be put to the Department of Defense, to the National Security Resources Board or to any other interested department or agency during this study.

Because of the importance and scope of this problem, I would suggest that you or your deputy follow this personally.

I expect to raise this matter at the Under Secretary’s meeting on Friday, January 20.

DEAN RUSK

6.2

STATE DEPARTMENT
Indian Foreign Policy in Asia (India attempts to assert role of leadership in Asia and has expressed a policy of “positive neutrality”; India has strong feelings of anti-colonialism and favors withdrawal of all non-Asian military forces including US from Japan; India is opposed to premature formation of Asian Bloc lest it be interpreted as anti-Soviet move; discussion of Indian relations with Pakistan, Tibet and Nepal, Indonesia, Indochina and China). Policy information Committee, Weekly Review, p. 8–12. Mar. 1, 1950. SECRET. Declassified Apr. 14, 1975. Truman Library, George M. Elsey Papers.

NEAR EAST AND AFRICA
INDIAN FOREIGN POLICY IN ASIA
The successful struggle for Indian independence, which culminated in the recent inauguration of the first President of the Indian Republic, has been accompanied by the development of strong feelings of nationalism and regionalism. These feelings are responsible for India’s determination not only to conduct its foreign affairs in accordance with its own traditions without outside influence, but also to assume a role of leadership in Asia which Indian leaders tend to regard as a responsibility thrust on their country as a result of
historical and geographic forces. The principal motivation in current Indian political thinking, and the objectives of Indian leaders, can be clearly seen in recent public speeches by Indian President Prasad and Prime Minister Nehru. As the new President of the Republic of India, Prasad in his inaugural address of January 26, emphasized the often-stated Indian assertion that Indian policy was directed towards securing peace in the world and avoiding any alignment which might lead to hostility with any nation. Nehru has on several occasions drawn a comparison between the similarity of India's present policy and that pursued by the US in the early period of its history when American leaders stated their intention of avoiding European alignments. He envisages a dynamic role of "positive neutrality" in which India as a third force would maintain friendly relations with the west and the Soviet, bloc and serve as a bridge between the two so-called power blocs in preserving peace.

Anti-Colonialism—Indian officials have assured us that this neutral attitude does not stem from illusions concerning the nature and intentions of the Soviet regime but from the strong opposition of the Indian public towards any arrangements or commitments which might appear to place India under the control or influences the western powers. This attitude has crystallized into another deeply rooted tenet of Indian foreign policy which appears in nearly every public utterance of Indian leaders, a policy of firm opposition to the continuance of colonial rule in any form. This opposition finds expression in Indian emphasis on control of private capital; in Nehru's insistence on the withdrawal of all non-Asian military forces from Asian countries, including US forces from Japan, Indian in the widespread attitude that liberation of colonial areas such as Indonesia from western imperialist control is an objective of greater significance to Asia than the problem of Communism. As a result of the collapse of China, in conjunction with this desire to rid Asia of western influence, Nehru sees an opportunity for India to assert itself as leader of Asiatic world, an ambition which is greatly feared by Pakistan, Ceylon and Burma. However, any move among other Asian countries, such as that recently proposed by Philippine General Romulo, to come together in a regional understanding has been discouraged by Indian leaders, who tend to consider the formation of any pact or bloc as premature, at least pending further developments in the foreign policies of Communist China, lest it appear to the USSR as the creation of an anti-Communist bloc which might endanger the Indian non-involvement policy.

Relations with Border Countries: Pakistan—In spite of Nehru's unyielding position in regard to the Kashmir dispute, he has consistently brought to world attention India's invitation to the Pakistan government for a joint declaration outlawing war. He apparently realizes that war would be disastrous for India even if it resulted in the defeat of Pakistan, since it would disrupt the economy of the country in wide areas and set in motion vast communal disturbances. Further more, as leader of the Congress Party, he recognizes the possibility that
passions aroused by war might well sweep away the present leadership of the Congress Party and even cause its disintegration. Indian leaders are apparently not desirous of planning through war to undo partition of the subcontinent and absorb Pakistan, as they have publicly pointed out the folly of any attempt to reunite Pakistan and India, condemning internal propaganda for reunion as misleading and dangerous. Nevertheless, Nehru continues to be adamant in resisting pressure to modify his position on the issue of demilitarization of Kashmir, and the constant danger of sudden and violent action in regard to this area stalemates a settlement of all other unsolved issues between the two governments.

Tibet and Nepal—The Indian government is greatly concerned over the fact that, if the Chinese Communists take Tibet, India can do little to prevent such action. India has accepted the fact of Chinese suzerainty over Tibet but Tibet has always exercised certain independence in its dealings with India. The Indian government has been advised by the British that it should endeavor in every way possible to maintain its position of recognizing Chinese sovereignty but supporting Tibetan autonomy. The British also believe that India should not take any steps which could be considered open defiance of the Chinese Communists, such as recognition of the independence of Tibet or sending troops to Lhasa, the Tibetan capital. They think, however, that India should not let it be known that it does not intend to oppose a Chinese Communist invasion of Tibet. If Tibet passed under Communist control and so influenced Nepal, it would bring that control to India’s very frontier. The Indian government has suggested to the Nepalese government that it take steps to prevent Communist infiltration from Tibet, and warned that unless it adopted a more enlightened and modern regime it might fall as a result of internal Communist-inspired uprisings. A recent visit to Delhi of the Maharajah of Nepal has afforded an opportunity to discuss Indian–Nepalese relations. Negotiations on a trade treaty between the two governments have resulted in India agreement to extend to Nepal an unrestricted right to import and export all commodities, as well as arms and ammunition, through Indian territory.

Relations with Other Asian Countries: Indonesia—The presence of Indonesian President Soekarno as the only foreign Chief of State at the inaugural ceremonies of the Indian Republic was an indication of the desire of both countries to consolidate their cordial relationship. Leaders of both countries have taken a stand against involvement with either of the so-called power blocs. This appears to be the nucleus of the “third force” which Nehru hopes to develop under Indian hegemony.

Indochina—Indian officials regard the Bao Dai regime in Indochina with suspicion and are influenced by the idea that, in the new nations of southern Asia, nationalist forces will triumph over Communist elements with whom they cooperate in the early stages of agitation for freedom. In fact some officials, in line with the fundamental goal of removing foreign overlords, would not be averse to
French relinquishment of Indochina even if this made possible an easy victory for Ho Chi-Minh. India, in common with other South Asian countries, tends to give less importance to the fact that Ho-Chi-Minh is a Moscow-trained agent than to the conception of him as a patriotic nationalist. However, in response to our expression of hope that India and other Asiatic states would recognize Bao Dai, an Indian official stated that India did not intend in the immediate future to recognize either Ho Chi-Minh or Bao Dai.

China—Nehru and certain other Indian leaders still tend to view Communist success in China as the culminating phase of a historic agrarian revolution in which China has thrown off western economic and political influence. There was a sharp difference of opinion in the Indian cabinet, however, over Nehru's desire for early recognition of the Chinese Communist government. In a note to the US government in November 1949 on the question, the government of India declared that recognition did not involve approval of the policy of the new government but was only recognition of a political and historical fact, and said that delay might be injurious politically and economically and might encourage wrong tendencies in China. The note also emphasized a need for early recognition because of internal situation in many Southeast Asian countries where there were large Chinese populations. In spite of Cabinet opposition Nehru forced the decision and the Indian government recognized Communist China on December 30. However, the Indian government is now facing an awkward problem because the Chinese Communist government, instead of showing gratitude for Indian recognition and welcoming India's desire to exchange diplomatic representatives, is seeking to make India negotiate for acceptance by China of an Indian Charge d'Affairs in Peiping. Unless the Chinese change their attitude, Nehru is faced with a choice of giving in to them and seeking to develop relations on their terms, or admitting that it is now possible to establish a satisfactory working relationship, one of the chief objects in his hasty recognition.

6.3

REVIEW OF THE WORLD SITUATION
CENTRAL INTELLIGENCE AGENCY
CIA 3–50
THE UNITED STATES AND INDIA

...for him to demonstrate an apparent freedom from Soviet control. Moreover, like other Communist leaders who have fought for national independence, he may well be disposed to resist any foreign domination while carrying out a Communist program of internal reform.

Instability in South Asia

The value of South Asia as a bulwark against expanding Asiatic Communism continues to be impaired both by India's attitude of detachment toward the problem and by instability within the area. Even though the India Government is strongly opposed to the Communists and has been disturbed by the approach of Communism to its borders, Nehru has persisted in his policy of aloofness toward the struggle between the Communist bloc and the West. He views such Asiatic Communists as Ho Chi Minh as opponents of colonialism rather than as likely precursors of Soviet imperialism and consequently disapproves of Western support for Bao Dai in Indochina. So long as Nehru is not alienated by the truculence of the Chinese Communists, his determination to maintain good relations with them probably will not be weakened materially unless India finds itself confronted with major Communist pressures from Tibet, a threat to the independence of Nepal, or a government in Burma which is not only Communist but clearly dominated by Peiping or Moscow.

At the same time, tensions within the South Asia area have become more intense. The Kashmir dispute is still unresolved, and intensive economic warfare between India and Pakistan has persisted for nearly six months. In addition, bitterness between the two states has been recently inflamed by a series of Hindu–Moslem outbreaks in the densely populated border provinces of East and West Bengal—disturbances which if renewed under the stress of mounting economic hardship might conceivably touch off a wave of communal violence throughout the subcontinent. There is little likelihood that India would actually send troops across the Pakistan border into East Bengal. However India's violent expressions of concern over the safety of its Hindu coreligionists there serve at least to encourage in Pakistan the strong undercurrent of belief that war provides its only hope of preventing dismemberment and eventual strangulation. Thus a resort to open warfare, perhaps as early as this spring, remains a constant possibility.

Pakistan has at the same time become more deeply involved in its cold war with Afghanistan, to the obvious advantage of India. In reply to Afghanistan's persistent effort to stir up sentiment for an independent "Pushtoonistan" among Pakistan's frontier tribesmen, the Karachi government has now launched a counter-propaganda campaign addressed not only to its own tribesmen but also to their racial brethren across the frontier, on whose loyalty the stability of the Afghan Government ultimately depends; in addition, the Pakistanis have eyed with interest signs of dissension in the Afghan ruling group. Thus, though Pakistan and Afghanistan are unlikely to engage in armed conflict, both are
employing tactics which might be followed by outbreaks among the tribesmen, particularly on the Afghan side of the border.

In Iran, deteriorating economic conditions, causing serious distress and unrest, have been accompanied by increased activity on the party of the outlawed, pro-Soviet Tudeh Party. Unless extraordinary relief measures are taken promptly, general popular resentment could become sufficiently widespread so that the governments’ authority would be endangered. Meanwhile the Tudeh Party, which has been receiving financial and moral support from the USSR, will continue to exploit any opportunity to undermine the present regime.

The prospects for stabilization of the Palestine situation remain far from good. The government of Israel and King Abdullah of Jordan recently took a major step forward by tentatively agreeing in principle on a five year non-aggression pact which would restore normal commercial relations between the two countries while avoiding the question of territorial settlement. But refusal of Jordanian Cabinet to accept responsibility for the treaty has apparently blocked further progress, at least unit after Jordan’s April elections.

6.4

Policy Planning Staff Files
Memorandum by the Secretary of the Army (Pace), the Secretary of the Navy (Matthews), and the Secretary of the Air Force (Fin letter) to the Secretary of Defense (Johnson) (Transmitted to Jessup and Nitze on a Personal basis by Edward T. Dickinson, Assistant to the Joint Secretaries, on August 8.)

TOP SECRET [WASHINGTON,] August 1, 1950.

Under date of July 31, 1950, you requested the views and recommendations of the Joint secretaries on NSC 73/1 as a matter of priority. (Secretary Johnson’s request has not been found in the files of the Department of State. NSC 73/1, July 29, is not printed. For NSC 73, July 1, see p. 331; for NSC 73/4, August 25, see p. 375) The Joint Secretaries already had under preparation a memorandum covering a subject somewhat similar to NSC 73/1 which, with slight modifications, we submit herewith as responsive to your request as stated above.

1. The Joint Secretaries believe that the Korean incident has created a situation under which there must be an urgent and frank re-appraisal of the global position of the United States military potential. The geopolitical security of the United States requires diplomatic, psychological and military coordination of the highest order. There is no margin left. No additional commitments of United States support should be undertaken in the diplomatic field, nor should executive members of the United States Government make any statements or take any action from which may be implied a moral commitment on the part of the United States
until such a re-appraisal is complete. Then, in light of such re-appraisal, re-examination of existing commitments and review of all possible moral commitments must be accomplished. Based on this re-examination and review, we must make clear through diplomatic and other channels the extent to which United States support may be expected. Having made such declarations, there should be no deviation there from until such time as world conditions moderate or the military potential of the United States is substantially increased.

2. In this connection it should be emphasized that the Korean incident has clearly revealed the new pattern of Soviet aggression and demonstrates that the Soviets have moved openly into the use of force through puppets in their attack on the non-Communist world. It is to be recognized that the Soviet movement is monolithic. Satellite troops are just as much Soviet in this sense as if they were members of the Red Army. The use of satellite force, however, provides a convenient cloak for Soviet activities and leaves the initiative in the hands of Moscow to associate or disassociate themselves from such use of force as it serves their own ends at any given time. Following this pattern, satellite thrusts are possible particularly in the following areas:

- Formosa
- Hong Kong-Macao
- Yugoslavia
- Greece
- Berlin
- Trieste (if Yugoslavia falls)
- Burma
- Philippines (if Formosa falls)
- Indo-China
- Austria (if treaty signed)
- Thailand

3. Should the Soviets use the device of satellitic force in any of the above quarter's or elsewhere and thus attempt to destroy the leadership and dissipate the strength of the United States and the UN they might then feel confident that they could move, without interdiction or with relatively limited reaction, directly with Russian forces particularly in any of the following areas:

- Iran
- Afghanistan
- Saudi Arabia (if Iran falls)

And they conceivably might be emboldened to take greater risks by attacking

- Berlin
- Japan
- Turkey
- Pakistan

4. Furthermore, North Korean successes or any additional moves as mentioned above increase the possibilities of internal Communist coup d’états particularly in the following areas:
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<td>Burma</td>
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5. The magnitude of the more obvious “soft spots” is indicative of the impossibility of the United States undertaking alone the protection of the free world from Soviet aggression be it direct, satellitic or internal. In fact, we emphasize strongly that the situation in Korea is unique. There is no other place in the world except those where Allied troops are present where we possess military strength in any way comparable to that which was available in Japan for use in Korea.

6. The question, therefore, arises as to what we as the United States Government can do. Our view is that we must not attempt to build up United States military power to defend all these areas where the Soviets in one guise or another might attack. We would badly dissipate our strength if we did so. What then remains to us? Here are some of the alternatives:

There might be a declaration by the President that we will not permit any either expansion by the Soviets or their satellites in these so-called “soft” areas this seems to us to be an unsatisfactory step. In the first place, it is easy to get around by the coup d’état method (viz., Czechoslovakia): in the second place, it commits the United States to like on the Russian or their satellites if our challenge is met.

Another alternative might be to recommend to the United Nations—probably the Security Council that it issues such a statement, warning the Soviets that a move in these areas would be regarded as an act of war and that the United Nations would call upon all member states to resist it with armed forces. This, too, seems to us to be unsatisfactory. It is dubious that we could count on all the other nations to go along with the United States at this point and if the Soviets use the satellitic or coup d’état method, there is doubt whether there would be general agreement among all the other nations that this was in fact Soviet aggression. For these reasons, the Joint Secretaries cannot convince themselves that this way of handling the situation would be satisfactory. We do believe, however, that there is one thing that could be done by the United Nations, and that is this: The United Nations on the motion of, say, the United States could take cognizance of the fact that the Korean
venture demonstrates that the Soviets have developed a new pattern in the use of force through their satellites. The United States statement could then go on to recommend to the Security Council that possibly the best way of defending specific areas from aggression by the Soviets or their satellites would be to establish a United Nations force in each country that might appeal for such protection under article 35 of the UN Charter, forces which would be very small in number, composed of troops from various United Nations countries, including America, and which would be the counterpart of the thin line of khaki which runs across the dividing line between Eastern and Western Germany and which to date has been such a formidable barrier to the Soviet aggression. If such a force were in existence it would serve notice in the most effective, way upon the Soviets that any crossing of these particular borders would bring down upon the Soviets all the strength of the nations whose forces were overrun and, indeed, probably most of the strength of the free world. This proposal, however, raises certain other questions, particularly if the Soviets should return to active participation in the United Nations. There is a serious question that the United Nations with the Soviets participating would create a United Nations force in view of the probability of Soviet veto. Alternatively, in the event that Soviet veto power is not used, it probably would be impossible to create a force without Soviet and satellite troops being included. Under these circumstances, it is doubtful whether some of the nations which can be classified as “soft spots” would welcome the presence of such a United Nations force. Therefore, there should lie available to countries appealing to the United Nations for assistance a provision that such a country could request assistance by submitting a list of nations whom, they would consider friendly to their interests from which the United Nations might request token forces who would serve under the flag of the United Nations on the frontiers of that country. In the event a veto prevented the above mentioned steps, it may be taken as presumptive evidence of possible intent to attack and resort may be had to collective self defense provisions of Article 51 and token forces provided by individual nations as above.

7. We cannot leave this question without pointing out the danger, which in our opinion exists that a Soviet attack on Formosa, Okinawa, the Philippines or Japan might produce a situation where we alone were fighting the Soviets. No special United Nations action has committed the United Nations as such to the defense of these areas. There is, we understand, nothing but American troops in them with the exception of some minor Australian forces. We all know from personal experience how strong is the feeling for a third force in Europe, the urge toward a neutrality which would keep Europe out of any conflict between the two superpowers, Soviet Russia and the United States. Even in the
United Kingdom this force has revealed itself on several occasions and we believe that, with the increase in Russian striking power and the demonstration of satellite strength in Korea, more and more will be the tendency of the Europeans to keep out of a conflict which they might feel would only result in their destruction as participants. For this reason we believe full recognition of the diplomatic difficulties of the problem is necessary. We think that steps should be taken to bring the new Far East line of Japan, Korea, Formosa, Okinawa and the Philippines under the United Nations legal umbrella. If and when we propose that the above areas be brought under the legal umbrella of the United Nations, we must recognize the possibility that the United Kingdom may wish to bring Hong Kong and Malaya under a similar umbrella, that France may request such action with respect to Indo–China and that Portugal may request protection for Macau.

The United States Government therefore should predetermine its position with respect to such possible requests before taking action with respect to its own interests.

8. With the increase possibilities, due to recent developments, of coup d’états by Communistic forces in certain areas in the “soft spots”, the necessity for an all-out psychological warfare effort on the part of the United States Government and an association of our Allies becomes even more urgent. We will discuss this problem in somewhat more detail, when we give you our reactions to NSC 74, but we should like to stress at this time the integrated culture of the problem and the urgent necessity for recognition of the fact that we have already been engaged in active psychological warfare with an enemy since 1946, if not before, and therefore, that any treatment of this problem as an “interim” or “intermediate” problem is not realistic.

9. The Joint Secretaries therefore recommend:

a. That the, Secretary of Defense inform the other members of the National Security, Council that United States military power is greatly, United as to availability the event of incident in other so-called “soft spots” of the world that based on National Security Council study 73/1, further study be undertaken involving particularly the Joint Secretaries, Joint Chiefs of Staff and the State Department, (1) to re-appraise the global position of the United States military potential in view of present circumstances, (2) to re-examine existing commitments, actual and moral, that have been made by the United States, Government in support of other nations, and (3) to prepare a policy paper delineating the limits of commitments that can be maintained and under what circumstances so that such information may, if desirable to the maintenance of United States prestige abroad, be communicated through diplomatic channels to the nation involved.
b. That the Secretary of Defense request the National Security Council to develop a policy bringing the United Nations into the active defense of the so-called “soft spots” of the world: that this be done by a United States recommendation to the Security Council of the United Nations for the establishment of small United Nations forces for utilization at the frontiers of the “soft spots” which appeal for protection against possible direct or satellite invasion or coup d’état tactics of the Soviets.

c. That it should be adopted as United States policy the placement of the defense of Japan, Formosa, Okinawa and the Philippines under the United Nations legal umbrella.

d. That the Secretary of defense recommend to the President, through the National Security Council, that he direct as a matter of urgency the Secretaries of State and Defense to collaborate in carrying out the foregoing policies.

10. We recognize that this is a most serious subject, that the above suggestions are far-reaching. We therefore hold ourselves open to discuss the matter with you any time at your convenience.

[FRANK C. PACE, Jr.] 4
Secretary of the Army

[FRANCIS P. MATTHEWS] 4
Secretary of the Navy

[THOMAS K. FINLETTER] 4
Secretary of the Air Force

3* NSC 74, “A Plan for National Psychological Warfare,” July 10, 1950, a report submitted by the Department of State For NSC consideration, is not printed.

4* File copy not signed.

496-362-77-24

6.5

MEMORANDUM FOR MR. JAMES S. LAY, JR., EXECUTIVE SECRETARY, NATIONAL SECURITY COUNCIL

December 12, 1950

SUBJECT: Results of the conversations between the President and the British Prime Minister.

The President has asked that we record for the information of the members of the National Security Council and for the Council’s records, the results of the recent conversations between the President and the British Prime Minister. It is, therefore, requested that this memorandum be circulated to the members of the Council for their information.
The following statements which are given in quotation are taken from the
final communiqué of December 8, 1950, the full text of which is attached.
This communiqué accurately reflected the agreements on the points covered. The
statements, which are not in quotation, were not specifically covered in the
joint communiqué.

General

a. “The objectives of our two nations in foreign policy are the same: to
maintain world peace and respect for the rights and interests of all peoples,
to promote strength and confidence among the freedom-loving countries
of the world, to eliminate the causes of fear, want and discontent, and to
advance the democratic way of life.”
b. “There is no difference between us as to the nature of the threat which
our two countries face or the basic policies which must be pursued to
overcome it.”
c. “The peoples of the United States and the United Kingdom will act with
resolution and unity to meet the challenge to peace which recent weeks
have made clear to all.”
d. There was agreement on the necessity for the effort to prevent the outbreak
of World War III, and that, if this must come in time, it was important
to prevent the outbreak of war as long as possible.
e. “We were in complete agreement that there can be no thought of appease-
ment or of rewarding aggression, whether in the Far East or elsewhere. Lasting
peace and the future of the United Nations as an instrument for world
peace depend upon strong support for resistance against aggression.”
f. “The need to strengthen the forces of collective security had already been
recognized and action for this purpose is under way….. We recognize
that adequate defense forces are essential if war is to be prevented.”
g. “In the circumstances which confront us throughout the world our
nations have no other choice but to devote themselves with all vigor to the
building up of our defense forces. We shall do this purely as a defensive
measure. We believe that the communist leaders of the Soviet Union
and China could, if they chose, modify their conduct in such a way as
to make these defense preparations unnecessary. We shall do everything
that we can, through whatever channels are open to us, to impress this
view upon them and to seek a peaceful solution of existing issues.”

Atomic

“The President stated that it was his hope that world conditions would never
call for the use of the atomic bomb. The President told the Prime Minister
that it was also his desire to keep the Prime Minister at all times informed of
developments which might bring about a change in the situation.”
THE UNITED STATES AND INDIA

United Nations

a. There was agreement that a first point in US–UK considerations was the maintenance of the prestige and authority of the United Nation.

b. With reference to the Korean situation:

There was agreement that the 6-Power resolution, vetoed by the Soviet Union in the Security Council, should be introduced into the General Assembly.

There was agreement that a cease-fire resolution, introduced into the General assembly by a third power, would be supported by the US and UK.

There was agreement that the US and UK would inform their UN delegations that they did not object to the 13 Asian nation appeal to the Chinese Communists.

There was agreement that it was important to rally as much support as possible in the UN for the US–UK position on the Korean question.

Korea

a. There was agreement that it was the objective of the US and UK to achieve the free and united Korea, which had long been sought by the United Nations.

b. “Every effort must be made to achieve the purposes of the United Nations in Korea by peaceful means and to find a solution of the Korean problem on the basis of a free and independent Korea.”

c. While it was agreed that “we are ready, for our part to seek an end to the hostilities by means of negotiation”, it continue to discharge” the responsibilities placed upon them by the United Nations in the present conflict.

d. It was agreed that a cease-fire and peaceful solution of the present conflict with the Chinese Communists was desirable in the immediate future if it could be secured on honorable terms.

e. While there was disagreement on the question of Chinese representation in the United Nations, there was agreement on terms which the US and UK were not prepared to pay for a peaceful solution, such as Formosa, Indochina, and Chinese Communist participation in a Japanese peace treaty.

f. There was agreement that this conflict was a UN problem, and any solution must be kept on UN lines and worked out as a UN policy.

g. It was agreed that if no other solution was found, the US and UK would seek to have UN forces continue resistance in Korea until they were forced out.

Far East

a. The US and UK agreed on the strategic importance of the island chain including Formosa in the defense of the western Pacific.
b. “On the question of Formosa, we have noted that both Chinese claimants have insisted upon the validity of the Cairo declaration and have expressed reluctance to have the matter considered by the United Nations. We agreed that these issues should be settled by peaceful means and in such a way as to safeguard the interests of the people of Formosa and the maintenance of peace and security in the Pacific, and that consideration of this question by the United Nations will contribute to these end.”

c. “The free nations of Asia have given strong support to the United Nations and have worked for world peace. Communist aggression in Korea increases the danger to the security and independence of these nations. We reaffirm our intention to continue to help them.”

**Europe**

a. “We are in complete agreement on the need for immediate action by all the North Atlantic Treaty countries to intensify their efforts to build up their defenses and to strengthen the Atlantic community.”

b. “The military capabilities of the United States and the United Kingdom should be increased as rapidly as possible.”

c. “The two countries should expand the production of arms which can be used by the forces of all the free nations that are joined together in common defense.”

d. “As soon as the plan now nearing completion in the North Atlantic Treaty Organization for an effective integrated force for the defense of Europe is approved, a Supreme Commander should be appointed. It is our desire that this appointment shall be made soon.”

e. “There was agreement on the desirability of having additional US troops arrive in Europe as early as possible.”

**Economic**

a. “We have agreed that the maintenance of healthy civilian economies is of vital importance to the success of our defense efforts… While defense production must be given the highest practicable priority in the case of raw materials whose supply is inadequate, the essential civilian requirements of the free countries must be met so far as practicable.”

b. “We have agreed to work closely together for the purpose of increasing supplies of raw materials. We have recognized the necessity of international action to assure that basic raw materials are distributed equitably in accordance with defense and civilian needs.”

c. “Discussions were held on certain specific raw materials problems and agreement reached on immediate steps with reference to some of these. It was agreed that consideration of these specific matters will continue.”
THE UNITED STATES AND INDIA

d. “We are fully conscious of the increasing necessity of preventing materials and items of strategic importance from flowing into the hands of those who might use them against the free world.”

/S/ DEAN ACHESON

6.6

The Joint Chiefs of Staff
Washington 25, D.C.
12 December 1950

MEMORANDUM FOR THE SECRETARY OF DEFENSE
Subject: United States Position Regarding the Terms of any United Nations General Assembly Cease-Fire Resolution for the Korean War.

1. This memorandum is responsive to the directive of the National Security Council issued on 11 December 1950 which called for, as a matter of urgency, the views of the Joint Chiefs of Staff as to the terms, conditions, and arrangements which should be agreed to prior to United States acceptance of any United Nations cease-fire resolution for the Korean war.

2. The Joint Chiefs of Staff, from the military point of view, cannot concur in any United Nations cease-fire resolution which does not include the terms, conditions, and arrangements set forth in paragraphs 3, 4, and 5 below. Further, these must be agreed to by all governments and authorities concerned, including North Korea and Communist China, prior to the implementation of any cease-fire arrangement.

3. The cease-fire arrangement:
   a. Shall be confined to Korea;
   b. Shall require all governments and authorities concerned, including North Korea and Communist China, to order a cessation of all acts of armed force; the establishment of a demilitarized area across Korea; and all ground forces to remain in position or be withdrawn to the rear except that all forces which may be in advance of the demilitarized area shall be moved to positions in the rear thereof;
   c. Shall provide for supervision of the general arrangements as well as specific details by a Cease-Fire Commission designated by the General Assembly of the United Nations, which Commission shall have free and unlimited access to the whole of Korea;
   d. Shall require all governments and authorities concerned to cease promptly the introduction into Korea of any reinforcing or replacement units or personnel, including volunteers, during the cease—fire-period;
e. Shall require all governments and authorities to refrain from introducing additional war equipment and material into Korea. Such equipment and material will not include those supplies required for the maintenance of health and welfare and such other supplies as may be authorized by the Cease-Fire Commission; and
f. Shall continue in effect until a permanent settlement of the Korean Question has been arranged.

4. The Joint Chiefs of Staff consider the following specific details to be essential to any cease-fire arrangement for the Korean War:
   a. The demilitarized area shall be a zone on the order of 20 miles in width, with the southern limit following generally the line of the 38th parallel.
   b. The cease-fire arrangement shall apply to:
      (1) All opposing ground forces in Korea, wherever located. In addition, these forces shall respect the demilitarized zone and the area in advance thereof;
      (2) All opposing naval forces in the Korean area which shall respect the waters contiguous to the land areas occupied by the opposing armed forces, to the limit of three miles off-shore. Naval units designated by the Cease-Fire Commission for sea transport, supply evacuation, surveillance, and humanitarian purposes shall be excepted from the foregoing provision while such units are engaged in these duties; and
      (3) All opposing air forces which shall respect the air space over the demilitarized zone and the areas in advance thereof. Air units designated by the Cease-Fire Commission for air transport, supply, evacuation, surveillance, and humanitarian purposes shall be excepted from the foregoing provision while such units are engaged in these duties.
   c. Military observers appointed by the Cease-Fire Commission, together with such United Nations Armed Guards as may be available and considered appropriate by commission, shall have freedom of movement anywhere throughout all Korea;
   d. Prisoners of war shall be exchanged on one for one basis, pending final settlement of the Korean question;
   e. Organized bodies or armed forces initially in advance of the demilitarized zone shall be moved back or passed through to the area of their own main forces. Guerrillas, both north and south of the demilitarized zone, shall be withdrawn and be granted safe conduct through the demilitarized area.
   f. Nothing in the agreement shall preclude commanders in the field from providing for the security of their forces, for this purpose will be permitted within the demilitarized area.
The Joint Chiefs of Staff feel strongly that, before the United States should accept any cease-fire arrangement, provision must be made for a competent cease-fire Commission which shall inspect to insure that the terms, conditions, and arrangements as agreed to in the cease-fire resolution will be carried out by all armed forces including guerrillas in Korea. This Commission shall report promptly to the General Assembly of the United Nations all violations of the cease-fire resolution. The Commission shall be provided with a sufficient number of competent military observers to enable it to carry out its duties and functions.

6. In connection with all of the foregoing, the Joint Chiefs of Staff would point out that execution will in all probability prevent the attainment of the United Nations objective of a free and United Korea.

For the Joint Chiefs of Staff:
/S/Omar N. Bradley
Chairman
Joint Chiefs of Staff

6.7

A REPORT TO THE NATIONAL SECURITY COUNCIL BY THE SECRETARY OF DEFENSE ON U.S. POSITION REGARDING A CEASE-FIRE IN KOREA
December 13, 1950
WASHINGTON

MEMORANDUM FOR THE EXECUTIVE SECRETARY

NATIONAL SECURITY COUNCIL
REFERENCE: NSC Action No. 390.
In response to the above action of the National Security Council, there is forwarded herewith for the information of the Council members a memorandum of 12 December from the Joint Chiefs of Staff on the Military terms, conditions and arrangements which should be agreed to prior to U.S. acceptance of any U.N. cease-fire resolution for the Korean War.

I am in general agreement with the various conditions enumerated but I wish to state, however, that I do not consider the contents of Paragraph 6 should have been included in this document. I am assured that the possible implication of that paragraph that the Joint Chiefs of Staff felt that a continued fight for the conquest of North Korea was not the purpose of the statement. Rather it
was included merely to bring to the attention of higher authorities the certain possibility resulting from cease-fire negotiation
/S/G.C. MARSHALL

6.8

TENTATIVE REPORT BY THE NATIONAL SECURITY COUNCIL
on
UNITED STATES OBJECTIVES AND PROGRAMS FOR NATIONAL SECURITY

Part-I

Introduction

1. The invasion of the Republic of Korea, which occurred while this tentative response to the President’s directive in NSC 68 was in preparation, has amply demonstrated both the nature of the Soviet threat to the United States, and the willingness of the communist leaders to employ force to achieve their objectives as delineated in NSC 68, even at the risk of global war.

2. The programs which have been initiated pursuant to the President’s message to the Congress of July 19, 1950, constitute an initial implementation of the long-term United States build-up as well as of specific measures to meet the situation in Korea.

3. The invasion of Korea imparts a new urgency to the appraisal of the nature, timing, and scope of programs required to attain the objectives outlines in NSC 68. The ending of the Korean operation, however, will not appreciably affect these estimates. As stated in the President’s message, the nature of this attack has removed any doubt as to the willingness of the communist leaders to employ force, prepared in stealth and delivered with surprise, in disregard of international commitments and without provocation. The commitment of United States forces as a part of the United Nations forces to defeat this local act of aggression has reduced the capability of the United States to react locally in the event further acts of local aggression take place. The demonstrated effectiveness of the equipment and training of the North Korean forces in combat has necessitated an upward revision of our previous estimates of Kremlin-dominated military capabilities.

4. The invasion of Korea reinforces the validity of the following position taken in NSC 68: “Frustration of the Kremlin design requires the free world to develop a successfully functioning political and economic system and a vigorous political offensive against the Soviet Union. These, in turn, require an adequate military shield under which they can develop. It is
necessary to have the military power to deter, if possible, Soviet expansion, and to defeat, if necessary aggressive Soviet or Soviet-directed actions of a limited or total character…. In summary, we must, by means of a rapid and sustained build-up of the political, economic, and military strength of the free world, and by means of an affirmative program intended to wrest the initiative from the Soviet Union, confront it with convincing evidence of the determination and ability of the free world to frustrate the Kremlin design of a world dominated by its will. Such evidence is the only means short of war which eventually may force the Kremlin to abandon its present course of action and to negotiate acceptable agreements on issues of major importance.”

5. There are important corollaries of this position:
(a) The build-up of military strength in the free world should be accomplished with the utmost urgency and should

13. Soviet domination of North Korea has brought with it the pattern of police and propaganda control well known throughout the Soviet world. Since the existence and stability of a unified Korea must in the long run depend largely upon the Korean people themselves, the tasks of the United Nations will include the reorientation of the North Korean people toward the outlook of free peoples who accept the standards of international behavior set forth in the United Nations Charter.

Conclusions

14. Final decisions cannot be made at this time concerning the future course of action in Korea, since the course of action which will best advance the national interest of the United States must be determined in the light of: the action of the Soviet Union and the Chinese Communists, consultation and agreement with friendly members of the United Nations, and appraisal of the risk of general war.

15. The United Nations forces have a legal basis for conducting operations north of the 38th parallel to compel the withdrawal of the North Korean forces behind this line or to defeat these forces. It would be expected that the U.N. Commander would receive authorization to conduct military operations, including amphibious and airborne landings or ground operations in pursuance of a roll-back in Korea north of the 38th parallel, for the purpose of destroying the North Korean forces, provided that at the time of such operations there has been no entry into North Korea by major Soviet or Chinese Communist forces, no announcement of intended entry, nor a threat to counter our operations militarily in
North Korea. Since such operations would involve a risk of major war with the Soviet Union and would directly involve the interests of other friendly governments, the U.N. commander should, prior to putting any such plan into execution, obtain the approval of the President in order that he may give consideration at the time to the various elements involved. U.N. operations should not be permitted to extend across the Manchurian or USSR borders of Korea. It should be the policy not to include any non-Korean units in any U.N. ground forces which may be used in the North-Korean units in any U.N. ground forces which may be used in the north-eastern province bordering the Soviet Union or in the area along the Manchurian border.

16. Concurrently the Joint Chiefs of Staff should be authorized to direct the Commander of the U.N. forces in Korea to make plans for the possible occupation of North Korea. However, the execution of such plans should take place only with the explicit approval of the President of the United States, and would be dependent upon prior consultation with and the approval of members of the U.N.

17. The United Nations Commander should undertake no ground operations north of the 38th parallel in the event of the occupation of North Korea by Soviet of Chinese Communist forces, but should reoccupy Korea up to the 38th parallel. Air and naval operations north of the 38th parallel should not be discontinued merely because the presence of Soviet or Chinese communist troops is detected in a target area. If the Soviet Union or the Chinese Communists should announce in advance their intention to reoccupy North Korea and give warning, either explicitly or implicitly, that their forces should not be attacked, the matter should be immediately referred to the Security Council with the stated purpose of securing the cooperation of the Soviet Union (or the Chinese Communists) in U.N. action to achieve the unity and independence of Korea. Since such cooperation would not be forthcoming, an attempt should then be made in the General Assembly to secure the condemnation of the Soviet Union (or the Chinese Communists) for flouting the will of the U.N. majority. Action north of the 38th parallel should not be initiated or continued, and if any U.N. forces are already north of the 38th parallel they should prepare to withdraw pending further directives from Washington. It is assumed that Soviet occupation down to the 38th parallel would be accompanied by the withdrawal of North Korean forces behind the 38th parallel. Otherwise new decisions would have to be made as to the nature of U.N. military operations in the area.

18. In the event of the open or covert employment of major Soviet units south of the 38th parallel, the U.N. Commander will assume the defense, make no move to aggravate the situation, and report to Washington. The same action should be taken in the event that U.N. forces are operating
north of the 38th parallel and major Soviet units are openly employed. In either of these events the United States in common prudence would have to proceed on the assumption that global war is probably imminent. The United States should then take steps immediately to:

a. Make every effort in light of the circumstances to localize the action, to stop the aggression by political measures and to ensure the unity of the free world if war nevertheless follows, such measures to include direct diplomatic action and resort to the United Nations with the objectives of:

(1) Making clear to the world United States preference for a peaceful settlement and the conditions upon which the United States would, in concert with other members of the United Nations, accept such a settlement.

(2) Consulting with the members of the United Nations regarding their willingness to join with the United States in military opposition, if necessary, to the aggression.

b. Give consideration to the possibility of a direct approach to the highest Soviet Leaders.

c. Consult with selected allies to perfect coordination of plans.

d. Place itself in the best possible position to meet the eventuality of global war, and therefore prepare to execute emergency war plans; but should, in so far as it has any choice, enter into full-scale hostilities only at the moment and in the manner most favorable to it in the light of the situation then existing.

e. While minimizing United States military commitments in areas of little strategic significance, take action with reference to the aggression to the extent and in the manner best contributing to the implementation of United States national war plans.

19. In the event of the open or covert employment of major Chinese Communist units south of the 38th parallel:

a. The United States should not permit itself to become engaged in a general war with Communist China.

b. As long as action by U.N. military forces offers a reasonable chance of successful resistance, the U.N. Commander should continue such action and be authorized to take appropriate air and naval action outside Korea against Communist China. The later action should be continued pending a review of U.S. military commitments in the light of conditions then existing to determine further U.S. courses of action.

c. The United States should take the matter to the Security Council with the purpose of condemning the Chinese Communists as aggressors.

20. In the event of an attempt to employ small Soviet or Chinese Communist units covertly South of the 38th parallel, the United Nations Commander should continue the action.
21. The United States should immediately make an intensive effort, using all information media, to turn the inevitable bitterness and resentment of the war-victimized Korean people away from the United States and to direct it toward the Korean communists, the Soviet Union, and, depending on the role they play, the Chinese Communists, as the parties responsible for the destructive conflict. Special assistance should be given to the field commander and the U.S. Embassy in Korea to augment their present propaganda and information programs. The Government of the R.O.K. should be encouraged to increase its propaganda output and should be given material assistance in this effort.

22. In order to effect the reorientation of the North Korean people, to cause defection of enemy troops in the field, and to train North Korean personnel to participate in activities looking to unification of the country, the following steps would appropriate:
   a. Establish the principle that the treatment of POW's after their transfer to places of internment shall be directed toward their exploitation, training and use for psychological warfare purposes, and for the tasks specified above.
   b. Set up immediately on a pilot-plant scale in interrogation, indoctrination and training center for those POW's now in our hands in Korea. Personnel in charge of this project must be selected with the greatest care, taking into consideration Korean or Far Eastern experience, language qualifications, and temperamental aptitude. Full advantage should be taken of World War II experience in the indoctrination of German and Japanese prisoners of war, of experiences in Greece, and of recent experience with escaped Soviet detainees.

23. In preparation for the possible eventual retreat or sudden collapse of North Korean forces, the United States should immediately discuss with certain friendly members of the United Nations the terms to be offered the North Korean forces. This will serve to develop support for action north of the 38th parallel to accomplish the political objective of the United Nations in Korea in the event that the terms are rejected and there is no evidence of a substantial risk of a clash with Soviet or Chinese communist forces. If the terms offered are not accepted, the U.N. commander should continue his efforts to destroy as many of the enemy as possible before they retreat across the 38th parallel and only if so directed should continue operations north of the 38th parallel with major forces for the purpose of occupying North Korea.

24. If operations are undertaken to occupy Northern Korea, the United Nations Commander should, in consultation with the Government of the R.O.K., determine the timing and method of subjecting occupied territory north of the 38th parallel to its jurisdiction. He should forbid, as commander of the U.N. forces, reprisals against the forces, officials,
and populace of North Korea, except in accordance with international law, and take such measures as are within his power to secure compliance with this directive.

25. In performing their mission beyond the 38th parallel, the general posture of the United Nations forces should be one of liberation rather than retaliation. An effort should be made to encourage the voluntary adherence of ever larger areas of North Korea to the R.O.K. The United Nations forces should attempt to exert a stabilizing influence during the transition period. They should endeavor to conduct themselves in such a way as to emphasize the non-aggressive and temporary nature of the U.N. occupation in any part of Korea, and non-Korean forces should be removed as soon as practicable.

26. When organized armed resistance by the North Korean forces has been brought substantially to an end, the United States should attempt to reduce its share of the U.N. responsibilities for Korea, including withdrawal of its own forces as soon as practicable, and announce its desire to do so, without, however, implying any unwillingness to fulfil its U.N. commitments. The R.O.K. forces, operating under principles established by the U.N. Commission for Korea, or such body as may be established to take its place, should take the lead in disarming remaining North Korean units and enforcing the terms of surrender. Guerrilla activity should be dealt with primarily by the forces of the Republic of Korea with minimum participation by U.N. contingents, unless the Korean forces alone should prove unable to cope with the guerrilla activities.

27. The United States should recognize that the Government of the R.O.K. will have to take strong measures against communist efforts to cause trouble in Korea and that it may require support in these measures from the United States. At the same time, the United States should recognize that social and economic reforms will be necessary in order to reduce the Communist menace to manageable proportions.

28. The United States should advocate in the United Nations the adoption of the following principles to govern the action of the United Nations in Korea in the post-hostilities period:
   a. The unification of Korea should be arranged by representatives of the Korean people chosen in free secret-ballot elections on the basis of universal adult suffrage the elections to be held under the auspices of the United Nations.
   b. The Government of the R.O.K. should be re-established in Seoul and recognized as the only lawful government in Korea and should be consulted on problems arising in connection with the unification of Korea. That Government should be expected to exercise its powers with full regard to the desirability of eliminating the spirit of vengeance.
c. An obligation rests upon the members of the United Nations to contribute to the solution of the tremendous economic, social and political problems certain to confront a unified and independent Korea. Asiatic members of the United Nations should be urged to make a substantial contribution to the assistance program in view of their special regional interest in Korea.

29. In consonance with the above principles, the United States should take the following steps:
   a. Take vigorous action through diplomatic channels and in the United Nations Security Council and General Assembly to assure and solidify United Nations support of necessary action in Korea.
   b. Be prepared to announce in the United Nations its determination to seek a solution of the Korean problem within the general framework of previous United Nations Resolutions and in a manner consistent with the United Nations Charter and the general aims and principles which the United States believes should underlie such a solution.
   c. When such an announcement is made, the United States should recommend or urge others to recommend the creation of an appropriate United Nations body which would study and make recommendations to the General Assembly on the future of Korea in accordance with the principles enumerated above. It might be appropriate for the representative of India to act as chairman of such a body.

30. The United States should urge that the U.N. Commission on Korea or such body as maybe established to take its place be charged with continuing consideration of Korean problems and instructed to make recommendations as to the size and character of the military and internal security forces needed by the R.O.K. The U.S. should recommend that the U.N. Commission should consider the desirability of permanent neutralization of Korea accompanied by political undertakings by the R.O.K. and by other states separately, including the USSR, to refrain from any aggression. The question of U.N. guarantee should be studied but no U.S. commitment on this point should be made at this stage.

31. The United States should urge that U.N. forces be retained in Korea until and only until a unified and independent state has been firmly established and should be prepared to make available United States forces as a contingent of the U.N. forces for the purpose of deterring renewed aggression or internal strife. These forces should be removed from Korea as early as practicable. Meanwhile, and in any event, the number of our forces should be reduced so far as possible, and they should serve only in conjunction with other U.N. contingents, preferably including some Asiatic contingents.
MEMORANDUM FOR: Chairman, Joint Chiefs of Staff
Subject: The Kashmir, Dispute

1. Origin of the Problem: The partition of India left the status of Kashmir in dispute, with the Hindu Maharajah acceding to India and the Azad (Free) Kashmir forces fighting for accession to Pakistan. Indian troops entered the fight at the request of the Maharajah; and on 1 January 1948, India complained to the U.N. that Pakistan was aiding the Azad Kashmir forces. Despite a U.N. resolution calling for a ceasefire, India launched an offensive in the spring of 1948 against the Pakistan tribesmen in Kashmir, resulting in the intervention of Pakistani Regular Army units. A U.N. commission succeeded in drawing the cease-fire line on 1 January 1949; but could not effect an agreement on the conditions for a plebiscite, which both India and Pakistan had accepted in principle. India occupies the economically rich valley of Kashmir, which are 80 percent Muslim-populated.

2. The Indianization of Kashmir: Pro-India Sheik Abdullah’s announcement (in October 1950) that a constituent assembly was to be convened to determine the state’s future brought an immediate Pakistani protest to the U.N., which ruled that such an assembly would violate previous commitments (i.e., for a plebiscite). When India ignored the U.N. ruling, Pakistan threatened a “Holy War”; although both countries massed troops along the border, neither actually launched an attack. India then extended financial support to Kashmir; and when Sheik Abdullah protested India interference, he was replaced in 1953 by Bakshi Ghulam Mohammed, who is ardently pro-India. His carefully selected Kashmir Constituent Assembly ratified accession to India in February of 1954. In May of the same year, in Indian Presidential Order extended Indian jurisdiction to occupied areas of Kashmir. Despite her agreement to a plebiscite, India continued to stall on this matter, and refused to accept any Pakistani proposals concerning the ceasefire line or plebiscite conditions. India’s long-suspected intent never to allow a vote was confirmed in April of 1956, when Mr. Nehru flatly rejected a plebiscite under any circumstances. In October of 1956, the Kashmir Constituent Assembly approved a constitution defining all of Kashmir as an integral part of India (even allocating 25 of 100 seats in the lower house to Pakistan-occupied areas).

3. Present Situation: Pakistan presented a very strong case to the UN Security Council on 16 January 1957, including a request for UN force to be sent to Kashmir, and a UN definition of the conditions for implementing the
plebiscite agreement of 1948. Ambassador Lodge reports that all members of the Security Council except the USSR have expressed approval for a resolution (the text of which I have not seen yet), which is a satisfactory to Pakistan. V.K. Krishna Menon will present India’s argument today.

4. Probably Future Developments: It is almost certain that India will block the implementation of any UN resolution, which calls for a UN force or a plebiscite in Kashmir. There is a very real possibility that Pakistan, having failed to obtain UN intervention, will allow the Azad Kashmir forces to attack India—occupied Kashmir—not with any hope of successful military conquest, but with a view towards forcing the UN to intervene in order to restore the cease-fire and bring about the plebiscite.

6.10

The Joint Chiefs of Staff
Washington 25, D.C.
11 February 1957

MEMORANDUM FOR: Chair, Joint Chief of Staff

Subject: Emerging Pattern—Kashmir

The enclosed memorandum was forwarded to the Assistant to the Secretary of Defense (Special-operations) this date. A copy is forwarded to you as matter of information and interest.

RICHARD COLLINS
Brigadier General, USA
Deputy Director for Intelligence
The Joint Staff
Copy to:
Director, JS
THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D.C.
11 February 1957

1. After a lengthy presentation of India’s case on Kashmir on 23–24 January, the Security Council approved a resolution, which reminded the governments concerned of the principle embodied in previous resolutions that the final disposition of Kashmir is made in accordance with the will of the people. The vote was 10–0 with the USSR abstaining. Krishna Menon told Ambassador Lodge that he (Menon) had hinted to Soviets before the vote that a Soviet veto was not desired because India did not want to appear to be under Soviet umbrella. Menon stated Soviets had told him that they would veto any Security Council resolution on Kashmir if India so desired.
2. The U.S. Position throughout has been one of cautious support of Pakistan through a solution based upon U.N. resolutions, unless the parties themselves could agree to a solution through direct negotiations. The U.S. attitude is dictated by the fear of damaging U.S.–India relations which were somewhat improved after Nehru’s visit and by the desire to support Pakistan with whom we are allied.

3. The main course of events in Southeast Asia is not likely to be significantly affected by India’s set back in the Security Council. Nehru’s halo of morality has been tarnished by his attitude and actions, but he will retain his influence in the Afro-Asian Bloc. It is interesting to note that the U.N. representatives of Ceylon, Indonesia, and Burma all have commented upon the weakness of the Indian position. The Bandung powers may offer their “good offices” in an effort toward peaceful settlement.

4. India’s immediate courses of action are aimed at gaining time. For the short run they are trying to stall until after the forthcoming elections. A part of the pressure being applied to the U.S. by India is the forecast of Communist gains if U.S. action adverse to India is taken before elections. Another pressure for delay is the thinly veiled threat of another “blood-bath” to the Moslem minority remaining in India. Also, Nehru would like to prevent any action until after the General Assembly adjourns or at least until March when the President of the Security Council will be a Russian. Over the longer term, Nehru probably hopes that economic and political concessions to the Kashmiri presently being made will produce a majority for India in a future plebiscite. This is not likely. Nehru would probably settle for permanent partition of Kashmir along the present cease-fire lines.

5. Pakistan is pressing for immediate-action by the Security Council to place U.N. forces in Kashmir. The Pakistan Government has stated that if India refused to accept the U.N. forces on India’s side of the cease-fire line that Pakistan would accept them in Pakistan-occupied Kashmir. Pakistan is insisting upon implementation of the original U.S. resolutions calling for a plebiscite in all of Kashmir. However, it would probably settle for partition of the area with a plebiscite held in the Valley itself, the heart of Kashmir. The Pakistani, like the Indians, call our attention to an increase in Communist strength in Pakistan if the U.N. failed to take positive action under vigorous U.S. leadership. The Pakistani Foreign Minister, Noon, has threatened to resign if U.S. failed to support Pakistan and he implied that Pakistan’s whole pro-West foreign policy would be affected by such U.S. failure. I believe that the government of Pakistan has the Free Kashmir (Azad Kashmir) forces under control. These forces will probably be kept from launching hostilities until Pakistan sees no other hope of favorable settlement. But allowing the Azad Kashmir forces to attack Pakistan would be attempting to force the U.N. to intervene.
6. The U.K. Position has been somewhat stronger in support of Pakistan than that of U.S. the U.K. Council anticipating a Soviet veto of any measure adverse to India and then move the entire Kashmir problem into the General Assembly.

7. Soviet Policy in Asia is not likely to be affected significantly by developments in the Kashmir problem. They will continue to support India, but will try to avoid as much as possible any further alienation of Pakistan. It is for this reason that the USSR has not taken part in the U.N. debate and has abstained, rather than vetoing, resolutions adverse to the India position. Chou, En-Lai, through the Banding “good office”, may be able to appear as a peacemaker.

8. On 8 February the Kashmir problem was again considered in the Security Council and after re-statement of the positions of Pakistan and India, further action was postponed until a later date.

RICHARD COLLINS
Brigadier General, USA
Deputy Director for Intelligence
The Joint Staff

6.11

Intelligence Report
February 25, 1957
DEPARTMENT OF STATE
SOVIET AND CHINESE COMMUNIST POSITIONS ON THE KASHMIR DISPUTE

Although Soviet and Chinese Communist policies in Asia are generally closely parallel, there appears to have been some divergence in the approach of the two countries toward Pakistan, particularly on the Kashmir issue. During the India tour of Soviet leaders in December 1955, Khrushchev expressed support for the Indian claim to Kashmir. Without irrevocable committing itself, Moscow has continued to support India in this matter. In contract, Communist China has reserved its position on the merits of the Indian and Pakistani claims. When pressed to comment on the issue during his recent tour of South Asia, Chou En-Lai repeatedly stated that he was still studying the question and declined to make any specific suggestions on how the dispute should be settled beyond proposing that India and Pakistan hold bilateral negotiations.

Conceivably, the failure of the Chinese Communists to follow the Soviet lead in supporting India in the Kashmir dispute is based on a mutual understanding between Moscow and Peiping to cultivate India and Pakistan, respectively. A more convincing explanation, however, can be based on the fact that Communist China possesses fundamental interests in South Asia, which are not shared, at
least in the same degree of intensity, by the USSR. Thus, Peiping has a special interest in the ultimate disposition of Kashmir loving to the fact that it borders on the politically sensitive areas of Tibet and Sinking. Of even greater importance, the Chinese Communists presumably view India fast a rival for leadership in Asia and welcome the existence of Pakistan as a force, which tends to weaken Indian influence. The USSR, on the other hand, maybe less directly concerned over the outcome of the Kashmir issue as such and, moreover, may be inclined to seek good relations with India as a potential foil against Communist China.

Whatever the explanation for the apparent divergence between Moscow and Peiping on the Kashmir dispute, the two Communist powers are united in the larger objective of combating Western influence in the area. The Chinese Communists’ fairly consistent cultivation of Pakistan should not be regarded as a source of contention between Peiping and Moscow, but rather as an illustration of Peiping’s pursuit of more narrowly Chinese Communist interests alongside the international Communist objectives shared with the USSR.

A. Soviet Support for India Position
The Soviet position on Kashmir has been characterized by a desire to keep foreign, especially western, forces and influence out of the area and by efforts to maintain an impartial attitude toward the merits to Indian and Pakistani claims on Kashmir. The Soviet Union has nevertheless adopted an increasingly pro-Indian stance. India’s neutralism and Pakistan’s alignment with the West have undoubtedly played a considerable role in determining Moscow’s position.

During the UN Security Council’s consideration of the Kashmir question over the four-year period January 1943–January 1952, the Soviet representative maintained a strictly impartial position by abstaining on resolutions adopted by the Council and taking virtually no part in the discussions. In the first Soviet intervention in the Security Council’s consideration of the Kashmir issue on January 17, 1952, Soviet representative Malik delivered a diatribe accusing the US and UK of trying to introduce their forces into the area under the guise of UN action, and proposed that the people of Kashmir themselves should decide the issue through a Constituent Assembly, “an assembly elected by the Kashmir people in a democratic way.” Although a Constituent Assembly favoring union with India had been setup in India-occupied Kashmir in 1951 with India’s backing, the Pakistan delegate on the Security Council subsequently explained that he had since understood (presumably from Malik) that the Soviet delegate’s statement in favor of a solution through a Constituent Assembly referred to any Assembly elected in conditions of absolute freedom and not to the organ already in existence.

This report was prepared by the Division of Research for Far East from information available through February 25, 1957.

Khrushchev’s statement on the Kashmir question in Srinagar on December 10, 1955, while consistent with the position Moscow had maintained since 1952 in the UN, was an even stronger and more explicit expression of Soviet
support for India’s claims to Kashmir. In an apparent reference to decisions previously adopted by the Constituent Assembly aimed at formalizing Kashmir’s accession to India, he stated that the Kashmir question “has been settled by the people of Kashmir themselves as one of the states of India.” This statement, together with other Khrushchev remarks condemning Pakistan’s membership in SEATO and the Baghdad Pact, was interpreted in both India and Pakistan as Soviet alignment with India on the Kashmir issue. Khrushchev’s statement on Kashmir and the reaction it produced in India were reported in the Soviet press. That the statement in Srinagar still stands as Moscow’s present position on the question was clearly indicated when the Soviet representative repeated it verbatim in the Security Council discussions of January 24, 1957 on the Kashmir question. Prior to these discussions, the Pakistan Ambassador in Moscow told the US Ambassador that his conversations with Foreign Minister Shepilov and Deputy Foreign Ministers Gromyko and Zorin made it quite plain that the USSR regards the Kashmir question as settled by the action of the India-controlled Kashmir Assembly. The Pakistan Ambassador observed that the position taken by Soviet officials did not differ in any particulars from the position taken by Khrushchev in India in 1955.

Despite this obvious Soviet backing for India, Moscow has not finally committed itself on the Kashmir question and has endeavored to mend fences with Pakistan. Mikoyan’s visit to Karachi in March 1956 was an obvious effort to recoup the damage caused in Pakistan by Khrushchev’s statement in Srinagar and to woo Pakistan from its alignment with the West. At a press conference in the Soviet Embassy in Karachi, Mikoyan states in reply to journalists’ questions that the question of Kashmir should be (as opposed to “has been”) settled by the people of Kashmir. These remarks, however, were not reported in the Soviet press and were given no dissemination by Soviet propaganda media. Also, Soviet representative Sobolev chose to abstain from rather than veto, the UN Security Council January 24 decision on Kashmir which not only contravened his own arguments on the question but fully supported Pakistan’s position in reiterating Security Council demands for a plebiscite under UN auspices to determine the final disposition of the area. In addition, Sobolev retired Soviet approval of bilateral Indo-Pakistan negotiations as the proper way to settle the dispute—a clear contradiction of his assertion that it was already settled. Thus, Moscow has reserved for itself some freedom of action on the Kashmir question although, in contrast to Communist China, Soviet sympathy and measure of support for India’s position have been made clear.

Although the Kashmir dispute is in an active phase at the present time, there has been little mention of it in the Soviet press. The subject also seems to have been avoided by Marshal Zhukov during his tour of India. The Soviet veto of the Security Council resolution on February 20 and abstention on the February 21 resolution are the latest Soviet actions connected with the Kashmir dispute. In both cases the pro-India position of the USSR has been maintained.
B. Chinese Communist Relations with Pakistan

Although Peiping, like Moscow, consistently has explained India–Pakistan hostility as the product of “imperialist” intrigue, and although the Chinese Communists have assiduously courted the friendship and encouraged the neutralist foreign policy of India, they carefully have cultivated relatively cordial relations with Pakistan. Correct diplomatic relations on the ambassadorial level have existed between Peiping and Karachi since 1951 notwithstanding a border dispute along their common frontier (The disputed area, interestingly, lies in the part of Kashmir occupied by Pakistan). Even Pakistan’s adherence to SEATO in 1955 did not cause Communist China to relegate Pakistan to the status of an enemy or to adopt an policy unfriendly to Pakistan on the Kashmir question.

At the time of Bandung Conference in 1955, the Chinese Communist began more actively to seek closer relations with Pakistan and other Asian countries allied with the West. An intimation was issued and tentatively accepted for the Pakistan Prime Minister to visit Peiping. Owning to changes of government and preoccupation with internal political problems in Karachi this visit was postponed several times in a manner, which could have been interpreted by the Chinese Communists as a rebuff. The latter, however, did not treat the delays as such and continued to press Pakistan for closer relations. The visit of Mme. Sun Yat-Sen, a ranking public figure in Communist China, to Pakistan in early 1956 is an illustration of this policy. In October 1956 Pakistan’s newly installed Prime Minister Suhrawardy visited Communist China, finally meeting the commitment undertaken at Bandung by his predecessor, Prime Minister Mohammad Ali.

C. Chinese Communist Leaders’ Interest in Pakistan Position

In his conversations with Mao Tse-tung and Chou En-Lai, Suhrawardy reportedly likened the Chinese Communist claim to Taiwan and the Pakistani claim to Kashmir. This comparison evidently made an impression on the Chinese Communist leaders by exposing the emotional issues involved to them, and was followed by an offer from Chou En-Lai to raise the question of Kashmir during his visit to India in December 1956.

During his subsequent visit to Pakistan, Chou En-Lai disclosed at a press conference in Karachi on December 25, 1956, that he actually had talked with Prime Minister Nehru about Kashmir but declined to reveal the substance of the conversation. When asked by a reporter whether Communist China was prepared to mediate between India and Pakistan on the Kashmir question, Chou said: “We are still in the stage of studying this question. There is a principle followed in China that one has no say on a question until he has studied it.”

At a press conference in Dacca on December 30, Chou said he hoped the dispute would be settled directly by India and Pakistan, and that he had made an effort to bring these two countries together on the Kashmir question. On this occasion Chou again refused to disclose whether Communist China might offer to mediate.
Chou En-Lai maintained his noncommittal position on the merits of the Kashmir dispute after the passage of the January 24, 1957 United Nations Security Council resolution. He told a press conference in Kathmandu on January 30 that he was still studying the question, addition, however, some implied criticism of Pakistani procedure. Chou expressed disapproval of the proposal to send a UN emergency force to Kashmir and of bringing the Kashmir dispute before the UN, suggesting that this offered the “imperialists” an opportunity to exploit the issue for their own ends. Chou again urged bilateral negotiations.

The theme of “imperialist” exploitation of the Kashmir dispute was developed further by Chou En-Lai at a press conference in Colombo on February 5. Chou charged the western powers with utilizing Kashmir to create conflict between India and Pakistan. He appealed for unity between India and Pakistan and evoked the “Bandung spirit.” Chou claimed on this occasion that Communist China “always' had held the view that the Kashmir question should not be referred to the UN (an interesting admission in the light of his repeated professions concerning lack of knowledge on the merits of the dispute).

Chinese Communist propaganda at present apparently is supporting Chou En-Lai’s recent expressions in public on Kashmir. On February 4 the official New China News Agency broadcast reports of Nehru’s refusal to permit a plebiscite in Kashmir before the withdrawal of Pakistani troops and of Suhrawardy’s speech accusing India of unprincipled cooperation with Communist powers. These broadcasts reflected a continuing noncommittal position on Kashmir, but implicitly criticized Pakistani efforts to obtain a solution through the UN.

Meanwhile before Chou En-Lai’s visit to India in December 1956, considerable concern was reported among Indian Government officials that Kashmir was discussed by Suhrawardy and the Chinese Communists during former’s visit to Peiping in October, and that this discussion might lead to Chinese Communist assistance to Pakistan in the Kashmir dispute.

In view of India’s and Nehru’s, known uncompromising attitude towards the Kashmir question in the past, Chou En-Lai’s initiative in discussing it with Nehru, and his willingness to say anything at all on this touchy subject at numerous press conference, raise the question of why Communist China has concerned itself with a dispute between two parties with which it has tried to maintain good relations and on which the USSR already has indicated a fairly pronounced bias.

D. Possible Explanations for Divergent Soviet and Chinese Communist Positions on Kashmir

It is still too early to predict the positions, which the Soviet Union and Communist China may eventually take on the merits of the Kashmir dispute. Nevertheless, during the course of the dispute to date, a difference has appeared in the extent to which the two Communist powers are prepared to go to maintain friendly relations with Pakistan. Conceivably the failure of the Chinese Communists to follow the Soviet lead in the Kashmir dispute is based
on a mutual understanding between Moscow and Peiping to cultivate India and Pakistan, respectively. It is more likely, however, that the minor divergence on Kashmir seemingly displayed by Communist China and the USSR is, in fact, a reflection of a more basic difference in regional approach to South Asia. The following factors probably contribute to such a difference in approach.

The principal international arena available to the Chinese Communists at present, outside the Sino-Soviet bloc itself, is the Asian-African complex of nations and interest. Peiping is eager to increase the effectiveness of this Asian-African grouping as an instrument against the west. It is reasonable to assume, therefore, that Peiping will exert its efforts to compose differences within this grouping provided that such efforts do not conflict with other, overriding Sino-Soviet bloc interest. The Kashmir question probably is the bitterest dispute at present between two members of the “Asian-African bloc.” The USSR, while sharing Communist China’s interest in developing an Asian-African block against the west, has broader international interest. It is possible; therefore, that Moscow is concerned to a lesser degree than Peiping with achieving greater harmony among the Asian-African countries.

Peiping may be more intensively interested than Moscow in the ultimate disposition of Kashmir because this territory borders on Communist China. Moreover, the contiguous areas on the Chinese side of Kashmir are Tibet and Sinkiang both of which present special security problems to the Peiping regime.

By contrast the Kashmir problem has been used by Moscow primarily as a diplomatic tool in its relations with India and Pakistan. This is illustrated by the fact that the USSR maintained a cautious and ill-defined pro-Indian position on Kashmir until after Pakistan joined the Baghdad Pact, a military association with the west. The Khrushchev statement backing the India position on Kashmir was made in a context broadly implying that this action was taken to reward India for its policy of non-alignment and to punish Pakistan for its western alliance. Pakistan’s membership in SEATO, an alliance concerned primarily with the threat posed by Communist China, by contrast did not evoke a similar response from Peiping on Kashmir.

In terms of pure national interest Peiping’s general outlook on Pakistan may differ from Moscow’s. The USSR possibly regards India as a potential foil to China and, other considerations being equal may therefore be generally inclined to support India against its rival Pakistan. On the other hand, Communist China presumably harbors feelings of rivalry toward India owing to the ambition of both powers for leadership in Asia. This could lead the Chinese Communists to welcome the existence of Pakistan as a force, which tends to weaken the influence of India.

In addition to differences in national outlook and geographical position which might cause Peiping to follow a more friendly policy towards Pakistan than Moscow, there are several reasons for both Communist China and the USSR to
INDIA'S FOREIGN POLICY

keep on friendly terms with Pakistan. Both powers wish to: undermine Pakistan’s cooperation with the West, which is based in part on Pakistan’s antagonism toward India; seek the friendship of Moslem countries in order to divide them from the West; and, possibly, offset what may be regarded as a growing Indian awareness of common interest with the United States in checking Communist expansion in Southeast Asia. These factors probably are seen in Peiping as reinforcing the purely Chinese arguments for cultivating Pakistan. In the USSR, on the contrary, they may be regarded as of less importance than seeking the friendship of India.

E. Conclusion

In the light Communist China’s usual loyal support of the USSR, it is difficult to conclude that Peiping is challenging Moscow’s right to initiate Communist bloc policy in Asia. However, if one accepts the view that Peiping follows a dualistic foreign policy—part international Communist and part Chinese—then the possible divergence over Kashmir can be interpreted as an example of the pursuit of narrowly Chinese Communist national interest alongside participation in international Communist activities.

The somewhat divergent approaches of the two strongest Communist powers to the Kashmir question do not necessarily involve contention between them, capable to creating or exacerbating other frictions. Because of larger objective shared by Peiping and Moscow of combating western influence in Asia, it is unlikely that they would permit this divergence, even inadvertently, to create a situation where on Communist power backs India and the other, Pakistan on the Kashmir dispute.

6.12

INTELLIGENCE REPORT
Department of State
September 23, 1957
(All declassified stamps illegible, must be same year as preceding document…) This is an intelligence report and not a statement of departmental policy.
Office of Intelligence Research
THE INDIAN INTELLIGENTSIA: ATTITUDES AND INFLUENCE
(This report was prepared by the Division of Research for Near East, South Asia, and Africa from information available through September 11, 1957.)

Abstract

Perhaps the most striking attribute of the Indian intelligentsia is the extent to which they have accepted British values as touchstones of progress. The intelligentsia generally accept the British-instilled values of rationality, parliamentary democracy, and liberal individualism, and generally acknowledge British opinion as authoritative in intellectual matters. Western ideas have shaped
the intelligentsia’s aspirations for India; they are devoted to the building of India as a modern, secular, democratic state, with an emphasis on social reform and economic development.

Although most Indian intelligentsia are not Communists they may become increasingly inclined towards Communism. Poverty and insecurity are the hallmarks of the Indian intelligentsia. Unemployment among the educated has reached serious proportions and appears to be increasing, because of the limited availability of the white-collar, executive-type position which literary education, reinforced by traditional attitudes toward education and by caste considerations dictates. Even when employed, the members of the intelligentsia are preoccupied with providing for themselves and their families on their meager salaries. They have generally become disenchanted with the Congress Party, and should parliamentary democracy fail to achieve the economic and social reforms which the intellectuals want for India, the appeal of an authoritarian communism which promised results would be greatly enhanced.

I. Who Are The Intellectuals and the Intelligentsia?
A small articulate, urban, middleclass, educated elite dominates the political life of India, which is 82 percent rural and illiterate. The members of this group are, who constitute perhaps two percent of the population (about 7–8 million), are, for the most part, college and university graduates and literate in English. They write and read the newspapers, crystallize public opinion, and in terms of articulateness and power of persuasion, often constitute public opinion. They are also the major channel of communication between the Indian people as a whole and the outside world.

Only a small segment of this intelligentsia, however, may be described as intellectuals, producing original thought, criticism, or in general, providing intellectual leadership. Such intellectuals include college and university professor, journalists, literary men, research workers in government and on scholarly and scientific research institute staffs, writers and analysts in intelligence and publicity services, scenario writers, and some political leaders. Several of the most important intellectuals, formerly professors, are now civil servants occupying important administrative positions.

What are their attitudes?
Perhaps the most striking attribute of the Indian intelligentsia generally is the extent to which the British have taken possession of their minds. The Indian middle class, of which the intelligentsia forms a part, was created and shaped in large measure by the British need for English-speaking Indians to fill the subordinate administrative positions in the Indian Empire. When English was introduced in the 1830’s as the medium of higher education, Lord Macaulay looked forward to the eventual formation of a class of Indians who would be English “in taste, in opinions, in morals, and in intellect.” Although the influence
of the West percolated into India through utilitarian rather than ideological channels, the Indian intelligentsia have fulfilled Macaulay’s expectation to a surprising extent and have for the most part accepted Western values as touchstones of progress. Practically all of what the Indian intelligentsia call “modern thought” comes to them through the UK. The Indian intelligentsia generally accept British values of rationality, parliamentary democracy, and liberal individualism.

Since the English language is India’s chief link of communication with the world, even communism reached India through the British. Soviet propaganda in India uses English as its chief medium, and Englishmen are perhaps the most esteemed writers in Indian Communist journals. The acceptance of English values by the Indian intelligentsia did not end with the termination of the imperial relationship. Since independence contacts between educated Indians and the British have become even closer than before. The Indian intellectual continues to read British books and periodicals in preference to his own (or to other foreign publications) and acknowledge British opinion as authoritative in intellectual matters.

The anglicization of educated Indians has made them, as Nehru has described himself, “a queer mixture of East and West”. Much of Nehru’s strong appeal to educated Indians stems from their feeling that he, as they, belongs to two worlds. Many are forced by their family and social relations to lead a kind of double life, an intellectual life dominated by Western ideas and a family life governed by the conventions of the Hindu social system. The strong impress of Gandhi, whose view of patriotism included a rejection of much that was Western, aggravated the conflict between cultures in the mind of the educated Indian and further tested the Indian capacity for mental compartmentalization. In contrast to the intelligentsia, most intellectuals, including Nehru, rejected Gandhi’s more traditional Indian views on political, social and economic matters. Western education has imbued the Indian intelligentsia generally with an idealism, a sense of social purpose, and a readiness (within limits) to put the national welfare above their narrower interests. Most educated Indians want to serve the Indian masses but because their own intellectual orientation is in large part Western and because they normally talk to each other in English, probably feel a social and psychological estrangement form the masses. Caste barriers and past confinement of education to the higher castes no doubt also play an important part in bringing about this sense of estrangement.

The Indian intelligentsia are nationalistic and want to see India enjoy in world affairs a status and influence commensurate with its size. Most of the intelligentsia are devoted to the building of India as a modern, secular, democratic state, with an emphasis on social reform and economic development. They believe that the foundations for a modern India must be successfully laid during the near future or independence may prove a failure. They are, for the most part, enthusiastic supporters of India’s policy of non-alignment in world
THE UNITED STATES AND INDIA

affairs, and are pleased with the world affairs, and are pleased with the world prestige that India has enjoyed. They would like to see India become the leader of the Afro-Asian nations. They are strongly anti-colonial and especially sensitive to racial discrimination. The entire field of race relations affords the educated Indian an opportunity to feel morally superior to the West, even though this is achieved by contrasting Indian ideals with Western practices. Nevertheless, to educated Indians, racial discrimination is perhaps the outstanding social weakness of the West.

In the realm of economic thought, the intelligentsia are generally socialist, and private capitalism is generally considered immoral. This attitude derives largely from British sources and inspiration, although the contempt of the intellectual Brahmin for the lower-caste merchant in traditional Hinduism is also an important factor. In addition, educated Indians have absorbed much of the attitude of the British elite of the pre-independence Indian Civil Service, who made no secret of their dislike for the British businessman in India. Indians who have studied in the UK have associated with and been most sympathetically received in leftist groups there, and they have carried back to India the strong imprint of the Fabian Movement, Harold Laski, and the London School of Economics. Educated Indians who have not been to the UK have nevertheless been nurtured by the British Left Book Club, the New Statesman and Nation, and the leftist literature of Shaw, H.G. Wells and others.

As a result of these influences and also of India’s long colonial experience, Indian intellectuals have been strongly attracted to the Marxist-Leninist analysis of capitalism, imperialism, and war. Likening India to pre-Revolutionary Russia, they have sympathized with and been fascinated by the Soviet attempt to create a new society and have been impressed with the material progress achieved in the Soviet Union. This intellectual appreciation of Marxist ideology has been tempered, however, by the British-instilled values of liberal humanism; consequently, most Indian intellectuals have been disturbed by the intolerance, heresy hunts, and violence which have characterized the Soviet experience. Most of them were repelled by Soviet actions in Hungary, and by calling for an official Indian condemnation of the Soviet intervention they were, probably for the first time, in advance of Prime Minister Nehru on a foreign policy issue.

Educated Indians are generally more favorably inclined towards Communist China than towards the USSR, largely because China is a fellow Oriental nation that is believed to be facing problems similar to those of India. Disagreement over the methods used by Communist China to bring about economic and social reform is expressed by most of the intelligentsia, who continue to prefer India’s democratic approach to economic development. Both the USSR and Communist China have sent cultural delegations to India and have sponsored visits by members of the Indian intelligentsia to those countries, and have probably thereby gained some support among the intelligentsia.
Although most of the Indian intelligentsia are not Communists, they may become increasingly inclined towards communism. Marxism as an intellectual doctrine already has a very strong attraction for them. Personal frustration growing out of the lack of adequate suitable employment may further impel them towards communism. Unemployment among the educated has reached serious proportions, and appears to be increasing. Surveys seem to indicate that in urban areas it is proportionately considerably higher than unemployment among illiterates. A 1955 sampling of 2,500 recipients of Master’s degrees from Lucknow University during the five-year period 1949–53, revealed that about 20 percent of the respondents were unemployed, that another 25 percent, although employed, were not self-supporting, and that about 25 percent of those holding M.A.’s in liberal arts and commerce did not get their first job for more than a year after receiving their degree. These statistics do not show how many of those who found employment found jobs commensurate with their education. More than half of the graduates polled held “government” and “society” responsible for their employment difficulties. Should parliamentary democracy fail to achieve the economic and social reforms that the intelligentsia want for India, the appeal of an authoritarian communism which promised results would be greatly enhanced.

Attitude towards us

Educated Indians are relatively well-informed about developments in the US. Much of their information reaches them via British news agencies and editorial comments in British newspapers and periodicals. Certain aspects of American life—especially race relations—are of particular interest to educated Indians and are followed very closely.

Educated Indians are prone to criticize the US for what they consider to be inflexibility in foreign policy, an undue emphasis upon military might and means, and a tendency to be untrue to the American tradition of anti-colonialism. The US is attacked specifically, for its atomic tests, its encouragement and support of military pacts, military aid to Pakistan, its support of regimes such as Nationalist China and South Korea, which are considered reactionary, and its opposition to the recognition of Communist China. The US is also often criticized for diplomatic ineptness, indulging in “power politics,” and thereby sacrificing “moral values.” Among educated Indians the US often suffers in comparison with the UK. This is partly due to the fact that two hundred years of official and personal contacts between the British and the Indians have made for a certain amount of sympathetic understanding between the two peoples, whereas, in comparison, Indo-US contacts have been slight and relatively few Indians have personal knowledge of the US. Even when disagreeing with the substance of British policy, it is not unusual for educated Indians to express admiration of British prowess in “power politics.” Usually, however, American
energy and efficiency are admired, even by those most critical. Among those who have been to the US, there is also admiration for American friendliness, egalitarianism, and generosity, and a greater sense of proportion in discussing the US. Basically educated Indians feel a kinship with American democracy, but uneasiness over US foreign policy which, it is feared, is likely to set off a general war. US military assistance to Pakistan has been a cause of particular irritation to the Indian intelligentsia because it strengthens a neighboring state with which India is not on good terms.

IV. How influential are the intellectuals?

The educated elite—the intelligentsia—is the most influential group in India. The small group of professional intellectuals within this elite constitutes an important but not decisive element in the country; indeed, their influence probably has declined in recent years. Until the ascendancy of Gandhi in the 1920’s, intellectuals were the back-bone of the nationalist movement. Their influence was, however, considerably undermined by Gandhi, who distrusted them for their acknowledgement of the authority of the British in culture, administration, and politics. Especially since the achievement of independence in 1947, most intellectuals have withdrawn from active participation in politics and have given way to the less Westernized non-intellectual professional party politicians. Although Prime Minister Nehru continues to dominate the political scene, there is otherwise a dearth of intellectuals in the Congress Party. Intellectuals, however, constitute an important part of the leadership of the Socialist and Communist parties.

Certain intellectuals, notably journalists and professors of economics and political science who have become important civil servants, probably exercise considerable influence on public policy, and the journalists, especially, are important molders of public opinion. Professors as a group probably have little immediate influence on either public policy or public opinion.

The ability of Indian intellectuals to exert greater influence is hampered by their poverty and insecurity. The Brahmins, who have enjoyed a predominance, bordering on monopoly, in the intellectual life of India, are uneasy about their future and fear that they will be discriminated against as the great mass of non-Brahmin Indians comes increasingly to exercise political power. All are preoccupied with finding suitable employment, a task made difficult because of the limited availability of the white-collar, executive-type positions which literary education, reinforced by caste considerations, dictates. Once having achieved a suitable position (which many do not), the intellectual is absorbed in providing for himself and his family on his meager salary. In the previously mentioned survey of Lucknow University graduate students, 57 percent of those with Master’s degrees indicated that they expected a starting salary of more than Rs. 200 (about $42) per month, but 77 percent of them received less
than Rs 200 per month in their first jobs. A recent study of the educated elite at all age-levels in the city of Lucknow revealed that nearly one-third are earning less than Rs 300 (about $63) per month and that only 12 percent are earning Rs 1,000 (about $210) or more per month. The beginning salary for university lecturers is about Rs 250 per month. The medium salary of senior journalists on English-language newspapers is Rs 350–500 ($73–$105) per month, while that of their counterparts on Indian-language papers is Rs 100–200 ($21–$42) per month.

APPENDIX A

THE PRINCIPAL PUBLICATIONS READ BY THE INDIAN INTELLIGENTSIA

The English-language daily newspapers are among the most important publications read by the intelligentsia. The Times of India, Hindustan Times, The Hindu, and Amrita Bazar Patrika, among others, are written and read by the intelligentsia and provide a forum for the expression of intellectual opinion. British newspapers, especially The Times (London) and Manchester Guardian, have high prestige among Indian intellectuals. Other British publications are also influential. About 3,000 copies of New Statesmen and Nation and about 750 copies of The Economist are received in India each week.

Among Indian periodicals, The Eastern Economist is a conservative journal of economics and politics modeled on the British Economist, and has been critical of Indian foreign policy. Thought, a weekly journal of politics, literature, and art, is generally well disposed towards the West. Each of these periodicals has a circulation of about 2,000. The Indian Committee for Cultural Freedom publishes two magazines, Freedom First and Quest, which are anti-Communist. Janata, the organ of the Praja Socialist Party, is read by many intellectuals. Swarajya, a journal of politics and literature, is read especially by the South Indian intelligentsia.

Communist publications are abundant and cheap, usually selling for about one quarter of their cost. A network of Communist publishing houses and bookshops distributes a variety of Indian and foreign communist books and periodicals. The Communist Party of India publishes some 20–40 newspapers and periodicals, most of them in local languages. The major Indian Communist publications in English are the weekly and monthly, both called New Age. Another indigenous Communist publication in English which has interest for intellectuals is ISCUS, the quarterly review of the Indian-Soviet Cultural Society which deals with Indian and Soviet cultural life.

A large number of Soviet publications is available, and there was a heavy increase in the imports of Soviet books during 1956. Most of these publications are in English, although strong efforts are being made to publish in the local languages. During 1956 the Soviet government asked the Government of India
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to supply 38 translators, and the Moscow Foreign Languages publishing House revealed that it planned to print 2,888,000 copies of translated books in Indian languages. Among the English language Soviet books available in India are the basic Communist ideological works of Marx, Engels, and Lenin and about 50 titles by Stalin. Books dealing with Soviet education, science, culture, classical and contemporary Russian literature, as well as anti-American books, are also available. The main Soviet periodicals are the monthlies Soviet Union, Soviet Woman, Soviet Literature, and International Affairs, and the weekly New Times. TASS distributes a weekly, News and views from the Soviet Union in English and 10 local languages, and occasional pamphlets on special subjects, e.g., Hungary. A few Communist Chinese and satellite publications are also available.

6.13

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: December 30, 1957
SUBJECT: India
(Dwight D Eisenhower Library, Dcls. Authority MR 83–186#18, date 4/24/84)
PARTICIPANTS:
Ambassador Mehta, Indian Embassy
The Acting Secretary
SOA—Frederic P. Bartlett

Economic

The Indian Ambassador, who had requested the interview, opened it by a brief review of the Indian food situation which he stated had considerably deteriorated in the last several months. He noted that, although rice is the main problem, the United States unfortunately was not in a position to help with this commodity. Mr. Mehta then referred to various newspapers stories which had appeared in the Indian press regarding proposed U.S. economic assistance to India and reviewed briefly his conversation of December 24 with Mr. Dillon. He concluded by expressing the hope that:

1. Some sort of message could be delivered to Prime Minister Nehru and a public statement issued before any announcement was made that a team of Indian experts would be coming to Washington. He felt if this was not done, the Indian public might be misled into believing that the team was just “another begging mission”.

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2. The public statement, without making any commitment, should imply that
the aid being considered for 1958 would not preclude further assistance
later.
3. There should be some expression of the U.S. Government’s basic interest
in India’s second five year plan.

In passing, the Indian Ambassador stated that Mr. Bowles had at one time
suggested to him that the best procedure for handling India’s need for aid would
be for the Prime Minister to write personally and directly to the President asking
for the full amount needed to fill India’s basic foreign exchange gap for the
next three years. Mr. Mehta had at the time, however, felt it preferable for Indian
representatives first to inquire informally what the Executive Branch felt might
be really feasible in the way of aid before making any formal request. The Acting
Secretary agreed with the second approach.

Military
The Indian Ambassador inquired about the relationship between the NATO group
and other military pact entities referred to in the Paris NATO Communiqué.
The Acting Secretary replied that the discussion in Paris on this point had been
in only the most general terms since the member countries of NATO certainly
did not wish to give the impression that they were offering advice to countries
outside their own group. The result had merely been to ask the Secretary General
of NATO to explore possible channels for inter-communication between NATO
and similar groups.

After describing Mr. Dhebar and the importance of his position, the
Ambassador said that when he saw Mr. Dhebar recently in Delhi the latter had
told him “the United States has lost out vis-à-vis the USSR”. Dhebar went on to
explain to Mr. Mehta that the reason behind this was U.S. military assistance to
Pakistan. The Ambassador stated that he himself did not criticize U.S. rights,
motives or good faith in giving military aid to Pakistan, but that he was simply
stating facts when he said that the effect of such aid on the Indian thinking
public was detrimental to close Indo-American understanding. At this point the
Acting Secretary stated that he felt there was misunderstanding regarding the
extent of U.S. assistance to Pakistan, mentioning specifically his recent
conversation with Aneurin Bevan. Actually, the Acting Secretary indicated,
figures showed that India was still leading Pakistan by three to one, for example,
in military aircraft.

Mr. Mehta argued that whatever the facts might be, an emotional fear had been
generated among Indian leaders and educated people generally by American
military aid to Pakistan and that this fear strengthened those elements in India
who wished to secure arms from the USSR. He hoped that somehow the real
situation could be explained to Prime Minister Nehru either through Ambassador
Bunker or himself.
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Kashmir

The West, Mr. Mehta stated, was also much misunderstood in India in connection with Kashmir. The ordinary man-on-the-street felt that it was the USSR alone who was protecting India on this issue. The Indian Ambassador personally believed that it would be better for the West to adopt the same attitude which it had taken in connection with Cyprus, i.e., that Kashmir was the kind of a problem which could only be settled between the two countries concerned. Again, however, the Indian Ambassador stressed that it was a matter of feeling on the part of the average Indian, not a matter of objective thinking.

In spite of these misunderstandings regarding American military aid to Pakistan and the West's position on Kashmir, Ambassador Mehta reported that on this, his third visit to India since he had assumed his position in Washington as Indian Ambassador, he had noted generally a better understanding by Indians of the U.S. and its problems than on previous visits. In this connection the Ambassador warmly complimented the efforts of Ambassador Bunker.

India at the Crossroads

The Indian Ambassador concluded his report to the Acting Secretary by stating that in his opinion India was at the crossroads. The next two years would be the critical ones. If by the end of that period the Government of India had proved itself incapable of demonstrating to its people that the second five-year plan would succeed, there was great danger of India turning away from the democratic approach to both government and economic development. Kerala was an ominous danger signal in this connection and so were the last elections in at least the metropolitan area of Calcutta. Although Dr. B.C. Roy had told Mr. Mehta that the Congress Party had substantially increased its percentage of popular votes in the non-metropolitan area of Bengal, he had stressed to Mr. Mehta that it had lost power in the city areas. Dr. Roy, to counter this, had pleaded for more funds for alum clearance and food distribution.

6.14

002086


Dear Prime Minister:

I appreciate greatly your early response to my message regarding the position of the United States in connection with the current crisis in West Asia. Not only I, but the Secretary of State and his colleagues as well, value your analysis and
advice, based as they are upon such long and deep personal experience with
the force of Asian nationalism.

Your basic objectives and mine are, I believe, identical. We seek a just and
enduring peace throughout the world. We seek to assure all peoples in the
world economic advancement. We believe in democracy and in the dignity of
the individual. I am afraid, however, that, in applying these basic principles to
the current situation in West Asia and particularly in Lebanon, we may have
differing interpretations of existing conditions. In the first place, the United
States Government has incontrovertible evidence that there has been deliberate
and substantial interference from outside in the internal affairs of Lebanon. The
facts as we know them have been, I am sure, conveyed to you by Ambassador
Bunker. He will give to you additional information on this point. We also
believe that the Government of Lebanon, which was unanimous in asking for
our assistance to protect the country’s freedom, is representative of the Lebanese
people, having been established according to constitutional procedures. We
are confident that, once the country is safe from onslaughs against its independ-
ence directed from without, it will continue to be governed in accordance with
the wishes of its people as expressed through the democratic system.

Given our interpretation of existing conditions, it follows there from that
the United States Government only would and only did come to the help of
Lebanon at the direct and urgent request of its constitutional authorities. We do
not seek in any manner to intervene in internal political decisions which only the
Lebanese, acting without interference by other governments, can settle among
themselves. The United States Government is also determined to withdraw its
forces immediately, and I should like to stress this point, upon the request of
the President of Lebanon and his cabinet or when the United Nations is in a
position effectively to assure the independence and integrity of Lebanon.

Since all men of good will agree with you that the present emergency ar-
rangements for the protection of Lebanon’s national independence are not as
satisfactory as adequate measures to the same and taken by the United Nations,
I bespeak India’s influence in the United Nations to assist it in assuming this
responsibility. Thus the United States forces can be withdrawn and with an
adequate United Nations presence the Lebanese people under their democratic
institutions and with freedom from external interference will be able to resolve
their political problems by themselves.

Since your message to me, you and we have received communications from
Mr. Khrushchev. I appreciate your giving us through Ambassador Bunker a
copy of your reply. Ambassador Bunker has also undoubtedly given you a copy
of mine. I am gratified that both of us in replying to Mr. Khrushchev have
stressed the importance of helping the United Nations to take effective action in
Lebanon. The problem continues to be how this can be done through appropriate
United Nations actions.
If ways can be found to permit the United Nations to act effectively, the broad principles which your country and this country cherish will, I hope and pray, have been upheld.

Sincerely yours,

Dwight D. Eisenhower

Intelligence Report
May 20, 1960
BUREAU OF INTELLIGENCE AND RESEARCH
CHOU EN-LAI'S SETBACK IN INDIA OVERSHADOWS REMAINDER OF HIS TOUR IN SOUTH AND SOUTHEAST ASIA

From mid-April to mid-May 1960 Communist Chinese Premier Chou En-Lai visited in turn Burma, India, Nepal, Cambodia and North Vietnam. Chou's trip, his first to the area in more than three years, was undertaken primarily to discuss the Sino-Indian border dispute with India's Prime Minister Nehru, at the latter's invitation. Adding the other non-Communist countries to his itinerary as a good-will gesture, Chou presumably hoped that his tour would help to repair Peiping's image in Asia, damaged severely by the suppression of the revolt in Tibet in 1959 as well as by the 'border dispute with India, and suffering additionally from current difficulties with Indonesia over Chinese residents in that country. North Vietnam was added as a final stopover probably in part to preclude any feeling of slight in Hanoi arising from Chou's visit to various non-Communist countries and in part to discuss certain matters of current concern.

Although Chou had some success in the other countries he visited in projecting an image of himself as a reasonable, statesman and an image of Communist China as a country desiring friendly relations with its neighbors, the failure of his mission in India overshadowed all other effects of his tour. Nehru treated Chou with unprecedented severity, refusing to countenance any compromise on India's border claims and publicly castigating Peiping for its actions toward India. Following Chou's visit, Nehru denounced Communist China for its “aggression” against India and called it a potential threat to the peace of Asia. The immediate effect of the visit was thus a hardening of the Sino-Indian dispute.

Chou had little business to conduct in Burma, Nepal or Cambodia and this fact undoubtedly helped him in acting out his role as a conciliatory friend. In Nepal, Chou did conclude a treaty of peace and friendship, which had previously been agreed upon in principle, and withdrew an earlier Peiping claim to all of Mt. Everest. In Cambodia, he promised Communist China’s “moral and political” support in event of aggression against Cambodia by its neighbors (i.e., Thailand and South Vietnam) and apparently succeeded in cementing Peiping's
relations generally with Phnom Penh. Little is known of Chou’s discussions in
North Vietnam; however, Chou reverted to form in lashing out at the United
States on several occasions and the joint communiqué issued at the end of his
visit in Hanoi evinced continued concern over developments in Laos and South
Vietnam although its tone was relatively restrained and it contained no explicit
threats of Communist action against those countries.

The joint communiqués issued in each country visited by Chou expressed
hope for the success of the Summit conference, disarmament, and a ban on
nuclear tests.

Visit to India

In more than 20 hours of private talks between Nehru and Chou En-Lai during
Chou’s six-day visit to New Delhi (April 19–25), Communist China and India
made no material progress toward settling their border dispute. Chou insisted
on the correctness of all of Peiping’s previous claims, but apparently indicated
his willingness to consider a compromise solution based on the status quo, i.e.,
India’s retention of the North East Frontier Agency (NEFA) and Communist
China’s retention of Aksai Chin region of Ladakh. However, Nehru held firm
on all of India’s border claims and ruled out any “question of barter.”

The joint communiqué issued on April 25 announced tersely that the talks
“did not result in resolving the differences that had arisen” and pointed up the
lack of agreement even on specific means to reduce tension along the frontier.
Chou’s attempt to include the usual references to Afro-Asian friendship and
Panch Shila in the communiqué was rejected by Nehru. The only specific
agreement with regard to the border that emerged from the talks was that
working-level officials of the two countries would meet periodically from June to
September to examine further the conflicting claims. Since the points in dispute
are already fully known, this appears to have been a tactic by both to keep the
door open for discussions and to maintain the status quo on the disputed frontier
during the summer. The sterility of the talks was further revealed by Nehru’s
refusal for the present to accept Chou’s invitation to visit Communist China, at
least pending the outcome of the working-level discussions this summer.

Nehru’s position throughout the talks was deliberately cold. His attitude was
designed clearly to impress Chou with the strength of Indian popular resentment
against Communist China and to reassure the Indian public—in the face of
some fears that Nehru would make concessions—that India was taking a hard
line. The tone for the visit was set by Nehru’s prepared welcoming statement at
the airport, stressing the gravity of the dispute and, the extent of Indian shock
at Peiping’s actions. Chou was whisked directly from the airport to President’s
House by a back road in a closed car, his activities were strictly circumscribed,
THE UNITED STATES AND INDIA

official protocol functions were held to a minimum, and except for his parting
press conference, which was reportedly undertaken despite Indian objections,
Chou was given no opportunity to address the public.

Chou attempted to put best face possible on the talks, and in his 2 ½ hour
press conference he stressed “immortal” Sino-Indian friendship, and his belief
that a “fair and reasonable” settlement of the border dispute was possible through
peaceful consultations. At the same time, Chou sought to make it clear that the
lack of accomplishment during his visit was due solely to Indian intransigence.
He said that he had expected to reach an agreement for settling the border
dispute, and suggested that a settlement could be reached if India assumed an
“attitude of understanding and conciliation” as Communist China had. Chou
also suggested six points upon which it was “not impossible” for the two sides
to agree. These points included recognition of “administrative jurisdiction,”
keeping to the “line of actual control,” and refraining from patrolling. Finally, he
indicated his willingness to visit New Delhi again “for the sake of the friendship
of the great Chinese and Indian peoples.

The Indians, however, have made no secret of their belief that the talks
were a failure and of their pessimism over the prospects, for an early border
settlement. Nehru told a press conference on April 26 that the talks had not
lessened “basic tensions,” and told Parliament the same day that India’s position
“came against a rock of an entirely different set of facts.” He made it clear that
he did not agree with Chou’s six points, and he did not think the forthcoming
meeting of officials would “clarify the situation and make it easier of solution.”
Privately Indian officials have indicated their belief that Chou, despite his feelers
for a compromise involving a trade of Ladakh for NEFA, was not interested
in achieving a settlement but only in improving Peiping’s reputation. Nehru
and other top Indian officials also reportedly believe that no settlement can be
foreseen at the present time and that an extended state of impasse is in store.
Although some officials have said privately that they did not anticipate further
incidents or incursions on the border, Nehru told the press that he had not
agreed to restrict the movement of Indian patrols along the border, and in
opening the Indian National Defense College on April 27 he said that India
was faced with “an entirely new danger … the biggest since independence.”
On April 29 Nehru confirmed reports that the Chinese Communist had built
a second road in Ladakh in 1959 to the west of the first road whose existence
became public last year.

Nehru’s renewal at a press conference and in Parliament on April 26 of
his charge of Chinese Communist “aggression” against India evoked a quick
rejoinder from Chou, who was then in Kathmandu. According to Chou, Nehru
had not raised the charges during their talks and Chou was thus “distressed” that
Nehru should have made such a “not so friendly” statement immediately after
Chou’s departure. In commenting on Chou’s accusation, Nehru told Parliament
on April 29 that he had tried to use polite language with Chou, but that the whole purport of the talks was obviously that the Chinese Communists had committed aggression.

Nehru reiterated his criticisms of Communist China during a brief stopover in Cairo on May 1 en route to the Commonwealth Conference in London, and again at a press conference in London where he said that—Communist China was “potentially” a threat to the peace of Asia. At the Commonwealth Conference itself, Nehru was reportedly so preoccupied with Communist China that he was relatively quiet on South Africa, the major topic of interest to most of the other Commonwealth Prime Ministers, Nehru charged that Communist China’s great population and chauvinism and its dedication to work and to doctrinaire communism were likely to make Peiping an ever-growing menace to the world. He reportedly argued that the dangerous and aggressive nature of the Chinese Communists made it imperative that atomic controls be achieved before Peiping developed its own nuclear weapons.

The popular Indian reaction to the talks was initially one of relief that Nehru had held firm. After a few days, however, the press and informed public tended to view the decision to hold meetings of officials as a valuable concession to Peiping and therefore to question the wisdom of it. This attitude is reportedly shared privately by many top officials, who nevertheless feel that to avoid the appearance of complete intransigence India had no alternative to agreeing to the working-level talks.

6.16

President Dwight D. Eisenhower Letter to Nehru
May 19, 1960
Dear Mr. Prime Minister
In view of the happenings of the last few days, you may have some interest in my assessment of the trends regarding events—or rather the lack of them— at the pairs meeting, and their significance to all of us.

As you recall, when I had the honor to visit your great country this last December, we shared the hope that some relaxation of tensions in the world might be achieved at this Summit meeting. We sought at least slight progress toward reduction of armament and true mutual understanding.

Unfortunately these hopes proved further away than I realized at the time. As a result of a chain of events within the Soviet Union, which is not clear to me at this time, Mr. Khrushchev must have concluded before coming to Paris that progress at a Summit meeting would be either undesirable or impossible. Accordingly, he embarked on a calculated campaign, even before it began, to insure the failure of the conference and to see to it that the onus for such failure would fall on the West, particularly the United States.
As a device, Mr. Khrushchev seized upon his successful downing of an unarmed United States civilian reconnaissance plane, which admittedly was flying over Soviet territory. I need not assure you that this activity was not intentionally provocative and certainly not aggressive; it constituted one phase of an intelligence system made necessary for defense against surprise attack on the part of a nation, which boasts of its capability to “hurry” us all—and one which stubbornly maintains the most rigid secrecy in all its activities.

At the least this incident, while regrettable in the extreme, could not by any stretch of the imagination be of such magnitude as to justify the polemics and the abuse, which Mr. Khrushchev saw fit to heap upon the United States. By so distorting and exaggerating this incident, he of course put an end, for the time being, to any hopes of progress.

My purpose in writing this letter is primarily to assure you that my objectives, in spite of the occurrence at this meeting, remain completely unchanged. I am sure that this experience will serve to strengthen the ties that bind your country and mine, and that it will point up the long-term challenge to the free world that requires the utmost in unity and cooperation.

I have every hope that as time strongly the urgent need for control of armaments, for mutual understanding, and for mutual respect among all men.

Please accept the assurances of my continued respect and esteem.

Sincerely, Dwight D. Eisenhower

Prime Minister Nehru’s Letter to President Eisenhower
23rd May 1960

Dear Mr. President,

Your letter of 19th May was forwarded to me from Delhi to Ankara. I am most grateful to you for this message. I have been deeply distressed at the various occurrences culminating in the failure of the Summit Meeting. I am happy to learn that in spite of all that has happened you are firm in your resolve to pursue your objective of peace. Indeed the logic of circumstances lead inevitably to this conclusion. There is no other way except the way of conflict, which the vast majority of mankind desires to avoid. I feel therefore that in spite of setbacks and outbursts, this wise approach will ultimately succeed. We in India will continue to work for peace and to co-operate with your great country in this noble endeavour.

You may have seen the joint Statement issued by me with President Nasser in Cairo as also the statement issued by Prime Minister Mendes and myself. In both of these statement stress has been laid on our making every effort to avoid a deterioration of the situation and our determination to work for peaceful approaches in order to lessen world tensions and help in the progressive solution to our problem.
With my deep regards and good wishes.

Yours sincerely,
(JAWAHARLAL NEHRU)
The President,
The White House
Washington, DC.

6.18

President Eisenhower message to Prime Minister Nehru
June 1, 1960

Dear Prime Minister:
I have received your letter of May twenty-third. I appreciate your taking time out from your busy tour schedule to share with me your thoughts on the vital problems, which I mentioned in my letter of May nineteenth.

The Joint statements issued in Cairo and Ankara to which you refer were indeed helpful in stressing the desire of people for lessening the causes of world tensions and achieving some measure of progress in our common quest for peaceful solutions of the problems confronting us.

I am grateful for your assurance that India will continue to work for peace and your offer of cooperation in our efforts to reach this common goal. I assure you that the United States stands always ready to cooperate with all similarly devoted governments in working for the achievement of our common aim, the establishment of an enduring world order based on peace and justice.

With good wishes and warm regards,

Sincerely,
Dwight D. Eisenhower

6.19

INDIA. Nehru informs Eisenhower of Khrushchev’s intention to lead Soviet delegation to UN General Assembly. WH cable (3), 9/1/60. Secret. Dcls 12/07/83
89/84/002090
INCOMING MESSAGE
The White House
2527/RAB WHASA
SECRET 1 SEPTEMBER 1960
FROM: SECSTATE WASHDC
TO: WHITE HOUSE WASHDC
Declassified on December 12, 1983
CITE: STATE 486
FROM NEW DELHI SIGNED BUNKER.
Foreign secretary this afternoon sent for me to say that Prime Minister wishes President Eisenhower know following:

Nehru has received letter from Khrushchev saying Khrushchev believes UNGA this year will be extremely important: many important matters will be discussed especially disarmament: therefore Khrushchev feels it highly desirable session be attended by heads of state. He said he intends lead Soviet delegation and hopes Nehru will be able do likewise in Indian delegation. Khrushchev hopes progress may be made in disarmament and some of other difficult world problems where he feels progress might be possible if heads of state attend.

Dutt said Prime Minister has replied briefly acknowledging importance of GA but saying impossible for him this autumn absent himself long from Delhi. Nevertheless if he (Nehru) thinks his presence might be helpful, especially toward making progress on disarmament which is of high concern to everyone, he may be able rearrange his program and come New York for short time.

Dutt further said go I had reason believe Khrushchev has written some other heads of state to same effect. In fact go I knew of one such case. Dutt not identify.

I thanked foreign secretary and said I knew President would appreciate Nehru’s wishing inform him of his correspondence with Soviet chairman. I remarked that in view of our Moscow embassy Khrushchev would probably continue current tough line with west and its emphasis on isolating United States, until after FA debate or perhaps our elections or even longer, but that he would probably some time next year return to effort to negotiate important issues such as disarmament, nuclear testing Berlin and Germany. I said further that if this analysis correct it would seem to me strongly probable Khrushchev would try utilize GA as propaganda platform for some of his plausible if vague programs through which he hoped appeal to the UN initiate or UN critical. I went on say embassy Moscow found it significant Khrushchev had taken care not burn bridges on some controversial issues. Also I said probably current Sino-Soviet dispute influencing Soviet behavior toward west. With communist bloc leadership at stake Khrushchev may feel need adopt line in practice although holding to his ideological position in the theory so as block Chicom support in commie bloc, particularly Eastern Europe.

Dutt asked if we had interpretation on Sino-Soviet differences. I replied there obviously seemed be differences: difficult to say how deep they went. Foreign secretary remarked unquestionable that differences had developed but he thought some wishful thinking existed regarding depth of cleavage. Soviet and Chicoms needed each other at least for present. He added that go I would of course Khrushchev position in dispute, since he continued at least to talk peaceful co-existence.

6.20

September 26, 1960

INDIA. Nehru and Eisenhower at 9/18/60 IN meeting discuss Congo, nuclear disarmament, Khrushchev, Berlin. UN (9), 9/27/60. Secret. Dcls 6/15/83.
MEMORANDUM OF CONFERENCE WITH THE PRESIDENT

September 26, 1960—3:00 PM (Waldorf Astoria)
Others present Prime Minister Nehru
Foreign Secretary Subimal Dutt
Secretary Herter
Assistant Secretary Jones
Lt. Colonel John Eisenhower
Mr. G. Lewis Jones

After amenities, the President expressed gratification that Prime Minister Nehru had been able to make this trip to represent India in the UN. The President said that calm voices are needed at this time. He himself had been astonished by the virulence of Khrushchev’s attack on Hammarskjold and his attack on the UN itself. Thus, the President considered somewhat “outside the Pale.” Mr. Nehru said that everyone has been astonished by the virulence of this attack. From the structure of the speech, it appeared that this portion had been added on to a previously prepared text.

The President said that the destruction of the UN would be a terrible disaster for the world, particularly for the small nations. In 1945 he himself had been opposed to locating the UN building in New York City, but every other location had appeared to possess disadvantages. Geneva held the associations with the unsuccessful League of Nations. Stockholm had apparently also been considered. The President was not aware of anyone who really wanted it here in New York. Mr. Nehru mentioned that San Francisco had also been considered as a possible location.

The President said he had been considering a proposal to move the UN building to West Berlin. This idea had found no enthusiasm in the State Department, and he had not pushed it. He mentioned that Luxembourg might be a good location.

The President then turned to the situation in Congo. He said that the news reverses itself every day. Mr. Nehru agreed that it extremely difficult to obtain accurate news. The President said that Mr. Lumumba has been extremely difficult. For a while it appeared that Lumumba and Kasavubu were spending their time firing each other.
The President expressed mild surprise at Mr. Herter’s Statement that Lumumba and Kasavubu seemed to be making an effort to get together. He conceded that Lumumba is highly intelligent man and Mr. Herter said that he is also unpredictable.

Mr. Nehru… [Portion deleted]

The President then mentioned the conversation, which he had had with President Olympio of Togo. Togo is a small country of 1.2 million people but is making an effort to solve its problems and is now entering into an economic union with Dahomey. The President described Olympio as a sensible man and said he had made a good impression on him. …… [Portion deleted]

The President expressed his pleasure at the recent agreement on Indus Waters reached between Mr. Nehru and President Ayub of Pakistan. Mr. Nehru agreed that it was an important step and said he had spent five days in Pakistan en route to New York. (Mr. Nehru appeared greatly fatigued during this entire conversation.) The President asked whether Ayub had been successful in moving his government from Karachi to Rawalpindi. Mr. Nehru said that he had, although the move was far from complete. Fortunately for Ayub, in matters such as this, he is able to move in a military manner. Ayub had found a location in the north of Pakistan which possessed a cooler climate, and which is considered desirable for the nation’s capital. Having found this location near the small village of Rawalpindi, he made a decision and began the move within 48 hours. Most of his government, however, is still located in Karachi. Mr. Nehru emphasized the military nature of this type of action and admitted that he himself would have extreme difficulties in taking such decisive action. He admitted that Rawalpindi is located in an attractive place. The President said that Ayub had told him of his plans to make the move gradually so as to avoid breaking the country economically. In a humorous vein, he mentioned the odors he encountered between the airport and the city of Karachi last December.

The President expressed sympathy for the Death of Mr. Nehru’s son-in-law and asked whether this had been unexpected. Mr. Nehru said that it had not been expected. Mr. Gandhi had suffered a heart attack a couple of years back but had been in Parliament the day before he died.

The President asked the Prime Minister if he held any convictions as to the direction in which the world situation is going. Mr. Nehru replied that he did not. He had come to New York because he had considered this UN meeting highly important. He had been urged by many government leaders from other countries. Upon arrival the day before, he had found the situation in the UN worse than he had expected. He emphasized that the break-up of the UN would represent a catastrophe for all since the UN is the world’s only hope.

The President said he thought that his own speech of September 22nd had been conciliatory in nature. Even Khrushchev had admitted as much. The President wondered what would have been the reaction if he had made a
tough speech. Mr. Nehru said he had not seen Khrushchev since arrival here. He holds the hope that Khrushchev will calm down.

The President said that the African presentations to the UN have been good, with the exception of that of Ghana. He said that Hammarskjold had presented excellent defense for his stewardship as Secretary General in the course of a 10-minute speech. Mr. Nehru said he had been at the UN and had heard this speech and that it was done cleverly. The talk had presented an indirect defense while emphasizing that the issue of the position of Secretary General should not be brought up at this time. Mr. Nehru agreed with Mr. Hammarskjold in this matter.

The President expressed disappointment in Khrushchev’s speech to the UN, saying he found nothing constructive therein which would offer any negotiating opportunity. Frankly, he had not expected the speech to be so bad. Apparently Khrushchev desires to find how many new nations he can get committed to himself. Since he seems to have no other purpose, the situation looks bleak.

Mr. Nehru asked the President’s opinion as to the matters the General Assembly should consider. The President said the central problem is that of disarmament. Corollaries would include cessation of nuclear testing and cessation of nuclear production. He is willing to discuss any measures leading toward disarmament so long as their provisions are truly reciprocal. He placed disarmament as the overriding issue and said that the overhauling of the UN is beside the point. Mr. Nehru said the Indians regard the two issues as disarmament and Africa, to which the President quickly and emphatically agreed.

Mr. Nehru………………[portion deleted]

The President said that what we need is a consortium of nations within Africa, which could reduce the danger of an arm race in that continent. This consortium could operate under the UN, which would guarantee their national security. Such an arrangement would keep the big powers from competing for the favors of each individual country. The President stressed that the big powers must be kept out of Africa. Mr. Herter mentioned that an Indian, Mr. Dayar, has taken Bunche’s place as the UN authority on the spot in the Congo. He said Mr. Dayar has been highly effective in this position.

In response to Mr. Nehru’s question, the President described his proposed consortium as a body resembling the Organization of American States. The OAS serves to minimize difficulties among its members and is helping in limiting demands for arms throughout Latin America. The demand for arms has lessened greatly within the last eight years, which is, of course, a favorable development. The purpose would be to ease the arms burden and to ease tension among States. Nigeria would appear to be a possible leader in establishing such a consortium, since that country shows signs of maturity and is the largest of the black African States. The President mentioned the benefits, which have accrued to Europe through the Coal and Steel Community, EURATOM, and the Common Market.
With a background of disunity, such as the European nations have sustained for entries, this fact should give up hope. Mr. Nehru…[Portion deleted]

The President mentioned the competition among African Chiefs of State for positions of leadership. He mentioned the ambitions of Toure, Nkrumah and Tubman. Mr. Herter said Tubman is now visiting in Zurich, in poor health. The President commented on Tubman’s tremendous consumption of cigars and whiskey.

The President then said that Khrushchev’s attack on the UN has brought about a situation more uncertain than at any other time during the eight years he has been in office. It is a very bad development. He mentioned the capability of Reds to harass Berlin without violating the letter of Potsdam Agreements. Mr. Herter said that military obligations are being maintained but that the rights of civilians are being infringed upon, at least those unwritten rights which the Soviet have accepted for these years, despite the fact that they were not spelled out in the 1949 Treaty. At least Khrushchev said recently there would be no separate peace treaty between East Germany and the Soviets until a further summit meeting some months away.

In response to Mr. Herter’s “question, Mr. Nehru …[portion deleted]

The President said he should thing that Khrushchev would be concerned that the ChiComs not become too powerful; in particular, he should be loathe to allow the ChiComs to develop a missile capability. Mr. Nehru agreed that they would feel this way in the long run, but said there is no immediate danger of the ChiComs becoming too powerful. He mentioned Khrushchev’s fears of the vast population of the ChiComs.

To a question by the President, Mr. Nehru …[portion deleted]

The President remarked on the uncompromising nature of all Communists in any negotiating process. The only instance, which he recalls in which the Communists gave ground in negotiating, was in that of Austrian independence. Mr. Herter said that the Communist had negotiated a separate side deal with Austrians even in this case. In response to a question, Mr. Herter said that oil deliveries from Austria to the USSR are currently being much reduced, and Mr. Nehru agreed. The President said that this shipping of oil to Russia is in itself a violation of our agreements with the Soviets, since the Soviets in effect, refused to treat Austria as a liberated country.

The President asked Mr. Nehru about his prospective schedule. Mr. Nehru replied that it is indefinite. The President said his own initial plans had called for an address to the UN much later, perhaps in December. When he learned of Khrushchev’s plans, he himself had decided to present his overall program early in the session. In his address he had proposed very little new, but had attempted to place the UN objective in perspective. The only alternative to speaking early would have been to await Mr. Khrushchev’s attack and then offer a weak reply. He thinks on the whole his decision was a wise one.
The President mentioned that he himself had written that part of the speech, which stressed the importance of the UN. He would expect the small nation to watch very closely any attempt to scuttle the UN, since without that body we will live in chaos. Mr. Herter said that the Soviets disarmament proposal is the same as their position in Geneva except for the inclusion of some neutrals in the negotiating group.

The President said the fundamental problem facing us all is the fact of the closed society in the USSR. This fact frightens the world and concerns the U.S. If the Soviets possessed an open society, they would have no objection to the concept of mutual inspection.

Mr. Nehru said he hoped that discussions in the UN would become more constructive than they have been thus so far. The President said he has always thought that if we could manage to make one solid reciprocal and forceful agreement, which would be of a sufficiently limited nature to be realistic, this would be a great step forward negotiations on nuclear testing he had thought were going well at first. A scientific group had reached some agreement on the matter of threshold. The politicians, however, would not accept the agreement of the scientific group. Now we are acting to work out on a joint basis a scientific program to ascertain truly realistic means of detection. In this also we are expecting great difficulty. Negotiations are starting again in Geneva next week.

Regarding Khrushchev’s schedule, the President says nobody knows how long Khrushchev will stay in New York. Probably he will remain as long as he can make trouble.

Turning back to disarmament, the President repeated that in his speech he had said we could go along with any reciprocal verifiable disarmament proposal although some people had asked why we deal with Russia without including Red China. Mr. Nehru said that no disarmament proposal would be satisfactory which excluded Red China.

The President then took issue with those who placed their whole faith in the mutual deterrence of vast nuclear power. At the very least, this concept will impoverish those nations who could otherwise be aided by the resources devoted by the big powers to armaments. There is no question but what the Russian people would welcome disarmament. Only the dictatorship itself cannot tolerate it. Mr. Nehru said he thought even the Soviet government does not want war.

Recognizing the Presidents comment on the inadmissibility of inspections to a secret society, Mr. Nehru said the Russian have already agreed to the concept of inspection in principle. The point at issue now is the number of inspections, which might be conducted. Mr. Herter said that the Soviets refuse to admit the relationship of inspection frequency to limitations of our instruments. Mr. Nehru said again that the principle of inspection has been “broken through.” The President said that, while Khrushchev may have agreed in principle, the
matter of frequency of inspections is a serious one indeed. Macmillan’s first proposal had been to allow some 150 inspections per year. Compared to this, Mr. Khrushchev’s proposal for three per year is somewhat ridiculous. Mr. Herter carried the matter further and said that records show there are 100 seismic events every year, which could be mistaken for underground atomic shots. We would like to relate the number of inspections somehow or other to the number of events. For example, we could agree that inspections could be conducted for one out of five of these seismic events. The Soviets, however, refuse to release the number of inspections to the number of seismic events. He added the Soviets have never replied to our proposals on the cessation of nuclear production.

The President then pointed out our offer made recently in the UN by Ambassador Lodge to turn 30,000 KG of Fissionable material over to the UN, contingent only on the similar turnover on the part of the Soviets. The UN could use this material for any purpose. One of the purposes, of course, would be to reduce the military stockpiles held by both the U.S. and the Soviets. The President said he would like to give the balance of military power to the UN but realizes that this idea as a practical matter would not work. Therefore, having made these proposals, he is uncertain where to go from here. He added that if Mr. Nehru and his government find it possible to make constructive proposals, then our people would be glad to discuss them at their convenience. The President said we would run into real trouble when we bring up reciprocity of any kind.

Mr. Nehru said there are two elements to any disarmament proposal; one is the actual disarming itself and the other is the matter of control. Obviously the two are part of one and the same and must be taken together. There should be no argument between one versus the other. The President agreed enthusiastically. He said we are willing to disarm, but first must find a way to check on the activities of this disarmament. The Soviets prefer disarmament first and negotiations on how to check later. This approach we think is tricky. Mr. Nehru repeated that disarmament and controls are tied up in one package.

Mr. Nehru said we need a better atmosphere in this session of the UN General Assembly. The continuation of recrimination will delay progress and make-work more difficult. The President mentioned that Khrushchev had hinted of another summit meeting when the President himself is out of office. In this respect the President feels that Khrushchev misgauges American public opinion. No American President could now go to a summit meeting with Khrushchev without assurances ahead of time that Khrushchev would talk constructively. Khrushchev injured his own cause severely by allowing the Heads of Government to convene in Paris before he let go his blast. Had he simply sent a message from Moscow to the effect that he would not come to Paris, his position would have been stronger. Mr. Nehru said wistfully that the situation is exceedingly complicated.
At this point the President presented his album of photographs taken on his December trip to India and all proceeded to pose for the photographers.

6.21

INTELLIGENCE REPORT
THE PROSPECTS FOR INDIA OVER THE NEXT FEW YEARS
DEPARTMENT OF STATE
LIBRARY DIVISION
Oct. 20, 1960
SEPTEMBER 12, 1960
THIS IS AN INTELLIGENCE REPORT AND NOT A STATEMENT OF DEPARTMENT POLICY
SECRET

Conclusions

The overall prospects for stability and national cohesiveness in India over the next few years are good. “The Congress Party” is likely to retain a workable majority in the central Parliament in the 1962 elections. Present indications are also that the Congress Party will probably not lose control in any state in 1962, although it is likely to emerge with reduced votes and legislative majorities in at least some of the states. Thus, India is reasonably likely for some years to continue to enjoy stable government under moderate leadership that will probably be able to sustain the national progress in political, social, and economic, development.

Although the effectiveness of the Communist Party of India (CPI) has probably been reduced by a recent intensification of factionalism within the party; the CPI will probably not suffer any substantial decline in popular support and will continue to pose the major challenge to the political supremacy of the Congress Party in the next few years. Meanwhile national unity will continue to be disturbed by the divisive appeals of regional interest groups in various parts of the country, some of which will probably increase in importance.

The system of democratic federal government in India will face its most critical test after Nehru leaves the scene. If his departure occurs in the next few years, control of the Congress Party will probably pass to other elderly but more conservative elements. Although the party will probably be able to go along for a time on its past momentum, strains within the party will increase, state units of the party and government are likely to become more assertive, and the chances are better than even that the Congress as now constituted will eventually split. In the process, the Communists and the regional parties will probably gain ground.

Real national income will probably have increased by about 20 percent during the period of the Second Five-Year Plan, which ends in March 1961;
THE UNITED STATES AND INDIA

this would constitute a rise of about 42 percent under the first two Five-Year Plans. The draft Third Five-Year Plan, which is about one-half again as large as the Second Plan and contemplate a rise of more than 25 percent in national income, appears to be based on a reasonable assessment of the country’s needs and physical resources. Fulfilment of the Third Plan depends to a major degree on foreign assistance. If India is reasonably successful in meeting its foreign aid target, which exclusive of assistance already promised amounts to about $4.3 billion, substantial progress should be achieved in expanding and modernizing the country’s economy. Such progress should in general be sufficient to meet the still limited expectations of the Indian people.

India’s basic policy of nonalignment with either major power bloc is almost certain to be maintained during the next few years. Relations with the West, which have improved in recent years, will continue to benefit from India’s increased understanding of US foreign policy objectives and its grouping appreciation of the danger of militant international communism. India will continue to look to the West, and particularly to the United States, for the bulk of the foreign aid it seeks for its economic development. However, India will also continue to set a high value on retaining the good will of the USSR and its support on a variety of matters, including economic aid and India’s dispute with Communist China. Some easing of the present crisis in Sino-Indian relations is probable over the next few years, but New Delhi will nevertheless remain suspicious of Peiping’s intentions, and concern over Communist China may tend increasingly to affect the conduct of India’s relations with other areas. There will probably be a further improvement in relations between India and Pakistan, although an early, general reconciliation between these countries is unlikely.

III. Foreign affairs

A. General

Despite certain strains arising out of its recent difficulties with Communist China, India’s is basic attachment to its policy of neutralism (or, as Nehru prefers to call it, nonalignment) in foreign affairs remains firm. Although largely a creation of Nehru’s, the policy of neutralism enjoys broad popular backing in India. Nehru continues to regard this policy as best suited to India’s position and capabilities in the primary aims of assisting to maintain world peace and allowing India time to develop its economy and build up its political and social foundations as modern state.

The Indians have cause to consider their foreign policy as at least reasonably successful. India remains on good terms with both the Western and the Soviet power blocs despite the recent increase in tensions between the two blocs. It is the recipient of large and increasing amounts of economic aid from both the West and the Soviet bloc, reflecting in large part the aim of both sides to avoid, any change in Indian foreign policy that would be adverse to them.
India’s relations with the United States have improved noticeably during the past two or three years, partly as a result of a more favorable US view of India’s policies but also because of some maturation in India’s understanding of the objectives and methods of the “colonial powers” and their allies and of the dangers of militant international communism. Meanwhile India has been deeply impressed with the USSR’s economic and scientific advances and has continued to lend its diplomatic support to the Soviet position on various international problems, while welcoming Soviet support on political issues such as Kashmir as well as in the economic sphere. Under Nehru’s forceful and articulate guidance, its neutralist policy has also been the major factor, in building up India’s prestige and moral leadership among various other newly independent nations of Asia and Africa, and in giving India a general importance in world affairs disproportionate to its economic and military power.

The major failure of India’s diplomacy has been the collapse of the policy of peaceful coexistence with Communist China. In denouncing Peiping’s “aggression” and claims on the Sino-Indian frontier, Nehru has warned of the long-term threat that India faces from Communist China. Moscow’s failure to support Peiping on the border issue has, on the other hand, encouraged New Delhi; while conversely India’s leaders probably see, in their dispute with Peiping, added cogent reason to maintain friendly relations with the Western countries. In identifying Peiping’s anti-Indian actions with too traditional “expansionist” interests of China rather than with the ideological motivations of communism, Nehru sees no conflict with India’s neutralist policy. Meanwhile, concern over the threat from China is one of the factors behind the recent notable, if limited, improvement in relations between India and Pakistan, which has probably laid the groundwork for a further decrease in tensions between these two countries in the years ahead.

Under Nehru’s leadership, India’s basic policy of nonalignment with either major power bloc is almost certain to be maintained during the next few years increasing need for foreign economic aid during the Third Five-Year Plan, which India seeks from both the West and the Soviet bloc, will be of major pragmatic importance in dictating India’s policy of friendship toward both sides. Continuing concern over the potential threat from Communist China, despite the probability of some reduction of present tensions, will also tend to highlight the importance of India’s direct national interests in its conduct of foreign affairs more than was the case (except with regard to Pakistan) in the earlier years of the Indian Republic. In this respect, it is likely that Nehru will continue, as in the recent past, to be relatively restrained in his public comments on international events not directly involving India—a development which tends generally to the advantage of the West.

If Nehru should leave the scene within the next few years, the more conservative leadership that would probably succeed him would tend to put
somewhat greater emphasis on strengthening ties with the West and to be more suspicious than Nehru of international communism. However, barring a basic shift in the USSR’s stance toward India, India would not be likely to abandon the nonalignment policy.

B. Soviet Bloc
The maintenance of friendly relations with the USSR is an essential part of India’s neutralist policy. New Delhi has hoped to be in a position to influence the USSR in the direction of relaxing international tensions and welcomed the indications of liberalization in the post–Stalin period. Nehru has apparently believed that Khrushchev represents moderate forces that are genuinely interested in maintaining world peace and have tried to avoid taking positions (e.g., on the Hungarian issue) that might weaken these forces. India’s favorable image of the USSR suffered its first real shock at the time of the Hungarian revolution in 1956. Subsequent developments such as bloc attacks on Tito and Peiping’s hardening ideological line aroused the suspicions of many Indian leaders over the intentions of international communism. However, India's direct relations with the USSR not only did not deteriorate but also apparently improved somewhat as Moscow stepped up its economic assistance and cultural missions to India while publicly maintaining its general support of New Delhi’s foreign policy aims. It is notable that despite India’s serious tensions with Communist China during the past year, its relations with the USSR have remained cordial. Nehru has carefully avoided linking the border dispute with international communism, and has publicly expressed his appreciation for Moscow’s ostensible neutrality on the issue. In addition, the USSR has taken a number of concrete actions designed apparently to retain its prestige within India. In September 1959 it pledged the, equivalent of $375 million in new long-term credits for India's Third Five-Year Plan, and in August 1960 it supplemented this loan with the promise of an additional $125 million. The steady stream of official Soviet visitors and delegations in late 1959 and early 1960 was capped by visits to India of President Voroshilov and Premier Khrushchev. Several Indian cabinet ministers have visited the USSR in the past year, and President Prasad made his first state visit to Moscow in June 1960.

Barring an unlikely shift in the USSR’s policy toward India, such as might be evident in Moscow’s throwing its support behind Communist China in the latter’s territorial dispute with India, India will almost certainly continue its friendly relations with the USSR over the next few years. At least as long as Nehru directs Indian foreign policy, Indian nonalignment can be expected to produce Indian support for Soviet positions in some instances and a general reluctance to antagonize the USSR. India will also be concerned not to jeopardize its receipt of Soviet financial and technical assistance for its development program. Meanwhile, India will continue to hope that Moscow will exert a moderating influence on Peiping.
C. Communist China

In the past few years India has undergone a major change in its attitude toward Communist China, and, as time passes, India will probably become increasingly sensitive to the long-term problem it faces in Communist China’s economic and military power and its political ambitions in Asia. While some easing of the present strain in Sino-Indian relations is probable over the next few years, New Delhi’s relations with Peiping are likely to remain cool. A settlement of the border dispute before the 1962 elections seems unlikely, assuming that such a settlement would involve territorial concessions by India. Even if a border settlement is achieved India will continue to be concerned over Communist China’s long-range objectives in Asia.

Although both India and Communist China are probably willing to live with the present stalemate on the border for some time, a prolonged failure to resolve the dispute could exacerbate relations. India has already under taken closer surveillance of Chinese Communists in India, and has recently expelled some non-official Chinese Communists with a view to weakening Peiping’s propaganda and subversive potential. While Nehru almost certainly continue to reject extremist demands that India use force to eject the Chinese ‘from Indian-claimed territory, further border incidents could occur which would probably evoke strong pressures on Nehru to pursue a harder line.

The relative Military weakness of India will continue to be an important factor determining its posture toward Communist China. Despite this warning of the long-term threat from Communist China, Nehru apparently remains convinced of the desirability of maintaining at least “correct” relations with Peiping. Border defenses are being strengthened, but at least as long as Nehru is in control India will probably be reluctant to undertake a major “crash” program to build up its military strength. Instead, emphasis will probably continue to be placed on rapid industrial development and on diplomatic discussion for the settlement of the border dispute and of other issues that might arise between the two countries. Although New Delhi will probably continue to favor Peiping’s claim to UN membership, it will be less inclined than in the past to be an advocate for Communist China on various international issues although India’s leaders have in fact sought to maintain friendly relations with the west and the Communist bloc, and although they are basically oriented toward the West, in past years they were commonly more critical of western than of bloc positions. Their harshness in judging the West reflected several factors, including a belief that the West was more amenable to criticism than the bloc, a lingering suspicion of Western colonialism, a conviction that the West through its reliance on Military pacts was exacerbating international tension and thereby threatening world peace, and doubts over the sincerity of the West’s interest in India and other Asian states. Although India retained its Commonwealth membership, distrust of the West fed on developments such as US military aid to Pakistan, which India considered a direct threat to itself.
However, as the climate of Indo–US relations has improved over the past two or three years, Nehru has seemed inclined to be more generous than formerly in interpreting certain Western cold war policies, which he continues basically to oppose. His restraint in commenting on the US military action in Lebanon and on U–2 incident, and his public rejection in 1958 of Indian Communist charged of US responsibility for the revolt in Indonesia and the military coup in Pakistan, are examples of Nehru's apparent willingness to give a more balanced public expression of India's non-alignment policy. President Eisenhower's visit in December 1959 crystallized the psychological trends working in favor of the United States and the agreement in May 1960 to supply India with 17 million tons of food grains over the next four years highlighted the long–term interest of the United States in India's welfare and development.

US relations, with India can be expected to remain good as long as India continues to believe that US foreign policy is sincerely directed the maintenance of world peace and more limited terms, to the sympathetic support of India's basic national aspirations. Nevertheless, Indo–US relations will probably continue to be marked by recurring differences over specific international issues arising, out of the cold war. At least during Nehru's lifetime, India will almost certainly not abandon non-alignment, it will maintain its opposition to Western sponsored military alliances, and will probably continue to differ with the United States on various aspects of policy toward China. However, India's continuing tensions with Communist China will probably make it less outspoken than in the past on the latter issue and will probably result in greater sympathy among Indian leaders, at least in private, for the presence of the United States in Asia.

D. Pakistan and Nepal

Despite India's initial distrust of the Ayub regime Indo–Pakistan relations have improved notably over the past year or so. In the face of outside pressures upon the subcontinent (i.e., Pakistani concern, over Soviet influence in Afghanistan and Indian concern over Chinese Communist pressures on the border), progress has been made toward resolving various disputes, which have plagued relations between the two countries since 1947. Border differences have been substantially settled new steps have been taken toward solving outstanding financial disputes, and negotiations under the auspices of the International Bank for Reconstruction and Development concerning the division of the waters of the Indus River system have been concluded. With formal agreement on the Indus waters imminent, Kashmir remains the single critical dispute between India and Pakistan.

The outlook is for a continued reduction of tensions between the two countries. Nevertheless, some frictions are likely to remain and a complete accord is unlikely during the next few years. Although, there are indications that Pakistan may be willing to ease its stand on Kashmir, a settlement of this issue in the next few years is unlikely. As long as Nehru is in control India’s maximum concession with regard to Kashmir is likely to be acceptance of the present cease-fire line, and this will probably continue to be regarded as inadequate
by Pakistan. India is also likely to remain cool to Ayub’s proposal for a joint defense arrangement. An acute military threat from outside the subcontinent would probably draw the two countries closer together, but a general reconciliation probably depends on a how progressive building up of confidence and good will over a period of years.

The growth of Nepali nationalism, the increased strength and self-confidence of the Nepali government and the extension of Nepal’s contacts with other countries have resulted over the past few years in a decline in Nepal’s dependence on India and a diminution of Indian influence in Nepal. While India’s role in Nepal may continue to decline relatively as Nepal continues to expand and diversify its international contacts, the concern of Nepalese leaders over the threat from Communist China has probably resulted in increased recognition by them of the mutually of Indian and Nepalese interests. For its part, India will be increasingly concerned for the maintenance of stability in Nepal and for limitations on the spread of Soviet and especially Chinese Communist influence there. India is likely to accelerate the implementation of its economic and technical assistance to Nepal, and continued consultation between Indian and Nepalese leaders on defense matters is likely. Nevertheless, despite the generally favorable disposition toward India of Nepali Congress government leaders, Nepalese public opinion (much of which continues suspicious of India’s intentions) and, more importantly, the fear of antagonizing Communist China will probably continue to set limits on Nepalese collaboration with India.

E. Asia, Africa and the Middle East

India’s policies toward Africa, the Middle East and Asia have aimed at enlarging the area of neutralism and winning greater voice for Afro-Asia in world affairs. India’s progress as an independent nation devoted to democratic processes, its prominent role in the UN, its strong stance against imperialism and colonialism, its efforts to promote world peace and Nehru’s international prestige have won for India a position of moral leadership among the newly independent states. Recently, however, as India has become increasingly preoccupied with its domestic problems and as its external outlook has tended to be dominated by its tensions with Communist China, New Delhi’s efforts toward extending its influence in the Afro-Asian area appear to have lessened. India has not been enthusiastic about convening a second Bandung type conference, and it has been restrained toward such colonial issues as Algeria. The recent emergence of a number of new states in Africa, with which India has had only minimal contacts, has also tended to reduce India’s leadership role.

Nevertheless, under Nehru, India will continue to seek and to exercise some degree of influence among the new, underdeveloped nations. India will probably attempt to step up its economic, cultural, and political contacts with various Afro-Asia countries, especially those of Southeast Asia, at least partly in response to Chinese Communist activity. India’s relations with the pro-Western nations of the area will probably continue to improve somewhat. The general
THE UNITED STATES AND INDIA

decline in India’s suspicions of the pro–western states—evidenced recently in improved relations with Pakistan, Nehru’s visits to Turkey and Iran, and India’s greater appreciation in its role on the International Control Commission of the Western position in Vietnam—will not lead to any basic change in India’s attitude toward SEATO or CENTO but will probably result, as in the recent past, in less outspoken criticism of the pro–West nations and of the Western-sponsored defense pacts than was the case in earlier years.

Nehru’s departure will probably result in some decline in India’s position of influence and moral leadership in the Afro–Asian world, especially in the Middle East and Africa, although over the longer run India’s size and growing power should assure it of an important role in world affairs. But even in Asia, India influence is likely to figure less prominently in the future than Communist China’s strength and dynamism and its ambitions for political hegemony. (State RD-Wash D.C.)

6.22

Incoming Telegram
Confidential
Department of State
FROM: New Delhi
TO: Secretary of State
NO: 1770, February 20, 1961
NIACT
SENT DEPARTMENT 1700 REPEATED INFORMATION NIACT USUN 11.
PRESIDENTIAL HANDLING
Reference Department telegram NIACT 2238 to New Delhi; repeated information USUN PRIORITY 1498.

I personally handed text President Kennedy’s letter to Prime Minister Nehru at 10:45 IST this morning 20th.

The Prime Minister expressed appreciation for the President’s message which he read through in my presence, but was immediately called to floor of Parliament. He promised to give me his views later in the day but expressed following “off-hand reaction” to suggested changes in resolution:

(1) He said there was no question that the SYG had to function and that the United Nation could only function through him. His only doubt was whether specific mention of SYG would result in Soviet veto.

(2) He expressed doubt whether Chief of State should be specifically mentioned in view of fact Kasavubu guilty as any. He referred to most recent report of arrest two planeloads people flown to South Kasai, since unheard from and possibly liquidated. Perhaps reference to appropriate officials and political leaders might cover situation.
(3) Prime Minister agreed that personnel and aid as outlined our proposed amendment should be kept out of Congo.

Following talk with Prime Minister I called on Secretary General, R.K. Nehru, and went over message and proposed amendments with him. During talk he received call from Prime Minister requesting him and other officials of MEA to meet in Parliament office at 11:30 a.m. Secretary General felt certain this on the subject of President’s message.

Will report further soon as possible.

BUNKER

6.23

Incoming Telegram
Confidential
DEPARTMENT OF STATE
FROM: NEW DELHI
TO: Secretary of state, FEBRUARY 20, 1961 2:02 PM
No: 1775
PRESIDENTIAL HANDLING.
FOLLOWING IS TEXT OF WRITTEN REPLY FROM PRIME MINISTER NEHRU TO PRESIDENT KENNEDY. SIGNED ORIGINAL WILL BE FORWARDED BY POUCH.

TEXT NEW DELHI, FEBRUARY 20, 1961, HIS EXCELLENCY JOHN F. KENNEDY, PRESIDENT OF THE UNITED STATES OF AMERICA, WASHINGTON, D.C.

My dear Mr. President,

1. I am grateful to you for your message of February 18th which has reached me in the forenoon today. In view of the urgency of the matter, I hasten to reply to you. I appreciate greatly your sharing your thoughts with me in regard to the Congo and we shall be happy to help in finding any solution of the problem which receives widest measure of support.

2. The resolution put forward by Ceylon, UAR and Liberia is not exactly what we would have drafted. But, broadly speaking, it indicates the main steps that are necessary. We have therefore, welcomed it.

3. I entirely agree with you that African independence must be genuine independence and not some form of continuing control from outside. Also that we must avoid civil wars and any intervention from outside.

4. In regard to the three points that you have mentioned:

   1. It is clear to us that the secretary-general will have to function as the executive of the United Nations and he must have full authority to do so. I am inclined to think, however, that a specific reference to
him might create some difficulties, as you yourself have pointed out. There is in fact a reference in the draft resolution to the report of the secretary-general’s special representative. It does not, therefore, appear to be essential to make a special reference to (ten groups missing).

2. Reference in your message, to consultations with the chief of state of Congo Republic, that is, Kasavubu, would undoubtedly raise difficulties. In fact there is no central government functioning and many countries do not recognize Kasavubu. Recently events have shown that Kasavubu has been intimately associated with developments leading to Lumumba’s murder and recent despatch of other pro-Lumumba leaders to Kasai province, presumably for their liquidation. There are at present various authorities functioning in the different regions of the Congo. Perhaps the following phrase might be used “United Nations in consultation with appropriate authorities take immediately…”

3. Point no. 3. I entirely agree about authorizing United Nations to prevent introduction of unauthorized personnel and aid for military purposes. Indeed this follows from the rest of the paragraph. But this must be taken together with Belgian withdrawal. Otherwise it would mean the present Belgian position and dominance in parts of the Congo to be stabilized.

5. We are instructing our representative to discuss these matters with your representative in United Nations. You will appreciate that this will have to be discussed with the sponsors of the resolution also as well as others.

6. This is a hurried reply to your message. I need not tell you how much we would welcome our cooperating with the United States in order to find a solution of this difficult problem of the Congo.

With warm regards
Yours sincerely, signed Jawaharlal Nehru.
BUNKER

6.24

DEPARTMENT OF STATE
WASHINGTON
MAR 6 1961

MEMORANDUM FOR MR. RALPH A. DUNGAN

THE WHITE HOUSE
Subject: Reply to Prime Minister Nehru’s letter of February 20 to the President.
Enclosed is the signed original of the letter from Prime Minister Nehru, dated
February 20, to the President. The text was previously forwarded by cable from Embassy New Delhi (No. 1775), and a copy of this cable was sent to the White House under cover of a memorandum, dated February 21, from Mr. Stoessel.

Prime Minister Nehru’s letter was in reply to a letter, dated February 18, from the President. Subsequent to the dispatch of the President’s letter and prior to the receipt of Mr. Nehru’s reply, rapidly moving events in New York overtook much of the substance of this exchange of messages. On February 26, a telegram was sent to New Delhi instructing our Embassy to express our gratification to Prime Minister Nehru for his cooperative response. In view of the foregoing, the Department does not consider a reply to Prime Minister Nehru’s letter of February 20 necessary and recommends that none be made.

S. Walter J. Stoessel, Jr.
L.D. Battle
Executive Secretary

MEMORANDUM FOR THE PRESIDENT

Subject: Proposed Messages to Prime Minister Nehru and President Ayub

Ambassador Harriman is in New Delhi for the Economic Commission for Asia and the Far East (ECAFE) meeting. He will see Nehru after the latter’s return from the Commonwealth Conference, probably on March 23. He will see President Ayub on a flight from Karachi to Rawalpindi on March 20. Ambassador Harriman has indicated by telegram that it would be of value to have messages from you to the two leaders similar to the ones you sent to Western European leaders regarding his visit.

I enclose two draft messages for your approval. If these are satisfactory the Department will send the texts to Ambassador Harriman by telegram. As indicated above, they should be in his hands by March 19.

Dean Rusk
Enclosures:
Draft messages

Dear Prime Minister Nehru:
I was very pleased to learn that you were going to receive Ambassador Harriman in New Delhi. His trip originally was to have been confined to Western Europe, but I later suggested that it would be useful to extend it to meet with some of our friends in Asia. His meetings with various leaders have enabled him to
discuss the broad philosophies of my government with them and he, in turn, can bring back to me their views and concerns preoccupations.

Ambassador Harriman has my closest confidence and a unique understanding of those international problems which concern us all. I am sure that your discussions will enhance the valuable and essential exchange of views which must continue between our two countries.

With warm personal regards
Sincerely
John. F. Kennedy
His Excellency
Jawaharlal Nehru
Prime Minister of India
New Delhi

6.26

DEPARTMENT OF STATE
WASHINGTON
Copy for Mr. Bundy

MEMORANDUM FOR MR. RALPH A. DUNGAN
THE WHITE HOUSE

Subject: Nehru’s Letter of April 16 to the President
Enclosed is the signed original of Prime Minister Nehru’s letter of April 16 to the President. We sent you several days ago Embassy New Delhi’s telegram 2388 of April 17, transmitting the text of the message. A proposed reply to this message is in the final stages of preparation and will be sent to you very shortly.

L.D. BETTLE
Executive Secretary
Enclosure:
Letter from Nehru to The President.
April 16, 1961
My dear Mr. President,
I hope you will forgive me for the delay in answering your letter of the March 23 which Mr. Averall Harriman gave me personally. I was happy to receive your letter and to discuss frankly various matters with Mr. Harriman. In particular, we discussed Laos and the situation in Congo. I have no doubt that Mr. Harriman conveyed to you the substance of our talks.

Subsequently, I had the pleasure of meeting Mr. Secretary Rusk, with whom also I had full and friendly talks on these two subjects as well as some other matters. I need not repeat what I said to him except to say that I am anxious about developments in the Congo. It was with great reluctance that we decided
to send Indian forces there. We felt strongly, however, that the future not only of the Congo, but of the United Nations itself was at stake, and it would not be right for us not to render such help as we could to save the situation. I am convinced that the only way to do so is to implement fully the resolution of the Security Council in regard to the Congo. There has been an unfortunate tendency sometimes not to implement fully that resolution, which I have regretted.

About Laos, as you know, we communicated with Mr. Khrushchev and urged him to help in bringing about a cessation of hostilities and to take the other steps which have been suggested. Although it appeared to me that some kind a broad agreement had been reached, for some reason which I cannot understand, there has been delay in giving effect to these proposals. As you have pointed out in one of your letters, all these problems appear to be tied up with the wider international situation and each country thinks in terms of the possible effect on its own position in this larger context. I earnestly hope that the Laos situation will be dealt with peacefully soon. Military activities there have been at a low level, and this gives some hope. But the bombing of some cities there from the air, has rather alarmed me. I fear that his may have untoward results in the Soviet Union. I hope that the situation in Cuba will not deteriorate and thus endanger the wider efforts to promote peace to which you, Mr. President, are devoting your great energies.

Four days ago, your new Ambassador, Mr. Galbraith, came to see me. I was delighted to meet him again, and may I add that we are very happy to have him here as your distinguished representative. We have known him as a friend and adviser and we have learned much from him in the past. He told me that he was an amateur diplomat. To this I replied that in spite of my having been in my present office for the last fourteen years, I still felt very much like an amateur Prime Minister. The experience I had in the greater part of my last cling to me and prevent me from fitting into the normal pattern of Prime Ministers. Perhaps, that is not a bad thing Anyhow, this will help me to deal with Professor Galbraith not merely as a Prime Minister to an Ambassador, but as two friends and amateurs seeking the same objectives.

With all good wishes,
Sincerely yours
(Sd) Jawaharlal Nehru
His Excellency
Mr. John F. Kennedy
President of the United States of America,
Washington

6.27
Confidential
The White House
May 8, 1961
Dear Mr. Prime Minister:
I am asking Vice President Johnson to bring this letter to you. I appreciate your courtesy in receiving him as your country’s guest. I hope that his visit will provide a useful opportunity for an exchange of views and that he will be able to inform himself at first hand of some of the progress India has been making under the Five Year Plans. This progress augurs well not only for the future of India but is an example for the whole world of the achievements possible to a free society.

I want you to know how much I appreciate your continuing efforts to create a peaceful work community. We have been particularly grateful for the strong support you gave to the opening session of the reconvened International Control Commission for Laos and the stress you laid on the necessity for a prompt cease-fire.

Although we have been immediately concerned with the crisis in Laos and its repercussions in Southeast Asia. I, like you, am constantly aware that the long-range problems of the area are complex and require broad solutions. At this present juncture a number of the countries in that area feel themselves so seriously threatened by aggressive Communist subversion that we have been consulting regularly with there concerning measures to counter these immediate threats. But we, like you, understand that long–term stability in the area acquires the development of the social and economic resources of these countries to make meaningful the peace and freedom which we wish to help them assure for themselves.

The vast development potentialities of the Mekong River, which are now just being explored by the four-power committee set up under the auspices of the United Nations, are one example of the promises which the future holds for this area and to which we hope to be able to contribute along with other free nations.

It has been just over ten years now since the United States began in a small way to render technical assistance to India’s development. During these years India has made enormous strides. I hope that the Vice President, despite the shortness of his stay, will have an opportunity to see for himself some of the things you have accomplished.

India has just passed a milestone in its development effort with the beginning of the Third Five-Year Plan. The size and complexity of the effort you are now making poses a challenge not just to India but to this country and the other nations cooperating together to help turn the Plan from blueprint to reality. My government and the American people are proud that the United States has been associated with India’s development endeavors in the past, and continues to be so associated. As you know, one of the first problems with which my Administration has sought to deal is that of reorganizing, in the light of experience, our aid programs so that we will be able to enter into longer-range commitments and
both of us plan more effectively. We are also seeking to make our programs more effective by directing them not solely at the material things of the life but towards the social, political and other values that are so important in the lives of free man. In this endeavor, we will highly value the criticism and suggestions of good friends such as yourself.

Vice President Johnson will, I know, greatly enjoy his visit with you. I look forward to hearing from him about it on his return.

With warm personal regards,
Sincerely
John. F. Kennedy.(signed)
His Excellency
Pandit Jawaharlal Nehru
Prime Minister of India
New Delhi

6.28
Outgoing Telegram
Department of State
Confidential
Verbatim Text
Amembassy/PARIS
Rptd info/Amembassy, NEW DELHI
LIMIT DISTRIBUTION
Following message from Prime Minister Nehru to President delivered Department today by Indian Embassy.
QUOTE
May 24, 1961
Dear Mr. President,
Vice-President Johnson brought your letter of May 8 to me. I am grateful to you for this letter, and we will appreciate greatly the Vice-President’s visit to India, brief as it was. I am sure that visit has done much good and helped to bring about a closer understanding between our two countries. I had interesting talks with Vice–President Johnson, and I have no doubt that he has told you about them.

I entirely agree with you that in the various problems that face the world, we have to take long term views and seek broad solution. It is not always easy to do so because of the atmosphere of fear distrust and suspicion. This leads to vicious circle. I believe that people everywhere, and even in the Communist countries, long for peace and settlements. If once we could break through this vicious circle, progress might well be significant.

I was glad to find that Vice-President Johnson was laying stress everywhere on the development of social and economic conditions in the under-developed
countries. Only such a development will lead, as you say, to long-term stability. It is a hard task to bring about changes in social and economic conditions, but I am convinced that is the only way. Conditions in different countries differ considerably and these differences have to be understood in order to deal with them adequately.

Struggling as we are with our own tremendous problems, and even though our resources are strained to the utmost, we realize our responsibility for helping many of our neighbor countries in Asia. The help we can give is necessarily limited. But we have a certain advantage. Having gone through similar experience, we can, to some extent, understand their problems and appreciate their difficulties.

Inevitably, our mind and resources are tied up with the great adventure of building a new and prosperous India. We have a full realization of the vastness of this tremendous undertaking and the difficulties of the task. But the measure of success that we have achieved in the past dozen years fills us with hope for the future. In any event, we are determined to succeed in this adventure which involves the future of over 430 million.

Our task, great as it is, has been made light by the goodwill and generous assistance that has come to us from the United States. To the people of the United States and more especially to you, Mr. President, we feel deeply grateful.

We seek the economic betterment of our people and higher living standards. Without that basis, little can be done. But India has always attached much importance to spiritual and other non-material values in life. It would, I think, be a tragedy for all of us if seeking economic advancement, which we must, we forget the moral and ethical aspects which give meaning to life.

May I say, Mr. President, how happy I have been to learn of the coming meeting between you and Chairman Khrushchev? I attach great value to personal contacts which help to ease situations and lessen tension. Problems are not solved easily, but a better atmosphere is often created which helps in the solution of problems.

With warm regards
Sincerely yours
Jawaharlal Nehru
Ambassador requested arrange with MEA for following letter from the President to be forwarded to Prime Minister Nehru. Report time delivered MEA.

QUOTE

Dear Mr. Prime Minister,

I am slow in thanking you for your thoughtful letter of August 5, which was delivered to me on August 16. I want you to know, however, that I was very glad to get it and that I greatly appreciate the spirit in which you wrote.

I am sure you know that I share your belief in the importance of close and friendly relations between India and the United States. As you say, it is probably inevitable that there should be particularly issues on which we disagree, and there may be a few people in each of our countries who would prefer a condition of mistrust and coolness. But that is not the mainstream of feeling and action on either side, and I am sure that we are right in our determination to work for friendship.

It is good of you to write with such warm appreciation of the assistance which we have been able to give toward the development of India. In a year like this one, in which there have been events and rumors of events which give help to critics of Indian–American friendship, an expression of appreciation like yours is most helpful.

In this connection I believe that there is a problem which we share in showing the need for good relations to the great mass of the people in both our countries. I tried in a recent press conference to make clear my own continuing conviction that it is very important for the United States to have close and friendly relations with India, and my belief in mutual respect when there is a difference on a particular policy. The exact language appropriate for public discussion is of course a special question, but just as I value your personal and private expression of appreciation, I can assure you that any similar public statement from a man with your pre-eminent position in India would make a great contribution to other level of understanding and appreciation in the American public.

I particularly appreciate your good wishes with respect to our efforts for disarmament. It is not a subject on which I mean to give up the constant effort to find ways of progress. I can assure you that the United States is determined that its whole influence shall be felt on the side of reasonable and effective agreements. It is in this direction that we have been working both steadily and intensively in the last year and a half.

In closing, let me say that I greatly value this kind of private and information exchange of views. And let me thank you, too, for your continuing courtesy to Mrs. Kennedy, who joins me in expressing our high regard and our warm personal wishes for your continued health and strength.

Sincerely

Signed John F. Kennedy

His Excellency
THE UNITED STATES AND INDIA

Jawaharlal Nehru
Prime Minister of India
New Delhi UNQUOTE
Signed original will follow by pouch.
End
DEAN RUSK

6.30
Confidential

MEMORANDUM

DATE: October 31, 1962
DECLASSIFIED ON 4/28/1978
TO: The Vice President
FROM: Colonel Burris
RE: India–China Conflict

In spite of the ominous aspects of the Indian border conflict, and the possibility that the Communists will not halt their encroachment in the border provinces but extend it to the plains of Northern India, certain immediate benefits could result. Ambassador Galbraith reports that there is considerable disillusionment in New Delhi and it centers principally on the Defense Ministry. Consequently, Nehru is expected to fire Menon within few days this in itself would be a worthwhile achievement in India’s relations with the United States and the U.N. But more important, it would remove the principal proponent in India of increased Indian association with the Soviet Union. Menon’s elimination would, in effect, constitute a major realignment of policy. Since Menon has become so controversial, it seems that Nehru must fire him in order to maintain his own position and prestige.

Another result of the conflict may be the gradual development of improved relations between India and Pakistan. Nehru has appealed to Ayub for his sympathy and support in the present crisis and asked in particular that Pakistan not take advantage of India’s present troubles. While Ayub has given private assurances that he will not take advantage of the situation, the Pakistan press nevertheless daily publishes unsympathetic and antagonistic remarks about India. Since absolute freedom of the press in Pakistan is somewhat questionable, it remains to be seen whether or not Ayub is sincere. The United States has assured Ayub—and has made it unmistakably clear to the Indians—that the arms to be furnished India must be used in meeting the Communist threat.
During talk with British Embassy Officers (Trench and Forster) March 10, Grant and Solbert made strong appear for serious British Consideration their supplying Indian Air Force with Javelins and with power plant for HMC 24. Grant recalled Mount-Tipton report, noted Indian requirement for three-squadrons high performance aircraft. Wondered if British might be able to meet this in short range by provision Javelins and in long range by provision of Orpheus engine for Indian plans HF-24.

Solbert urged British look into possibility trying out in HF-24 two Orpheus engines, which we understood could be put in shape for this purpose fairly easily. Said he hoped British could explore with Bristol-Siddeley method by which company could provide two engines without requiring prior contract for sale of additional engines. Grant emphasized psychological appeal in India of home-grown HF-24 and consequent benefit to best if it could support project. Also said we would presume Pakistanis would take more relaxed attitude toward an Indian Air Force equipped with HF-24 than one with F-104s. Grant also noted possibility of use of Pegasus V engine, which worth studying.

Regarding Javelins, Solbert agreed with Trench that we must face fact it will be difficult interest Indians in aircraft which are not supersonic. We hoped we could deter with the British with the Indians was to fill their short-range requirement and whether the Javelins might meet this. Grant explained we wished to examine with the British both availability Javelins Solbert and price. Solbert said he hoped British might work out price which equalled cost of rehabilitation of aircraft as we do.

In conclusions, Grant and Solbert expressed hope that British would do necessary preliminary study both these projects so we could reach definite conclusions on them during London discussions.

6.32

Incoming Telegram
Secret
sanitized
March 12, 1964
Although I realize the difficulty of dealing with controversial questions of United States policy in subcontinent at this particular time, I believe we face growing dilemma which will not wait on our political convenience and about which we cannot repeat cannot afford to be complacent.

Stated in its briefest terms, our problem is how to head off Indian military, economic and political relationship with Soviets of steadily increasing depth and breadth without painting ourselves into political corner here in India or exacerbating present tense relations between Pakistan and India.

Our dilemma starts with government of India decision, which was probably reached in January after it became convinced that United States assistance would be both limited and delayed, to establish India’s own defense base as means of meeting by 1967 what it may believe will be two-front threat with minimum direct dependence on either Soviet or United States. Whether or not United States accepts this Indian hypothesis, the danger is very real in minds of India’s present leadership.

Equally real is that leadership’s conviction India’s long-range interests will best be served by looking to Soviets for assistance in establishing India’s own air potential, while looking to west, meaning principally to us, for assistance in establishing production support base for Indian ground forces.

This course of action is favored by government of India because it maintains political trappings of nonalignment while providing renewable insurance against vicissitudes of international politics which might result in sudden cut off in flow of spare parts, ammunition, etc (witness current dilemma of china’s air force).

In this context Soviets are successfully establishing their political credentials as quick acting and cooperative source of air defense assistance (MIGs, SAMs) while we feel forced by outside political considerations to limit ourselves to tentative
agreements to discuss long term military plans which in turn are dependent on India itself producing plan acceptable to United States; in meantime we are postponing answers to India’s pending requests for production assistance, notably for ammunition.

Political implication of continuing drift along these lines, in our opinion, are profoundly disturbing. Conspicuous presence of Soviet SAMs guarding north Indian cities and sense of national pride and participation as Indian factories begin to turn out flashy mig–21s would be powerful political force in itself.

When we couple these two moves which now appear to be well advanced with increasing political effectiveness of Krishna Menon communist axis in diverting India’s fears from china to Pakistan (and its so-called US–UK collaborators) and then add coming Soviet cultural offensive, growth of Soviet participation in Indian steel production (while we are forced to reserve ourselves on Bokaro) with strong possibility of communist victory in Kerala next February thrown in for good measure, potential seriousness of situation comes into focus.

As we look beyond India to subcontinent as a whole, the ugly political possibilities become even more evident. Rapidly increasing Indian air potential built and equipped under Soviet auspices would awaken deep and undesirable concern in Pakistan which would see its own air position vis-à-vis Indian deteriorating over next few years. Inevitably this concern would bring increasing Pakistan pressures on us further to expand their air force to enable it to cope with India’s growing strength.

If we allow this unhappy political cycle to develop we may ultimately find ourselves being forced to back weaker of two sub continental powers while Soviets back the stronger in a contest that should never have been allowed to get started in first place.

Our dilemma is further compounded by possibility of deteriorating military and political situation in indo–chain which may ultimately spread to Singapore, Thailand and Burma with unpredictable, but very likely decisive implications for subcontinent.

In pointing out these worrisome possibilities I have no wish to play role of local Cassandra: on the contrary there are many favorable factors. In spite of the present pulling and hauling Shastri in key role is deeply favorable to us; indeed if circumstances permitted United States to be more forthcoming it would far prefer to work in close military relationship with us. Moreover United States influence throughout India is generally very high indeed. On my recent visit to Kerala and Madras warmth of pro-United States feeling was deeply impressive.

Unhappily, however, history is littered with similar situations where friendliest of relations became undermined because either of both nations involved found it politically difficult to make key decisions which in retrospect were clearly essential.
Under conflicting pressures of this kind even the most powerful of nations may gradually lose its capacity to shape events and eventually find itself simply reacting to forces over which it can no longer exercise a meaningful influence. A recent example of this debilitating process occurred in China where in early 1940s we lost our ability to maneuver with any degree of political effectiveness although actual collapse of our position did not become evident until 1948 or 1949.

Against this background I believe it is essential that United States government should make one final vigorous and carefully calculated effort to break through class cycle by persuading government of India to abandon plans to build 150 MIGs in India and to purchase additional twelve batteries of SAMs from union of Soviet Socialist Republic. Our objective should be to channel Soviet military and transport aircraft and to bloc Soviet aid in such glamorous combatant items as missiles and interceptors.

Three months ago this goal was within our grasp. Today it is admittedly doubtful. Soon it may be unattainable.

Although I welcome our decision to press British to provide increased support for Indian air force, I can say with some degree of certainty that Indians will not be satisfied with javelins which both they and our own people consider an inferior airplane. Best solution for everyone concerned including British (who badly need to mend their Indian fences) would be for British to provide top performance fighter aircraft within reasonable time span. However if British continue to drag their feet, we must step into breach with some high performance US planes (provided Indians agree to kill off MIG and SAM deals) or abdicate our position in regard to India’s air defense to USSR.

CHESTER BOWLES

BT

NOTE: ADVANCE COPY TO S/S–O 3–12–64, 1:12 P.M.
RELAYED TO WHITE HOUSE 1:30 P.M., 3–12/64
RELAYED TO DEFENSE 1:35 P.M. 3–12–64

6.33

Incoming Telegram
Secret
DEPARTMENT OF STATE
PP RUEHCR
DE RUSBAE 53A 12/1145Z
P 121123Z ZEA
FM AM EMBASSY NEW DELHI
TO RUEHCR/SECSTATE WASHDC
INFO RUDTLN/AMEMBASSY LONDON
RUSBKP/AMEMBASSY KARACHI
Although the Indians will no doubt resist being maneuvered out of MIG deal the situation is not yet hopeless. After all when VOA agreement became politically inconvenient that government of India found a way to drop it. In this case face saver could be provided by hanging on to Hyderabad plant in which it i.e. now planned to build Soviet electronic equipment and air-to-air missiles while abandoning MIG airframe and engine plants.

It is fair to assume decision to build MIGs has been largely predicated on political considerations. This, in my opinion, makes it all more important that we boldly challenge its validity. Therefore, I recommend we proceed along following lines:

1. That I be authorized to tell TTK and Shastri on personal and strictly confidential basis that we recognize India’s immediate need for one or two squadrons of supersonic planes. (although Chicom air threat gradually declining, Indian air defense does in fact require modern aircraft with the high rate of climb essential for intercepts, before bombers reach bomb release line.)
   I would then add that we are hopeful that British will provide such aircraft; if not, we will come through, planning deliveries for 1965–66, but only on clear understanding that costly and ill-advised MIG production plans will be abandoned and that no additional SAMs (beyond eight division ordered in 1963) will be purchased from Soviets. (if time were not of essence we would, of course, prefer to postpone such a showdown. But to do so involves risk of being confronted with irreversible decision of grave importance.)

2. I would tell then TTK in confidence that we are hopeful that British (as we now plan to recommend at London meeting) will provide orpheus–12 or suitable replacement power plant plus technical assistance for high speed HF-24s. If SAM and MIG projects are dropped United States will make up any United Kingdom shortfalls in this field. (Once decision is reached actual production need not be hurried.)

3. Simultaneously at consortium meetings in Paris next week UK and World Bank representatives on off record basis should express deep concern to Indian air defense which they understand is now contemplated, stressing that it is totally out of proportion to actual air menace from communist
China and needlessly diverts India’s foreign exchange which we are now being asked to augment. I believe TTK would privately welcome firm but tactful statement of our dismay over this diversion of Indian foreign exchange.

4. To avoid further inflaming Kashmir issue if our confidential conditional backup offer of supersonics to government of India, should leak, we should be prepared to inform Pakistan that we are making this offer to Indian only to kill of major MiG–21 manufacturing project which would gravely upset air balance in subcontinent. If necessary we could simultaneously limited number of supersonics for Pakistan.

Major challenge in South Asia as we have stressed on many occasions is simply Chinese presence along Himalayan border but political ability of Soviets with their decision-making process to manipulate political situation in India so that a trend of events will be set in motion which is antagonistic to our interests and to those of Pakistan as well.

Although I appreciate need for bringing British into this situation for their sake as well as for ours and Indians, United States gross net profit is ten times that of United Kingdom and major responsibility belongs to United States. In critical situation of this kind we cannot allow inadequacies of our allies to immobilize us.

Even under best of circumstances United States military aid to India will sharpen our difficulties with Pakistan; prospect of developing Indian defense establishment independent of external aid restrain, while Pakistan itself remains dependent on United States assistance and consequent controls is particularly difficult for government of Pakistan to swallow.

However, Chicoms can do little or nothing for Pakistan while Soviet military and political intrusions into India would be no more in Pakistan’s interest than it is in ours, nor would United States-backed Pakistan verses a Soviet-backed India offer them or United States any prospect for peace and stability.

Although embassy of Pakistan and Washington are in better position then we to suggest detailed ways of translating requirements of our situation here into viable policy and relationship with Pakistan, I do not believe that I have overstated danger of allowing events to run their present course in India.

In our anxiety over the present situation let us not forget that two or three years ago one of our major concerns in Asia was the refusal of the visionary neutralist India to face up the hard realities of expansionist China. Now that they have faced up with a vengeance we are forced to deal with the impact of India’s new fears on the delicate relations of the subcontinent. Yet I doubt that any of us would choose to return to the days of the Panch Sheel and of Hind-Chini-Bhai-Bhai.
INDIA'S FOREIGN POLICY

GP–3
BOWLES
BT
NOTE: PASSED WHITE HOUSE AT 2:47 PM 3/12/64
PASSED DEFENSE AT 2:53 PM 3/12/64
ADVANCE COPY TO S/S–O AT 2:30 PM 3/12/64
Probable development in Kashmir dispute to the end of 1951

The problem
To estimate probable developments in the Kashmir dispute during 1951, with particular reference to the possible use of armed force and to indicate the consequences for US security interests of war between India and Pakistan.

Conclusions

1. India and Pakistan have once again reached a critical state of tension over Kashmir. The military forces of both countries are deployed opposite each other on the frontiers and few additional measures would be required for either to initiate hostilities.

2. The Indian Government (GOI) is unlikely to precipitate war deliberately, but is prepared to accept war and is unlikely to act to reduce the tension.

3. The Pakistan government (GOP) is unlikely to precipitate war deliberately so long as the UN appears to GOP leaders to offer hope of effective action. However, there is a possibility that the GOP would deliberately launch or sponsor local action in Kashmir especially between 15 September and 1 November.
4. The Kashmir issue has generated high military, political, and religious pressures one or more of which might well lead to hostilities.
5. In the event of war, there will certainly be fighting not only in Kashmir, but also in the Punjab and probably East Pakistan (Bengal). It is unlikely that the UN could effect a cease-fire, if either side had gained a material advantage from the fighting.
6. In any extended conflict India would probably be victorious, but its victory would not be quick or easy.
7. The most important consequence of war would be internal deterioration in both countries, which might open the way for a Communist seizure of power in parts or all of India. In addition, war would have a serious adverse affect on US relations with both countries and would probably deprive the US of potential Air in Pakistan and of important raw material from India.

Discussion
The current situation

8. Troop movements by both India and Pakistan since May have greatly increased the tension between the two countries and the possibility of major hostilities. Almost 90 percent of India and 70 percent of Pakistan's ground combat forces are now deployed opposite other Kashmir itself and on the Punjab and East Pakistan (Bengal) frontier.
9. Pursuant to a Security Council resolution of 30 March 1951, Dr. Frank Graham is now in the subcontinent seeking to achieve agreement on demilitarization of Kashmir as a prelude to an impartial plebiscite to determine its permanent affiliation. Graham is due to report to the Council by 29 September, though he may seek a delay.
10. The chief focus of dispute at the present time in the projected election of a Constituent Assembly in the area of Kashmir controlled by Indian force under the 1949 UN cease-fire and containing about three quarters of the population. These elections are scheduled for 10–30 September, under the auspices of the pro-Indian Government of Kashmir, headed by Sheikh Abdullah, for the declared purpose of establishment a constitutional government for all of Kashmir.
11. The Constituent Assembly elections are bitterly opposed by Pakistan and Prime Minister Liaquat Ali Khan has threatened war to prevent them. Although the UN has written a letter to India stating that the elections are contrary to the spirit of the March 30 resolution, Abdullah and the Indian Government have reiterated their intention to proceed with the plan.

Basic objectives of the parties in Kashmir

12. The dominant motivating force of both India and Pakistan on the Kashmir issue is nationalism tinged with religion. The issue focuses the deepest
THE UNITED STATES AND INDIA

passions of both countries, and since 1947 public opinion particularly in Pakistan, has made it one of national prestige. To Pakistan, founded on the principle of a Moslem nation, it seems intolerable that the largest of the subcontinent’s princely states, containing a predominantly (78 percent) Moslem population, should be handed over to India. To the Indians, who have waged a vigorous campaign to take over the princely states left uncommitted by partition, it appears all but unthinkable to give up a state whose ruler formally acceded to India in 1947. Nehru’s feelings about Kashmir are intensified by his long association with Sheikh Abdullah by the fact that he himself is of Kashmiri descent, and by his strong belief in the concept of a secular state embracing both Moslems and Hindus.

13. Strategically, the Pakistanis view Kashmir as an important military gateway that would enable India to threaten Pakistan’s principal military base area at Rawalpindi and also major agricultural areas. Indian strategic interest is less marked; a Pakistani Kashmir would outflank much of the East Punjab, but the border terrain is difficult.

14. Economically, Kashmir’s trade is with Pakistan rather than India. Possession of Kashmir would slightly improve Pakistan, control over the vital water supply obtained from the four major tributaries of the Indus River, though it would not prevent India from carrying out a present threat to impair the flow of two of these tributaries that cross Indian territory before entering Pakistan.

15. Eventually, both India and Pakistan might be satisfied with less than the whole of Kashmir. However, both are adamant in demanding control of the Vale area, the heart of the state, which has a Moslem majority but is on the Indian side of the cease-fire line.

Political prospects in the absence of war

16. India’s trump card is its present control of the Vale. A plebiscite conducted under impartial auspices in the near future would probably produce a majority in the Vale for accession to Pakistan. However, Indian control with the inevitable intimidation. More over the creation of a constitutional “independent” and ban on pro-Pakistan religious campaigning, would presumably produce a result favorable to India in any Constituent Assembly elections.

17. Therefore, it is extremely unlikely that India will postpone or cancel the elections. There is no indication of any further UN action to block the elections and almost no chance that India would heed the UN if it did take such action.

18. If the elections are held the resulting Constituent Assembly will undoubtedly pass some form of resolution in favor of final affiliation with India. Although Indian spokesmen have conceded that such a resolution
would not be binding on the UN, India will certainly make maximum propaganda use; of it and may later reverse its position government (in contrast to the “puppet” Azad Government of the Pakistan Occupied part of Kashmir) may enlist growing loyalty and support among the Kashmiris. In this way the Indians undoubtedly hope eventually to present the world with a fait accompli, at least as to the areas now under Indian control.

19. Confronted by this sequence of events, Pakistan if it did not go to war would certainly seek further UN action. Because of its willingness to accept an impartial plebiscite, Pakistan undoubtedly believes that it has a superior moral case at this stage of the dispute and that further UN resolutions will be favorable to it. At the very least it can count on firm political support from Arab and Moslem nations and to a large extent from the British Commonwealth nation. Present reports indicate the Dr. Graham has little chance of obtaining an agreed solution. He may propose the appointment of an arbitrator (already rejected by India) or perhaps formulate his own plan for demilitarization, and these recommendations would go to the Security Council. At the same time Pakistan would almost certainly propose a new resolution specifically denouncing and refusing to recognize the Constituent Assembly elections. Reference to the General Assembly in November in also a possibility (and need not mean withdrawal of Security Council Jurisdiction) Pakistan might welcome this move as a more effective means of bringing the pressure of world opinion to bear on India.

Indian and Pakistani military capabilities

20. The recent Indian troop movements have brought India’s strength in Kashmir itself to an estimated 68,000 men. In the East Punjab, India has a striking force of 15,000, including an armored division and an independent armored brigade. Close to the borders of East Pakistan in Bengal, India has 25,000 to 28,000 men.

21. In Kashmir itself, Pakistan and Azad Kashmir troops number about 18,000. In the Lahore–Wazirabad area of the Punjab, Pakistan has 57,000 men. Another 15,000 are in reserve at Peshawar, and could be moved rapidly to either front. Elsewhere in West Pakistan, about 20,000 men are deployed on internal security. In East Pakistan, Pakistan’s forces total an estimated 10,000.

22. The Indian Air Force and Navy, though small, are superior to Pakistan’s and India has far greater trained reserves and manpower resources. Moreover, India has some industrial capacity for arms production, while Pakistan capacity for arms production, while Pakistan has virtually none and would be heavily dependent on outside supplies. Another major Pakistan weakness is the fact that its transportation and communications
network in West Pakistan parallels the Indian frontier and is extremely vulnerable to attack.

23. In an all-out war with Pakistan, India probably would be victorious provided Pakistan received no substantial outside help. Initially, probably neither country would gain a decisive victory, and in the first stages Pakistan might even win some battles. But in time the balance would be tipped in India’s favor by its over-all advantages. The Indian Navy could blockade Karachi, West Pakistan’s only major port, and the Indian Air Force could neutralize the Pakistani Air Force, though its own offensive capabilities are meager.

24. In a limited action designed by either country solely to take all or part of Kashmir, India would probably also be victorious, but its success would not be quick or easy. India’s present troop superiority in the area would be partially offset by the mountainous terrain and by the difficulty of bringing up supplies and reinforcement over the single road between India and Kashmir. Pakistan’s communications into the area are, on the other hand, relatively good. There are better roads, easier passes, and lower grades.

25. Important elements in any conflict between the countries would be the attitude of Afghanistan and of the Pathan tribesmen of the North West Frontier Province. Afghanistan itself, which has been diligently courted by India, would probably make border raids have already resulted in the deployment of elements of two Pakistani divisions near the Afghan frontier. On the other hand, in spite of continuing Afghan propaganda some of the Pathan tribesmen would probably fight again on the Pakistani side, as in 1947, and if so their warlike qualities would substantially augment initial Pakistani strength in Kashmir.

26. Weather conditions would seriously hamper military operations in Kashmir and the Punjab until after the Southwest monsoon ends generally about 15 September. For a short time thereafter, major rivers in the Punjab area would be deep and unaffordable and it has been reported that food conditions now exist in the Lahore area and will prevent operations there until at least 1 October. Thereafter, fighting conditions should be most favorable in Kashmir to the end of November and in the Punjab until next April, although winter conditions would not preclude operations in Kashmir. In Bengal, the monsoon ends later, and the most favorable period would be December and January.

**Likelihood of war to the end of 1951**

**Deliberate War by India**

27. In general, Indian forces are now deployed so that they could either conduct defensive operations or launch strong attacks in the Punjab and against most of the important centers of East Pakistan. No other movement
of troops would be necessary for India to make war on all fronts, and it is believed that the Indian forces have sufficient supplies to carry out at least a major Initial attack.

28. We, estimate that, despite its troop dispositions, the Indian government. (GOI) is unlikely to precipitate a war deliberately during this period. It’s reasons against war are formidable: (a) India already controls the dispute area; (b) War would disrupt the constituent assembly election and subsequent plans; (c) time is all on India’s side—even if elections were postponed, it’s possession of most of the dispute areas would still leave it in a strong position gradually to win over the Kashmir’s; and (d) any extended war would be a serious threat to Indian economic and political stability and would almost certainly lead to whispered communal rioting between Hindus and Moslem. The only contrary arguments of any possible weight are that (a) a war that led to quick victories In the West Punjab and East Pakistan would help the government’s wavering prestige; (b) most of India, including Nehru, opposed partition and would welcome an opportunity to reintegrate Pakistan. However, Nehru is almost certainly too well aware of the risks to be swayed by the first of these considerations, and anti-partition sentiment does not generally go to the length of seeking war.

29. Indian action are consistent with this view of Indian intentions. Its recent troop movements were probably designed to fore stall Pakistani interference with the constituent Assembly elections while further deterring Pakistan by the threat of a Punjab counterattack.

30. Nonetheless, India is clearly willing to accept war and is extremely unlikely on it’s own initiative to withdraw its forces in such a way as to relax the tension in the event of war. India would be unlikely to permit hostilities to be confined to Kashmir, but would probably take advantage of its superiority on the Punjab front and perhaps In Bengal.

Deliberate War by Pakistan

31. Pakistan’s troops are deployed defensively, but are in positions in the Lahore–Wazirabad, area from which they could attack either the Jammu City area of Indian-controlled Kashmir or the East Punjab. In the latter case, however, an attack could not be in more than division strength unless forward movement were first made from the Wazirabad area. The Pakistani forces in Kashmir itself could not launch more than a very limited attack at this time without substantial reinforcement, which would require major troop movements from other areas.

32. The Pakistan Government (GOP) appears unlikely to precipitate war deliberately. It is possible, however, that the GOP would deliberately launch or sponsor local action in Kashmir as it did in 1947. This possibility will be greatest during and immediately after the Constituent Assembly election (roughly 15 September to 1 November).
33. There are strong reasons that should deter Pakistan from resorting to war in a long war Pakistan would almost certainly lose East Pakistan (containing 60 percent of its population) and major Punjab areas, and its economic and political stability—even its very existence—would be threatened. However, the extreme statement of Liaquat and other Pakistani leaders indicate that they may be reaching a dangerous mood of frustration in which those considerations would be outweighed by the desire to thwart the Constituent Assembly elections. Moreover, some Pakistani leaders, some of whom tend to contemplate of Indian fighting qualities, may believe that their forces could make quick gain in Kashmir (even to capture Srinagar) and conduct a holding action in the Punjab (possibly added by the reports of floods), after which Pakistan would appeal for a new UN cease-fire. Pakistan statement have used every possible argument to put India in the wrong and encourage support for a contention in the UN that military action in Kashmir is justified because of Indian obduracy and the illegality of the Constituent Assembly election. There is some possibility that Pakistan might encourage both the tribesman and the Azad Kashmir forces (aided by Pakistan regulars “on leave”) to attack in Kashmir and then disclaim responsibility. GOP leaders might believe that, at the very least, hostilities in Kashmir would bring about immediate UN action favorable to Pakistan.

34. If the Constituent Assembly is elected and convince, the GOP course of action will depend on whether the UN offers real hope of a solution that would offset the effect of the elections and permit an impartial plebiscite. The action of the Constituent Assembly, plus Indian “crowing,” will undoubtedly tend to increase army and popular pressure for war, and if the Security Council failed to take even the steps of denunciation and arbitration, the GOP might give way to this pressure and start a war deliberately. However, so long as the UN appears to GOP leaders to offer any hope of effective action the GOP will probably resort to war deliberately.

35. Apart from the possibility of deliberate war, we estimate that there is some chance that war will be brought on during this period by a chain reaction of explosive factors. These include:
   a. Unauthorized military action by elements of the Pakistan Army. For some time a militant group in Pakistan has agitated for aggressive action. An anti-government from this source was nipped in the bud by the GOP in the spring of 1951. While a recurrence of actual revolt appears improbable members of this group might succeed in turning a border incident into a large-scale conflict at anytime.
b. Popular feeling in Pakistan. The GOP has exercised effective control over the press and radio to date, and US Embassy Karachi believes the GOP can continue to suppress inflammatory statements if it so desires. Nevertheless, the possibility of a dangerous surge of feeling exists.

c. Renewal of the widespread communal rioting that took place in Bengal in the spring of 1951. This would further arouse feeling in both countries.

d. Indian internal politics. Popular sentiment in India is no less intense but notably calmer than in Pakistan, and Nehru appears to enjoy virtually unanimous support on the Kashmir issue. However, some elements of the right wing of the Congress Party are sympathetic to the strongly anti-Pakistan Hindu Mahasabha, and there is a possibility of inflammatory statements for political advantage.

36. The chance of unpremeditated war arising from the above factor is likely to diminish only if there is a substantial relaxation of tension. Neither side is likely to relax the tension by withdrawing troops, but there is a bare possibility that Nehru might make some conciliatory statement or that he and Liaquat might temper the situation by meeting to set-tie subsidiary issues, such the water dispute. So long as India pursues the Constituent Assembly plan the only real chance for relaxation, appears to lie in UN action that would after hope, not only to the leaders of the Pakistan Government but to the army and people of Pakistan, that the effects of the Constituent Assembly plan would be offset.

Consequences of war for US security interests

37. It is unlikely that a war between India and Pakistan could be confined to Kashmir. At the very outset of hostilities, the UN might be able to achieve a cease-fire, though India probably would not accept one that left Pakistani forces in control of the Vale. Once hostilities were fully under way, a cease-fire would be unlikely so long as either side had hope of major immediate gains. War on a broad scale would have a serious effect on US security interest.

38. In the first place, war would increase general world tension and uncertainty. Diplomatically, its immediate effect would be to subject the US to heavy pressures for support from both sides. Whether or not the US took an active role in attempting to settle the conflict, war would increase the risk that US policy might alienate one or both of the parties and adversely affect their positions in the East-West conflict.

39. Militarily, war would almost certainly remove any early prospect of Pakistan’s joining in plans for defense of the Middle East against a Communist attack. US security interest would also be affected directly through the denial, by an immobilized or neutralized Pakistan. Of potentially
important air base sites that could be used for bomber strikes against any part of the USSR.

40. From an economic standpoint, if hostilities spread to Bengal, the shipment of important raw materials from Calcutta, including mica, kainite, and jute, would be impeded or halted. General disorder in India might also cause interruption of shipments of manganese, which would have serious effects on US industry since over 30 percent of the supply currently comes from India.

41. By far the most important probable development, however would be internal deterioration in India and Pakistan. Although the cut break of hostilities might initially strengthen the respective government's control, any extended fighting would so weaken both countries as to make the maintenance of orderly government a matter of question here would almost certainly be vast communal disturbances and a resulting increase in the severity of the refugee problem. Such conditions might permit the Indian Communist Party to take over various local areas, and there is a possibility that it would be able with Chinese help, to assume control of the government outright. Communist control is extremely unlikely in Pakistan, but a state of internal chaos and immobilization would be probable.

7.2

Department of State
Intelligence Report
No. 5781 Date: January 31, 1952
SOVIET INTERVENTION IN THE KASHMIR DISPUTE

Abstract

The Soviet surprise decision to intervene in the UN handling of the Kashmir dispute after four years abstention appears to have three major objectives:

(1) To aggravate Indo–Pakistani tension over Kashmir while fostering suspicion in both countries over the interest of the US and UK in the dispute,
(2) To counter certain recent developments towards improved Indo–US relations while wording Soviet suggestions on Kashmir in such ambiguous terms as to encourage both Pakistan and India to hope for USSR support in the dispute, and
(3) To pave the way for Communist intervention in the state as part of a larger program of building up pressure against South and South-east Asia and aimed at converting Kashmir into one of a ring of independent pro–Soviet states on India's northern border.
Both India and Pakistan suspect that the USSR is motivated by fear of Western intentions in Kashmir but officials on both sides can be expected to proceed cautiously so as to avoid antagonizing the USSR while working to get a clarification of the actual Soviet position on the dispute.

Report

I. Introduction

The surprise demand of the Soviet delegate in the UN Security Council on January 17 that the “question of Kashmir’s constitutional status” be “determined by a constituent assembly democratically elected by the Kashmir people” rather than by a UN-sponsored plebiscite promises to handicap present UN efforts to press for a general demilitarization in the state and a plebiscite. The Soviet suggestion was ambiguously worded and it is not clear whether the suggestion for a constituent assembly was meant to refer to the body already in existence in the Indian-occupied areas of the state or to another assembly to be selected on terms which have yet to be announced. Nor is it clear whether the USSR considers that the future “constitutional status” of Kashmir must be accession either to India or to Pakistan, or whether a third alternative might be acceptable, viz; complete independence for the state.

II. Soviet motivation

The failure of the USSR to participate in the UN discussions of the Kashmir dispute during the past four years has proved an advantage to Soviet propaganda in both India and Pakistan where failure to achieve progress towards a settlement in the UN frequently has been blamed on the US and the UK. Accordingly, the Soviet decision to intervene in the dispute at this late juncture inevitably raises the question of possible motivation. The change of Soviet tactics in regard to Kashmir appears to have three major objectives. First, and most obvious, is the desire to aggravate Indo–Pakistan tension over Kashmir while posing as the champion of popular self-determination in Asia and fostering suspicion in both India and Pakistan over the interest of the US and UK in the dispute. By picturing US–UK efforts to achieve a solution within the framework of the UN as a deliberate delaying action designed to convert Kashmir into an anti-Soviet military and strategic base in the guise of a “protectorate of the UN,” the Soviet Union is encouraging public opinion in both India and Pakistan to blame the US and the UK for any future UN delays in achieving an agreement on Kashmir or for any future UN decision which might prove disappointing to one or both sides.

Probably a second Soviet objective is to appear for the time being as a friendly protagonist of the Indian position in Kashmir in order to counter the influence of a number of recent events promoting closer Indo–US relations. The US grain loan to India in 1951 has been followed by agreements for the establishment of an oil refinery in India and for the launching of a Technical
Cooperative Assistance program and by growing evidence in the Indian press of a more openly critical attitude of the USSR. At the same time, however, the Soviets will probably attempt to avoid arousing the hostility of Pakistan. The USSR is currently engaged in an extensive campaign to curry friendship throughout Asia and the Near East through the support of popular nationalist demands, the encouragement and direction of popular antagonisms against the West, and the sponsorship of elaborate programs for the exchange of cultural and trade delegations and impressive exhibits. As these Soviet overtures have been made to Pakistan as well as to India, the USSR will probably concentrate on charging the West with presenting a settlement of the Kashmir dispute and will refer, temporarily at least, only in general and ambiguous terms to their suggestion for a constituent assembly which, according to the Soviets, is the sole means of assuring a prompt and truly popular solution. Thus, while on the one hand Indian public opinion is encouraged to believe it is about to receive Soviet support on Kashmir, Pakistan’s Prime Minister Zafarullah Khan reports that Vishinsky has assured him, in a private conversation, that the USSR was not referring to the Constituent Assembly already in existence in the Indian-occupied areas of the state. Soviet intentions appear to be to discourage both Asian countries from developing friendly relations with the West, by holding out to each some hope of Soviet support in Kashmir.

Apart from these two immediate short-term objectives, Soviet intervention in the Kashmir dispute appears to have a third and potentially far more significant longer range objective: the USSR is paving the way for direct Communist intervention in Kashmir. While the Soviet Union undoubtedly recognizes that such a move would antagonize, India, it probably considers that the rewards of intervention outweigh the disadvantages of alienating India. Exploitation of the unsettled political situation in Kashmir would be part of a larger Soviet program to step up pressure against South and Southeast Asia; it would be aimed at converting Kashmir into one of a ring of independent pro-Soviet states on India’s northern borders.

Sheikh Abdullah, Prime Minister of the Indian-occupied part of Kashmir, although a friend of Nehru, has tried to enlist support for an independent state for a number of years. Abdullah’s advocacy of an independent Kashmir seems to be based on three major considerations:

1. It would provide a solution to the dispute which both India and Pakistan could accept as neither would emerge the victor.
2. It would strengthen Kashmir both economically and politically, enabling the development of a profitably trade with both India and Pakistan and reducing if not removing Pakistan’s incentive for arousing religious tension in the state.
3. It would pave the way for an Indo–Pakistan agreement to guarantee the security of the estate yet leave Kashmir free to shape its own internal policies.
Sheikh Abdullah first attempted to enlist US support for this solution to the dispute in 1949 but received no encouragement and a year later was confidentially reported to have approached the USSR along the same lines. Although the Soviet Union also appears to have ignored Abdullah’s ideas in 1950, it now may be planning to exploit this known preference for independence for its own ends. Ever since the Kashmir dispute first arose the Communist Party of India has followed a line on the Kashmir case calculated to win the approval of public opinion in Kashmir as well as in India. From the beginning it blamed the UK and the US for the dispute itself as well as for preventing a settlement in the UN because of Western strategic interest in Kashmir and later voiced modified approval of Abdullah’s land reforms. Since 1951 which the party adopted a United Front Policy it has substantially strengthened its popular appear with leftist and reformist elements in the areas, as demonstrated by Communist successes in forming “united front” groups and electing candidates in the current Indian elections. Finally, several months before the Vishinsky statement, the CPI began to favor the withdrawal of the Kashmir dispute before the UN. Although the USSR has made no such suggestion, this idea, originally sponsored by Indian right-wing groups, is widely popular both in Kashmir and India.

III. Reaction in India and Kashmir

Indian government officials appear to be genuinely non-pleased by the Soviet change of tactics in the UN and Sir Girja Shanker Bajpai, the Secretary General of the Ministry of the External Affairs, has indicated to US officials that his government had no previous intimation of the Soviet move and would continue to cooperate with UN mediatory efforts to settle the dispute. In fact, public Soviet support for a Kashmir settlement through a constituent assembly decision rather than a plebiscite promises to prove something of an embarrassment to India. Before the present dispute over Kashmir arose, Prime Minister Nehru had suggested that the question of accession might be decided by a constituent assembly. At the time of the October 1947 invasion, however, he recommended that the question be settled by plebiscite and since then India has been on record as favoring the principle of plebiscite. As recently as May 1951, Indian representatives in the UN stated that while India supported the right of the Constituent Assembly in the Indian occupied area to vote on the question of accession, such a decision would not prejudice continued UN consideration of the Kashmir dispute. Kashmir official circles are reported to have interpreted the Soviet speech as unexpected support for their Constituent Assembly and Prime Minister Abdullah was reported to have preceded to New Delhi to discuss the forthcoming Security Council debate, Indian officials will probably warn Abdullah against hasty assumptions. Soviet support, but they can be expected to proceed cautiously in order to avoid unnecessarily antagonizing the USSR while working to get a clarification of the mutual Soviet interest and position in
the Kashmir case. Meanwhile, Indian newspapers opinion has also tended to interpret Soviet comment on Kashmir as support for the Indian position while warning that the Soviet move is motivated by great power rivalry is over the strategic position of Kashmir and should not be taken as gesture of friendship for India. At the same time, many papers point out that the Soviet decision to participate in the settlement of the dispute confirms Indian suspicions of US–UK appeasement of Pakistan for strategic reasons.

IV. Reaction in Pakistan

Reaction to the Soviet comment in Pakistan has been divided. On the one hand the press and public opinion generally have reacted sharply against what they consider to be Soviet abandonment of a policy of neutrality in favor on India. Pakistan’s leading newspaper, Dawn, assumes that the USSR is supporting the existing Kashmir Constituent Assembly and warns the USSR that support for this “travesty of an elected assembly” will disillusion millions and shatter Soviet prestige as the champion of the downtrodden. The Prime Minister of Pakistan, however, confidentially pointed out that the US Ambassador that the Soviet suggestion for a constituent assembly did not necessarily refer to the existing state assembly and expressed the view that “the Russians have served notice we must take them into consideration and I intend to do it.” Shortly thereafter, US representatives were informed that Pakistan Foreign Minister Zafrullah Khan had approached Vishinsky in Paris concerning the speech and been told that Malik’s reference to a constituent assembly did not refer to an existing body but to a really representative one yet to be elected. There is no evidence yet available that Pakistani newspapers have been informed of these official points of view. But Pakistan’s representatives in the UN will presumably continue to be on the alert for possible Soviet suggestions for alternative solutions in Kashmir which may also be acceptable to Pakistan.

7.3

(NOT FOR THE PRESS)
(FOR DEPARTMENTAL USE ONLY)
MEMORANDUM OF THE PRESS AND RADIO NEWS CONFERENCE HELD ON NEW DELHI, INDIA ON MAY 22, 1953

United States Foreign Aid

Secretary Dulles held a press and radio news conference at the American Embassy in New Delhi, India, on Friday, May 22, 1953. Following is the third person summary of that conference:
A correspondent asked the Secretary how long the United States could continue to be father bountiful of the world and whether the American people took kindly to increased taxation which American aid involved. Mr. Dulles replied that the United States was not trying to play the role of a father bountiful. He said that since the close of the Second World War the United States Government had contributed very substantially to certain project which had been designed to create a healthy environment and thereby promote our own security and economic well-being. Mr. Dulles state that the American people did not like to pay taxes any more than any other people did but added, he was happy to say, that Americans were sufficiently enlightened to realize that their own land could never be an island of prosperity surrounded by a sea of misery. He stated that Americans were willing to pay taxes to help other people who were intelligently trying to help themselves and there by get their country into a condition of good economic health. Mr. Dulles continued by saying that most of our foreign aid was helping to build collective defense systems from which the United States benefited. He said that, as an example, the United States benefited from this in the same way that residents of a city benefited by contributing to a community fire department—each contributing to the department and each getting a degree of protection at less cost than would be possible in any other way. He pointed out that that was the principal form of our grants-in-aid were taking. The secretary concluded by saying that our economic aid relation with Europe was tapering off as the European nations recovered from the way, so that the burden of the United States taxpayer was scheduled to go down. He added that that was as it should be.

A correspondent asked the Secretary to clarify his government aid. Mr. Dulles replied that he had pointed out several times, notably in his address of December 11, that there were vast areas within which private aid would be more effective that governmental aid. He said that the reason was that those who administered funds taken by taxation were subject to limitations placed upon the use of those funds whereas private persons, charitable endowments, foundation and the like could make whatever use they wanted of their funds. The Secretary said that these private bodies were less restricted and their activities were not subjected to charges by some people seeking political advantage as was apt to be the case when public funds were sued by one in the employ of the Government. Mr. Dulles went on to say that that was why he had urged greater private benevolence and had pointed out that when individuals and private groups gave freely of their own out of a sense of compassion, particularly if they expressed compassion in intelligent and constructive ways, better results would be accomplished than by public grants and that this was in accord with American traditions. However, Mr. Dulles said that he did not believe and had never said that private charity could wholly supplant governmental aid of type represented by the Marshall Plan and now conducted to some extent through the Mutual Security Agency and the Technical Cooperation Administration.
The Secretary said that President Eisenhower in his recent great peace address had pointed out that if there should be such a restoration of trust in the world as to permit large reductions of armaments, the United States Government would ask its people to join all actions in devoting a substantial percentage of the savings achieved by disarmament to a fund for world aid and reconstruction. He went on to say that the President had added that that would help other peoples develop underdeveloped areas of the world so as to stimulate a profitable and fair world trade and assist all peoples to know the blessings of productive freedom. Mr. Dulles stated that such a fund as the one to which President Eisenhower had referred and which we devoutly hoped might come into being would be of such magnitude that it automatically would have to be a governmental rather than a private enterprise.

US Aid to India

A correspondent asked if aid toward India was to be on a three–year basis in the future instead of one year as had been reported. The Secretary answered that the United States was studying the Indian five-year plan as a whole, because it was a whole and it still had three years to run. However, he explained that under our system, governmental appropriations are made on a year–to–year basis and that, therefore, it was not practical from our side to have a three-years appropriation. A correspondent said that provided India stood firmly committed to a policy of non-involvement and granted that India stood firm in combating the growth of communism within its country through systematic eradication of poverty and provided India would preserve a stable and efficient administration, would the Secretary give assurance that the United States Government would extend assistance from time to time so that the five-year plan would not be held up at any time for lack of funds. Mr. Dulles replied that it would not be practical for any American Government to give such assurance. He said that he did not think that the Indian Government would ask for or expect any such assurance. He added that his conversations with Indian leaders and the planning commission had made it clear that India itself expected to provide most of the funds. Mr. Dulles told the correspondents that in the United States we had many long term projects which were held up due to lack of funds. He explains that we could not get such guarantee for ourselves and hence we were in no position to give such guarantees to other people. Mr. Dulles said that the United States hoped that the efforts which India made, the financial position of the United States, and the friendly relations between our people would result in continuing cooperation and also in our aid to the Indian five–year plan. He added that this involved the cooperation of our Congress which has control of the appropriation of funds.

Middle east defense organization

A correspondent asked the Secretary whether he agreed that what the Middle East needed was assistance for economic reconstruction, which, by raising the
standard of the people, would provide greater security against communism than the establishment of a Middle East Defense Organization. Mr. Dulles replied that he agreed fully, especially after having recently visited most of the nations of the Middle East. He said that it was important to raise the living standard of the people of those countries, he said that he and Mr. Harold Stassen, Mutual Security Agency director, had observed that the greatest need everywhere in the Middle East was water, water which would permit the development of cultivatable land and agricultural production. He added that he believed that there were great possibilities for improvement by utilizing available sources of water. Mr. Dulles pointed out that there was also a need for greater opportunities for education and greater public health facilities. He said that progress along all these lines would greatly promote the welfare of the people and that in so doing would make it less likely for communism to gain a foothold. He added that it seemed to them that the hard religious views held by the people in that area constituted a great important barrier to communism.

However, Mr. Dulles said that he believed that it was important to establish a regional defense organization in the Middle East. He stated that it was too costly for those countries individually to have adequate defense establishments of their own and that, therefore, a collective system would be much cheaper and much more reliable. He added that he had no firm views on the precise type of organization, but that he hoped that there would be some kind of regional development toward collective security.

**Communism**

**U.S. policy of combating communism**

A correspondent stated that in regard to the major American policy to combat communism the people in Asia felt that it was not working there. Then he asked the Secretary if he had a new positive approach to the problem. Mr. Dulles answered by saying that Democracy means rule by the people and rule by the people could work only when the people were educated and exercised such self-restraint and self-control in the interests of the community as is taught by what we call moral law. He said that wherever these conditions existed—whenever law—democracy worked unless it was physically crushed by violence such as often was used by militant communism or militant fascism. He went on to say that the Soviet brand of communism controlled about 800,000,000 people, a third of all the people in the world—people who represented what used to be nearly a score of independent nations. He said that in none of these countries including Russia itself, had the people voluntarily and freely chosen Communist rule, and asserted that the Reds had come into rule through violence or threat of violence. He said that in South Korea after the close of the Second World War the United States had tried to develop democracy primarily through giving aid, educating the people and improving the economic status. He said that we
had made a great deal of progress in that respect and that he had been their and had seen if five years after the Second World War.

He said that we, in the belief that it was more important to concentrate on educational and economic aspects of the national life, did not provide any substantial amount of arms, equipment, planes, tanks and the like for the South Korean Army and well the North Koreans attempted to crush this experiment in democracy in South Korea. He expressed his belief that the experiment in South Korea proved that democracy can work but that it needs a military shield behind which to grow.

**India: democracy vs. totalitarianism**

Asked whether he found India neutral on the question of democracy versus totalitarianism, Mr. Dulles answered in the negative. He said that he was thoroughly convinced that India was acting according to its best judgement to promote democracy and to prevent the spread of totalitarianism. He added that there were differences of opinion as to just how to accomplish this and as to whether India’s policies were in all respects best adapted to produce that result. However, he said that he had no doubt whatever that the Government and the vast majority of the people of India strongly opposed totalitarianism and this spread.

Asked why India was not afraid of communism while the United States seemed to be constantly haunted by this fear. Mr. Dulles replied by saying that the question seemed to assume that the United States with all its material power was afraid of the Communist bloc whereas India which was relatively weaker was not afraid. He said that the United States was not afraid in the sense which the question seemed to suggest and that the United States was entirely confident of its strength. He said that he had no doubt whatever that if the Soviet Communist countries should start a general war the end would be their total destruction. He explained that the thing about which we were deeply concerned was the threat to peace and the possibility of a war which—whoever won—would bring untold misery and destruction to all. He said that we were concerned primarily because of three facts: First, that Soviet communism was an absolute dictatorship which taught as its goal the spread of their system throughout the world.

Second, that absolute dictatorship maintained a huge military establishment enlisting vast manpower in its armed services, far more than any other nation, and third, that the Soviet Government was not restrained by any moral principles because it had an atheistic creed that denied existence of any such thing as moral law. He added that wherever such combinations existed we believed it foolish not to take precautions, but that taking those precautions should not be identified with fear.

**East-West stalemate**

A correspondent said that both the United States and Russia said that they wanted peace and denounced each other as potential disturbers of peace.
Then he asked if the United States was content with this stalemate. Mr. Dulles replied that, of course, the United States was not content with this stalemate of distrust could be broken by certain deeds. He said that the Communists could bring about the end of war in Korea—a war which the United Nations had found a war of aggression. He added that as long as that war continued it was difficult not to have distrust. He also said that the Communists could put a stop to the aggression against Laos and that they could sign an Austria, treaty, which had been under negotiation for nearly seven year. He pointed out that in the course of the Austrian Treaty negotiations the Western powers had repeatedly made concession and then added that there were a few other places at which action could be taken to break the present stalemate of distrust.

Asked whether he agreed with the Indian Vice President that the dissolution of the Soviet Cominform could be taken as evidence of Soviet sincerity in pronouncements of peace, Mr. Dulles replied that he quite agreed with the statement of the Vice President of India. He said that as evidence of his own viewpoint he could quote from a speech he had made on April 16 wherein he had said that Soviet communism, as a principal test of peaceful intentions, should abolish and abandon, in fact as well as in form, the Cominform through which Soviet communism endlessly conspired to overthrow from within every genuinely free government in the world.

Big four talks

A correspondent said that in view of President Eisenhower’s statement the Communist would have to give evidence of good faith before any high-level talk could be initiated to solve East-West differences. He than asked what gestures would be sufficient evidence of good faith to warrant such a conference. The Secretary replied that he doubted that any very important results could come out of any high-level conference which included the leaders of Soviet Russia so long as the Soviet bloc was promoting war of aggression in Korea, war of aggression in Indochina against Laos and so long as the Soviet Union refused to restore independence to Austria and withdraw its occupation troops from that small inoffensive country.

China

Trade with Red China

A correspondent asked whether the United States had any plans to foster trade between Japan and Communist China, stating that the economic of the two countries had been complementary for almost half a century. Mr. Dulles replied that he was quite familiar with the Japanese situation, since he had worked on such problems for several years. He said that his conclusion was that the existence of Japan as an industrial nation actually did not depend on trade with
the Sino-mainland. He said that there had been little such trade in several years and that the whole Japanese economy had substantially improved. He added that there were large areas for overseas trade which would give Japan access to food and raw materials and markets. However, he said, he recognized that the Sino-Communist mainland offered an attractive market and a source of raw materials and that he hoped the time would come when the Chinese would reject their militaristic leadership and their militaristic enterprises as the conducting of the war in Korea and the supporting of Indochina that trade with China could take place under conditions which would promote peace and not war.

US Policy in Asia

A correspondent asked if the United States Government was committed to a policy of “Asians must fight Asians” as enunciated by President Eisenhower during his election campaign. The Secretary answered that President Eisenhower had never said that Asians must fight Asians but that the Communists had attributed that slogan to the President. Mr. Dulles said that what President Eisenhower had said was that if the free peoples of Asia were attacked by other Asians in response to aggressive Communist dictatorship, then the free Asian peoples should be in a position to defend themselves without bringing Western troops into Asia. He explained that the President had made that statement in relations to his program for better training and better equipping of the South Koreans so that they might defend themselves, their own land and their own homes.

Indochina (US Aid to French in Indochina)

A correspondent asked if besides existing military and economic aid to the French in Indochina the United States was persuading the French to undertake any political reforms that might help to fight against the Vietnamese. Mr. Dulles replied that the United States Government had had extensive talks with the French Government during which measures to bring the people of Vietnam to realize that they were fighting for their own freedom had been discussed.

Africa (US view on development in Africa)

A correspondent asked what the view of the United States was on developments in Africa and what role the United States proposed to play in that situation. The Secretary answered that the United States had a great historic traditions and we believed—that our nation had been founded on the belief—as it appears in the United Nation Charter—in all non-self-governing territories the aim should be to “develop self-government, take due account of the political aspiration of the people and assist them in the progressive development of their free political institutions according to the particular circumstances in each territory and
the varying stages of advancement of the people.” He said that that was the proposition upon which the United States stood. However, he continued, it must be remembered that Soviet communism teaches that extreme Nationalisms must be used as a means whereby non-self-governing people should be brought to break their ties with the West and after which in weakness they will be amalgamated—a word Stalin regularly used—within the Soviet orbit. He emphasized that amalgamation meant total loss of reality, of freedom and of independence as a nation. Furthermore, Mr. Dulles added, that he had to remind the correspondents that Soviet communism taught violent revolution and not peaceful evolution, that they say that nothing can be accomplished by peaceful processes and that it can only be done by violence. Mr. Dulles said that such violence always ended in dictatorship because violent elements readily came under control of those who would make themselves dictators. He concluded by saying that the United States stood for peaceful evolution towards self-government and independence; that we really believed in that evolution and that believing should become a reality and not a sham.

Lincoln White

7.4

TRANSCRIPT OF PROCEEDINGS
TRANSCRIPTION OF PRESS CONFERENCE By SECRETARY DULLES
Held at Karachi, Pakistan
May 24, 1953
Transcribed by: Violet,
C/S – Reporting
DEPARTMENT OF STATE
Division of Central Services
Washington, D.C. SECRETARY DULLES: Ladies and gentlemen of the press, since I got off the plane at Karachi Airport, where I was greeted by one of the finest honor guards I have ever reviewed, I have had an extremely busy and interesting two days.

Mr. Stassen and I have been the guests here of your distinguished Governor General and have had frequent opportunities of conversation with him. We have conferred with your Prime Minister and with Sir Zafrullah Khan, your Foreign Minister. I have been fortunate already to know both of these gentlemen in the past and to count them as friends.

We have met with other leaders of your government for the first time and we are impressed by their dedication to public service. We have conferred with our newly appointed Ambassador to Pakistan Mr. Hildreth, and his staff. This new Ambassador of ours is a distinguished American, formerly the Governor of one of our states and President of one of our most distinguished private universities. I told Ambassador Hildreth that he is faced with a difficult task,
if he is to become as well known and as well loved in Pakistan as your Prime
Minister was when he was Ambassador at Washington; and I'm confident
that, as you come to know Ambassador Hildreth, you will have the same high
confidence which President Eisenhower and I place in him.

I mentioned when I arrived in Pakistan, Mr. Stassen and I came to Karachi
to look, to listen and to learn. I can truly say that we have done all three. We
have learned much about the problems of this country, the problems which
it has faced since its independence six years ago. We have gained a further
understanding of the role that Pakistan can play as an important member of
the free world. We have studied your economic problems, the need of water
development and of more efficient agricultural methods. All of this knowledge
will be extremely helpful to us on our return to Washington when we shall
report to President Eisenhower about our trip.

Although I have not had much free time here, as you can imagine I have
given thought to the questions which you of the press have kindly submitted
to me in order to give me an impression of what are the problems that are on
your minds, and so that my statement here might be responsive to your questions.
I cannot answer each question separately but I have tried to group them
together into topics which appear to be of greatest interest and I shall reply in
that fashion.

Many of you, for example, asked about the attitude of the United States toward
Pakistan–India relations. It is the policy of my government to lend its best
efforts, as it has done in the past in the United Nations, to a just and amicable
settlement of these various points of issue between the two countries. We realize
that these issues pose a potential threat to the peace of the area and are a deterrent
to economic progress in both Pakistan and India.

We have discussed the problems of Kashmir with the Prime Minister of both
Pakistan and India and we are glad that they are to discuss these problems
together in the near future. I am hopeful that these direct negotiations may
result in solutions. The United Nations Charter, you may recall, contemplates
that the parties to a dispute should seek a settlement by direct negotiation and
we are encouraged that this step will now soon be taken.

Another topic of concern, as revealed by your questions, is the serious wheat
shortage which now faces your country. You are all anxious to know whether or
not the United States will be in a position to help in this emergency. I cannot now
give you a definite answer to that question because, under our Constitutional
system, final authority in such matters rests with the Congress and Congress
has not yet acted upon it. However, I can tell you that this problem was closely
studied by Congressman Nerrill and his colleagues when they visited Pakistan
last April. It has since been studied by a mission headed by Dr. Philip Reed,
representing jointly the Department of State and the Mutual Security Agency.
Both of these groups have given careful and sympathetic attention to your needs.
The very fact of these missions demonstrates the reality of United States concern;
and Mr. Stassen and I, upon our return, will, we promise you, give urgent attention to this matter. I am hopeful that the United States will act according to our tradition of sympathetic and practical concern to ease the suffering of our friends.

You have asked questions on America’s attitude towards Africa and freedom of the people of the non-self-governing territories. I have been questioned on this same matter in other countries during this tour and in each occasion I have referred to the great American historic tradition of freedom. That belief, on which our nation was founded and to which we adhere, is expressed also in the United Nations Charter in an article, incidentally, an article of the Charter which was worked on very actively by Mr. Stassen at the San Francisco Conference of 1945. And that article states that the aim in these territories should be—and I now quote from the Charter: “to develop self-government and take due account of the political aspirations of the people and assist them in progressive development in their free political institutions according to the particular circumstances of each territory and the people in their varying stages of development.”

We believe, in contrast to the Communist theory of violent revolution, that there can be this evolution by peaceful processes. Always remember that Soviet-Communism teaches that extreme nationalism is to be used as the instrument of violent revolution. Soviet Communism professes to believe that nothing can be accomplished by peaceful progresses but only by violence. But history teaches that violence easily comes under the control of those who would make themselves dictators and that such violent revolutions often end in dictatorship and the loss of the very freedom that is sought. That is why the United States stands for peaceful evolution towards self-government and independence.

We want the change to bring real progress and not merely illusions of progress.

Several of you have asked about regional defense and whether or not Pakistan should take part in it. I believe in the importance of regional defense organizations. It is extremely costly for any country to try to provide a complete defense all of its own. Indeed, in these times it is, I think, quite impractical for any one country to consider that it can stand along without the help of its neighbors. Furthermore, a system of collective defense provides much greater overall strength than individual countries could provide separately and, therefore, it acts as a greater deterrent to aggression.

At this time I do not have any firm view as to the precise organization which might develop in the Middle East, but I believe in general that collective security organizations are more solid and dependable if they reflect not only strategic factors but a unity of culture and of faith. I have no formula to propose but I do have a high regard for the contribution which Pakistan could make in the defense of freedom. I am confident that, whatever be the precise form of the development, Pakistan will play a positive and a constructive role.
Another question which some of you asked is what is meant by the slogan “Asians must fight Asians”. The Communists falsely attribute that slogan to President Eisenhower.

He never said it. What the President did say, speaking in reference to the fighting in Korea, was this, that if the free peoples of Asia are attached by other Asians who respond to aggressive Communist dictatorship, then the free Asian peoples ought to be in a position to defend themselves without bringing Western troops into Asia. You can see that this is quite a different thing from what the Communist press has so often falsely attributed to President Eisenhower.

Another question is whether or not the United States is going to have a new policy for the Middle East. President Eisenhower, after his inauguration last January, asked me and my principal assistants in the State Department to make a thorough review of all of our foreign policies. We have been carrying on that review in relation to this area as well as others. That is a principal reason why I am on this trip. And on this trip I have gained much knowledge and a new insight into the problems of this area, a new insight which I am confident will help us in the future.

This area, the Middle East and Asia, are areas where very serious events could happen. I’m thinking of such problems as are presented by the Suez bases, Arab–Israeli relations, the Iran oil dispute, the problem of Kashmir; the relationship of the Asian subcontinent to Communist activities now manifest in China, in Korea, and Indo–China are potentially of far greater scope.

We shall go back to Washington with no disposition, I can assure you, to meddle in the affairs of others, but we shall go back with a keen realization that what happens in this part of the world has repercussions which extend all around the world. And we shall, I hope, be better qualified to exercise a sound judgement on any aspects of such problems as may hereafter become a study of proper concern for the United States.

There have also been inquiries regarding the attitude of the United States toward the threat of Communism. We are concerned, first, because Soviet Communism is an absolute dictatorship, the avowed goal of which is to spread its system throughout the world; secondly, because this dictatorship maintains a huge military establishment; and, thirdly, because its government is unrestrained by moral principles since its atheistic creed denies the existence of any such thing as a moral law.

It is my opinion that the threat of Communism, the threat as it comes internally, can best be met through the development of a sound system of government that recognizes the rights of individuals; and to that must be added education and also programs to improve the well-being of the people through economic development, public health centers, and the like. And then to protect against the threat of external aggression free people should have a military shield behind which they can, with security, develop their own resources and increase the well-being of their people.
In all of these views I believe that our thinking, that our policies are in substantial accord with the thinking of your leaders. And, as I depart from Pakistan, as I shall be doing in a few hours, I leave with you my sincere best wishes.

Rarely has any nation had to face such difficult problems. Your national domain is geographically divided. Your boundaries are in some respects still unsettled and the cause of severe tensions. Your people are economically poor. Your refugee problem is immense. Such elements would readily discourage men of little faith. I find, however, here a spirit which I predict will surmount all the challenges which you face. Of all the values which men seek, none is more to be desired than courage, faith, and resolution. These you possess, and with those possessions you can face the future with solid confidence. Thank you.
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The importance of the area

It is high time that the United States Government paid more attention to the Near East and South Asia which, until our trip, no United States Secretary of State has ever visited. Our postwar attention has been primarily given to Western Europe. That area was and is very important; but not all important.

It came as a surprising shock when the 450 million Chinese people, whom we had counted as friends, fell under communist domination. There could be equally dangerous developments in the Near East and South Asia. The situation calls for urgent concern.

The area we visited contains about one–fourth of the world's population. It represents about one–half of the people of the world who are still free of communist domination.

The Near East possesses great strategic importance, as the bridge between Europe, Asia and Africa. The present masters of the Kremlin, following the lead of past military conquerors, covet this position. In 1940 Soviet leaders specified, in secret negotiations with the Nazis, that Soviet “territorial aspirations centre*** in the direction of the Indian Ocean and *** the Persian Gulf”.

This area contains important resources vital to our welfare—oil, manganese, chrome, mica and other minerals. About 60 percent of the proven oil reserves of the world are in the Near East.

Most important of all, the Near East is the source of three great religions—the Jewish, the Christian and the Moslem—which have for centuries exerted an immense influence throughout the world. Surely, we cannot ignore the fate of the peoples who have first perceived and then passed on to us the great spiritual truths from which our own society derives its inner strength.

Egypt and the Suez base

Our first stop was in Egypt. There we had three days in which to get acquainted with General Naguib, who heads the government. He is a popular hero, and I could readily see why. He and his associates are determined to provide Egypt with a vigorous government which will truly serve the people. Also, they seek to end the stationing of British troops and exercise of British authority at the Suez base.

Before we arrived in Egypt, a very tense situation had developed between the British and the Egyptian Governments. Conversations looking to an orderly withdrawal of British troops had been suspended and there was danger that hostilities would break out.

We discussed the situation with General Naguib. The heart of the trouble is not so much the presence of British troops, for both sides agreed that they should be withdrawn, but the subsequent authority over and management of this gigantic base, its air strips, and its depots of supplies. Experienced administrative
and technical personnel is needed to keep the base in operating efficiency and the provision of this personnel causes difficulty. The matter has an importance which goes beyond Egypt, for the base serves all Near Eastern and Western security.

I am convinced that there is nothing irreconcilable between this international concern and Egyptian sovereignty. We asked, with some success, that there be further time to find a peaceful solution. The United States is prepared to assist in any desired way.

Egypt stands at the threshold of what can be a great new future. If this Suez problem can be satisfactorily solved, I am confident that Egypt can find the means to develop its land and lift up its people, and add a new bright chapter to a glorious past.

Israel, Jerusalem and refugees

Next we went to Israel. We were impressed by the vision and supporting energy with which the people are building their new nation. Inspired by a great faith, they are now doing an impressive work of creation. They face hard internal problems, which I believe they can solve. Furthermore, the Prime Minister, Ben Gurion, and other Israeli officials asserted convincingly their desire to live at peace with their Arab neighbors.

Jerusalem is divided into armed camp split between Israel and the Arab nation of Jordan. The atmosphere is heavy with hate. As I gazed on the Mount of Olives, I felt ……that Jerusalem is, above all, the holy place of the Christian, Moslem and Jewish faiths. This has been repeatedly emphasized by the United Nations. This does not necessarily exclude some political status in Jerusalem for Israel and Jordan. But the world religious community has claims in Jerusalem which take precedence over the political claims of any particular nation.

Closely huddled around Israel are most of the over 800,000 Arab refugees, who fled from Palestine as the Israeli took over. They mostly exist in makeshift camps, with few facilities either for health, work or recreation. Within these camps the inmates rot away, spiritually and physically. Even the Grim Reaper offers no solution, for as the older die, infants are born to inherit their parents’ bitter fate.

Some of these refugees could be settled in the area presently controlled by Israel. Most, however, could more readily be integrated into the lives of the neighboring Arab countries. This, however, awaits on irrigation projects, which will permit more soil to be cultivated.

Throughout the area the cry is for water for irrigation. United Nations contributions and other funds are available to help refugees and Mr. Stassen and I came back with the impression that they can well be spent in large part on a coordinated use of the rivers which run through the Arab countries and Israel.
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Jordan

Irrigation needs became most vivid as we motored from Jerusalem to Amman, the capital of Jordan. The road goes through the Dead Sea area, a scene of desolation with no sign of life other than the tens of thousands of refugees who survive precariously on the parched land largely by aid of United Nations’ doles. Later on, as we flew north, we observed the waters of the Yarmak River, which could perhaps be diverted so as to return some of this vast desert valley into fertile land.

At Amman, we dined with the charming and able new King Hussein and his Government. They are preoccupied with the problem of refugees and of relations with Israel. The inflow of refugees had almost doubled the population, and the long armistice line with Israel gives rise to frequent and dangerous shooting episodes.

Syria, Lebanon, Iraq and Saudi Arabia

From Jordan we went to Syria. There we were impressed by General Shishikli. He is eager to develop the resources of his country, which are substantial. Thus, the living standards of the Syrian people could be raised. This would, in turn, enable them to receive more refugees into a land which relatively is sparsely populated.

From Damascus, the capital of Syria, we motored to Beirut, the capital of Lebanon. The road took us over a mountain range, with refreshing snow in sharp contrast to the heat of the desert plains.

You will recall that Beirut is the home of the American University, which has educated many of the Arab leaders of today. President Chamoun of Lebanon talked to us of his high hopes for his country and pointed to the role it might play, representing uniquely a meeting of East and West.

Leaving Lebanon for Iraq, we flew over the Tigris and Euphrates Valleys. This was the site of the Garden of Eden. Under its new ruler, King Faisal—who visited the United States last summer—the Government of Iraq is beginning to develop these valleys and restore their former productivity. The revenues from the oil production are being largely directed to this and other construction purposes. Iraq can be, and desires to be, the granary for much of this part of the world.

In Saudi Arabia we were received by King Ibn Saud, one of the great Near Eastern figures of this century, conspicuous in his dignity and singleness of purpose. He is a good friend of the United States, as he has shown by deeds; our policy will be to reciprocate this friendship. In Saudi Arabia, Americans and Arabs are working together in good fellowship in the vast oil fields of the country. It is a good relationship.

India and Pakistan

We left the Arab area to go first to India and then to Pakistan. These two nations, although independent for less than six years, already play an influential part in world affairs.
In India I met again with Mr. Nehru, one of the great leaders of our time. We had long conversations together in the intimacy of his home. His calm demeanor and lofty idealism impressed me. We reviewed together the international problems which concern both our countries, including the problem of Korean armistice and the threat to Southeast Asia. We did not always agree, but we did clear up some misunderstandings and, I felt, gained respect for the integrity of our respective purposes. India is now supporting the armistice position of the United Nations Command in Korea.

Mr. Stassen and I also obtained a clearer view of the Government of India’s Five-year Program to improve the welfare of the Indian people.

India is the world’s largest self-governing nation. It has about 2,000 miles of common boundary with Communist China. There is occurring between these two countries a competition as to whether ways of freedom or police state methods can achieve better social progress. This competition affects directly 800 million people in these two countries. In the long run, the outcome will affect all of humanity, including ourselves. Our interest fully justifies continuing, on a modest scale, some technical assistance and external resources to permit India to go on with its Five-Year Plan.

Pakistan is the largest of the Moslem nations and occupies a high position in the Moslem world. The strong spiritual faith and martial spirit of the people make them a dependable bulwark against communism.

The new Prime Minister, Mohammed Ali, whom we recently know as Ambassador to Washington, energetically leads the new government. We met with a feeling of warm friendship on the part of the people of Pakistan toward the United States.

A grave and immediate problem is the shortage of wheat. Without large imports, widespread famine conditions will ensue. Last year we helped India in a similar emergency. I believe that prompt United States wheat assistance to Pakistan is essential.

It is not possible to think about United States aid without also thinking that these countries cannot afford to waste their strength for possible use against each other.

That thought applies to the dispute between India and Pakistan about Kashmir. It is my impression from my conversations with the Prime Ministers of India and Pakistan that this controversy can be settled. Surely, it needs to be settled. We tried, tactfully but firmly, to make clear that the United States, as a friend of both countries, hopes for an accord which would make more fruitful such economic aid as we render.

Iran

It was not practical to include Iran in our schedule. However, we arranged that our Ambassador to Iran should meet us in Pakistan. Iran is now preoccupied
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with its oil dispute with Great Britain. But still the people and the government do not want this quarrel to expose them to communist subversion. They have not forgotten the Soviet occupation of 1941–1946.

The United States will avoid any unwanted interference in the oil dispute. But we can usefully continue technical aid and assistance to this agricultural nation of Iran and in that way perhaps help prevent an economic collapse which would play into the hands of predatory forces.

Turkey, Greece and Libya

After Pakistan, we went to Turkey and Greece. These two countries have clearly demonstrated their intent to stand steadfast against communist aggression and subversion. Despite their heavy commitments to NATO, both countries have contributed valiantly to the United Nations efforts in Korea.

We, in turn, plan to continue to help Greece and Turkey to grow stronger. They are valiant in spirit and hold a strategic position in Europe and Asia which enables them to help us. While in Greece I dined with the King and Queen and passed on to this charming couple President Eisenhower's invitation that they visit us this fall.

Our last stop before returning to the United States was Libya, the newest member of the family of nations. This country is located at a key spot on the North African coast on the Mediterranean. It has recently become an independent nation by action of the United Nations. Libya is cooperating with the United States and the United Kingdom in strengthening its own defenses and those of the Mediterranean area.

Let me turn now to conclusions.

Colonialism

1. Most of the peoples of the Near East and South Asia are deeply concerned about political independence for themselves and others. They are suspicious of the colonial powers. The United States too is suspect because, it is reasoned, our NATO alliance with France and Britain requires us to try to preserve or restore the old colonial interests of our allies.

I am convinced that United States policy has become unnecessarily ambiguous in this matter. The leaders of the countries I visited fully recognize that it would be a disaster if there were any break between the United States and Great Britain and France. They don't want this to happen. However, without breaking from the framework of Western unity, we can pursue our traditional dedication to political liberty. In reality, the Western powers can gain rather than lose, from an orderly development of self-government.
I emphasize, however, the word “orderly”. Let none forget that the Kremlin uses extreme nationalism to bait the trap by which it seeks to capture the dependent peoples.

Living standards

2. The peoples of the Near East and Asia demand better standards of living, and the day is near when their aspirations can be ignored. The task is one primarily for the governments and the peoples themselves. In some cases they can use their available resources, such as oil revenues, to better advantage. There are, however, ways in which the United States can usefully help, not with masses of money but by contributing advanced technical knowledge about transport, communication, fertilization and use of water for irrigation. Mr. Stassen and I feel that money wisely spent for this area under the Mutual Security Program will give the American people a good return in terms of better understanding and cooperation.

Arab good-will

3. The United States should seek to allay the deep resentment against it that has resulted from the creation of Israel. In the past we had good relations with the Arab peoples. American educational institutions had built up a feeling of good will and also American businessmen had won a good reputation in this area. There was mutual confidence to mutual advantage.

Today the Arab peoples are afraid that the United States will back the new state of Israel in aggressive expansion. They are more fearful of Zionism than of communism and they fear lest the United States become the backer of expansionist Zionism.

On the other hand, the Israeli fear that ultimately the Arabs may try to push them into the sea.

In an effort to calm these contradictory fears the United States joined with Britain and France in a Declaration of May 25, 1950, which stated that “the three Governments, should they find that any of these states (of the Near East) was preparing to violate frontiers or armistice lines, would, consistently with their obligations as members of the United Nations, to prevent such violation”. That Declaration when made did not reassure the Arabs. It must be made clear that the present U.S. Administration stands fully behind that Declaration. We cannot afford to be distrusted by millions who could be sturdy friends of freedom. They must not further swell the ranks of communist dictators.
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The leaders in Israel themselves agreed with us that United States policies should be impartial so as to win not only the respect and regard of the Israeli but also of the Arab peoples. We shall seek such policies.

Peace between Israel and the Arab Nations

4. There is need for peace in the Near East. Today there is an uneasy military armistice between Israel and the Arab States while economic warfare is being conducted by the Arab States, in retaliation for alleged Israeli encroachments. The area is enfeebled by fear and by wasteful measures which are inspired by fear and hate. Israel should become part of the Near East community and cease to look upon itself, or be looked upon by others, as alien to this community. This is possible. To achieve it will required concessions on the part of both sides. But the gains to both will far outweigh the concessions required to win those gains. The parties concerned have the primary responsibility of bringing peace to the area. But the United States will not hesitate by every appropriate means to use its influence to promote a step-by-step reduction of tension in the area and the conclusion of ultimate peace.

MEDO

5. A Middle East Defense Organization is a future rather than an immediate possibility. Many of the Arab League countries are so engrossed with their quarrels with Israel or with Great Britain or France that they pay little heed to the menace of Soviet communism. However, there is more concern where the Soviet Union is near. In general, the northern tier or nations shows awareness of the danger. There is a vague desire to have a collective security system. But no such system can be imposed from without. It should be designed and grow from within out of a sense of common destiny and common danger. While awaiting the formal creation of a security association, the United States can usefully help strengthen the inter-related defenses of those countries which want strength, not as against each other or the West, but to resist the common threat to all free peoples.

Friendly understanding

6. In conclusion, let me recall that the primary purpose of our trip was to show friendliness and to develop understanding. These peoples we visited are proud peoples who have a great tradition and, I believe, a great future.
We in the United States are better off if we respect and honor them, and learn the thoughts and aspirations which move them. It profits nothing merely to be critical of others.

President Eisenhower’s Administration plans to make friendship—not fault-finding—the basis of its foreign policy. President Eisenhower brought with him from Europe an unprecedented measure of understanding and personal friendships. Before he was inaugurated, he went to Korea. Twice since inauguration, Mr. Stassen and I have been to Europe. Now we have been to the Near East and South Asia. Later this month, the President’s brother, Dr. Milton Eisenhower, and Assistant Secretary of State Cabot will go to South America.

Thus your government is establishing the world wide relationships and gathering the information which will enable us better to serve you, the American people.

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7.6

Personal and Private
(No date provided, Document No 9, Dulles 1952–53) notes on trip

**Important points of trip**

The following are the key points of conclusion on each country gained from conversations with foreign officials as well as American personnel stationed within each country:

**Egypt**

(a) Situation very tense-possibility open hostilities between Egypt and U.K. troops exists.

(b) Naguib not complete dictator but shares power with RCC, dominated by Colonel Nazir. Naguib has real popularity. Young officers could not do without Naguib—neither could Naguib do without Nazir group.

(c) Naguib and group almost pathological on British question. Would rather go down as martyr, plunging Egypt into chaos, than agree to anything which public could call infringement Egypt’s sovereignty.

(d) Technical points of dispute not important. Real problem is whether Britain will commit themselves for eventual complete withdrawal of technicians. Crux of issue is that base now supplies total area under British orders. If Egyptians assume control can we take their word they will comply with British orders for movement of supplies? Also, will they maintain base in usable condition? Most important is whether Egypt will agree for West (including UK) to occupy and use base in event of emergency.

(e) Naguib unwilling commit his government openly for defense arrangements with the West at this time because public opinion. Promises “on his word
of honor” to cooperate with the U.S. and, as soon as better feeling exists, with British and others.

(f) Naguib feels moving forward on arrangements with Israel not too difficult once he solves his problem with the British. How much of this is window dressing for our present support? He will insist on corridor arrangement linking Egypt with other Arab States.

(g) U.S. must convince British to relax position. We must also exert strong influence hold Naguib inline. Necessary to act soon after arrival Washington as both sides awaiting U.S. position.

Israel

(a) Ben Gurion indicted he hoped our mission to “win friends with the Arabs” would be successful. He saw nothing in this that was inconsistent with the interests of Israel.

(b) Ben Gurion seems inclined to relax his past position of “total peace of nothing” and be willing to work on a policy of reducing tensions step by step that could create atmosphere for final peace settlement.

(c) Israelis jittery over fact they do not know intentions of new administration and fear that we may attempt to impose a peace settlement which they would consider to be unjust. They are particularly concerned we might attempt to take away some of the territory they now control.

(d) Israelis worried we may proceed with water development schemes which will conflict with their plans to bring water down to Negev from the Jordan.

(e) Israel feels strongly about moving their Foreign Office to Jerusalem which would complete the movement of their capitol. They will probably move Foreign Office regardless of what we do. We should not move our Embassy until a new approach is worked out for the Jerusalem problem. We should develop and put forward such approach earliest.

(f) Israelis suffer from Arab economic boycott. Suez Canal closure has most serious effect.

Jordan

(a) Jordan’s lack of resources makes refugee concentration an intolerable burden. Real worry over further Israel expansion. Feelings against U.S. intense for our support of Israel, but disposition to work with West because dependency on UK subsidy and long military association with UK.

(b) Jordan’s primary thought is of water development schemes. They are primarily interested in the Yarmuk Dam project which they feel is being held up by the United States because of Zionist pressure. We should determine our policy on this quickly after returning to Washington.

(c) Arab Legion in Jordan most impressive Arab military outfit in area but not equal to Israel Army.
(d) Point Four is doing good work in fields of agriculture and range development in Jordan. This process must be supplemented, however, by development of irrigation projects if U.S. is to attain better position in Jordan.

Syria

(a) Shishikli impressive person. Seems to have adequate control over country. Has more awareness of Soviet danger than many Arab leaders.
(b) Syria is one of few Arab states that is under-populated. Modern Syria has great possibilities of development.
(c) Syria offers greater hope of resettlement of substantial number of Arab refugees than other Arab states bordering Israel. Shishikli cannot agree to resettlement schemes which would give the refugees a better standard of living than this own people. The only answer, therefore, is to undertake general development in country as a whole.
(d) Intensity of feeling on Israeli problem dominates any other foreign issue. There is real fear in Syria of Israel. Israeli armies could be in Damascus within a few hours.
(e) Syria has lost relatively little territory to Israel. She might eventually, therefore, take more reasonable position on 1947 boundary question.

Lebanon

(a) Lebanese consider themselves possible bridge between United States and Arab states because of their greater Western orientation and Christian population.
(b) President Chamoun desires exert moderating influence on other Arab states. He has had some success individually but when Arab leaders meet they vie with each other for extreme positions.
(c) Lebanon more conscious of internal Communist subversion than Egypt, Syria or Jordan.
(d) Problem of Israel and North Africa foremost in minds of Lebanese officials.

Iraq

(a) Iraq more concerned by Soviet menace than any other Arab state. This partially due to her fear of what may happen in Iran. The Iraqi feeling on the question of Israel no less acute than Arab states closer to Israel. Iraq has not yet concluded armistice with Israel.
(b) Relatively speaking, Iraq is making good use of oil resources in developing the country. Good possibilities for development exist in partially restoring Tigris-Euphrates Valley.
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(c) Evidence indicates Iraq more willing to consider defensive arrangements than other Arab states. US military equipment and training mission urgently desired.
(d) Relations with the British relatively good. Nuri said largely responsible for this situation. Nevertheless, UK–Iraq defense treaty will probably not be renewed.
(e) Iraq desires US technicians at least as much as US capital.

Saudi Arabia

(a) King Ibn Saud in poor physical shape. Is gradually turning over responsibility to Crown Prince but still remains undisputed ruler.
(b) King completely emotional about troubles with British in Persian Gulf area. Expects U.S. intervention and unless we respond he will consider we have betrayed him.
(c) British legal case on border problems probably good. On other hand swing of allegiance of tribal people towards King and away from British natural and must be taken into account.
(d) Saudis cannot understand, in view their special relation with us, low amount of U.S. assistance.
(e) We do not have good record living up to our promises in connection with Base arrangements and military equipment. This must be corrected.
(f) Saudis bitter over Israel but do not press point in view their position of friendship with U.S.

India

(a) Nehru holds powerful position due to great popular support in India and influence in neighboring states. He seems dedicated to development of country and betterment of standard of living of the people. Also dedicated to democracy.
(b) Nehru seems naïve on some foreign policy questions. Probably not as well informed as most people believe—Korea example.
(c) Considerable spirit behind 5 year plan.
(d) Doubt that Nehru-Mohammed Ali talks will bring solution on Kashmir, although Nehru professes to seek compromise solution.
(e) Believe talks with Nehru went well and corrected some past misunderstandings of U.S. intentions and the problems U.S. faces in foreign policy.

Pakistan

(a) Pakistan, although Moslem, extremely friendly.
(b) Pakistan aware of Soviet danger and has excellent troops material.
(c) Pakistan desires US military assistance without awaiting formal defense concepts. If this is given, army unquestionably would be effective and on our side.
(d) Pakistan in severe economic and financial troubles. US assistance on wheat essential.

Turkey

(a) Turkish strength and determination delightful contrast general Near East area.
(b) Only real problems face with Turkey is her desire to do more in defense field than her economic capability permits. Turkey considers she alone is preventing Soviet advance in Middle East. Therefore we should provide support of more Turkish forces, particularly armor which is costly.
(c) Prime Minister becoming more active in Foreign affairs and holds more narrow views than Foreign Minister. Menderes doubts will and determination of Arab states and doubts they can be persuaded to cooperate in regional defense. Koprulu believes that with patience and step by step approach cooperation of certain Arab states can be obtained.
(d) Turkey eager and willing cooperate with U.S. on problem of bases.
(e) It would be in our interest to see Turkish influence increased in Arab world. Menderes present attitude does not give much hope in this direction.
(f) Turkey wishes Yugoslavia in NATO quickly as possible.
(g) Mendues thinks West should act in unity on problems affecting their security and suggested NATO Council should take responsibility for such problems as Suez Canal base and French North Africa.

Greece

(a) Papagos seems forceful leader and is giving Greece stability of government usually lacking in Greece.
(b) Position of Throne often disturbing factor. Queen particularly did not wish Papagos government and will manoeuvre to replace if it seems to lessen position of Crown.
(c) Greece greatly disturbed over prospects of reduced U.S. aid. Wishes support her development projects and continued defense.
(d) Greece considers progress with Yugoslavia most important her own defense.
(e) Greece strongly desires association with any MEDO.

Libya

(a) Libya new charter member Arab League. May in general be moderating influence.
(b) No political cohesion in Libya. King in Cyrenica–Government in Tripoli. Very poor in economic resources. Country likely to disintegrate into three former provinces. French would like this as they could regain Fessan. British would probably not be disturbed.

(c) Main U.S. problem status base negotiations. We should review problem to see where Libyan demands can be met and to get payment now to Libya for past use.

Action required after return

1. NSC action on policy. Should finalize prior to Bermuda Conference.
2. Determine course of action re Egypt. Department has plan and has comments thereon from Caffery and Aldrich.
3. Reconsider Iran policy while Henderson is in Washington.
5. Obtain results of preliminary Nehru-Mohammed Ali talks in London and determine what action, if any, U.S. can take prior to forthcoming formal India–Pakistan talks.
7. Statement by President warning against aggression by either Arabs or Israelis.
9. Determine policy on Yarmuk question, which affects Israelis schemes for development of Negev. Must talk to Israelis soon.
11. Maintain maximum amount personal contact between Secretary and leaders of States he visited. Take credit where we can that our actions after return were as result of his visit.
12. Early decision required on method of handling Reed report on Pakistan wheat.
13. Determine distribution 1954 assistance to various countries (economic and military) based upon trip impressions and date from field.
14. Decide timing of high military official to area (probably General Hull.)
15. Speed of delivery end items promised Saudis. See that quick repair or replacement furnished for items already arrived.
Conclusion on trip

1. Lack of stability in Area:
   Political stability required for internal progress and building of defensive strength of area is lacking. Also, almost entire area caught in fanatical revolutionary spirit that causes countries to magnify their immediate problems and depreciate basic Soviet threat.

   Causes for this situation lie in both political and economic fields. On political side, disputes such as that in Egypt, the Arab–Israeli conflict, the Arab–U.K. boundary disputes, the Iranian problem serve to produce situations of intense Xenophobia and distrust of the West, and there friction between India and Pakistan, relating principally to Kashmir, creates a delicate and uneasy balance of power.

   On the economic and social side mass poverty, class distinction, and general awakening of mass of people to their lot is producing demands which Governments are unable to fulfill.

2. Position of the Great Powers:
   In this situation the position of the Western powers have deteriorated to the point where they are not at present serving as factors of stability.

   British position rapidly deteriorating, probably to the point of non-repair. Generally in the area, India and Jordan being partial exceptions, we find an intense distrust and dislike for the British. The days when the Middle East used to relax under the presence of British protection are gone. Such British troops as are left in the area are more a factor of instability rather than stability.

   French cultural influence still has some grasp in Syria and Lebanon but there is no respect for the French as a political force. There is widespread and intense association with the freedom aspirations of Tunisian and Moroccan people.

   United States position also not good, and the loss of respect for the United States varies almost directly with the nearness of the respective Arab States to Israel. The Israeli factor, and the association of the U.S. in the minds of people of the area with French and British colonial and imperialistic policies, are millstones around our neck.

3. Danger of the present trend:
   The Near East wavers between outright neutralism in the East-west struggle and the desire (but also the fear) of being protected by the West.

   Nations bordering Soviet or satellite bloc aware of the real danger and in general are more willing to cooperate with each other and with U.S. in defense. It seems probable that action or inaction of the United States will be decisive, for the nations of this area no longer feel that the British or French are really major powers.

   The United States must therefore increase its influence in the Middle East at the earliest possible moment.
4. What the United States must do:
   (a) Arab–Israeli Problem:
   We must seek every possible means to allay fear in the Arab world over future Israeli objectives and to convince the Arab world that the United States is operating upon a policy of true impartiality.
   We must make the Arabs realize that we accept the State of Israel as a fact and that any thought of turning back the pages of history is totally unrealistic.
   We must seek a step by step reduction of tension in the area and an ultimate peace settlement. Any move on our part for immediate and total peace would be unrealistic. We must, rather, move forward on problems such as resettlement of the refugees, the reduction of tension, reduction of friction along boundaries and realistic modification thereof, compensation, repatriation, and the status of Jerusalem.
   (b) Solution to other Specific Problems:
   The U.S. must exert every proper effort to find solution or at least ease situation in Egypt, Iran, Saudi Arabia and on problem of India–Pakistan relations.
   The first three of these raise fundamental problems with the British. Efforts by the U.S. which by natural inclination and self-interest finds itself somewhat in the middle between the British and Near Eastern positions, are increasingly resented by British. They interpret our policy as one which in fact hastens their loss of prestige in area. To some extent, regardless of efforts to the contrary on our part, this may be true. However, this is, for most part, due to natural evolution in area, and altered world power relationships between the U.S. and U.K., more than to specific action on our part.
   The U.S. has a delicate role to play in these situations. We must attempt solutions of local problems in Near East without so worsening our relations with Britain as to unduly weaken or wreck the NATO alliance. Our efforts with British must be such as will avoid being place in position where we must choose between maintenance of NATO alliance and action to keep large portion of world that is still free from drifting into Soviet hands. We should seek to deal with these specifics problem individually within this limited area of maneuver.
   The India–Pakistan problem does not involve relations with Britain except that both are members of the Commonwealth. Our position would probably be worsened by attempt to dictate solution and best efforts will probably be obtained by continuous friendly pressures, particularly on India, for solution.
   (c) Problem of Colonialism:
   We must convince the Arab States that the U.S. operates on a policy of its own with regard to this problem. That policy is sympathy for the legitimate aspirations of the people in accordance with our own historical traditions. We must press the French and British to move in this direction. We must convince the local States, however, that this process of evolution must be orderly. We must steadily remind them of the philosophy of the Kremlin, which gives clear indication that Soviet strategy plans to use extreme nationalism for its own purposes.
(d) Assistance to the Area:

It is of utmost importance that U.S. assistance to the area be somewhat increased and the Point IV concept sharpened in its application. The economic status of the States in the area has throughout history been substandard. People are beginning to expect improvement and have no confidence in any Government that does not at least hold hope in this direction. The nature of the area is such that private capital cannot alone initially to the job. It is in U.S. interests to provide small amount of economic development funds in certain States of the area and to encourage economic-development use of oil revenue where available. We should utilize our funds primarily for water development which will alleviate certain specific problems such as resettlement of refugees. It is also in our interest to provide a small amount of military equipment to certain selected States. Such military assistance would be utilized for purposes of internal security, of strengthening defense of the area and obtaining political advantage.

(e) Defense of the Area:

We must accept fact that there is today virtually no defense in the Middle East, except for the Turkish flank position. We must also accept fact that political situation is such that Arab States will not, at this time, openly join defensive arrangements with a combination of Western powers and that that constitutes a dangerous gap in the northern tier which is otherwise sensitive to Soviet threat. We must therefore avoid becoming fascinated with concepts that have no reality. We should rather, through measures such as the above, seek to improve the general situation without demand for specific quid pro quo on our part. Where we do require certain guarantees on the part of local States, these should be simple, direct and devoid of legalisms. We are not in general in a position to demand specific return for our investment at this stage. The only chance is to proceed with indication of trust and friendship and hope to obtain results.

Meeting with the Vice President 8 January 1954 (Declassified with deletions E.O. 12356, Sec. 3.4(b), NLE case MR 90–51 #1, NLE date 3/19/91)

MEETING WITH THE VICE PRESIDENT

Friday, 8 January 1954

(Declassified with deletions E.O. 12356, Sec. 3.4(b), NLE case MR 90–51 #1, NLE date 3/19/91)

(This was a debriefing meeting of the Vice President’s trip with approximately 22 of the top State Department people, 2 from CIA and 2 from Defense. Formal presentation took approximately three hours and a question period of an hour and a half followed.)
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Australia and New Zealand

Mr. Nixon had very few political comments about these countries. The one important impression which he states was economic. He emphasized that the decisions and the trade policies of the United States as well as those of other overseas countries are absolutely vital to the economy of both countries. He stated that prices of butter in New Zealand and wool in Australia completely determine their prosperity. He recounted a conversation, as related by Prime Minister Menzies, which took place a few months ago between Mr. Nehru and Mr. Menzies. Mr. Menzies asked Nehru why he opposed the continuation of Dutch rule in New Guinea. After pointing out that the present population in the majority are not original settlers but have come from different places, Mr. Nehru said he opposed European colonialism being advanced in Asia. Menzies replied that it was quite evident that Nehru favored “Indonesian colonialism” rather than Dutch colonialism. Menzies stated that there was little if any difference and that no doubt the Dutch could aid New Guinea much more than their present local populations.

The Vice President merely described a few personal impressions of these countries but said little concerning our policies or the relationship between Australia and New Zealand with other countries in Asia. He received a most cordial welcome in both places and found an extremely favorable attitude toward the United States.

Indonesia

(The Vice President pointed out that he is not as pessimistic as many Western newspapermen in this area are. He further stated, however, that he is somewhat pessimistic about the entire area which he visited during his trip. His favorable remarks were primarily given for public consumption.)

Mr. Nixon emphasized that Mr. Soekarno is the dominant future in Indonesia; inspires great crowds wherever he goes; has a tremendous hold on the people; is completely non-communist; and there is no doubt that he is the main “Card” of the United States. The major weakness of Mr. Soekarno is that he will not allow any strong man to be built up around him.

Mr. Nixon stated that the Communist strength in Indonesia is not large or well organized. There is no strong Communist leader there today. This is one area where the Communist show a definite weakness. The West must be on guard to see that a strong Communist leader does not come along. The Communists are attempting to control the labor movement but so far have not had any great success. Mr. Nixon pointed out that the Communist are playing a long-range game in Indonesia by concentrating on the youth of the country. He noted that some 10,000 young people have been taken from Indonesia to Communist China to study. (In contrast, only one planeload has been sent to the United States.)
This could be a decisive factor in the future since these young people will fill a vacuum of trained civil servants which exists at present. They will be the leaders of the future and if trained in Communist doctrine, may be able to give complete control to any Communist leader which appears on the horizon.

The Vice President emphasized the importance of tin and rubber to the Indonesian economy. (This applies to Malaya as well.) Mr. Nixon is convinced that U.S. efforts should be directed toward a program to stabilize tin and rubber price. He said this is much more important than any economic aid program which we might establish. He stated that the stabilization of world tin and rubber prices are absolutely essential if these areas are to stay with the West.

The U.S. program in Indonesia should be designed to:

1. Create political and military stability which will prevent internal subversion by adopting a “tougher” attitude toward the Communist.
2. Strengthen U.S. labor and cultural attaché organizations at our diplomatic posts.
3. Provide a student exchange program to help combat that undertaken by the Communists.

Malaya

Mr. Nixon noted that an excellent job has been done by the British. General Templar is thoroughly familiar with the entire problem. According to him, the problem now is only 25 per cent military and 75 per cent political and economic. General Templar is both the Military and Internal Security Officer. He pointed out that the military operation is now only one of “mopping up.” General Templar has outlawed the Communist out of the labor movement. Templar has been very successful in establishing an exchange program to send labor leaders to Great British.

Mr. Nixon again emphasized the necessity for the stabilization of tin and rubber prices. He pointed out that the entire economy of Malaya is dependent upon this factor. The Vice President noted that if Indochina goes Communist, Malaya would be a much greater problem proportionately than it now is.

Thailand

Mr. Nixon noted that the Thais are prosperous people. They are a homogeneous group who do not like the Communists or the Chinese. The general atmosphere here is one of stability. The Communist party has been outlawed. The government may not be admirable in U.S. standards but it nevertheless has done a good job of establishing order Thailand and directing a relatively prosperous economy. If the Communists should take over Indochina, the internal problem in Thailand would be greatly increased. This area would
THE UNITED STATES AND INDIA

undoubtedly be a prize for Communist aggression because of its great food production.

Indochina

The Vice President stated that the Navarre Plan, even if successful, will not fully solve the situation. He noted that Bao Dai is a weak leader, but nevertheless is clever, shrewd and astute in many ways. Unfortunately, he is not able to capture the imagination and respect of the people.

General Trapnell, the American Military Advisor in Indochina, states that the Indochinese troops are well-trained, well-equipped and well-led. However, he notes that the attitude of the French is not encouraging. They have little faith in the Viet Namese to fight alone, that is without French officers and non–coms. He noted that the future problem of training a local army is not one of equipment but of men. He emphasized the manpower necessity as being an overriding factor. He noted that there is a great need for training cadres, and, hence, the training program is being slowed down. He noted that the Indochinese people themselves have nothing to fight for and receive little inspiration from Bao Dai. As far as training is concerned, Mr. Nixon said that the U.S. program should be continued and he noted that the military details were studied carefully by General Carroway.

Bai Dai is opposed to entering into negotiations with the Viet Minh.

1. He says there is nothing to negotiate at the present time and that the Viet Minh are “rebels” as far as he is concerned. He adds that it would lead to a division of Viet Nam.
2. He says that we would get nothing from any negotiations which were started from a position of weakness and that Communist control or domination would be the result.

The Vice President agreed that we should only negotiate from a position of strength and not from weakness. He advocated that the war in Indochina be carried forth as vigorously as possible and that more effective propaganda methods but put into action. He stated that the French must convince the people of Indochina that independence is being given them. Up to now, this has not been made clear to the General population. Mr Nixon was certainly not encouraged by the conditions which he found in Indochina. He noted that the U.S. must use every effort to support the French and to correct the ills which are confronting this area as soon as we possibly can. He stated that the fate of Indochina is probably dependent upon the stability or the attitude of the French Government in Paris.
He said it was emphasized in every area that if the Communists take over Indochina, the rest of Asia will soon follow.

**Formosa**

Mr. Nixon was very much impressed with the general conditions on this island. He noted that their reception on Formosa was done with relative austerity compared to other areas. He admired the work that the Chinese are doing to both train their troops and to rid their civil administration of the corruption for which it has been condemned in the past. He noted that both the leaders and the troops carry out every move with the thought of returning to the Chinese mainland. He noted that Formosa is still a definite symbol to the many overseas Chinese communists but added that it is unrealistic for Chiang to think that he will eventually be able to conquer the mainland of China.

**Hong Kong**

Mr. Nixon noted that there is a great swing away from the Communists in this area. He said that Hong Kong is the best run city in Asia. He said the British have built a well-run city administration but that they are not liked. He recounted a story by the British Police Commissioner who said that the Chinese would vote ten to one against the British if any free election were held. Another story told that the British, when coming into a foreign community build three things—a church, a race track and a club. From all three, Orientals are barred. It was noted that the Asians generally resent the Western world because people from the West look down on them.

The opinion in Hong Kong is that Communist China has gained great prestige in Korea. They went into the war a third-rate power and came out a first-rate power.

**Conclusions about communist China**

Mr. Nixon stated that there are several extreme views regarding Communist China:

1. Chiang Kai-shek feels that the only answer is a military overthrow of the Communist regime on the mainland.
2. The extreme British position is that Communist China is here to stay and that “Titoism” is not likely. (Nehru disagreed with the latter point).
3. The position held by Governor Grantham was that the U.S. should return Formosa and that Communist China should be brought into the family of nations and admitted to the United Nations. Grantham also was of the opinion that all of Southeast Asia, as well as Japan, will eventually come under Communist domination.
THE UNITED STATES AND INDIA

These are simply three viewpoints which Mr. Nixon found from various leaders.

Analysis by the Vice President

The two courses open to the United States are (a) containment with continued economic blockade, and (b) containment but with trade, gradually developed over a long-range period, based upon the assumption that trade is inevitable and will aid the U.S. in getting intelligence out of China.

Mr. Nixon is in accord with alternative (b). Concerning recognition, Mr. Nixon feels that whichever of the above policies is followed, it would be a basic mistake to admit Communist China to the United Nations. He said we must retain Formosa as a symbol to the 22 million Chinese in overseas communities; that we must not allow any further Communist expansion in Asia. He emphasized that a policy of containment and recognition cannot go together.

Korea

Mr. Nixon’s words seem to revolve around President Rhee. He noted that Mr. Rhee has a tremendous hold over both the people and the army. He is definitely on the side of the United States. He is both a realist, knowing that he cannot move without the aid of the U.S., and a conspirator, stating that it is foolish for the U.S. to “tie his hands” publicly. Mr. Rhee asked Mr. Nixon, “Why doesn’t the U.S. use me as the Russians use their satellites—India, North Korea and China?”

Mr. Nixon is of the opinion that unilateral action by the South Koreans is a remote possibility.

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The delay in settling the Korean affair has hurt the prestige of the United States and built up the prestige of Communist China.

Japan

The Vice President said that at first glance, one notes a wonderful front in Japan. The reconstruction is most impressive. He added that the foundations of the economy and the government are terribly weak. He stated that the greatest danger in Asia today is the threat of intern subversion in Japan. The government is old and weak and the Communists are in strong control of the labor unions. He added that the Communist party is concentrating on the young people who are being sent to study in Communist China. He noted that many of the government leaders with whom he spoke were inclined to write this off as unimportant. They do not consider the consequences of such actions for the future. The Vice President noted that the great problems in Japan are rearmament, trade and over-population.

The future U.S. program must:
1. Help the formation of a Japanese Government which will be able to build up the military stability of the country to combat subversion.

2. Establish economic stability, especially trade with the rest of Asia. (it was noted that the pre-war trade with China was only six per cent of the total Japanese exports; however, this figure was doubted by some present. No accurate estimate was eventually given.)

3. Help establish political stability throughout Japan. (Mr. Nixon stated that the Communists must be dealt with directly by a strong government and that the Communist party should be outlawed.)

4. Initiate an increased exchange of Japanese students to the U.S.

**Burma**

Mr. Nixon pointed out that he differs with a recent Alsop analysis of the Burmese situation. He said that Burma is a prime example of “government by egghead.” He noted that Burma is running a dead heat with Indonesia as to which will be Communist first. He said there was an obsession about the KMT (the Nationalist Chinese in the north of Burma) The labor movement has been infiltrated by the Communists…………………………………………………………
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**India**

The Vice President said that Mr. Nehru does not like the United States, Great Britain, Communist China, or the USSR; he only likes Mr. Nehru and India. Everything he does is for himself. There is no doubt but that he is a great leader in India. He has all the powers of a dictator. Mr. Nixon stated that a policy of flattery to Nehru or begging him to stand with the West only builds up his contemptuous attitude toward the West. Mr. Nixon stated that we must treat him with firmness, being fair when he is fair.

The Vice President said that Pakistan aid should be made solely on the basis of its advantage to the West. Little consideration should be given to Nehru’s objections. These are primarily based upon the fact that he wants India to be the dominant nation in Asia and that he wants no competition from Pakistan or any other country.

**Ceylon**

It was noted that the Ceylonese support aid to Pakistan. Little other comment concerning his visit there was given.

**Pakistan**

The Vice President expressed his admiration for the people of Pakistan. He stated that this country provides foundation for more stability than exists in any of the other areas he visited. He said that the wheat loan granted by the United States had done much to enhance our prestige in this area. Everyone looked to the United States with favor. He noted that the people of Pakistan definitely
The United States and India

want the military aid program. Mr. Nixon is convinced that the program should go through. He added that the Pakistanis assured him that if no aid is forthcoming, they will not go Communist. Mr. Nixon noted that this was a most refreshing statement. He added that the Finance Minister of Pakistan is the most interesting and one of the most capable men whom he met in Asia.

Afghanistan

Mr. Nixon stated that Afghanistan does not oppose Pakistan aid. He believes that Afghanistan would stand up against the Communists to the extent of their ability and that they favor a regional defense pact with Pakistan, Turkey and Iran.

Iran

Mr. Nixon was greatly impressed by Prime Minister Zahedi. He noted Zahedi’s intelligence and keen understanding of the Iranian problem. He is aware that a settling of the oil dispute is not a panacea. He noted that the Shah is improving and is becoming more firm is his idea of leadership.

Zahedi asks that the United States treat Iran as one would respectable relatives who have fallen on hard days, not as beggars.

Concerning the oil dispute, Mr. Nixon stated that Iran is making every concession to settle the dispute. He said that the British at the lower levels are causing a good deal of the trouble. They dislike losing their sphere of influence and some of them would just as soon see the Communists take over as they would the United States.

Mr. Nixon gave high praise to Mr. Henderson, the U.S. Ambassador, and noted that he is somewhat pessimistic about an oil settlement unless the top echelon of U.K. negotiators do not change their attitude. Mr. Nixon noted that no settlement of the dispute will cost the United States approximately $120 million per year.

With an oil settlement, there is a possibility that Iran will have a good future. Mr. Nixon said that we must drop the suit against the American oil companies and that we must make every effort to stabilize oil prices through an international agreement. He noted that a settlement of the oil dispute is a vital factor in the future of Iran.

Philippines

Mr. Nixon commented that Mr. Magsaysay is an extremely capable and colorful leader and is extremely friendly to the United States. Mr. Magsaysay could have a great influence in Indonesia. It was pointed out, however, that he could not develop into an Asian leader if he is a U.S. stooge. First, he will have to be a strong leader in the Philippines to develop
his reputation. There is a definite possibility that he could have great influence throughout Southeast Asia.

Mr. Nixon noted that the Philippines are really a bright spot in the Far East.

General conclusions
The Vice President is convinced that the U.S. has reached its low ebb, and is now on the way up in Asia. He sees indications that the Asians are now seeing through Communist propaganda. He noted that the Asians want independence and economic progress and not communism as such. We must guard against internal subversion in almost every area in the Far East. The U.S. must increase its propaganda in this area. We must establish a student exchange program which will be an effective instrument for the future. Mr. Nixon is going to discuss the outline of a plan with our Information Service.

The Vice President said that some of the best informed people in the Far East are our military advisors. They not only know the military side, but have an understanding of the political and economic situation as well. Mr. Nixon felt that his trip did a substantial amount of good. He especially noted that people were “hungry to be listened to.”

January 5, 1954
PAKISTAN. Eisenhower agrees to proceed with military aid to Pakistan if we can allay India’s fears that we are helping Pakistan against India. DOS memo (1), 1/5/54. Top Secret. Dels 1/18/84.

DEPARTMENT OF STATE
THE SECRETARY
January 5, 1954

MEMORANDUM OF CONVERSATION WITH THE PRESIDENT
Subject: Military Aid to Pakistan.
At a meeting today held with the President by Secretary Wilson, Governor Stassen and myself, the President agreed in principals to proceeding with military aid to Pakistan, subject, however to our capacity to present this in a reasonable way, which would allay the apprehensions of reasonable people that we were trying to help Pakistan against India. The idea was that we would emphasize (1) that this was part of a regional security projects being initiated by Turkey and Pakistan with other countries in the area for potential additions, and (2) that we would indicate to India that we would be prepared to extend military aid to India under the same type of agreement as was offered Pakistan.

I presume that this statement would be one that would be issued publicly and embodied in a note that would be delivered to India.
After this is drafted, the matter will be taken up again with the President for his final decision. It was felt unnecessary to take this back to the NSC in view of its decision in 155/1.

PRESIDENT’S STATEMENT OF MILITARY AID TO PAKISTAN

Turkey and Pakistan announced their intention to study methods of achieving closer collaboration on various matters including means designed towards strengthening peace and security, this Government welcomed this move and called it a constructive step towards better ensuring the security of the whole area of the Middle East. The Government of Pakistan has now asked the United States for grant military assistance.

I have said repeatedly that regional groupings to ensure security against aggression constitute the most effective means to assure survival and progress. No nation can stand-alone today. My report to the Congress on June 30, 1953 stated that we should strengthen efforts towards regional political, military and economic integration. I, therefore, under the authority granted by the Congress, as glad to comply with Pakistan’s request, subject to the negotiation of the required NDAP agreement.

This Government has been gravely concerned over the weakness of defensive capabilities in the Middle East. It was for the purpose of helping to increase the defense potential in this area that Congress in its last session appropriated funds to be used to assist these nations in the area which desired such assistance, which would pledge their willingness to promote international peace and security within the framework of the United Nations and which would take effective collective measures to prevent and remove threats to peace.

Let me make it clear that we shall be guided by the stated purposes and requirements of the mutual security legislation. These include specifically the provision that equipment, materials or services provided will be used solely to maintain the recipient country’s internal security and for its legitimate self defense, or to permit it to participate in the defense of the area of which it is a part. Any recipient country also must undertake that it will not engage in any act of aggression against any other nation. These undertakings afford adequate assurance to all nations, regardless of their political orientation and whatever their international policies may be, that the arms the United States provides for the defense of the free world will in no way threaten their own security. I can say categorically that this Government would be prepared to act immediately both within and without the United Nations to assure the observance of these undertaking.

The United States earnestly desires that there be increased stability and strength in the Middle East, as it has desired this same thing in other parts of the free world. It believes that the aspirations of the peoples in this area for maintaining and developing their way of life and for realizing the social advances
close to their hearts will be best served by strength to deter aggression and to reduce the fear of aggression. The United States is prepared to help in this endeavor, if its help is wanted.

7.9

Department of States
SENT TO: Embassy NEW DELHI 992
There follows XX final text personal message from President to Nehru, replacing text in DEPTEL 859 to New Delhi. Hold, repeat hold, for delivery instructions. We now anticipate delivery time to be about February 23 or 24 on basis Pakistan public announcement of request for aid on February 22.

VERBATIM TEXT
I send you this personal message because I want you to know about my decision to extend military aid to Pakistan before it is public knowledge and also because I want you to know directly from me that this step does not in any way affect the friendship we feel for India. Quite, the contrary we will continually strive to strengthen the warm and enduring friendship between our two countries.

Our two Governments have agreed that our desires for peace are in accord. It has also been understood that if our interpretation of existing circumstances and our belief in how to achieve our goals differ, it is the right and duty of sovereign nations to make their own decisions. Having studied long and carefully the problem of opposing possible aggression in the Middle East, I believe that consultation between Pakistan and Turkey about security problems will serve the interests not only of Pakistan and Turkey. Pakistan defensive but also of the whole free world improvement in capability will also serve these interests and it is for this reason that our aid kill be given. This Government’s views on this subject are elaborated in public statement I will release, a copy of which Ambassador Allen will give you.

What we are proposing to do, and what Pakistan is agreeing to not direct in any way against India. And I as confirming publicly that if our aid to any country, including Pakistan, is directed against another in aggression, I will undertake immediate action both within and without the UN to thwart such aggression. I believe the Pakistan–Turkey collaboration agreement which is being discussed is sound evidence of the defensive purposes, which both countries have in mind.

I know that you and your Government are keenly aware of the need for economic progress as a prime requisite for stability and strength. This Government has extended assistance to India in recognition of this fact, and I am recommending to Congress a continuation of substantial economic and technical aid for this reason. We also believe it in the interest of the free world that India have a strong military defense capability and have admired the effective way your Government has administered your military establishment. If your Government
should conclude that circumstances require military aid of a type contemplated by our mutual security legislation, please be assured that your request would receive my most sympathetic consideration.

I regret that there has been such widespread and unfounded speculation on this subject. Now that the facts are known, I hope that the real import of our decision will be understood. END VERBATIM TEXT

7.10

PAKISTAN. Eisenhower agrees to proceed with military aid to Pakistan if we can allay India’s fears that we are helping Pakistan against India. DOS memo (1), 1/5/54. Top Secret. Dcls 1/18/84.

Personal and Private

DEPARTMENT OF STATE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

From The Secretary of State

Subject: Military Aid to Pakistan

In the course of repeated informal discussions, undertaken at Pakistani initiative, the Government of Pakistan has made clear to us its urgent desire to receive American military aid. This desire is strongly supported by the articulate public opinion of Pakistan. Prime Minister Mohammed Ali is urging quick favorable decision on our part.

The National Security Council in NSC 155/1 has endorsed principle the grant of military aid to Pakistan. Paragraph 16 d. of that paper reads as follows:

The United States should: Provide limited military assistance to promote U.S. security interests, to increase confidence in the United States, and to help in developing indigenous forces which can improve—political stability, internal security, and the maintenance of pro-Western, regimes, and ultimately contribute to area defense. We should select certain key states for this type of assistance choosing those who are most keenly aware of the threat of Soviet Russia and who are geographically located to stand in the way of possible Soviet aggression. In this regard, special consideration should be given to Turkey, Iraq, Syria, Iran and Pakistan.

The Department of Defense has recently added its specific endorsement and has further recommended that an effort be made to link Pakistan with Turkey, and possibly Iran and Iraq, in a defense planning arrangement.

In response to a recent secret approach, both the Turks and the Pakistanis have expressed themselves as in favor of a Turk–Pakistani arrangement on the understanding that the US would provide military aid to Pakistan. We expect momentarily a definitive reply from the Turkish Government on this subject.
We believe an agreement between “these” two countries providing for consultation and mutual defense planning.

Planning would not only be of military value but would also provide a framework of collective security which would help to justify extension of aid to Pakistan and minimize adverse repercussions in India and elsewhere.

The Indian Government, of course, is opposed to any program of military aid to Pakistan or to any other arrangement, which would swing Pakistan more into the Western orbit. It has made this position clear both privately and publicly. Ambassador Allen in New Delhi has warned that we must expect quite a storm from India if we go ahead with a military program for Pakistan, but he also says he believes we can ride out the storm without fatal effect on US-Indian relations. Afghanistan has also indicated its disapproval of the suggested program, but we do not think the Afghan attitude need be given great weight. On the other side, Ceylon and Thailand have expressed the hope that we will go ahead. The United Kingdom has promised its support and has already made efforts to reduce Indian opposition.

Our Ambassador to Pakistan believes, and I concur, that we can gain a great deal by going ahead and that failure to do so at this juncture would be disastrous both to our relations with Pakistan and to the position of the present pro-American Pakistani Government. It would probably also be disastrous to our standing with the other countries of Asia; who would assume we had backed down in the face of Indian threats.

Both because of the positive advantages to be gained from going ahead and the serious disadvantages of backing down at this point, I recommend a decision to extend military grant aid to Pakistan. This assumes that the formal word from Turkey will be as anticipated above.

I should also like your approval to make public, at an appropriate time and manner, that the US Government would give most sympathetic consideration to any request from India for US Grant military assistance. India would without doubt not apply—in fact Nehru has said so—but it would help in my opinion to offset some of the distorted propaganda originating in India.

7.11

regional problems that may affect the size of future non-military aid are also provided. Assumptions include a continued Soviet political, economic, and military threat to the security of the US; continued favorable world economic conditions; a trend towards increasing East–West trade; and no general increase in the price of basic commodities on the world market. General problems involve the difficulties of underdeveloped countries in supporting large military establishments without outside aid, the export of US agricultural surpluses, and the needs of less–developed countries for external capital. US approach to regional problems in Europe, the Near East, Asia, and Latin America is outlined. In Europe, the US may be required to provide larger assistance to Spain and renewed assistance to the UK; France’s loss of Indochina and probable loss of her North African territories may require increased US aid to NATO and to North Africa. In Africa and Asia, more assistance may be required for South Korea, Pakistan, India, and resettlement of Palestinian refugees; Turkey will continue to need aid at current levels for several years. ICA Report. 28 p., charts; App. (A): Mutual Security Program Expenditure Projection by Regions [Europe, Near East and Africa, Asia, Latin America, and non regional, FY 1957–59]. 1 p.; (B): Mutual Security Program Illustrative Country Distribution of Defense Support and Development Assistance Expenditures [by country, FY 1957–59]. 3. P. SECRET. Declassified Oct. 22, 1981. Eisenhower Library, White House Office, Office of the Spec. Asst. for Nat. Security Affairs, Records, 1952–61, NSC Series, Policy Papers Sub-series, Box 18, NSC 5609, Trends in Nat. Security Program and Fiscal and Budgetary Outlook through FY 1959 (2).

Section D—The mutual security program: non-military assistance
(Prepared by the International Cooperation Administration).
(White House Office, Office of Special Assistant for National Security Affairs Records, 1952–61, Declassified Authority MR 81–140#1, date 10/22/81)
INTERNATIONAL COOPERATION ADMINISTRATION
Washington 25, D.C.
C O P Y
July 17, 1956

MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL
Subject: Report to the National Security Council Pursuant to NSC Action 1574.
I am transmitting herewith, in accordance with NSC Action 1574 and the Memorandum for the Secretary of State from the Executive Secretary, NSC, dated June 19, 1956 and entitled “Trends in National Security Programs through FY 1959”, a report covering projections through FY 1959 of the non-military portion of the Mutual Security Program. In making this transmittal I wish to note that Mr. Hollister left for the meeting of the OEEC in Europe before this report was ready for review and that consequently it should not be taken as in
MEMORANDUM FOR THE NATIONAL SECURITY COUNCIL

Subject: Report to the National Security Council Pursuant to the National Security Council Action 1574.

I am transmitting herewith certain materials pursuant to National Security Council Action 1574 which are in addition to the report submitted on July 17 by Dr. FitzGerald and to the report submitted on August 7 by Mr. Gordon Gray. I concur in the submission of these two reports and am submitting certain material in addition thereto.

First, I am taking this opportunity to combine the expenditure projections of the military and non-military parts of the Mutual Security Program so that the Council can have the benefit of the perspective which is possible when the Mutual Security Program is viewed in its entirety:

The Mutual Security Program
Expenditures in Millions of Dollars

<table>
<thead>
<tr>
<th></th>
<th>1957</th>
<th>1958</th>
<th>1958</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military</td>
<td>2900</td>
<td>2800</td>
<td>2900</td>
</tr>
<tr>
<td>Non-Military</td>
<td>1765</td>
<td>1900</td>
<td>2000</td>
</tr>
<tr>
<td>Total</td>
<td>4665</td>
<td>4700</td>
<td>4900</td>
</tr>
</tbody>
</table>

Second, in response to a request by staff of the NSC, I have attached hereto an illustrative country distribution of the two major non-military appropriations. It was not believed feasible, desirable or pertinent to the needs of the NSC, to attempt an illustrative country distribution of the smaller accounts such as technical cooperation and others. I would be doing the NSC a disservice if I did not emphasize the illustrative nature of this distribution. A projection of expenditures at the country level is subject not only to the normal margin of error inherent in projecting an entire appropriation but also to added error resulting from movements within the entire account. There is currently under
way a complex exercise designed to measure, refine and test the country by country requirements for FY 1957 and FY 1958. Such an exercise takes months. Needless to say the illustrative projections contained herein, both at the country level, and in the aggregate, are not the product of this type of careful process. It is of the utmost importance that those who use this material be constantly aware of the illustrative nature of the country distributions used herein.

Third, I am submitting a revised expenditure projection which brings up-to-date the non-military projection of expenditure included in the July 17 report by using expenditures based on new obligational authority which the Congress actually made available for 1957 instead of expenditures based on new obligational authority which the President requested for 1957.

I would like to reinforce and underline the fact pointed out in the July 17 report that the expenditure figures included both therein and herein are the product of a simple order of magnitude projection of present programs. There has been no attempt in making this projection to review those programs country by country in the light of pertinent NSC policies to determine whether (a) those policies are being implemented adequately, or (b) the policies themselves are in the process, or should be in the process, of review, as for example regarding the allocation of U.S. resources to military and non-military programs.

/s/John B. Hollister
JOHN B. HOLLISTER
Attachments:

1. Mutual security Program, Expenditure Projection by Regions.

Report to the National Security Council pursuant to NSC action 1574 covering projections for non-military mutual security assistance through FY 1959

Nature of this report

This report is submitted pursuant to NSC Action No. 1574 and in accordance with the memorandum for the Secretary of State from the Executive Secretary, National Security Council, dated June 19, 1956 and entitled, “Trends in National Security Projections through FY 1959.” The report contains, as requested, projections through FY 1959, expressed in expenditure terms, of all non–military forms of Mutual Security assistance (Section II). The report also contains:

(1) a statement of the general assumptions upon which these projections were based (Section III),
(2) an analysis of some of the general problems which may affect future non-military aid magnitudes and which are suggested (i) by the statement of general assumptions, (ii) by the current status of non-military aid programs, and (iii) by certain other relevant factors not covered in the assumptions (Section IV), and

(3) a similar statement of assumptions and analysis of issues developed on a more detailed regional basis (Section V).

In order that this report, and the projections which it contains, will be viewed in the proper context, it is important to specify clearly the circumstances under, and the manner in which they have been prepared—to state what they purport to be and what they do not purport to be. To this end the following observations seems appropriated:

A. The report is an internal ICA staff document which, because of the time factors involved and the competing demands of the FY 1957 Congressional presentation, has not (a) been coordinated with, or cleared by, any other agency; (b) had the benefit of any field submission or field advise; or (c) been personally reviewed by the Director of ICA. (Subsequent to its original submission the report was reviewed and concurred in by Mr. Hollister.) Moreover, it is not, for the same reasons, the product of the kind of detailed staff analysis and elaborate procedures through which we derive and test the information and judgments that guide us in framing the budget proposals that are submitted each fall. At the same time it does reflect the best judgments of the ICA/Washington program staff on the basis of the assumptions hereinafter given, and it is believed, on the basis of these same assumptions, to be consistent with present staff level thinking in the Department of State.

B. The expenditure figures submitted represent a simple, order-of-magnitude projection of present programs, a projection which, except as noted below, (1) assumes no changes in the specific objectives of, and no deviations from the policies now governing, these programs, and (2) made no allowance for changes in the size, nature or objectives of any such programs which might be indicated by any reappraisal of (a) the responsiveness of these programs to, and their effectiveness in dealing with, the problems toward which they are now directed, or (b) the extent that aid might help to meet situations for which it is not now supplied. The exception noted is the fact that the project has taken into account forces and trends which already appear clearly inescapable and whose scope, direction and effects, in terms of aid, can be reasonably foreseen and at least roughly measured. Thus, on the one hand, although there is as yet no active current aid program for this country, the projection does make provision for assistance to Burma, since recent events, and
policy decisions already made, point unmistakably to the probability that such assistance will be extended shortly. On the other hand, no specific allowance was made for possible aid to Malaya because, while serious problems are emerging in Malaya, it is not now clear that the extension of U.S. assistance would be a desirable means of meeting these problems and because, in any event, such assistance presupposes policy decisions that have not yet been made and may never be made. In Section V of the report, we state specifically the manner in which many specific situations of this character have been treated in developing the projections.

C. The expenditure projections here submitted vary somewhat from the expenditure figures contained in the preliminary FY 1958 estimates recently submitted to the Bureau the Budget in the so-called “FY 1958 Budget Target Exercise”. This variation results primarily from the fact that it was necessary, in making those estimates, since those estimates were to form a part of the framework for programming that is now already actually going forward, to make several assumptions concerning future changes which were not made in developing the projections herein contained.

D. The projections did not take into account possible substantial revisions in (1) general aid policies or (2) the present aid programs for specific countries which may result from current studies of foreign aid problems, and, more particularly, from those now being prepared for the National Security Council by the Committee on Certain U.S. Aid Programs (the so-called “Prochnow Committee”) on the long-term implications of supporting large military forces in less developed countries which appear incapable, at any time, in the foreseeable future, of maintaining such forces without extensive outside aid. On the contrary, the projections assumed the continuation without major change of the programs whose implications the Prochnow Committee is specifically charged with studying. Since these studies will cover many of the nations which are presently receiving the largest amounts of assistance, including Korea, Formosa, Vietnam, Pakistan, Turkey, Thailand, Spain, and Iran, their findings and conclusions, when finally reviewed by the National Security Council, could lead to governmental decisions which would materially affect the size and character of U.S. assistance in FY 1958 and subsequent years.

E. Due partly to time and workload limitations of the kind described in B above, and partly to the Council’s direction that they should be prepared and submitted separately, the projections for non-military assistance herein submitted, were developed without specific reference to, or knowledge of, and they have not subsequently been related to, the comparable projections of the Department of Defense covering military assistance.

F. Since these projections are necessarily submitted before final Congressional action on the FY 1957 Mutual Security budget request, an assumption as to the nature of this action has been necessary. It has been assumed that
the full amount sought by the President for non-military aid would be appropriated, even though it is clear that some reduction will be made in this amount. This has been done because it also seems clear that the magnitude of any likely reduction in non-military assistance will not be such as seriously to alter the projections.

G. The classification of different forms of aid which was used in the President’s FY 1957, budget request has also been used in tabulating the projected estimates, for all three years. This has been done even though it appears likely that Congress will modify this classification in several respects as, for example, (1) by creating aid to Latin America as defense support rather than as development assistance, and (2) by consolidating all moneys for development assistance and for the special Middle East and Asian development funds in a single appropriation account. This will not only insure comparability among the figures for the three years for purposes of this paper but also facilities comparisons with similar figures in previous years.

H. Expenditures have been projected on a regional, rather than a country, basis for the two major categories of assistance—defense support and development assistance. In the case of technical cooperation, no geographic distribution of any kind was made, and all other programs were consolidated in a single set of figures without any further breakdown. This course has been followed because it is very difficult and somewhat arbitrary, and materially increases the possibility of errors, to project future expenditures below the appropriation level. Each appropriation, taken in the aggregate, has certain predictable characteristics and patterns with respect to such things which affect expenditures as rates of liquidation, delivery time, etc. However, reasonable accuracy in prediction usually obtains only so long as one is working with aggregates. Then some specific subordinate program is considered along, these general rules of thumb and experience guides cannot be relied upon. This observation has particular application when, as here, a projection over a long period is made on short notice.

I. In making these projections it has been assumed (a) that large surpluses of agricultural commodities will continue to be available in FY 1958 and FY 1959; (b) that the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480), as amended, will be further amended in order to raise the current ceilings in Title I and Title II thereof so as to permit the maximum practical export of surplus agricultural commodities under this law which is consistent with the criteria now contained therein; (c) that the same ground rules as at present will continue to be applied in FYs 1957, 1958 and 1959 in administering the foregoing law; and (d) that wherever, consistent with the foregoing criteria and ground rules, a P.L. 480 transaction, or local currency derived from assistance; this will be done without charge to the Mutual Security Program.
J. Insofar as it was necessary to make assumptions in this regard in order to prepare the projection, it was assumed that there would be a Mutual Security Program for the next five years and that it would include, though not necessarily be limited to, the same general types of aid presently being extended .................................................................

K. Due to the limitations of time already adverted to, and in accordance with discussions with the staff of the Council, the report does not provide in any detail descriptive information on the status of the principal elements of the ICA program for each of the three years or attempt a projection of the degree to which the ICA program as a whole is likely to achieve objectives set forth in applicable national security policies. This will be covered in the regular ICA status report submitted at the usual date.

II

Mutual security program

SUMMARY OF PROJECTIONS OF EXPENDITURES FOR NON-MILITARY AID*
(In Millions of Dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY 1957</th>
<th>FY 1958</th>
<th>FY 1959</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defense Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>150.0</td>
<td>76.0</td>
<td>67.0</td>
</tr>
<tr>
<td>N.E.A.</td>
<td>177.8</td>
<td>195.0</td>
<td>195.0</td>
</tr>
<tr>
<td>Asia</td>
<td>895.0</td>
<td>905.6</td>
<td>857.0</td>
</tr>
<tr>
<td>Latin America</td>
<td>42.9</td>
<td>50.3</td>
<td>49.1</td>
</tr>
<tr>
<td>Total D.S.</td>
<td>1265.7</td>
<td>1226.9</td>
<td>1168.1</td>
</tr>
<tr>
<td>Development Assistance (Section 201) Total</td>
<td>187.9</td>
<td>287.5</td>
<td>349.0</td>
</tr>
<tr>
<td>Technical Cooperation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Title III</td>
<td>156.8</td>
<td>171.6</td>
<td>176.0</td>
</tr>
<tr>
<td>Other**</td>
<td>154.6</td>
<td>214.0</td>
<td>306.9</td>
</tr>
<tr>
<td>Total</td>
<td>1765.0</td>
<td>1900.0</td>
<td>2000.0</td>
</tr>
</tbody>
</table>

* For tables showing regional figures for the entire Mutual Security Program and country figures for non-military assistance see appendices.
** Includes Asian Economic Fund and President’s Emergency Funds (Sec. 401 of the Mutual Security Act). Also includes FY 1955 and prior year funds used for direct forces support purposes, where these programs were financed from appropriations other than the common-use appropriations.
General assumptions underlying the foregoing projections of non-military aid

As previously indicated, the over-all basic assumption underlying this entire report is the continuation during fiscal years 1957, 1958 and 1959, except where the probability, nature and effects of a major change are now reasonably predictable, of the present status quo in terms of (a) general world conditions (but including trends in those conditions), (b) U.S. Objectives, and (c) U.S. policies for achieving those objectives.

Since current U.S. objectives and U.S. policies for achieving those objectives are ascertainable by reference to decisions and reports of the National Security Council and other appropriate agencies, they are not inventoried here. However, it may be useful to state that it has been assumed that, except where a subsequent responsible government decision has clearly provided to the contrary, the Mutual Security Program will continue to be guided by (i) the general and specific objectives of, and (ii) the policies which are implicit in, and which controlled the development of, the FY 1957 Mutual Security Program which was submitted to the Congress by the Executive Branch.

Since there is no comparable method of readily identifying general assumptions made as to current world conditions, the following important assumptions of this character are listed:

1. The military threat to the security of the U.S. and other parts of the free world from overt aggression will continue in somewhat like its present form and its present degree of intensity. The Soviet bloc will continue intensive efforts at economic penetration and political influence in so-called “uncommitted countries”, and will attempt to expand these efforts to countries more closely allied with the U.S. However, there will be no major overt external Communist military aggression.

2. Although the U.S. and its allies will continue to explore with the Soviet Union and the Chinese Communist Governments new ways to relax tensions, to settle disputes, to reduce armaments, etc., it will continue to be necessary during this period for the U.S. and its allies to maintain and develop their military strength. To attain this objective and otherwise to meet the threats to its security, it will be necessary for the U.S. to continue to exercise a large measure of political, military and economic leadership throughout the free world, and the Mutual Security Program will constitute one of the primary instruments of U.S. foreign policy in the exercise of this leadership.

3. Except as otherwise stated in the case of individual countries, there will be no developments during FY 1957, 1958 or 1959 which will significantly lessen the present political and economic obstacles to increases over present levels in the defense expenditures of other countries in the free world. It is therefore unlikely, except as the U.S. is prepared to underwrite the increase through added assistance, that any country now receiving
MDAP aid (Germany excepted), will significantly increase its current level of defense expenditures in this period.

4. General world economic conditions will continue to be as favorable as at present. International trade and private investment will increase but not sufficiently, at least in the case of undeveloped areas, so as significantly to affect balance of payments problems or so as substantially to fill requirements for capital.

5. The trend toward increasing trade between free world countries and the Soviet bloc, including Communist China, will continue and accelerate, at least insofar as non-strategic items are concerned. Soviet bloc policy will emphasize such increase and provide incentives therefore.

6. Without reference to specific commodities, the prices of which may fluctuate widely, there will be no general increase in the price of basic commodities on the world market.

7. U.S. trade policies will remain as liberal as at present, and some further moderate liberalization may occur during the period FY 1957 to 1959. However, the economic consequences of any such further liberalization will not have any significant effect on aid requirements during these particular years.

Other more specific assumptions, applying to programs for specific geographic regions and countries, and to particular types of activities, are covered in Section V below.

IV

General problems which may affect future aid magnitudes

The summary of general assumptions contained in III above suggests the existence of certain general problems which, depending on how they are resolved, may hereafter materially affect the magnitude of future non-military aid programs and require a revision of the projections thereof which are included in this report. The degree of success of present non-military aid programs in achieving their stated objectives, the experience which has been derived in the administration of these programs, and several other factors on the world scene not directly covered by the foregoing assumptions all suggest a number of additional broad problems which have similar implications for future non-military aid levels. The following general remarks will briefly bring these problems out:

A. Implications of Support Military Forces in Less Developed Countries.

It is becoming increasingly apparent that many less developed countries will not be able, in the foreseeable future, to maintain, without very substantial outside non-military (as well as military) assistance, indigenous military forces at the levels of strength and absolute effectiveness which are contemplated in the current aid programs for those countries. The continued assistance required for this purpose might approach, or even exceed, present levels thereof. At the same time it is also becoming
apparent that, even with such assistance, the internal political, social and economic effects of supporting such forces may in some instances be such as to impose difficult choices between the maintenance of such forces, on the one hand, and the carrying out of economic development and the raising of standards of living, on the other hand. These important problems represent the subject of the so-called Prochnow Committee studies, and the way in which they are dealt with could profoundly affect future aid levels. As indicated in I–D above, the projections herein contained assume continued U.S. support of presently approved military force objectives.

B. Maintaining the Relative Effectiveness of Foreign Military Forces through Modernization and other Measures, and doing so in the Face of Level or Declining Foreign Defense Expenditures

There is an indication in some areas, and particularly in the NATO area, that although the absolute effectiveness of free world forces will remain level, or even increase, under presently contemplated aid programs, the effectiveness of those forces vis-à-vis the Communist forces with which they are confronted may decrease under the assumption of aid at that level. This may be true in cases where there is extensive modernization of the Communist forces in question as, for example, by the creation of a large indigenous jet air capability in North Korea. In such cases, the question is raised as to whether comparable improvements in free world forces should be supported through U.S. aid programs. The projections herein contained make no allowance for non-military aid which might be required in connection with any extensive modernization, reorganization, or expansion of military forces to compensate for increasing Communist capabilities. The projections similarly make no allowance for the fact, which is assumed in III–3 above, that defense expenditures in countries now receiving MDAP aid are not likely to be increased unless such increase is underwritten by added U.S. assistance, and although the failure to make such increase will prevent the full attainment of even present U.S. force objectives. This, for example, may be true in such European countries as Italy, Belgium and Denmark.

C. Implementation of Major Collective Security Arrangements such as SEATO and the Baghdad Pact.

The effectiveness in military, or even in political, terms of SEATO and the Baghdad Pact in achieving their intended objectives may be affected by the answer to this question: Is it practicable significantly to increase military capabilities of member countries (other than the United States) to resist external Communist aggression in the areas protected or, alternatively, to commit or pledge additional U.S. forces for the purpose? The projections make no allowances for non-military aid that might be required in connection with any significant increase in the military capabilities of the indigenous forces involved, although it is plain that the countries in
question would be unable, or if able, would probably be unwilling, to undertake such increases unless they were largely covered by external assistance.

D. Implications of Disarmament Measures

Major steps in the direction of disarmament by the Soviet Union or by other members of the Soviet bloc, or an agreement with the Soviet Union, of either a general or limited character, with respect to future disarmament might materially affect the level and character of U.S. force objectives in countries now receiving U.S. assistance. The projections which are submitted herewith obviously could not take account of any such possibility, and the possibility is mentioned solely in order (1) to identify an issue which would need prompt and careful examination if there should be a major development in the disarmament field and (2) to note that, in such an eventuality, the consideration of the issue might result in a radical revision in these non-military aid expenditure estimates.

E. Implications for Future Aid Programs of Certain Conditions Surrounding the Production of Agricultural Commodities

The Mutual Security Program must operate in an environment which is affected by three major conditions relating to the production of agricultural commodities. They are:

First, there is the existence within the United States of large agricultural surpluses, and of a capacity and a tendency to continue, or even to increase, the production of these surpluses in the future. This circumstance creates both problems and opportunities—problems created by the conflict between (a) the U.S. desire to market maximum quantities of these surpluses abroad and (b) the adverse impact which efforts to carry out this desire may sometimes have on the trade and economies of other countries which export the same agricultural products; and opportunities, in the sense that these surpluses represent specific resources for which some countries have an urgent need.

Second, there is the fact that there are other countries in which an inability to export those locally-produced agricultural commodities which are in excess of domestic requirements constitutes a serious economic and political problem. This problem appears to be increasing in magnitude, and it is severally aggravated in those instances where either (a) the commodities in surplus represent a principal source of the country’s foreign exchange earnings or (b) the commodities are ones which are also in surplus in the United States (see above). The problems of rice in Burma and of cotton in Egypt will suffice as examples. Situations such as these raise issues like the following for the aid program:

(a) Under what circumstances, if any, should our assistance be permitted to increase, make more efficient, or reduce the cost of, the production of the commodities in question?

(b) What aid measures, if any would be desirable in order either (i) as an emergency of temporary remedy, to offset the immediate economic
consequences of an inability to market such commodities or (ii), as a more permanent solution, to reduce dependency on these commodities through diversification of a country’s economy?

(c) Is it desirable, and if so in what way, to forestall, to offset, or to compensate for, the effects or Soviet bloc efforts to capitalize on these surplus problems by, for example, purchasing such surpluses or accepting them in exchange for various forms of technical and capital assistance?

Third, there are other countries where the production of basic agricultural commodities is grossly inadequate for domestic requirements and where a principal problem of the country is the lack of foreign exchange with which to pay for the agricultural imports needed to cover its domestic food deficit. Bolivia would be an example. This type of situation poses the question of whether U.S. assistance should encourage greater agricultural self-sufficiency in accordance with the natural autarkic tendency of a country, and even though this means the production of commodities in surplus in the United States, or whether the United States should, instead, where this is possible, seek some other solution for the country’s problem.

No simple statement would be possible with respect to the ways in which the foregoing conditions, either individually or in relationship to one another, have been taken into account, and have affected, the projections submitted herewith. The only purposes of mentioning them are these: (i) to indicate the far-reaching consequences which the existence of these circumstances has for the foreign aid program; (ii) to emphasize the importance of thoroughly examining them; and (iii) to note that the way in which they are treated may materially affect future aid magnitudes.

F. Response to Soviet Economic Activities

One of the major general assumptions underlying this projection is that the Soviet bloc will continue, and probably increase, its present intensive economic activities in the fields of trade and aid. (See III–1 above.) However, while the fact of these economic activities was part of the general environment that was taken into account in developing the projections contained herein, these projections are based on programs which had their roots in a period that preceded large-scale Soviet economic efforts overseas and do not reflect any change in current U.S. policy in the light of such activities or any new specific added effort to match, counter, offset, affirmatively anticipate, or otherwise deal with activities of this character. Conversely, these projections make no specific allowance for any possible significantly beneficial economic consequences which may accrue from such activities in the countries affected thereby, particularly in terms of meeting some of the important needs of those countries for external assistance and trade. This problem needs study and such study could well result in radical revisions in the projections submitted in this report.
G. The needs of Less Developed Countries for External Capital
Large amounts of capital are indispensable for even the minimum rate of economic growth that is generally accepted as necessary in the less developed countries. The big questions are these:
(a) To what extent can this capital come from local sources?
(b) To what extent is the need for external resources likely to be met through private investment?
(c) Where necessary external resources are not likely to be provided through private investment or by the public lending institutions, to what extent, and on what terms, should other public assistance be furnished?
(d) Through what machinery and techniques, bilateral and multilateral, should any such assistance be extended?
(e) At what rate, given limitations imposed by lack of technical, managerial and other skills, adequate governmental machinery, etc., can external resources be absorbed and effectively utilized?
(f) To the extent that the answer to (c) above would permit, do political considerations (aspirations and hopes for higher standards of living, etc.) justify, or require, the provision of external resources that would make possible a rate of economic growth above that now being achieved?

The kind of answers which are given to these questions will profoundly affect any projections which are made of future aid requirements. In approaching these questions it should be noted that, contrary to the assumption that has repeatedly been made in developing aid programs in the past, there is increasing evidence that private investment from the U.S. or other sources will not be sufficient in many less developed countries during the next decade to meet more than a small portion of minimum needs. (See III–4 above.) The projections contained herein do not allow for any significant increase over the present level in the amount of capital which is provided to other countries for development purposes through the Mutual Security Program.

H. Extension of Capital Assistance through Multilateral Institutions
It should be specifically noted here, as adverted to in G above, that it will be essential in the near future to consider again whether and, if so, how and to what financial extent, the United States will participate in, and make contributions to, any new multilateral institution which is designed to provide capital on a grant or liberal credit basis to less developed countries for purposes of economic development and social improvement. This is the problem which is symbolized by current proposals for the Special United Nations Fund for Economic Development. Political pressures for U.S. participation in a multilateral arrangement of this character are likely to continue, and probably significantly to increase, during the period FY 1957 through FY 1959. The projections contained in this report make no allowance for a contribution to such an institution, or at least for any such contribution which was additional to, rather than in lieu of, any bilateral assistance for which the projections do allow.
I. The Adequacy of the Presently Anticipated Rate of Improvement in Standards of Living in Less Developed Countries

In many of the countries to which the United States is presently furnishing assistance the rate of economic development is not sufficient, when population increases are taken into account, to permit significant increases in the level of per capita consumption. This raises a fundamental question, which is related to points A, F, G, and H above, as to whether (i) the rate of development and (ii) the increase in levels of consumption which are in fact occurring, and which are likely to occur, in certain areas under present aid levels will result in the attainment of U.S. objectives in those areas for political and economic stability. This question must be looked at in the light of, among other things, (a) the extent and nature of local desires, hopes and expectations for improved standards of living; (b) current and probable future rates of economic growth and increases in consumption levels in Soviet bloc countries and in other free world countries, (c) the character of any Soviet bloc efforts to improve, or to give the impression of improving, standards of living in such places; (d) the extent to which it would in fact be possible, through increased external assistance, materially to affect rates of development and levels of consumption, either permanently or temporarily; and (e) the ability of the United States to provide assistance that would have such effect and the cost of, and the likely return to be derived from, doing so.

J. Creation of New Institutions of Techniques for the Extension of Assistance

Apart from proposals for the establishment of new capital dispensing multilateral institutions, there have recently been various suggestions for the creation of new institutions, or the introduction of new techniques, for the furnishing of assistance. These have included, for example, the establishment of development banks, the further underwriting or subsidization of private investment overseas, the creation of overseas food reserves, etc. Such proposals will undoubtedly, and should, receive searching consideration in the various Congressional and Executive Branch studies of the foreign aid program in the next few months. The initial capital required for any such new approach could be substantial, and the projections submitted herewith do not take any such possible requirement into account.

K. Foreign Aid in Relation to the Acquisition and Retention of U.S. Overseas Bases

There is some indication in Morocco, Saudi Arabia, Libya, and possibly elsewhere, that the price of continued or expanded U.S. base facilities in these places may be the extension of sizeable additional amounts of non-military and military assistance. Whether, and if so in what amount and in what form, such assistance will in fact be provided in order to achieve such objectives, and whether, in such event, such assistance will be financed out of the Mutual Security Program, are questions that have
not been answered. Except insofar as past agreements are concerned, in the cases of Spain and Libya, the projections contained herein do no specifically take any costs of this kind into account.

L. Long-Term Projections
Some of the most essential development projects in the less developed countries of the world are ones which will take a number of years to complete and which cannot be undertaken, or which will be very difficult to undertake, unless the government concerned has some assurance at the outset as to the probable availability of all of the capital required for its completion or for the completion of an independently economic segment thereof. The High Aswan Dam is an example of this type of project. The problem for U.S. aid which is posed by this kind of situation can be dealt with a number of different ways. One way is to obtain the type of authorization for long-term commitments which was unsuccessfully sought in the Executive Branch request to Congress for an FY 1957 Mutual Security Program. Another method is to allow for the total multi-year costs of any long–term project in appropriations for the year in which the project is first commenced or in which a commitment covering it is given. The projections submitted in this report do not deal with this problem in any way.

M. Non-Military Aid Demands Arising from SEATO and the Baghdad Pact
The United States, in Article III of the Manila Pact, which established SEATO, agreed to concern itself with the economic problems of the three affected Asian members. The exact meaning of the Article III has not yet been fully explored and defined. However, there has been constant emphasis on this Article on the part of these Asian members and constant pressure to give it concrete meaning of a kind that would involve added U.S. assistance. A somewhat comparable situation has been developing in the case of the Baghdad Pact where the United States, as a partial offset to its unwillingness to become a member thereof, has joined the Economic Committee of the organization and thus become directly confronted by the strong pressures of Asian members to secure economic benefits as a result of their Pact membership. No allowance has been made in these projections for economic aid which the U.S. might decide to make available under a liberal interpretation of Article III of the Manila Pact or in connection with the Baghdad Pact.

N. Relative Emphasis on Economic and Military Strength
Certain of the preceding paragraphs, taken either alone or in conjunction with one another, suggest the probability that in many countries a major choice must now be made as to whether the country, and U.S. aid to that country, should emphasize military strength or economic growth. This will involve a judgment as to whether the nature of the risks and the character of the needs are such that it is more important to U.S. security interests to assist in achieving internal stability through economic development or to assist in creating more effective and more modern
indigenous forces. The choice, which need not necessarily be resolved in the same fashion in every country, has become essential because it probably will not be possible in some of these places to do both things at once, even with virtually limitless financing from the United States.

O. Dependent Overseas Territories
The forces of nationalism and independence continue to grow and to spark the imagination and national will of more and more peoples. This increasingly presents the problem of relations with other metropolitan powers, the United States can, and should, through the extension of either technical or capital assistance strengthen the capacity of now dependent and semi-dependent people to govern and to stand on their own feet, and thus (i) to accelerate the process of evolution toward independence, self-government, and economic self-sufficiency, (ii) to increase the prospect that, once they are independent, they can survive without Soviet Bloc dependence and be useful, productive members of the free world community, and (iii) to further the likelihood that they will develop along democratic lines, with free institutions and a Western orientation. These projections make only token allowance for any aid to now dependent areas.

P. Africa
Closely related to O above, is the question of whether, in an appropriate balance of emphasis, U.S. aid is adequate in its attention to the needs of the continent of Africa, gives sufficient recognition to the importance of Africa in relation to future U.S. security interests, and properly takes into account the nature and extent of present and probable Soviet bloc political and economic efforts in the region. The pressures for independence which have been successful in the Sudan, Tunisia, and Morocco will certainly affect other dependencies and colonies throughout Africa; evolution towards self-government continues in the Gold Coast, Nigeria, and the Central African Federation; and it may well be that the U.S. should, either to help assure the economic and political stability of these countries for long-term economic reasons or because of present strategic considerations, provide substantial assistance to aid these and other African countries to make a success of independence. The achievement of independence does not in itself insure stability, in fact, the failure, after achievement of independence, quickly to provide some perceptible improvement in economic conditions can cause serious instability. The projections submitted herewith make only a small allowance for this problem.

Q. Dealing with the Growth of Neutralism among Allies
Throughout the world, but particularly in Asia and the Near East, there are indications even among our strongest allies, of growing undertones of what, for want of a better world, is commonly described as neutralism. In some instances this may be the result of necessary accommodations on the part of those in power to internal political forces. In some instances it may reflect a genuine question on the part of such leadership as to whether
the interests of the country could be better served by a less clear-cut association with the West. In still other cases it may represent an effort to press more effectively for additional aid. Whatever the reason, the threat to the firmness of the U.S. position in the area appears to be much the same, although the nature of the reason may, of course, materially affect the nature of an appropriate U.S. response. It may well be that the U.S. will soon be forced to the conclusion that its interests will be most effectively served by a selective and intensified effort in certain of these countries to accelerate economic progress. In some instances our staunch friends have received aid based for the most part on a concept of support of military forces whereas uncommitted countries have received aid clearly based on the need for economic and social progress. If, for the foregoing reasons, a decision were made to embark seriously on a program of accelerated economic development in certain defense support countries, the projections contained in this report would have to be adjusted.

R. Massive Transfer of Technical Skills, Know-How and Education

Lack of technical, administrative and management skills, and behind this lack, the paucity of basic education, are recognized as among the major bottlenecks to economic development and social improvement in the less-developed countries and as barriers to the more rapid and effective use of capital for development purposes. This has raised the question of whether the present philosophy, under which U.S. technical cooperation is designed in effect, by demonstration, to train teachers to teach teachers who will then undertake the basic job of developing technicians and educating people on a broader, mass basis, should be at least partly replaced by an approach which would involve a broader, more direct attack on the huge technical and educational inadequacies of the less developed countries. This would mean, not just a stepping up of conventional technical cooperation, but the introduction of new techniques.

S. Massive attack through Aid on Central Problems of Health and Social Welfare

Closely allied to R above, is the question of whether, for political or other reasons, U.S. interests would be served by the use of U.S. assistance for a more massive attack on some of the other central human problems of the less developed countries, whether or not those problems are necessarily the most critical ones in terms of economic development as such. An effort to eradicate malaria from the free world, or even the whole world, just as rapidly as possible represents an excellent illustration of the kind of thing that might be involved.

V

Regional problems and trends which may affect future aid magnitudes

This section is designed to indicate some of the regional problems and trends which may affect future aid magnitudes and the assumptions, if any, which were made with respect to each of these. Broadly speaking, as with the more
INDIA AND PAKISTAN

general problems and trends mentioned in III and IV above, a continuance of the status quo in terms of aid programs has been assumed. However, there have been exceptions, and the following important ones are singled out for special mention before commencing a detailed area-by-area analysis:

1. There will be further decline in new, non-military aid requirements for Europe, due to an expected phasing out of the program in Yugoslavia.
2. There will be an increase in the funds required to permit the moderate continued growth of programs in the Near East and Africa along the lines contemplated in the FY 1957 Congressional presentation. This increase is reflected in the category labeled “Other Programs” which includes moneys to cover the request of the President for a Middle East Fund.
3. In the Far East, there will be a new program in Burma and a very greatly expended program in Indonesia, but there will also be a gradual downward trend in the cost of a number of the defense support programs.
4. There will be a slight gradual rise in the cost of our programs in Latin America.

A. Europe

1. The United Kingdom. There is a possibility of a serious British foreign exchange crisis within the next three years, as a result of a mixture of economic and political factors. Three factors might force such a crisis:
   (a) As a result of the emerging independence of Hong Kong and Malaya, British income from these two sources may suffer a serious drop;

B. Asia and the Near East

1. Burma and Indonesia. As indicated in the general introduction to this section, the initiation of a new economic aid program in Burma, and the substantial expansion of the development assistance program in Indonesia, both anticipated in currently approved U.S. policies, have been assumed in making the projections.
2. Defense Support Generally in the Far East. A small reduction is projected for defense support in this area in FY 1959, reflecting (a) the belief that constant pressures may make possible a reduction in the cost of supporting the military forces in a number of countries where the U.S. finances all, or a large share, of the local military expenditures—in Laos, for example, and (b) the hope of some increased capacity in a few countries to cover a slightly larger share of military expenses. Savings on the military side will, however, be modest, and could be more than offset by requirements for development aid. The countries involved are nearly all examples of the situation described in IV-A—of nations with no prospect of supporting their presently planned military establishments without massive external aid for many years to come.
3. The Possibility of Renewed Aggression. The projections for defense support aid in Asia depend to a peculiar degree on the full and literal
correctness of one of the primary general assumptions—that there will be no Communist military aggression during FYs 1957, 1958 or 1959 (see III–1 above). If this assumption should be in error, and Communist aggression should be resumed at any of the several points where until recently it was under way or threatened—Korea, Laos, Vietnam, the offshore islands of Taiwan—, then the projections would of course be grossly understated.

4. Korea. Because U.S. aid to Korea in the past, and as projected, represents such a sizeable percentage of all U.S. aid, it seems desirable to refer specifically to the Korean problem even though most aspects of it are covered by various of the general points made in section IV above. Massive U.S. assistance to Korea has been necessary in order to enable that country to support heavy defense outlays without disastrous effects upon its economy. With good luck this continued U.S. outlay may result in some increase in the production of goods and services during the period FY 1957 to 1959. Unfortunately, however, the increase in population may nullify, or more than offset, such increase in gross national product; and there is, moreover, no assurance that it will continue to be possible to control inflationary pressures with presently projected aid levels. Consequently, it may prove to be in the U.S. interest to make a more direct and intensified effort to increase Korean capacity for self support even though this would mean the provision of aid above the levels contemplated in this projection. Other variables could also greatly upset this aid projection. A reduction in the level of forces in Korea would reduce the need for U.S. aid to support such troops; on the other hand, a decision to modernize these forces or further to increase their state of readiness would have the opposite effect.

5. Pakistan. It is becoming increasingly doubtful as to whether Pakistan, divided as it is, can become, in the foreseeable future, a completely viable state which is capable of providing, without extensive outside support, an improvement in standards of living which meets the minimum requirements for political stability. The problem in East Bengal is particularly acute. These difficulties would exist even apart from its military burdens, but they are seriously aggravated because Pakistan, largely due to its sense of insecurity vis-à-vis India, but partly as a result of the military considerations underlying U.S. supported military force objectives, is spending far more for military purposes than it can now afford. The projections assume a level of aid comparable to that now being extended, but it is questionable whether this will meet the needs of the situation in terms of U.S. interest in continued political stability.

6. India. With its first Five Year Plan successfully completed and general elections approaching, India is now launching a far more ambitious second Five Year Plan. This plan, while it calls for resources well beyond
those immediately in sight, is considered by the Government of India to provide only for the minimum acceptable rate of development in view of (i) population increases, (ii) current hopes and aspirations of the Indian people, and (iii) the rate of Communist China’s economic development. The success or failure of this plan, and the kind of measures which India finds itself required to undertake in order to make the plan succeed, will in considerable measure determine the future democratic institutions in India, the general direction in which the country will evolve, and its political orientation. The problem will be complicated by the fact that the Soviet bloc has apparently chose India for one of its most intensive efforts at penetration through economic and technical aid. The projections submitted herewith contemplate aid to India at about the present level. With aid at this level, there will continue to be a huge gap in the external resources which India has estimated will be needed, particularly in the last three years, if the second Five Year Plan is to be accomplished in full within the period planned. Thus, apart from the issues faced elsewhere, as well as in India, as to what to do about Soviet economic efforts, the United States may have to face the question of whether materially to increase its annual aid to India or to accept the risks inherent in the possible failure of the Plan to succeed or in the kind of measures India may undertake in a desperate effort to make it succeed.

7. Turkey. During the past several years Turkey has undergone a series of financial crises resulting from over-ambitious economic development programs and outsized military efforts. This has resulted in a foreign exchange shortage of such a serious magnitude as to endanger both the political and economical stability of Turkey. Political turmoil in Turkey would be a serious blow to the military and political effort of the Free World. The major problem has been to convince the Turks that their financial instability arises from their fiscal policies and the nature and magnitude of their development efforts. The Turks have contended all along that with a speeded-up program of large-scale economic assistance, Turkey could become viable within a few years. Recently developments in Turkey give some promise that the Turkish Government may now understand the nature of its problem and will undertake some of the fiscal reforms which are necessary to promote gradual economic growth without endangering economic stability in the short-run. It is in the U.S. interest to continue to support Turkey along these lines, and, for the next few years, this will probably require U.S. assistance of relatively constant magnitude at near present levels in order to carry out a rational economic development program and maintain military forces at approved levels. This projection makes provision for such an aid level.

8. The Arab States, Israel and the Palestine Refugees. It is difficult at this time to be hopeful of a peaceful settlement of the issues between the Arab
States and Israel. The possibility of war exists. The danger also exists that the Arab States may themselves attempt to dismember Jordan and thus create a major conflict in the area. If war can be prevented and a modus vivendi can be worked out, it will probably be in the U.S. interest to make a major contribution to the resettlement of Palestine refugees and to the development of regional projects for the mutual benefit of all the nations in the area. It is difficult to believe that the status quo will be maintained for the three years here involved, although this is the assumption in the projection, which makes no specific allowance for aid which might be required to support a major regional development program, large-scale refugee resettlement, or a program to compensate Arab refugees for property lost during the war with Israel.

9. Non-Communist Local Conflicts. In addition to the assumption noted above that Arab-Israeli hostilities will not be renewed on a large scale, the projections submitted herein also assume that India and Pakistan, and Pakistan and Afghanistan, will remain at peace.

10. Special Problems in Meeting Capital Requirements. In addition to the general observations in Section IV above about the problem of meeting the requirements for capital in less developed countries, several further remarks which are particularly appropriate in the case of Asia seem warranted here. There has been a growing realization on the part of leaders of government and business in the West that much of Asia is looking to a collectivist route to satisfy its developmental needs, rather than relying upon private enterprise. This trend has come about and proceeds apace almost by default. The few American and other Western private individuals who are interested in investing in Asia confront great difficulties. Accordingly, the supply of investment capital seeking to get into Asia is limited. Inexorably it follows that Asian countries must look to other sources for capital. Within Asia there is little surplus wealth and no organized means of accumulating and applying private savings to productive private investment. Even the assistance extended by Western grant and loan programs tends to reinforce this trend toward collectivist methods, despite efforts on the part of managers of these Western assistance programs to keep alive and to nourish private enterprise. If the U.S. Government decides that greater vitality must be infused into private enterprise in Asia, new techniques, methods and concepts will need to be created and employed. New requirements for U.S. assistance would undoubtedly be generated. For example, it might be necessary to establish a fund designed to make loans of local currencies and foreign exchange to private enterprise. Needless to say, in this report, no provision has been made for implementing any such fundamental policy decision by the U.S.
**C. Latin America**

1. Local Currency Requirements for Economic Development. At the Rio Economic Conference, the U.S. announced a policy toward Latin America which envisaged that economic development could effectively be achieved through Exim Bank loans, IBRD loans, and private investment, all three in conjunction with technical cooperation, but that the U.S. would not through the MSP supply financial aid for economic development. While

<table>
<thead>
<tr>
<th></th>
<th>FY 1957</th>
<th>FY 1958</th>
<th>FY 1959</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td></td>
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<tr>
<td>Military</td>
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<td>1066.0</td>
<td>805.0</td>
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<tr>
<td>Non-Military</td>
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<td>Total Europe</td>
<td>1389.7</td>
<td>1154.5</td>
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<td>Near East and Africa</td>
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<tr>
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<td>343.0</td>
<td>337.0</td>
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<tr>
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<td>401.2</td>
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<tr>
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<td>994.0</td>
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<tr>
<td>Non-Military</td>
<td>1094.7</td>
<td>1155.9</td>
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<td>27.0</td>
<td>24.0</td>
<td>60.0</td>
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<tr>
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<td>Total Latin America</td>
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<tr>
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<td>373.0</td>
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<tr>
<td>Non-Military</td>
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<td>Military</td>
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<tr>
<td>Non-Military</td>
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<td>1900.0</td>
<td>2000.0</td>
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<td>GRAND TOTAL</td>
<td>4665.0</td>
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## APPENDIX B
### MUTUAL SECURITY PROGRAM

#### ILLUSTRATIVE COUNTRY DISTRIBUTION OF DEFENSE SUPPORT AND DEVELOPMENT ASSISTANCE EXPENDITURES

(In Millions of Dollars)

<table>
<thead>
<tr>
<th>Region</th>
<th>Expenditures FY 1957</th>
<th>Expenditures FY 1958</th>
<th>Expenditures FY 1959</th>
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<tbody>
<tr>
<td><strong>Defense Support</strong></td>
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<td></td>
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</tr>
<tr>
<td><strong>Europe</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>30.0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Italy</td>
<td>5.0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Norway</td>
<td>1.0</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Spain</td>
<td>75.0</td>
<td>60.0</td>
<td>55.0</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10.8</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>20.0</td>
<td>12.0</td>
<td>8.0</td>
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<td><strong>Western Europe</strong></td>
<td>8.2</td>
<td>4.0</td>
<td>4.0</td>
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<td><strong>Total Europe</strong></td>
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<td><strong>Near East and Africa</strong></td>
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<tr>
<td>Greece</td>
<td>19.2</td>
<td>25.0</td>
<td>30.0</td>
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<tr>
<td>Iran</td>
<td>50.9</td>
<td>50.0</td>
<td>50.0</td>
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<tr>
<td>Turkey</td>
<td>107.7</td>
<td>120.0</td>
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<td><strong>Total Near East and Africa</strong></td>
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<td>195.0</td>
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<tr>
<td><strong>Asia</strong></td>
<td></td>
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<tr>
<td><strong>South Asia</strong></td>
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<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td>91.8</td>
<td>95.0</td>
<td>95.0</td>
</tr>
<tr>
<td><strong>Far East</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cambodia</td>
<td>35.4</td>
<td>33.0</td>
<td>31.0</td>
</tr>
<tr>
<td>Indochina</td>
<td>37.4</td>
<td>30.2</td>
<td>–</td>
</tr>
<tr>
<td>Japan</td>
<td>0.2</td>
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<tr>
<td>Korea</td>
<td>309.8</td>
<td>305.0</td>
<td>300.0</td>
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<tr>
<td>Laos</td>
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<td>Philippines</td>
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<td>Taiwan</td>
<td>99.0</td>
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<td>Vietnam</td>
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<tr>
<td><strong>Subtotal Far East</strong></td>
<td>803.2</td>
<td>810.6</td>
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<td><strong>Total Asia</strong></td>
<td>895.0</td>
<td>905.5</td>
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<tr>
<td><strong>Latin America</strong></td>
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<tr>
<td>Bolivia</td>
<td>19.7</td>
<td>23.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Country</td>
<td>Brazil</td>
<td>Guatemala</td>
<td>Haiti</td>
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<tr>
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</tr>
<tr>
<td></td>
<td>0.9</td>
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| Asia                               |
| South Asia                         |
| Afghanistan                        | 7.5    | 11.0     | 11.0   |
| Ceylon                             | 3.5    | 5.0      | 6.0    |
| India                              | 90.7   | 95.0     | 70.0   |
| Nepal                              | 1.0    | 2.0      | 3.0    |
| Subtotal South Asia                | 102.7  | 113.0    | 90.0   |

| Far East                           |
| Burma                              | 5.2    | 16.0     | 30.0   |
| Indonesia                          | 5.0    | 17.0     | 32.0   |
| Subtotal Far East                  | 10.2   | 33.0     | 62.0   |
| Total Asia                         | 112.9  | 146.0    | 152.0  |

| Defense Support                    |
| Iran                               | 3.0    | 5.0      | 2.0    |
| Turkey                             | –      | 15.0     | 20.0   |
| Additional 201 Funds               | –      | 14.0     | 38.0   |
| Other                              | 2.0    | 1.0      | –      |
| Total Section 201                   | 187.9  | 287.5    | 349.0  |
Pakistan Prime Minister to the President  
INCOMING TELEGRAM  
Department of State  
December 12, 1956  
FROM: Karachi  
TO: Secretary of State  

Summoned by Pakistan Prime Minister last evening. He gave me message to President Eisenhower dated December 11, set forth below which he requested cabled. Verbatim text (unnecessary words omitted).

1. My Dear Mister President,
   1. During my visit Peking last month, I had several talks with Premier Chou En-Lai as well as Chairman Mao Tse-tung in course of which I explained my government’s views on wide range subjects including Kashmir question, Bandung conference, defensive nature Pakistan’s alliances and threat of direct indirect aggression from Communist world. Chinese leaders expressed views on most of subjects, which followed usual Communist line. They affirmed their belief in principles of peaceful co-existence and reiterated desire for, and offer of, a collective security pact embracing all Asian nations.
   2. Sino-American relations also constituted an important topic of our discussion. Chou told me China had constantly been striving find practicable and feasible means of settling her disputes with US. Complained that US side deliberately dragged out Geneva talks and refused enter into any agreement on means of relaxing and eliminating tension in Far East.
   3. On question of return of US nationals from China, Chou repeated accusation that United States has been continually haggling over implementation of Geneva agreement and of violating it by failing furnish China with complete list of names Chinese nationals under detention and those who are being prevented from returning China. So far as I understand position it is that Geneva agreement contemplated release those prisoners who were under detention and had not (repeated not) been convicted in accordance with legal process and that to circumvent agreement Chinese rapidly secured conviction eight Americans under detention. Hence your government regard Chinese as guilty of breach faith. In regard to Chinese in list, I understand there are no (repeat no) Chinese national under detention who are eligible for release and no (repeat no) Chinese nationals who have been prevented from returning to China. I should be grateful if you would be good enough to let me know whether this correct and whether
there is any further information you could give me to enable me to discuss this matter further with Chou.

4. Chou also criticized US embargo on exports to China.
5. Chinese premier also blamed United States for latter’s failure to accept principle of renunciation of force. Chou emphasized that his government could never agree to two Chinas. He said the root cause of tension was US armed occupation of such Chinese territories as Formosa, Quemoy and Matsu. He alleged Hong Kong, Kowloon and Macao were being used by Kuomintang for disruptive activities against Chinese mainland. He referred to 800 American “bases” Japan, Philippines and Siam. He said tension this area could not (repeat not) be relaxed unless there was change in United States policy.

6. Chou finally pleaded: “We would ask you to tell your American friends that we want to be friendly with them. We are prepared to negotiate and extend our hand of friendship. Please see if you cannot bring about an understanding between us.” He said he was prepared to go even to United States if that would help in furthering cause of peace.

7. Although we are fully aware your government’s views, as elaborated in US State Department declaration January 21, 1956, on Chinese allegations cited in paragraph two-five above, I, nevertheless, think you would be interested to know view of Chinese leaders as expressed to me. My personal impression is that Peking would be prepared release remaining American prisoners if there is some indication from your side that US Government would be willing have a Foreign Ministers conference as suggested by Chinese Communist at ambassadorial level talks in Geneva. As you know our government has in past years voted in favor of US resolution for postponement of question of Chinese representation in UN, There can be no (repeat no) doubt that, having recognized Central People’s Government of China, we cannot but concede that it is entitled to represent China in UN. Continued elimination of China from UN is not (repeat not) only unrealistic but is unfortunately being used as an instrument of propaganda against US and her allies. This propaganda making considerable headway against our common interests, specially in Asia. In my opinion it would take away increasing bitterness from this propaganda if American public opinion could be persuaded agree abstain from opposing admission of Communist China into UN.

8. You also probably know that Chinese Prime Minister will be visiting Pakistan on 20 December, 1956 for about ten days. His visit would afford me further opportunities of exchanging views with him. If we could be of any use to your government in breaking deadlock caused by failure of Sino-American negotiations held Geneva, we would be glad to help. I am sure your government, like ours, would welcome
every opportunity which could fruitfully be used for promoting cause of world peace and to bring harmony among nations.

With assurances of my highest consideration, yours sincerely (H.S. Suhrawardy) End Verbatim Text.

Embassy comment: From Foreign Secretary Baig, I learned several days ago that above message had been prepared by Foreign Office immediately following return of Prime Minister from China October 29 but Prime Minister so swamped message had stayed on his desk. Foreign Office jumped him on this yesterday immediately on his return from week’s visit to East Pakistan because Foreign Office wanted GOP to be in position to tell Chou En-Lai when he arrives here that message had been delivered as agreed. Foreign Office also afraid Chou had told Nehru about GOP agreement deliver this message while Chou had been in Delhi in recent days and Foreign Office afraid Nehru might mention it to President Eisenhower. This accounts for request that message be cabled. Original signed message being pouchd (Embassy dispatch 387).

Regarding Suhrawardy’s evident desire continue with Chou discussion of US–CHICOM issues Department will recall he expressed complete agreement US position re prisoners (EMBTEL No. 1062). Furthermore, Suhrawardy can be under no (repeat no) misapprehensions re US wishes that he not (repeat not) intercede with CHICOMs on these issues. Pursuant instructions DEPTEL 835 ambassador and counselor made this point very clear as reported EMBTEL 1062.

Obviously Suhrawardy wishes attempt replace Nehru as intermediary between Chou and US and in conversation said Chou told him he Chou mistrusted both Nehru and Nehru’s influence with US Government and felt he Suhrawardy could more influence with US Government than Nehru.

Since Chou’s visit begins December 20 request guidance before that date on nature reply to Suhrawardy, with special reference paragraphs 3 and 8 his letter; Suhrawardy obviously inclined to play mediator, despite discouragement passed on to him pursuant DEPTEL 835.

HILDRETH

SECRET
DEPARTMENT OF STATE
WASHINGTON
July 8, 1957
Declassified

MEMORANDUM FOR THE PRESIDENT

Subject: Official Visit to the United States of the Prime Minister of Pakistan, Mr. Huseyn Shaheed Suhrawardy
The Prime Minister of Pakistan will be in Washington for an official visit between July 10 and 12. He is schedule to meet with you for official discussions at 11:15 a.m. on Thursday, July 11.

Arrangements have been made through Mr. Shanley to meet with you on July 9 to discuss substantive matters, which may arise in your talks with Mr. Suhrawardy.

Mr. Suhrawardy is an able lawyer and parliamentarian who as Prime Minister has proved himself to be an effective champion of collective security. Particularly gifted in obtaining public support for government policies, Mr. Suhrawardy at the present time probably represents the best hope for the achievement of primary United States objectives in Pakistan—the development of stable, popularly based government friendly towards the United States and aware of the Communist threat.

There is a remarkably high level of agreement between the foreign policies of Pakistan and the United States, despite differences of motivation. Pakistan has recognized for what they are and publicly condemned aggressive communist policies. Although it has recognized the Peking Government, it has frankly expressed its disapproval of Communist Chinese conduct. Pakistan is firmly committed to the concept of collective security, being a member of both SEATO and the Baghdad Pact.

Pakistan’s pro–Western foreign policy has been generally recognized and appreciated in the American press and in the Congress. Out support of Pakistan’s economic and military efforts are generally understood and appreciated in Pakistan. However, there has been considerable disappointment in Pakistan that its pro–West foreign policy has not earned from the U.S. greater political recognition and more direct support for Pakistan’s position in its Kashmir and Canal Waters disputes with India.

A number of distinct but mutually supporting objectives can be served by the present visit to the United States of Prime Minister Suhrawardy:

To reflect the importance we place on Pakistan–United States friendship and collaboration; to win additional support for our policies through discussions of the world situation with emphasis on the Communist threat to the Middle East and South Asia; to show at first hand the economic, cultural and religious strengths of the United States; to balance off the visit of Prime Minister Nehru of India; to show our recognition of a Pakistani leader who has staunchly defended the cause of free world collective security; and to afford us an opportunity for a better understanding of Pakistan’s problems.

In addition to his talks with you, Mr. Suhrawardy is scheduled for additional conversations in which I shall have an opportunity to discuss a variety of matters of interest to our two countries. There follows a list of topics which it appears to me particularly desirable that you personally discuss with Mr. Suhrawardy:
1. Pakistan–India Relationships

The Pakistan Prime Minister is likely to be very much preoccupied with the position of his country opposite India. He will be inclined to consider our positions on most subjects in the light of their possible effect upon the strength and prestige of Pakistan as compared to India. The Pakistanis are also inclined to maintain, in requesting United States material assistance or political support, that Pakistan as an ally of the United States in collective security arrangements deserves relatively more favorable treatment than we accord neutralist countries such as India.

In discussing various aspects of United States–Pakistan relations with Pakistani leaders we have generally attempted to keep the discussions confined to the merits of the particular case without undue reference to Pakistan’s relationships with India. For example, we have insisted upon discussing our military assistance programs with Pakistan solely in terms of the exigencies of the Communist threat to the free world, even though we realize that Pakistan’s defense planning considers that India may be a more immediate threat to her security.

Mr. Suhrawardy will undoubtedly wish to discuss the Kashmir problem at some length. His aim will be to obtain increased U. S. support for Pakistan’s position in this dispute with India. The Kashmir question is currently under active negotiation; in order that you may be fully informed of late developments, it might be helpful for me to discuss this subject with you at our meeting scheduled for Tuesday, July 9 at 10:45 a.m.

In responding to Mr. Suhrawardy’s representations along these lines, you might wish to recognize frankly that Kashmir, the Indus Waters dispute and some other Indo–Pakistan differences are grave problems which involve issues of real importance to both countries. It has been our policy to encourage the two parties to work toward solutions of their differences through peaceful means, and we shall continue our efforts to be helpful. Should Mr. Suhrawardy generalize on the theme that our ally Pakistan deserves our support more than does neutralist India, you right wish to emphasize that it is greatly in Pakistan’s interest that India–United States relations be maintained at a satisfactory level. If India were allowed to drift away from its free world associations and into the Communist camp, it might well be disastrous for Pakistan.
2. Middle East Situation

Mr. Suhrawardy can be expected to consider sympathetically suggestions of ways in which he can actively assist in the achievement of free world objectives in the Middle East. Aside from its interest in seeing a free world situation of strength built and maintained in the Middle East (as witnessed by its membership in the Baghdad Pact), Pakistan is motivated by a desire for Middle East support, particularly in its differences with India and (to a lesser degree) Afghanistan.

Mr. Suhrawardy would doubtless welcome you comments concerning current Middle East problems and United States efforts to meet them. He would probably be impressed by, and willing to agree with, our views that:

a. There continues to be a pressing need for a lasting and equitable solution of the Palestine problem.

b. The Soviet threat to the Middle East is more acute than ever and the need for active regional defense efforts continues to be urgent. This forms the basis for our continuing strong support of the Baghdad Pact.

c. The United States regards the initiatives it is taking under the American Doctrine as useful and important steps toward the defense of the integrity of countries in the Middle East as against the Communist threat.

d. We are heartened by current indications that there is a greater realization in the Middle East of the dangers represented by subversive activities by international Communist elements, whether working alone or in concert with misguided nationalist or extremist.

e. The United States will continue to support efforts by sovereign Middle Eastern states to preserve their independence.

3. Far East Situation

With the following exceptions, Mr. Suhrawardy is not expected to present strong views of his own on Far Eastern matters. Pakistan desires broader ties, particularly economic, with Japan and other Far Eastern countries. Pakistan takes its SEATO membership seriously, but there have been no indications that Mr. Subrawardy intends to make representations on SEATO matters during his visit.

The Far Eastern matter in which Mr. Suhrawardy may show most interest is that of Communist China. The Government of Pakistan has recognized Communist China and seeks superficially friendly relations with it. Pakistan is motivated at least in part by its desire to maintain a satisfactory relationship with the chief competitor in Asia to the power and prestige of India. Prime Minister Suhrawardy can be expected to explain his country’s point of view, but at the same time to be genuinely willing to consider our argument in favor of our line of conduct.

Mr. Suhrawardy would doubtless be intered to hear your elaboration of our policy of assisting the free Asian countries in the building up of their military, political and economic strengths while at the same time exerting such pressures
as are availed to us to retard the growth of Chinese Communist power and influence. To this end we give our support to SEATO and to free China and we lend economic and technical assistance to countries of the area. It is also in pursuance of this policy that we welcome improved cooperation, including trade, among the countries of the Far East. We wish to encourage the free nations of Asia to trade among themselves and to cooperate for the economic betterment of the free world.

4. Disarmament.

Mr. Suhrawardy can be expected to pay at least lip service to the ideal of disarmament or arms limitation. However, he might be concerned if obliged to conclude that prospects for disarmament or arms limitation implied an eventual diminution of United States support for the security efforts of allies such as Pakistan. As I have noted, Pakistan’s defense plans consider that its security is threatened by India as well as by the Communists.

Mr. Suhrawardy would no doubt be gratified to have your exposition of current efforts to reach an effective broad agreement for arms limitation. He would welcome assurances that the United States, in negotiating with the USSR on this issue, holds strongly in mind the importance of maintaining our relative security position opposite the Communist world.

5. Pakistan–Afghanistan Relations

The basic problem in Afghanistan–Pakistan relations is “Pushtunistan”. Pushtunistan is the name given by the Afghans to the area in northwestern Pakistan inhabited by the “Pushtuns”, who are racially akin to the dominant ethnic element in Afghanistan. The Government of Afghanistan has for the past ten years put forth ill-defined demands for special status for “Pushtunistan”; at various times they have demanded “self-determination” or “autonomy” for the area. Afghanistan has now retreated considerably from its earlier extreme positions.

Mr. Suhrawardy’s visit to Afghanistan in June of this year culminated a measurable improvement in Afghanistan–Pakistan relations. He would doubtless be pleased and encouraged if you congratulated him on the success of his visit. We very much hope that the momentum of the present favorable trend can be maintained to the end that Afghanistan be drawn continuously closer towards the free world and away from its associations with the Soviet bloc.

Enclosed for your consideration is a suggestion for toast at your stag luncheon in honor of the Prime Minister on the same day.

John Foster Dulles
MEMORANDUM FOR THE PRESIDENT

Subject: Pakistan Prime Minister’s Message to You Regarding Current Security Council Action on the Kashmir Issue.

I. Chundrigar, who became Prime Minister of Pakistan only on October 18, has sent you a message dealing with certain details of current Security Council action on the Kashmir issue. The message was forwarded to the White House on October 30.

The Kashmir dispute between India and Pakistan has been in the Security Council since 1948. In the face of long-standing Security Council resolutions calling for a plebiscite, the two parties have been unable to agree to certain basic moves which are necessary before a plebiscite can be held. In the absence of agreement between India and Pakistan, it is in our interest to support constructive steps in the Security Council which seek to remove the impediments standing in the way of a plebiscite.

On the Government of Pakistan’s initiative we have, over the past five months, held close and frequent discussions with its representatives on the nature and substance of a draft Security Council resolution aimed at overcoming those impediments. The Pakistanis also held discussion with UK representatives. During the past three months we have held numerous discussions with UK representatives and have finally arrived at an agreed resolution which I believe can be accepted by both India and Pakistan. If accepted by the Security Council, this resolution could constitute a forward step in facilitating a solution of the Kashmir issue.

In as much as the Prime Minister’s message makes no mention of our close and frequent discussion and fails to mention any agreed position arrived at from those discussions, I believe it most important that we specify those aspects of our position in your reply and express the hope that both parties will accept the Security Council’s action. I recommend that you approve the enclosed suggested reply and authorize me to have it delivered urgently by our Ambassador in Karachi.

Acting Secretary
Christian A Herter

Enclosures:

1. Reply to Prime Minister Chundrigar
2. Message from Prime Minister Chundrigar
Office Memorandum

To: Mr. Komer

Date: 23 March 1959

Subject: Thoughts on Indo–Pakistani Tensions

1. The Indo–Pakistani quarrel, though it involves more than one issue, strikes me as being rather more of a kind with the Trieste Problem and the Cyprus dispute than with the Arab–Israeli conflict. Despite the emotional and physical factors involved, it is at least possible to conceive of solutions to the main outstanding issues between Karachi and New Delhi, I would list these roughly as follows: (a) Canal waters, (b) Kashmir, (c) the arms race (d) secondary problems arising out of Partition (boundary disputes, refugee matters, etc.)

2. The atmosphere for progress toward a settlement on these issues is probably as favorable today as has been the case at any time since the immediate boost-partition period. The IBRD has put in a great deal of time on the canal water problem and will soon, I understand, come forth with a final proposal. Both India and Pakistan are in the final stages of military modernization program which could provide the base for some kind of arms control arrangement in the future. Emotions on Kashmir in both countries appears to be at a relatively low ebb.

3. This favorable atmosphere is, of course, the result of broader developments in the area: the promise of a few year’s relative stability in Pakistan as a result of the Ayub regime’s takeover; India’s increasing concern with communist pressure; India’s improved relations with the U.S.

4. One is tempted to feel that if somehow one issue could be resolved, the dam of suspicion and mistrust between India and Pakistan would be broken, and peace and light would follow after. This is a share and a delusion. The “package” approach that State has long been toying with strike me as being about the only practical one. That is, both India and Pakistan must know clearly what each of them is to do and what the sponsoring U.S. is to do in a movement toward a general clearing up of tensions. If the “package” approach is to succeed, however, it must gather much more momentum especially in New Delhi than has apparently been the case to date. At the same time, however, it would be easy to scare the Indians off by pressing too hard.

5. How to go ahead? It might be worth trying something like this: The U.S. tells both India and Pakistan in strong terms stands behind the IBRD technical solution to the canal waters issue. The U.S. will support it financially to the maximum possible degree. (If funds which otherwise would have gone to either country under other aid programs are to be diverted to support the canal solution, they should not be told that this is the case.) Next step: The U.S. feels both sides out on arms limitations
(beginning with Pakistan). Status quo would probably be necessary for the next couple of years. After that it might even be possible to get them to accept mutual obsolescence. U.S. ties in all available aid, including that saved from military programs for Pakistan (this may not be much for quite a while), into Pak and Indian economic development programs. Kashmir can be left alone for some time. However, it would probably be worthwhile to try to device some kind of “noble and self-sacrificing” solution in a recent Cyprus settlement to spring on Nehru at the right time. In my opinion, the essential element is some kind of face-saving device for Pakistan which gives it a role, however, taken, in the affairs of the Vale.

6. These comments are, I fear rambling and vague. However, just what can be done will become apparent only as we push along. The important thing is, that with conceivable luck and skill, it can be done. One word of caution, if I may. It has become fashionable among the people concerned with this problem in the past year or so to talk glibly about the necessity of approaching the area and its problems as the Indo–Pakistan subcontinent rather than as two hostile countries, India and Pakistan. There’s obvious merit in this approach, particularly from the standpoint of rivers, trade, etc. However, this is not a new idea. The U.S. approached India and Pakistan with this viewpoint for five years—1947–52 and got exactly nowhere. The U.S. must accept the individuality and indeed mutual hostility of India and Pakistan in all dealings with them. On occasion, it probably will have to choose between them on specific issues. If we are moving forward on a number of issues, however, and have won the trust of both to a degree at least, we can probably still carry both along. Certainly, the last thing we should give either of them is the idea that we regard both of them as lesser parts of a greater whole and that it is the latter with which we are primarily concerned.

7.16


24, March 1959

The practicability of a package settlement between India and Pakistan

The concept of a package deal which would simultaneously settle all outstanding Indo–Pakistani problems is an attractive one. The very magnitude of the concept, however, poses practical administrative difficulties. I cannot clearly be demonstrated that a package approach would lead more quickly to a settlement of Indo–Pakistani problems than an imaginative one at a time effort.
Among the advantages of a package deal are that it could clear much air through overall discussion of all disputed points. It would bring a maximum number of bargaining counters into play, which could be traded in a broad variety of ways in arranging a mutually satisfactory agreement. It would also tend to submerge violent emotions surrounding certain individual disputes such as Kashmir and the canal waters issue. Furthermore, the attraction of a complete settlement ending all major frictions and permitting concentration upon internal economic problems is assumed to be considerable, since both New Delhi and Karachi now recognize that without rapid economic progress they may not be able indefinitely to command popular support. Both governments are keenly aware of the economic pressures being exerted on them and of the relief that an overall settlement would bring.

A discussion of overall problem, however, could easily get bogged down in details and in bickering over the monetary or intangible value of any given concession. Long-drawn-out negotiations might lead to frustration, deadlock, and to an eventually decision that problems are better solved one at a time as they have been in the past.

Despite constant friction, India and Pakistan have since 1947 solved various border, refugee, transportation, trade, and financial matters by the piecemeal method and appear to be making slow but steady progress toward settlement of all but the most knotty question, Kashmir. Both sides seem more favorably disposed than even before to reach agreement on canal waters assistance would probably increase the likelihood of a canal water solution. Should this problem be solved, Kashmir would remain as the only major dispute between the two countries.

The Kashmir issue, being political rather than economic, could continue in its present state for years and gradually lose much of its emotionally charged atmosphere. If President Ayub’s government should strengthen Pakistan politically and economically, it might be able to abandon most of Kashmir to India without stimulating uncontrollable popular opposition.
Kashmir

The term “Kashmir” is generally used to describe the territory and people of the “State of Jammu and Kashmir” which includes a diversity of terrain, people, and religions. The state consists of several regions. Its heart is the famous Vale of Kashmir, to the south of which lies Jammu Province, to the east Ladakh, to the north Baltistan, Hunza and Nagir, and to the northwest Gilgit Agency. The whole state is about the size of Minnesota. The total population, according to the census of 1941 was 4,021,616, of whom 77.11 per cent were Muslims, 20.12 per cent Hindus, 1.64 per cent Sikhs, and 1.13 per cent Buddhists.

Just as the country is broken into geographically distinct areas, so its people are separated by wide cultural differences. Wild mountains and discourage any sense of unity. The Muslim inhabitants of Gilgit and Baltistan live in complete isolation from the rest of the area, administering themselves through their chieftains. Ladakh’s Buddhists have a spiritual Lama in Lhasa. The people of Kashmir are divided by their mountains, their gods, their traditions, their allegiances, and their temperaments.

The political and economic life of the entire areas is centered around the Vale of Kashmir, a rich strip of land about 85 miles long and 25 miles wide. Its principal city is Srinagar, with a population estimated in 1951 connected with the Vale because most of the rivers, valleys, and roads lead to Srinagar. Few roads connect the outlying towns and valleys of Kashmir and, indeed; the principle highways are the three rivers, Jhelum, Chenab, and Indus which flow from or through Kashmir to Pakistan. Prior to 1947 nearly all Kashmir’s commerce with British India followed trade routes now held by Pakistan. However, much of the goods flowing to and from Kashmir originated in, or was routed to, present-day India.

The modern history of Kashmir begins with the successful Sikh invasion of Kashmir from the Punjab in the early nineteenth century. The Sikhs placed Hindu in control of the whole Province of Jammu and he extended his rule by seizing the northern areas of Ladakh and Baltistan from Tibet. This ruler later helped the British who rewarded him with the gift of Kashmir to be his “independent possession” “forever”.

At the time of partition the princely states of the subcontinent were not partitioned or allocated to either India or Pakistan by the Indian Independence Act. The Act merely terminated the connection between the British Crown and the princes. Accession to either India or Pakistan was based primarily on the religious affiliation of the majority of the population in the border districts. Kashmir, however, bordering on both of the new states became the focus of a bitter dispute.

The Hindu Maharajah of Kashmir attempted, unsuccessful, to postpone the decision of accession. However, uprisings began among the Kashmir Muslims, with support from Pakistan tribal elements, against the Hindu Maharajah
apparently in the hope of forcing him to accede to Pakistan. Faced with the threat of force, the Maharajah acceded to India and appealed for military support. The Government of India accepted Kashmir’s accession with the stipulation that “as soon as law and order have been restored in Kashmir aid its soil cleared of the invader, the question of the State’s accession should be settled by a reference to the people,” and sent troops to Kashmir to check the tribal invasion. Units of the Pakistan Army entered the fighting in May of 1948 and there is little doubt that official Pakistan support was lent to the Azad Kashmir tribesmen from nearly the beginning of the trouble.

Fighting continued through 1947 and 1948. In January 1948, India brought the Kashmir dispute to the Security Council charging Pakistan with aggression. Pakistan made counter-charges including the charge that accession of Kashmir was brought about by fraud. The United Nations Security Council appointed a United Nation’s Commission to India and Pakistan (UNCIP) which succeeded on January, 1949, in bringing about a cease fire.

The cease fire and terms of agreement for a settlement between Pakistan and India were contained in two resolutions the first of which set forth in three parts a procedure for the settlement of the Kashmir problem. Part I dealt with the conditions for establishing a cease-fire, pledging both parties not to increase their military potential and to work for an atmosphere favorable to the promotion of further negotiations. Part II dealt with demilitarization, stating that Pakistan first would withdraw its troops from Kashmir, including the tribesmen, and that when this was completed, India would withdraw the bulk of its forces. Part III declared that the future of the state would then be determined by the will of the people, and that UN would determine how this will should be expressed. India and Pakistan accepted these proposals in December 1948, the agreement being formalized in a second resolution passed on first resolution were fulfilled, a plebiscite would be held in Kashmir to determine the question of the accession of the State.

Since 1949 the United Nations has tried unsuccessfully to break the impasse. Pakistan has given the appearance of greater cooperation. India has rejected several proposals which were accepted by Pakistan. On at least one occasion India has injected the question of United States military assistance to Pakistan into the discussion concerning a settlement of the Kashmir issue.

The last effort by the United Nations was made in 1958 by the United Nations Representative, Dr. Frank Graham, who reached the conclusion that most immediate requirement of the situation was the resumption of direct negotiations between the two governments. He submitted the following recommendations to the two Government on February 15, 1958.

1. That they consider the possibility of making renewed declaration, in line with the UNCIP resolution, of their intention to bring about an
atmosphere favorable to further negotiations and to refrain from state-
ment and actions which would aggravate the situation.
2. That they reaffirm their respect for the integrity of the cease-fire line.
3. In an effort to speed up implementation of Part II of the 13 August UNCIP
resolution, that a study be undertaken under Dr. Graham's auspices, of
how the evacuated territory will be administered. To increase the security
of this area, the two governments consider the stationing of a UN force
on the Pakistan side of the Kashmir border following the withdrawal of
the Pakistani forces from Kashmir with a view to allaying Indian fears of
a return of Pakistani troops to the area.
4. That the two governments reach early agreement on the interpretation
to be placed of Part III of the 13 August UNCIP resolution. In this
connection, Dr. Graham's called the attention of the two governments
to the joint communiqué issued in New Delhi in 1953, following a
conference of the two Prime Ministers. This communiqué, according to
Dr. Graham, recognized that a plebiscite has been agreed to.
5. That a conference of the two Prime Ministers be held in the early spring
of 1958, under the auspices of Dr. Graham.

The Government of Pakistan agreed in principle to the proposals made by
Dr. Graham. The Government of India did not agree with any of the proposals,
with the exception of the one to station a United Nations forces in Pakistan along
the Kashmir border, which India regards as a Highly improper and a potentially
unfriendly development, but which India regarded also as a question for the
sovereign government of Pakistan to decide.

The apparent determination of India to hold Kashmir army also be influenced
by the ties of Prime Minister Nehru to Kashmir. His families are from this area.

7.18

November 25, 1959
BUREAU OF INTELLIGENCE AND RESEARCH

India reacts to Chinese-communist pressure on the border

Chinese Communist military pressure on India's northern border is causing
India to reassess some main aspects of its foreign and domestic policy. Barring
a major attack by Peiping or a reversal of Moscow's friendly policy toward New
Delhi, India will almost certainly continue to be guided by the principle of
nonalignment in the cold war. But its faith in the adequacy of Peiping's verbal
commitments to peaceful coexistence has been shattered. Greater emphasis
in Indian defense planning on the threat from Communist China is already a
major factor in the trend toward a détente between India and Pakistan. Within India, Nehru’s position remains impregnable. But his weakness in the early stages of the dispute with Peiping brought him under unprecedented criticism in the press, in Parliament, and even in his own Congress party, and he can no longer be considered the sole and unchallenged formulator of Indian foreign policy. Rightists within the Congress party, who favor a harder line against the Communists at home as well as abroad, have been strengthened. The Communist Party of India, already on the defensive following Tibet and the ouster of the Communist regime in Kerala in July 1959, has been set back further by the border dispute, which has exacerbated factional divisions within the party and further uncovered the speciousness of its patriotic, constitutional pose.

**India’s China policy shattered**

The Chinese Communist suppression of the revolt in Tibet and subsequent military intrusions into territory which India considers its own have climaxed a gradual Indian disillusionment with the Peiping government.

India was the second non-communist government to recognize the Chinese Communist regime, even when Communist China “liberated” Tibet in 1950 and brusquely dismissed India’s diplomatic inquiries, India’s recognition of its military weakness and inability to influence events in Tibet increased Nehru’s determination to maintain friendly relations with Peiping. Nehru’s policy stemmed also from a hope that the Chinese variety of communism was “different” and a belief that moderation toward the Chinese Communists would bring out the best in them. The 1954 Sino-Indian treaty on Tibet, which first enunciated the Panch Sheel (Five Principles of Coexistence) capped the New Delhi policy of friendship. Nehru sought also to expose Communist China to possible moderating influences abroad, as at Bandung and in promoting Peiping’s candidacy for the United Nations.

Nehru’s hopes were set back during 1958 by Communist China’s vituperative attacks on Tito and Yugoslav “revisionism,” its support of Imre Nagy’s execution, the failure of its “hundred flowers” experiment in liberalization, its aggressiveness in the Taiwan Strait, and its inauguration of the communes which Nehru publicly criticized as “army camps” in which every aspect of life was regimented. In the fall, of 1958, Peiping withdrew an invitation to Nehru to visit the Tibetan capital of Lhasa and when Nehru and his party crossed briefly into Tibetan territory en route to Bhutan in September 1958, he was treated cavalierly by Chinese Communist border officials.

The border issue is not new. Despite Indian protests since Peiping had continued to circulate maps showing as belonging to Communist China large tracts of territory long claimed by India. Chinese Communist military forces first occupied Indian-claimed territory (Bara Hoti) in 1954, and there were several other border incidents prior to the August 1959 clash. Yet, the Indian public was kept almost entirely in the dark although the Government of India
had sent at least 24 official communications to Communist China since July 1954 on frontier claims and incidents.

The Tibetan revolt in the spring of 1959 was probably the turning point in India’s relations with the Chinese Communist regime. The Indian public was shocked by the ruthless suppression of the rebellion, Communist China’s disregard of its pledge of “autonomy” to Tibet, and by Peiping’s allegations that India had colluded in the revolt and in the escape of the Dalai Lama. (Now Delhi did encourage various non-official expressions of sympathy for the Tibetans and India received more than 19,000 Tibetan refugees.) The Tibetan revolt brought Chinese Communist military power to India’s northern border, which New Delhi had hurriedly bolstered with a few new frontier posts, and thus set the stage for the subsequent clashes between the Chinese Communist and Indian forces.

**National solidarity enhanced**

The border clashes have unified India to a greater extent than at any time since popular reaction against the US–Pakistan military aid agreement. With the exception of the Indian Communists all political elements have condemned Peiping and demanded Indian resistance to the Chinese Communist threat. Regional, linguistic, and personal rivalries have, been at least temporarily submerged in a wave of national solidarity.

**A new posture toward peiping**

Nehru’s general restraint in the early stages of the recent border incidents based apparently on his assessment of India’s military weakness, his desire to get on with the nation’s economic development, and his continued hope that Peiping would moderate its attitude, came under sharp criticism from virtually all segments of non-Communist opinion in India. Nehru was accused of harboring “ideological illusions” about Communist China and of “hiding the facts” from the Indian public. Even the usually sympathetic newspapers charged him with “verbal deluges and brave postures followed by conspicuous inaction,” “deplorably insufficient” defense measures, and “sadly underestimating the real menace of Han Chinese expansionism and Communist imperialism.” A few newspapers called for severance of diplomatic relations with Peiping, closer ties with the West, and a military offensive to oust the Chinese Communists from Indian-claimed territory.

Although the pressure of Indian opinion prodded Nehru toward a harder line, he himself is unquestionably concerned over relations with Peiping and seems to have cast off certain illusions. In late October 1959 he reportedly said privately that Chinese Communist aggression was part of a calculated long-term strategy toward India, which required a new and realistic Indian approach. In November he stated publicly that the Longju and Ladakh incidents opened a “new chapter” in Sino–Indian relations and noted that the “whole world, except China, is trying to work toward peace.” Nevertheless, Nehru continues to seek
THE UNITED STATES AND INDIA

a basis for negotiation of the border dispute on terms that would not condone Communist China’s military actions and that would preserve India’s claim on the McMahon line. Under these terms, Nehru would presumably be prepared to cede India’s claim to a part of Ladakh, although perhaps only after Indian emotions over the issue subside somewhat from their present pitch. But under any circumstances India will continue to be suspicious of Chinese Communist intentions.

**Indo–Pakistani relations improve**

The deterioration of New Delhi’s relations with Peiping has given a major boost to Indian popular and official interest in improving relations with Pakistan. Despite Nehru’s strong initial distrust of the Ayub regime and his continuing doubts over Pakistan’s good faith, he has welcomed Ayub’s “friendly approach” in seeking to settle some of the long-standing disputes between the two countries. Nehru and Ayub met for the first time in September 1959 and agreed on the need to reduce tensions between India and Pakistan and to plan their relations on a “rational” basis. A conference in October, a direct outcome of “the Nehru–Ayub meeting, agreed to certain adjustments of the border between India and East Pakistan and established “ground rules” to prevent new incidents. A conference on western border disputes is planned for early 1960. Meanwhile, protracted negotiations under the auspices of the International Bank for Reconstruction and Development, concerning the division of waters of the Indus River system, vital to the agriculture of West Pakistan and northwestern India, have made considerable headway. The anticipated agreement on the Indus waters would resolve what has been considered the most important Indo–Pakistani dispute except for Kashmir.

Nehru has remained cool to the proposal for a joint defense arrangement, first offered by President Ayub at the time of the suppression of the Tibetan revolt, and subsequently reiterated on several occasions. No formal joint defense arrangement seems likely. However, in the improved climate between the two countries attendant on their increased concern over pressures from outside the subcontinent, there may develop some form of practical cooperation in which India bolsters its border with Communist China at the expense of its defenses on the Indo–Pakistani frontier. (For a fuller discussion of recent developments in Indo–Pakistani relations, see IR-8162, Indo–Pakistani Relations Improve, dated November 25, 1959, CONFIDENTIAL/NOFORN)

**The position of Nehru**

Despite the wave of criticism, Nehru retains enormous prestige within India. Although he may have been weakened somewhat, there are no indications that his personal political position is threatened. In the other hand, the intense public scrutiny of his policies and the success” of political elements in probing for information on the Sino-Indian border incidents reflect the growing vitality of the Indian press and Parliament, and represent a new phase in India’s
political maturation. This development could ease the transition to a successor when Nehru leaves the political scene.

"Rightists" strengthened

Some Congress Party "rightists" (most notably Finance Minister Morarji Desai, frequently mentioned as a likely successor to Nehru) have supported Nehru's moderate stance on the border issue in the belief that India should avoid external entanglements until its economic development programs are further advanced. However, others who have been highly critical of Nehru's moderation appear to have been more closely attuned to prevailing Indian opinion. Two prominent "rightists," Indian President Prasad and Vice President Radha Krishnan, whose formal functions are largely ceremonial but who enjoy great prestige and influence in party ranks, have argued for more positive measures against Chinese Communist aggression.

Home Minister Pant, next to Nehru the strongest member of the Cabinet, recently declared publicly that "Communist China has opened out eyes and we are prepared even for war." This group, already strengthened by its success in forcing dismissal of the Communist government in India's Kerala State, can be expected in the future to exert growing pressure on the Prime Minister.

The status of the controversial Defense Minister, V.K. Krishna Menon, whom Indians commonly regard as an apologist for Communist China, has been undermined by widespread dissatisfaction with India's northern defenses and by reports of his differences with military leaders over preparedness and some other issues. Popular and official pressures for his removal as Defense Minister are very strong. It is likely that Menon, who has enjoyed Nehru's confidence but has little popularity within India's governing circles, will eventually become a political casualty of the Sino–Indian dispute.

The army's position

The Indian armed forces have gained in prestige as a result of the border incidents, their military inadequacies having been attributed generally to Krishna Menon's short-sightedness. General K.S. Thimayya, the Army Chief of Staff, has played an increasingly prominent role in the formulation of government policy on the border incidents. In September 1959 Thimayya attempted to force Menon's removal as Defense Minister by submitting his own resignation at a time of particular strain between New Delhi and Peiping. Although the effort failed because of Nehru's objections, the incident suggests that at least some of India's military leaders are prepared to bring political pressure on the government under certain conditions.

India's communists suffer

Caught between the conflicting pulls of Indian nationalism and the basic Communist precept of "proletarian internationalism," the Communist Party of India (CPI) at first sought safety in a neutral stand on the border dispute.
This position was labelled “anti national” by Nehru and other non-Communist elements and further undermined the party’s popularity, already shaken by its support for Peiping’s version of the Tibetan revolt and by the row over the Communist regime in Kerala. The CPI’s dilemma over Peiping’s aggressive actions was highlighted by dissension between “nationalist” and “internationalist” factions within the party, which compounded the existing factionalism between elements urging continued reliance on a parliamentary line and those favoring more extremist tactics. In mid-November 1959, under growing popular pressure, the CPI finally came out in support of India’s claim on the McMahon line, although it failed unequivocally to back the Indian official position on Ladakh or to condemn Peiping’s border actions.

The CPI could regain much of its popularity before the next Indian national election (scheduled for 1962), depending particularly on the course of various domestic issues upon which it might capitalize. But the intensification of factionalism will almost certainly handicap the inner cohesion and effectiveness of a party already split on ideology and tactics. (For a fuller coverage of these questions, see IR–8161, India’s Communists Suffer Severe Setback, dated November 25, 1959)

7.19

DEPARTMENT OF STATE
Control: 14382
Rec’d: September 19, 1962 6.50 a.m.
FROM: New Delhi
TO: Secretary of State
NO: 936, September 19, 1 p.m.
Ambassador McConaughy’s Embassy telegram much appreciated here. We agree fully on desirability of talks at some useful level on border demarcation, trade, flood control and other issues that bypass the Kashmir deadlock and are sadly in need of settlement. Proper and common concern of both countries over trade with ECM would be in better favor if they showed a little more concern for trade with each other.

On India side the principal barrier, of course is Menon who needs the Kashmir issues as a cat needs a sandbox and who has seen again this year how it can catapult him into popularity, eminence and even possibility of power as nothing else. Also Prime Minister, while he makes the right noises, becomes visibly lethargic when this issue comes up. Officials and sympathetic ministers agree on need of pressing Nehru and bypassing Menon if anything is to be accomplished.

Against this background DCM and I talked with Gundevia yesterday. Reiterating his belief that talks lowered temperature along border and improved
atmosphere by being in progress, Gundevia asked if President would propose resumption to Ayub at Newport. I said I would pass along with my endorsement which I do and suggest President might make some point to Desai. It would doubtless also be useful for Secretary or Stevenson, if opportunity arises in conversation at UNGA to press point on Mohammed Ali. I ask Gundevia if Prime Minister had done anything to advance cause in London and whether Dayal could make specific proposals before he leaves Karachi to return to Delhi.

…sanitized……………………………………………………………………………………………………….  

He asked if the President could caution Ayub against breach of peace. I agreed to pass along suggestion but told Gundevia as before that our injunctions to peace and good behavior were extended equality to both sides and we were equally concerned that they show restraint. Unless there is better indication of adverse Pakistan intentions than Indians offer I doubt that President would wish to handle guest in this way. Urging of talks implicitly covers issue. GALBRAITH

7.20

Confidential
DEPARTMENT OF STATE
WASHINGTON
JULY 11, 1963

MEMORANDUM FOR
MR. McGEORGE BUNDY THE WHITE HOUSE

Subject: The President’s Meeting with the Indian Parliamentary Delegation.
The President has agreed to receive the six man Parliamentary Delegation from India, currently touring the United States at our invitation, on July 12, at 12:00 noon. Sardar Hukam Singh, the Speaker of the Lok Sabha (House of the People) is leading the group. Ambassador B.K. Nehru will accompany the Delegation. Mr. James P. Grant and Mr. Thomas W. Simons, formerly the Consul General in Madras and substantive escort officer, will attend for the State Department. No interpreter is needed.

A talking paper for the President’s use and short biographic sketches of the members of the Delegation are enclosed.

William H. Brubeck
Executive Secretary
Enclosures:

1. Talking Paper.
2. Biographic Sketches.
1. Why They Are Here.

Our principal purpose in inviting the Indian Parliamentary Delegation to visit the United States June 23 to July 26 was to expose the M.P.’s to American political attitudes on questions of mutual interest and to give the Indians a chance to express their views. We also hoped the visit would further underscore the basic similarities between the Indian and American democracies and provide the M.P.’s with a better understanding of the United States.

2. Who They Are

In addition to Sardar Hukam Singh, the Speak of the Lok Sabha (literally House of the People, but similar in function to the British House of Commons), the delegation includes four M.P.’s from the Congress Party, one from the opposition and the civil service secretary of the Lok Sabha. The group is a fairly representative cross-section of the Indian parliamentarians below ministerial rank. While none is a policy maker in his own right, the sum of their opinions has significance. This is particularly so now when M.P.’s are playing a more importance role in Indian political life. Selection was made by the Speaker; all but one have previously visited the United States.

The members are:

- Sardar Hukam Singh: a veteran Sikh politician, lawyer and judge; thoughtful, courteous and moderate.
- Mrs. Violet Alva: Deputy Chairman of the Rajya Sabha (House of the States) and an articulate lady lawyer.
- Professor D.C. Sharma: President of the All-Indian Federation of Educational Associations, a retired English professor and an author.
- G.S. Pathak: prominent lawyer and several times member of Indian delegation to the UN General Assembly. Likely to act as spokesman on substantive issues.
- S.N. Dwivedi: staunch anti-Communist, Praja Socialist and only member of delegation from the opposition.
- M.N. Kaul: civil servant and secretary to the Lok Sabha.

3. Their Program

During their Washington visit June 23–27, the Indians had a frank exchange of views with a large number of Congressmen. Kashmir figured prominently in all discussions. They also met with a number of Administration leaders including Acting Secretary of State Ball, the Attorney General, the Secretary of Commerce, AID Administrator, Governor Harriman and Mr. Shriver.
Since Washington, they have visited Williamsburg, New York, Niagara Falls, Pittsfield, Massachusetts, Fort Devens, Boston and Springfield, Illinois. They will go on to Houston, Los Angeles, San Francisco and Honolulu.

In New York the Indians were exposed to extremist Negro views in an inadvertently one-sided panel discussion that included Malcolm X among the participants. To some extent this was balanced by a later session with James Ivy, the editor of Crisis, the NAACP publication.

4. Recommended Line of Discussion
   A. This is a courtesy call primarily to underscore the top level attention we are paying the Indian parliamentarians. The Indians will regard the meeting as the high point of their trip. We think it unlikely they will raise any substantive issues other than to express thanks for United States economic and military aid.
   B. Points which the President might cover include:
      1. General remarks on Indo–American friendship, reaffirmation of U.S. support for India’s political democracy, its economic development program and its efforts to strengthen its defenses against the Chinese threat.
      2. Expression of pleasure over recent opportunity to meet President Radhakrishnan of India.
      3. Query as to how delegation has found American attitudes toward India. Hopefully, this might lead into a more fruitful discussion of substantive political issues than others have had when questions invited a parroting of set speeches on Kashmir, Bokaro, etc.
      4. Just plain politics—compare notes on problems of getting elected under the democratic system, keeping the folks back home happy once in office, and influencing public opinion to accept new ideas and programs, especially when the government’s position may initially encounter indifference or opposition.

INDIAN PARLIAMENTARY DELEGATION
BIOGRAPHIC SKETCHES

1. Sardar Hukam Singh, Delegation Leader, Speaker of the Lok Sabha (Congress Party). Sardar Singh has been presiding officer of the Lok Sabha or House of the People since 1962 and a member of parliament for the past decade. The Lok Sabha is similar to the English House of Commons and the members are directly elected by the public. A lawyer by profession and sixty seven years old, Sardar Singh served for a number of years as a judge in his home province of the Punjab where he is a prominent political figure.
Sardar Singh has participated in a number of parliamentary delegations and visited many countries including the United States. He has a special interest in legal matters. He is the Chairman of the Conference of Presiding Officers of the Legislative Bodies of India and also President of the Indian affiliate of the Inter-Parliamentary Union and the Commonwealth Parliamentary Association.

2. Mrs. Violet Alva, Deputy Chairman of the Rajya Sabha (Congress Party). One of the India’s leading women politicians, Mrs. Alva has been a member of India’s Rajya Sabha since 1952 and its deputy chairman for the past year. India’s Upper House, the Rajya Sabha or House of the States, is indirectly elected by the state legislatures. From 1957 to 1962 Mrs. Alva served as Deputy Minister for Home Affairs. Her varied career has included journalism, law and teaching. In the 1930’s she was Professor of English at Indian Women’s University. Mrs. Alva has traveled abroad widely. She comes from the Bombay area.

3. Mr. R.K. Khadilkar (Congress Party) Fifty-nine years old, Mr. Khadilkar is a Western Indian social reformer and for a number of years led a rural opposition party in his home state of Maharashtra. More recently he joined the Congress Party and was elected to the Lok Sabha as a Congressmen in 1957. A professional journalist, Mr. Khadilkar has been the editor of a number of Maharashtrian newspapers.

4. Mr. Diwand Chand Sharma (Congress Party) Mr. Sharma was elected to parliament in 1952. He previously taught English at the University of the Punjab and has been President of the All-India Federation of Educational Associations since 1955. He has authored a number of books on Indian culture as well as several on aspects of the life of Mahatma Gandhi. Mr. Sharma has traveled widely abroad including the United States.

5. Mr. Surendra Nath Dwivedy (Praja Socialist Party) Mr. Dwivedy serves as leader of the opposition Praja Socialist Party in the Lok Sabha where he has been a member since 1957. From 1952 to 1957 he was a member of the Rajya Sabha. Mr. Dwivedy comes from Orissa State in eastern India and is fifty years old. He has traveled abroad but has not until now visited the United States.

6. Mr. G.S. Pathak (Congress Party) Mr. Pathak is one of India’s more prominent lawyers. He has served as a judge of the Uttar Pradesh high court and as Executive President of the Indian Society for International Law. He has also been a frequent member of the Indian delegation to the United Nations General Assembly sessions. A member of the Rajya Sabha since 1957, Mr. Pathak is a native of Uttar Pradesh and is sixty-seven years old.

7. Mr. M.N. Kaul, Secretary of the Lok Sabha. A lawyer by training, Mr. Kaul serves as secretary to the Lok Sabha. He has accompanied Indian parliamentary delegations on foreign visits since 1948.
7.21

Secret
May 28, 1964
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 year MAP program for India including F–104s.

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

7.22

Date not clear
Secret
Dean Rusk
Declassified on June 20, 1975
Notes on Karachi – New Delhi Visit

1. There is little evidence of a desire in either Pakistan or India to work hard toward a general reconciliation which would involve major concessions on Kashmir. There seems to be somewhat more readiness in Karachi than in New Delhi to make substantial moves away from starting positions, but it is also Karachi which gains from changes in the status quo.

2. It is most unlikely that a Kashmir settlement can be negotiated which would not cause serious difficulties for both governments internally. It would help if such an agreement could be cushioned by far-reaching agreements on other matters in orders that the pain of Kashmir could be outweighed by obvious advantage which one or the other might find elsewhere. Nothing less than a Franco-German type of reconciliation is likely to work. India is more ready for this than Pakistan; the latter appears most reluctant to ease pressures on Kashmir by discussing or agreeing on other questions prior to a Kashmir settlement. Further, the absence of such a settlement leaves the two parties in an atmosphere of unreasoning hostility which militates against good results on other issues. This adds up to a difficult, but not insuperable, problem of diplomatic procedure.

3. There is a wide gap between India and Pakistan on the nature of the threat which each faces. Each undoubtedly holds its point of view in good faith, but each also exaggerates for our benefit. India wants large-scale
military assistance on the ground that it is being encircled by China; along their common borders, in Nepal and Bhutan, in Burma, in Southeast Asia, and to a degree through the animosity of Pakistan. Pakistan on the other hand, sees a minimum of threat from China to the subcontinent and thinks that India is determined in the long run to absorb its smaller neighbors; Pakistan, Nepal, Bhutan, Burma and Ceylon. Pakistan adds that this kind of expansionist India would either join the Communist bloc or work intimately with it against Western interests.

4. Pakistan pretends to be convinced that India has never accepted partition and seeks the disappearance of Pakistan. This fear is given some support by Nehru’s repeated rejection of Jinnah’s “two-nation theory”, that is, a rejection of a religious base for statehood. This is easily converted in Pakistan into a rejection by India or the fact of two states in the subcontinent. I spoke to Nehru about this confusion and urged him to take further steps to clarify that he accepts partition as a permanent solution.

5. The United States should clarify its own thinking about the purposes of substantial military assistance to India. The following elements have been mentioned but need refinement and realistic appraisal:
   a. to deter or meet renewed Chinese offensive along the northern frontiers.
   b. to prepare for a military threat from the direction of Burma.
   c. to obtain a de facto ally against the Chinese in the event of increased Chinese threats to Southeast Asia or other areas.
   d. to consolidate the changes in Indian political attitudes which have been produced by the Chinese attacks of late 1962.

6. The consequences of the types and scale of military assistance to India should be carefully assessed, including the irresponsible courses of action which Pakistan might well adopt. Unfortunately, we cannot rely upon Pakistan to act upon rationally and in what we might think would be in its own interest.

7. Our military assistance to India might be government by the following approach:
   a. In the event of a renewed Chinese attack, we should provide prompt and substantial emergency assistance. We should consider ways and means of rendering this assistance promptly through possible pre-stocking of key items such as ammunition nearer the scene. Pakistan accepts additional emergency assistance for India in the event of a new Chinese attack.
   b. We should proceed promptly to prepare the setting for an introduction of U.S. and Commonwealth fighter squadrons into India. This would mean the installation of radar and communications facilities, any modifications of air fields to be used, arrangements for housing, POL, etc., and joint training, including fly-through visitations by such
squadrons from time to time. Pakistan approves such a role for U.S.
and Commonwealth squadrons in lieu of a comparable build-up of
the Indian Air Force.
c. We should press the British hard to bring British-supplied equipment
in Indian hands up to maximum operational effectiveness, especially
with regard to spare parts for Indian military aircraft. Pakistan would
not like this, but could not object to actions inherent in existing or
past arrangements between India and Britain.
d. We should keep India on improvements in road, rail and com-
munications facilities required to support forces facing the Chinese—
facilities which could yield an economic return if not needed for
military purposes. This could make a solid contribution to India’s
strength and would not be inflammatory to the Pakistanis.
e. The Indian armed forces need modernized training for their senior
officers involved in war plans, higher command echelons, the
employment of combined air and ground forces, logistics, etc. Present
Indian military leadership has had little practical experience beyond
the brigade level. We and the British ought to get at this as high priority
assistance.
f. If we agree that the Indian armed forces require some strengthening
in more sophisticated modern weapons of a sort which would
unduly excite the Pakistanis, we should let the Indians use their own
foreign exchange to purchase such equipment rather than provide
it as military assistance. They have for years made such purchases,
indirectly supported by our support for their total requirements
through economic assistance. Perhaps defense production should be
handled in the same way.
g. We should press to assure ourselves that our present emergency
assistance is being properly used and is, in fact, adding to the capability
of Indian forces in the field.

8. The views indicated above are related to the period of Mr. Nehru’s
leadership in India. Despite the fact that he is slowing down somewhat,
he still dominates the scene on the more important policy questions. I am
not sanguine about a Kashmir settlement while he is Prime Minister. Nor
do I believe that a heavy investment in Indian defense would cause him to
accept defense responsibilities outside India, with the possible exception
of Burma. He will remain “unaligned” in an effort to obtain some help
from the Soviet Union against China; if this fails the chances are that he
would go to considerable lengths to make peace with China. I could be
wrong. Post–Nehru, the situation in India could be quite different, both
in respect to Pakistan and in East-West relations.

DEAN RUSK.
8.1

The Ambassador in Iran (Grady) to the Secretary of State
TOP SECRET PRIORITY TEHRAN, July 20, 1950–11 a.m.

164. 1. I agree that it is important to inaugurate aid program in this area along lines proposed Dental 89. These countries are clearly in precarious position and they feel American aid has skipped over them. An aid program will have material effects and even more important, it will give confidence and raise morale.

2. Iran:

(a) Such a program is almost essential here supplement Exim Bank loans now under consideration since Point Four funds for this year are likely to be small. Funds are needed cover certain propjets in fields of health, sanitation and agriculture which might not qualify under Exim Bank loan requirements, and it is necessary provide more of much needed technical assistance and supervision. Under seven-year plan there are number desirable projects qualifying under your 2(B), which are ready for early initiation.

(b) Such aid program, if properly administered, could enable us bring about more effective and integrated use other resources available Iran Government. It would also give greater force our advice and suggestions re essential fiscal and other reforms.

(c) On basis our investigations to date, including consideration internal financial capacity and development projects, we believe that $50,000,000 capital imports financed by US loans or grants is maximum that could be effectively used in first year.

(d) Need for aid is great enough in Iran so that we must accept risk Iranian chagrin, which would follow denial by Congress. No doubt about Iranians accepting aid, and would probably accept mission in order get aid.

(e) We assume that valuable assurance of continuance program over several years, which were granted Europe would also be given here so that plans could have realistic timing. Also assume that program would be flexible enough permit use foreign exchange and local currency for technical
assistance in education, health, and other fields of Point Four nature. This type assistance is primary need here.

(f) There is one point in your proposal about which I have reservations. I fully agree that all US technicians in country must be coordinated by single authority but am doubtful about use of mission independent of Embassy. I do not think independent ECA mission can operate in country like Iran without causing friction between itself and Embassy. Small size of country, weakness of government and dominant position of mission having this relatively large amount of money give It de facto equal, if not superior status to Embassy. I think Ambassador should have top executive powers in carrying out ECA/W directives as well as giving policy guidance. Relationship would be that planned for Greece just prior my arrival there.

3. My comments re other countries this area:

(a) Afghanistan; believe funds could be spent there advantageously; Afghan Minister to Iran discussed related matter with me, pointing out that Afghans position very much like that of Iran and just as apt to be object of interest to Russia as means of reaching Persian Gulf, India and southern Asia.

(b) Pakistan; believe funds could be effectively spent there for development. Could be loans from Exim Bank, IBRD, ECA (or whatever organization is set up to give economic aid) and grants. I feel that loans should be made wherever practicable and grants in remaining cases.

8.2

8/8–NSC Files: Lot 63 D 351: NSC 65 Series
890.00/8–2250

Memorandum by The Assistant Secretary of State For Near Eastern, South Asian and African Affairs (Mcghee) to the President1

SECRET WASHINGTON, August 28, 1950
Subject: Possible Aid to South Asia and the Near East.
A Prime object of policy, now and for the next few years, must be to create situations of political and economic strength in critical areas. An exceedingly

1 The source text was accompanied by a covering memorandum of transmittal from McGhee to Secretary of State Acheson dated August 25, which read in part: “In accordance with previous discussions, I attach a Memorandum to the President with respect to possible aid to South Asia and the Near East. I believe it is a matter of great urgency that we proceed with further discussions on this important problem and I consider it most desirable that the President concur in our presenting to Congressional leaders our tentative and entirely preliminary views”. The August 25 memorandum noted that the memorandum to the Present had the concurrence of G,E,FE, S/P, and H.
critical area is that which includes the subcontinent of South Asia and the Near Eastern states. The viability of a non-Communist hinges upon the chance of maintaining, in this area, free institutions, stable governments, and the right orientation of men’s minds. These things cannot be maintained—indeed they are gravely threatened now—if the countries in question are unable to grapple effective with hunger and a general deterioration of economic conditions. They are unable to do so without external assistance.

This area, with the exception of Turkey, is getting no assistance. We have had no economic aid program of any kind except extremely limited loan assistance from the Export-Import Bank, a limited relief and public works programs for Palestine refugees, and, prospectively, a few million dollars of Point IV funds.

It is therefore proposed that necessary first steps be taken immediately to develop a constructive and practical assistance programs for South Asia, the Arab States, and Iran. The purposes of the program would be: a) to arrest a process of economic deterioration which, if not checked, would produce the unavoidable defection of these countries and their hundreds of millions of people; and b) to build up those elements of economic strength which would enable these countries to make some effective contribution, of resources and effort, to the common struggle for freedom.

Intensive study has been made within the Department (a) to determine, both in real money terms, what are the minimum requirements for these countries if they are to be effective partners with us in the struggle against Communist aggression and (b) to determine how economic assistance could most effectively be programmed and administered. These studies are rapidly nearing completion and are already far enough along to substantiate four general statements:

1. Instead of a situation of strength in these countries we shall have a situation of dangerous weakness unless we embark promptly on economic assistance program. It is presently believed that the cost of such a program might be as low as $300 million a year over a 5-year period.
2. In all the countries concerned the first emphasis of the program would be upon prompt and substantial improvement in the indigenous food supply, thus directly and immediately strengthening the will and patience of the peoples and meeting their most fundamental needs. Projects will, insofar as possible, be selected with regard to their contributions to economic strength, and thus to military potential.
3. The manner of administration of the program would have to be somewhat different as between, say, South Asia on the one hand and the Arab States on the other hand; but in all the countries concerned it will be possible so to administer an aid program as to ensure demonstrable reciprocal benefit to the U.S.
4. While P.L. 535² might provide the requisite authorization for a minor part of the proposed program, both new authorization and new appropriations will need to be sought. Since no substantial foundation already exists upon which expanded program activities can be based, it is felt that a beginning should be made immediately, which involves taking certain definite steps. If a first step is not taken on the last step may come too late.

A third indicator in the deterioration of the economic situation was indicated in studies of balances of payments. India’s balance since April 1950 had become unfavorable, and the drafts that Indian can make on sterling balances were insufficient to cover the gap in Indian requirements. Pakistan had an adverse balance of trade, an Iran for the year ending 1950 had shown a deficit of $30,00,000. Unemployment figures which were available showed a very heavy burden on local economies, and concealed unemployment through surplus agricultural workers was prevalent through the whole area. Finally, it was estimated that there were 10,000,000 refugees on the subcontinent as a result of partition, only half of whom had been settled, and 750,000 destitute Arab refugees as a result of the Palestine conflict.

Such were the underlying conditions that called for remedy. Mr. McGhee then turned to the significance of the area as a whole in view of the United States national interests. He pointed out the extent of aid that had been furnished to Western Europe, and that as a consequence of events in the Far East, aid programs had been instituted in Far Eastern countries as far west as Burma. The area stretching from Egypt through the Arab States and Iran to India and Pakistan was receiving no significant aid from US.

The Korean War may well mean that the struggle of the USSR and the free world has been transferred to Asia. We could not dismiss from our plans and calculations the consideration that the Chinese Communists might move next in extended aggression to the South Asian areas. The South Asian countries, in particular India and Pakistan, represent a nucleus of strength. They have had a military tradition, which was fostered when they were a part of the British Empire and an ardent nationalism, both of which indicate an ability to resist outside aggression unless such an aggression was forthcoming of India in the last war. Mr. McGhee indicated the great value, of Nehru’s support of our policy in Korea and the possibility that India and Pakistan would fight effectively in the event of armed Communist aggression in states on their borders. These countries have free middle-of-the-road governments, which it is in our interest to support.

Turning to the question of how to remedy the present situation, which clearly was headed in the wrong direction and might lead to anarchy and Communism and the loss of this vast population to the Communists by default, Mr. McGhee pointed out that resources presently available to bolster local economies were inadequate. The list included British sterling balances, resources from Governmental bank loan, Point Four, and private capital. None of these resources are adequate to meet the pressing needs of most of the countries in the area in question. On the other hand, grant aid on the scale to which we have become accustomed in the European aid programs are not required in the area. Mr. McGhee referred to the findings of Mr. Gordon Clapp in the Near East, which related to the obstacles in the way of the development of technical rather than a financial nature. He stated that a program, involving grants ranging between 3 and 5 hundred million dollars annually, might well suffice to meet the needs of the area. This money, plus a core of administrators and technicians who would obtain necessary leverage in local situations through their authority to allocate funds, would meet the case. He emphasized that what we need is an economic aid program, and not a program of military aid, for reasons arising from the suspicions and susceptibilities of the countries in question. The program is not another Marshall Plan. It is not directed toward restoration of shattered economies and not involved with the many financial technicalities of the sophisticated European economy. It is not an UNRRA, as we will make terms regarding the use of our aid. What is proposed is a series of individual country programs composed of specific projects primarily related to the development and indigenous food production and the basic resources of water and power, related as far as possible to the building of local economic and as a corollary, local military strength. There would be agreements with the countries concerned on the general lines of the ECA agreements, but it would not be a regional program with the local equivalent of an OEEC. The program certainly could involve India, Pakistan, and Iran with at least token programs in Ceylon, Nepal, Afghanistan, and also embrace several Arab States.

During the discussion Mr. Mathews and Mr. McGhee brought out the importance of the role of Nehru in weaning China from the influence of Kremlin.

Throughout the presentation questions were raised by various members of the House from time to time. Mr. Chiperfield questioned the attitude of India in the Korean crisis, but appeared satisfied at Mr. McGhee’s summary of the Indian position and the unreality of expecting military aid from India at such a distance from her bases. Mr. Chiperfield also wished to know why existing financial facilities were not adequate to cope with the plans for development. Mr. McGhee pointed out that the funds available to IBRD were limited, and that the IBRD necessarily operated very cautiously as it must look to the United States money market for its funds. The Export-Import Bank operating were also restricted.
Mrs. Bolton questioned whether the British could not do more in releases of sterling, but was told that the NEA’s view the British were releasing that they reasonably could without danger to their economy, which it was to our advantage to avoid. Mrs. Bolton also inquired whether we were suggesting immediate legislation at this session of Congress. She was told that we were merely seeking consultation at this point and would require some time for consultation with foreign governments, before we could present an effective plan to Congress. Mrs. Bolton remarked at this point that she considered action imperative. Mr. Chiperfield raised the question of the India wheat deal and wondered why action had not been taken during Nehru’s visit to this country. The reasons for lack of action were explained, principally on the grounds of our reluctance to appear to Congress on an ad hoc basis for the $80,000,000 required to give this wheat to India. Mrs. Bolton brought up the question of the Egyptian market for long staple cotton. She also inquired about the status of Tibet and it was explained that our policy regarding Tibet was dependent on Indian attitude, and that Nehru was raising the issue of Tibet with the Chinese.

In conclusion Mr. McGhee explained that the President had authorized discussion with the Congressional committees and that the Department of State sought the judgement of the committee on this whole subject. The response from all members of Congress present was most favorable, and Mr. McGhee was requested to present the case again before a full meeting of the Foreign Affairs Committee on September 14. Mrs. Bolton requested Mr. McGhee to keep the Chairman of the Foreign Affairs Committee and the Chairman of the NEA Subcommittee informed as to progress during the Congressional recess.

The question regarding publicity arose and Mr. McGhee took the line that action by the individual Congressmen in making their views as to the need for aid to this area and the significance of the area to our global interests would be most welcome and effective. It is clear that a program of this magnitude requires informed support from the public if it is to receive formal legislative approval. The fact that the Department of State has the matter under study can hardly need to be kept secret, but commitments must be carefully avoided and it is hoped that the program can be presented to the American people and to the American Congress in such a way that the necessary emphasis on our own national interests need not cause offense abroad.

8.3

Major Development Projects in South Asia
Declassified (NND760175) date 2/7/78
OIR Report No. 5350
October 27, 1950, Department of State, Office of Intelligence Research

This is an intelligence report; nothing in it is to be construed as a statement of US or Departmental policy or as a recommendation of any given policy.
Abstract

This paper describes specific development projects, in the South Asian countries of India, Pakistan, Burma, Ceylon, and Afghanistan. Only the more significant projects in the various programs are included in this study. Some 87 projects are included for India, 53 for Pakistan, 31 for Burma, 12 for Ceylon, and 17 for Afghanistan.

Greatest emphasis is naturally placed on the development of agriculture in all of the programs either because the particular country is a food deficit area or its economy is largely based on agricultural pursuits. Agricultural projects include establishment of extension services, improved seeds, farm tools, fertilizer reclamation, irrigation and multi-purpose river valley projects. Second in importance are projects for the improvement and expansion of transportation and communication facilities.

Only the Indian tabulation involves a substantial degree of industrialization. Industrialization to a minor degree is also included in the other programs but the aim is generally to provide facilities for processing local agricultural products and raw materials. Projects for the generation of hydro-electric power are included in each of the programs. In many cases these are part of multi-purpose river valley projects of the TVA type, especially in the case of India.

Some health and education projects are included but for the most part the countries have not refined their thinking along these lines sufficiently to permit a detailed statement of individual projects. All of the countries are dependent on outside technical assistance if their programs are to be successfully implemented and in every case outside financial assistance will be required if the programs are to be completed. In all cases where cost estimates are given or estimated time of completion of project stated, the estimates are those of the country’s planners and not of the Office of Intelligence Research.

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India

Abstract

The Government of India has plans for a total of 160 river valley development projects. Total overall cost of these schemes was estimated in June 1949 at Rs. 12,799 million. Of this amount Rs. 1,673.7 million would be spent in dollars and nearly Rs. 1,123.7 million in sterling. 25.6 million acres of land would be brought under the cultivation of food crops resulting in an estimated additional food supply of 10.3 million tons. Installed power capacity would also be increased by approximately 10,388,000 K.W.

The first 61 projects listed below are all river valley development projects. The last 11 represent major schemes for which investigations are in an advanced stage or are ready to be executed. There are 38 more projects (not individually
listed here) of smaller-magnitude in this same category. A third category is made up of 61 projects (also not listed) on which investigations have only recently been started. As of December 1949 the first 50 listed were under construction. Rapid progress has apparently been made. It is reported that as of mid–1950, over 100 projects were under execution.

Further agricultural development planning in India encompasses major under-takings in the areas of reclamation and irrigation, the former to reclaim large expanses of unused jungle scrub land and formerly utilized lands now under kans grass (weeds) and the latter to make use of a system of tube well irrigation.

These projects, as are the river valley projects mentioned above, are geared to increasing the process of rendering India self-sufficient in foodstuffs. Other major resource projects underway in the country include dairying, fisheries, and forestry.

Overall industrial development planning is divided among the Central and Provincial Governments of India and the general sector of private enterprise. Total long-term planning involves a contemplated expenditure of more than Rs. 6 billion, including anticipated outlay for cottage industries, more than half of which will necessitate foreign exchange outlays, in sterling and dollars. The area of governmental development planning embraces steel, electrical machinery, cement, fertilizer, machine tools, locomotives, synthetic oil and shipbuilding. Private enterprise is planning ‘expansion of present plant and equipment and installation of new capacity in such fields as glass, paper, chemicals, industrial machinery, coal, textiles, plastics, minerals and metals, including steel, and the like. The delineated projects below are necessarily selective, with emphasis placed on major plans. Cost elements, together with estimated foreign exchange components, are cited wherever known.

(All but one of the estimates of costs of Indian development projects as listed below are shown in rupees, and represent costs as calculated prior to devaluation. Only the last project listed shows a more recent cost estimate and is expressed in U.S. dollars.)

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India-development projects

1. Damodar Valley Project-This multi-purpose project involves the construction of eight storage dams with hydro-electric plants, two additional hydro-electric plants each at the Konar No. II and Bermo Dams respectively the Bokaro steam power plant of 200,000 K.W. capacity, an irrigation barrage with a network of irrigation canals and distributaries, an 80 mile long navigation canal and a power transmission grid. The project will
make possible effective flood control thereby enabling fuller development of the economic potentialities of the Damodar Valley area. It will increase the irrigable area from the present 185,000 acres to 900,000 acres resulting in an annual increment of 333,000 tons of food crops. It will generate from 375,000 to 400,000 K.W. of electric power which will make possible the growth of industrial concerns, electrification of railways, etc. It will afford cheap transport facilities through the navigation canal, thus relieving the traffic congestion on the main streams. It will serve as a source of industrial and domestic water supply. Fish cultivation in the reservoirs will be promoted. Lastly, it will strengthen the defensive potential of the country through the manifold benefits enumerated above. Water for irrigation purposes is scheduled to become available in 1951–52. The project is already supplying electric power to the mica mining center in Bihar. Present plans call for completion of roughly 85 percent of the construction work by the end of 1955–56. Total cost is placed at Rs. 550 million, the equivalent of Rs. 250 million being spent in dollars. However, a Morrison–Knudsen official has stated that the Indian estimates are much too low and that total cost is likely to be nearly three times their estimates. In April 1950 the International Bank for Reconstruction and Development granted India a loan of $18.5 million for the development of the Bokaro thermal plant in the Damodar scheme. It will be used to finance dollar payments for equipment purchased in the United States and Canada.

2. Bhakra–Nangal Project-This scheme involves the construction of Bhakra Dam with two power houses on the Sutlej River near the village of Bhakra in East Punjab, the Nangal Dam about eight miles downstream from Bhakra Dam. The Nangal Canal 38 miles long with three power houses, the Bhakra and Bist Doab Canals which will total over 100 miles in length, an extensive network of power transmission lines and the remodeling of the Sirhind Canal. About 80Q tube wells will be connected to the proposed grid. When completed the, project will irrigate over 3,581,000 acres of land, 1,970,000 of which will be devoted to the cultivation of food crops. This will provide an additional amount of 747,000 tons of food crops annually. The scheme will have an in-stalled power capacity of 400,000 K.W. Bhakra Dam will provide nearly all. Of the irrigation waters and about 250,000 K.W. of the power while Nangal. Dam will provide the remaining 150,000 K.W. of power and divert some water into the Sirhind Canal. 75 towns and cities of East Punjab will be supplied electric power for lighting. Heating and industrial purposes. Work on Nangal Dam is well advanced and is expected to be completed by the end of 1950 if finances permit. Preliminary work on Bhakra Dam is completed but latest information indicates that it will not be finally completed.
until 1958. The Bhakra Dam involves unusual technical difficulties. Latest revised estimate of total cost of the project is estimated at Rs. 1.3 billion. Rs. 196 million will be spent in dollars and Rs. 99 million will be expended in sterling.

3. Hirakud Dam Project and Distribution System—This scheme provides for the construction of a dam across the Mahanadi River in Orissa. Irrigation waters will be carried off by a system of five canals and power will be generated by two power stations. 300 miles of transmission lines will carry the energy to the surrounding areas. Construction was started in 1948 and present plans call for it to be largely completed by the end of 1955–56. Total cost is estimated at 18 Rs. 488.1 million. Rs. 88.1 million will be spent in dollars and Rs. 92.5 million in sterling. The project provides for the irrigation of 1,095,000 acres of land out of which 619,000 acres will be by flow and 476,000 by lift. Food crop production will amount to 340,000 tons annually. About 27,000 of the irrigated acreage will be devoted to the production of non-food crops. The total installed power Capacity will amount to 321,000 K.W. Part of the reservoir capacity will be reserved for flood regulation. Furthermore, the navigability of the river will be very materially improved by regulated releases of water from the reservoir. The project will also provide opportunities for soil conservation, silt control, fish culture and recreation.

4. Tungabhadra Project—This project was inaugurated in 1945. It involves the construction of a dam across the Tungabhadra River at Hallapuram and two canals, 225 and 127 miles in length, which will provide irrigation waters for 300,000 acres of land in Madras and about 419,000 acres in Hyderabad. It will ultimately provide about 162,000 K.W. of power. Cost is estimated at Rs. 381.5 million. Good progress has been made and latest information indicates that the project will be in operation by 1953.

5. Mor Reservoir Project—This scheme involves the construction of a masonry dam across the Maurakshy River at Messanjore in Bihar, the Tilpara barrage across the Mor River near Suri in West Bengal, and a network of canals and distributaries totaling about 630 miles in length. It will ultimately irrigate 600,000 acres of land. Increased paddy production is expected to be 300,000 tons annually plus another 300,000 tons of wheat and sugarcane. The project will have an installed power capacity of about 4,000 K.W. Cost is estimated at Rs. 140 million. About Rs. 3.8 million of this amount will be spent in dollars and a like amount in sterling. Construction was started in 1946 but little was accomplished up to early 1949. However it is scheduled for completion in 1952–53.

6. Small Food Schemes—Construction of various small irrigation and tube well schemes, jointly called Small Food Schemes, have been in progress in the United Provinces since 1946. When finally completed these schemes
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will annually irrigate, more than 363,000 acres on which over 93,000 tons of food crops and about 36,300 tons of non-food crops will be produced. Cost is placed at Rs. 14.9 million. Current plans call for completion of the schemes by 1952–53.

7. Sardar Canal Extension-This project calls for the lengthening of the Sardar Canal in the United Provinces by 1,062 miles. It would provide irrigation waters for an additional 299,400 acres on which an estimated 65,000 tons of food crops and 19,500 tons of non-food crops would be grown. Cost is placed at Rs. 155 million. Construction was started in early 1948 and is scheduled for completion by the end of 1952.

8. Lakkavalli Reservoir Project-This project involves the construction of a storage dam across the Bhadra River in Chickmaglur, Mysore. Cost is estimated at over Rs. 200 million. Preliminary surveys, investigations and some work began in April 1947. Actual construction was started in mid-1948. The project is schedule for completion in 1957–58. It will ultimately provide irrigation waters for 180,000 acres of land from which will be produced 120,000 tons of food crops and 60,000 tons of non-food crops. It will also generate 13,500 K.W. of power. Although construction will be completed in 1957–58 it is expected that it will take another five years, i.e., ending in 1962–63, to realize the anticipated irrigation of 180,000 acres.

9. Lower Bhavani Project-This is primarily an irrigation project consisting of a dam across the Bhavani River about 10 miles from Satyamangalam, in Madras, just below the confluence with the Moyar River and 88 miles of canal. It will bring under irrigation an area of 180,000 acres. About 10,000 acres will be devoted to the cultivation of rice and the remainder will be divided between cotton and various other irrigated foods crops. An increment of 5,000 tons of rice annually is anticipated. No data on the volume of other crops is available although it is estimated that the total value of produce grown in the area will exceed Rs. 25 million per year. Hydro-electric facilities will develop a possible maximum power of 24,000 K.W. Total cost of the project is estimated at just under Rs. 73 million. Construction was commenced in 1948 and all roads, communications, camps, and buildings had been completed by the middle of November 1949. The entire project is programmed for completion by 1953.

10. Ghataprabha project (Stage I)-Stage I of this project comprises the construction of a left bank canal 78 miles long from the existing Dupdhal Weir across the Ghataprabha River in Bombay Province to utilize the large river flow for irrigating 125,000 acres of monsoon seasonal crops. Construction was started in 1948 or early 1949 and is scheduled for completion in 1953–54. Cost of Stage I is placed at Rs. 54 million. An additional 40,000 acres of mixed crops and produce 150,000 tons of food crops. Stage II is scheduled for completion in 1968–59.
11. Vir Dam Project-The scheme comprises the construction of a dam at Vir in Bombay Province across the Nira River remodeling the existing right bank canal and construction of reservoir at the end of the same canal. The areas irrigated by the existing canals will be extended as a result of these developments to the extent of 90,000 acres. Construction was started in fiscal year 1947–48 and is scheduled for completion in 1956–57. Total cost is estimated at Rs. 25 million. 2 million of this amount would be in the form of dollars and 1.2 million in sterling with the remainder in Indian rupees. Additional production annually of 28,000 tons of food crops is anticipated. About 3,000 of the additional irrigated lands will be devoted to non-food crops.

12. Jawai River Irrigation and Hydro-electric Project-This project consists of a storage dam across the Jawai River in Rajasthan. Construction was started in February 1946 and is scheduled for completion by the end of 1953. Cost is expected to be Rs. 27.5 million. Little or no foreign exchange will be spent on the project. 70,000 acres of land will ultimately be brought under irrigation annually, 40,000 of which will be devoted to the cultivation of food crops and the remainder to non-food crops. An additional 21,400 tons of food is anticipated. The project will also generate 40,000 K.W. of power.

13. Peechi Irrigation Project-This scheme consists of a dam at the Peechi Gorge about 15 miles from Trichur in Cochin and two canals, one on either bank of the river, each 20 miles or more in length. Construction was started in January 1948 and is scheduled for completion by mid-1952. Estimated cost of the project is Rs. 15 million with about 170,000 of this amount being spent in sterling and the remainder in domestic currency. The scheme when completed will bring 12,000 acres of new lands under cultivation, 10,000 acres of land presently cultivated will be given supplementary supply where required and 20,000 acres will be saved from drought during summer months. 12,000 acres of the new land will be double cropped. 15,000 tons of rice paddy will be produced, but no estimate of non-food crop production is available.

14. Kodayar Extension Project-This scheme involves increasing the capacity of the existing reservoir on the Kodayar River at Pechipara in Travancore, constructing a weir at Thiripparappa for diverting water for irrigation, and constructing a dam across the Paraliyar River at Perinchani to form a storage reservoir. Work was started in 1945 and is expected to be completed in 1951. Cost is placed at Rs. 10.5 million of which 650,000 would be in dollars and 850,000 would be in sterling. Besides supplying sufficient water for irrigating the existing 56,000 acres of land served by the Pechipara reservoir. It is expected that an additional 30,000 acres of land can be irrigated yielding about 24,000 tons of rice per year, figuring two crops a year.
15. Piprai Dam (on Naraini River)-The scheme consists of the construction of an earthen dam on the Naraini River in United Provinces. Construction was started in 1948 and is scheduled for completion in 1951. Cost is estimated at Rs. 18.6 million. No foreign currency will be expended on the project. When completed water will be provided for the irrigation of 116,700 acre of land, 102,000 of which will be devoted to the production of food crops. Yield from the latter is expected to be over 27,000 tons annually.

16. Tunga Anicut Works-Construction on this scheme began in May 1946. Substantial progress has been made on the project and it is expected that it will be completed in 1952–53. The work consists of an overflow dam with two irrigation channels 63 and 30 miles in length. Cost is estimated at Rs. 19.9 million. So far as is known, no commitments of foreign expenditure have been made. When completed irrigation waters will be provided for 21,000 acres of land. 16,000 acres will be devoted to paddy and the remainder to the cultivation of sugar cane. It is anticipated that an additional 14,000 tons of paddy will be produced in the area. There is a possibility of increasing the extent of irrigation by another 6,000 acres if the area presently reserved as dry belt around the villages can be released later when it would be possible to keep the tract healthy with measures such as D.D.T. spraying etc.

17. Radhanagri Hydel Scheme-The scheme comprises the construction of a reservoir across the Bhogavati River about 34 miles Southwest of Kolhapur. Construction was started in 1940 and is scheduled for completion in 1951 at a total cost of Rs.16.7 million, all of it in local currency. The scheme will supply water for irrigating 9,000 acres of sugarcane lands and 10,000 acres of dry crop area along the river and also supply water to Kolhapur City. A low head hydel station will generate 1,600 K.W. continuous or about 4,800 K.W. peak load. The current will supply power to the irrigation pumps as well as meet industrial and lighting needs of Kolhapur for the present.

18. Machkund Hydro–electric Scheme-The purpose of this project is the harnessing of the Duduma Falls in the Rachkund River for the development of hydro-electric-power. It is a joint undertaking of the Madras and Orissa Governments. The scheme envisages a dam across the river at Jalaput, a diversion dam 17 miles downstream and a system of power channels and tunnels leading to the power station. Six generating sets will ultimately provide an installed power capacity of 103,500 K.W. The tail water will be discharged back into the Rachkund River below the Duduma Falls. According to the work program drawn up some Power will be made available by 1953. Construction was started in 1948 and is scheduled for completion in 1956–57. Revised estimated place total
cost at Rs. 174.7 million of the Rs. 54 million scheduled to be spent by the end of 1950–51, Rs. 9.9 million would be spent in dollars and Rs. 715 million in sterling. Dollar and sterling costs after that time are not indicated.

19. Mahatma Gandhi Hydro-electric Project-This project is purely a power project and is situated in the northwest corner of Shimoga District of Mysore. Construction was started in 1939 and the 1st stage of the project was put into service in February 1948. The second stage is expected to be completed by 1951–52. The present works consist of a storage dam across the Sharavati River, 13 miles above Jog Falls, and power installations 10 miles downstream. As of mid-1949 there were four turbines with generators with a total power capacity of 48,000 K.W. installed at the generating stations. Another four turbines with generators having a total capacity of 72,000 K.W. are being installed. Surveys have been conducted for a maximum development of power up to 500,000 K.W. in the Sharavati Valley but this is a much longer term project of which the Mahatma Gandhi Hydro-electric Project is an integral part. Total cost of shorter term program is estimated at Rs. 82.5 million. Expenditures in dollars and sterling are not known.

20. Yamuna Hydro-electric Scheme (Stage I)-The main features of the project are a barrage, an 8 miles long concrete lined power channel and two power stations on the Yamuna River between Dakpathar and the confluence with the Asan River in the United Provinces. Work was begun in October 1948 and the project is scheduled for completion in 1953. It will cost Rs. 79.8 million of which Rs. 49.8 million will be for construction of generating facilities and the remaining 30 million for transmission facilities. About Rs. 12 million of the total cost will be spent in the form of dollars while an estimated Rs. 32.5 million will be spent in the form of sterling with the remaining Rs. 35.3 million in local currency. Peak power to the extent of 51,000 K.W. will be generated from Stage 1 from the middle of May to the middle of October and about 22,000 K.W. during the rest of the year. Power from the scheme will be utilized for industrial, domestic, and agricultural purposes in the northwestern Part of the United Provinces and adjacent areas. The demand for such power is very great as available supplies have been exhausted long ago. It is estimated that by supplying power for pumped irrigation waters food production will be increased by 25,000 tons upon the completion of the project.

21. Sarda Power House Generation and Transmission-This proposes to combine a number of low falls in the upper reaches of Sarda Canal into one of 60 feet for the purpose of producing electrical energy. The power house will be located 9 miles below the head of Sarda Main Canal which is situated in Waini Tal district of the United Province. Construction was
started in 1945 and is scheduled for completion in 1953. Cost is estimated at Rs. 110.9 million of which 12.9 millions will be expended in dollars and 29.7 millions in sterling. 41,000 K.W. of power will be generated out of which 23,000 will be firm power.

22. Poringalkuthu Hydro-electric Scheme (Stage I)-The main features of this scheme consist of a masonry dam which will be constructed on the Chalkudy River in Cochin below the confluence with the Anakayam, a tunnel over 4,000 feet long and three penstocks at the power house which will be located downstream from the foot of the Poringalkuthu Falls. Stage II calls for the construction of another dam about 5 miles upstream from the Poringalkuthu Dam and two more penstocks. Preliminary work was started in 1946 and the first stage of the program is to be completed in 1952. Cost of Stage I is placed at Rs. 23.4 million of which 9.1 millions will be expended in the form of sterling. Three generating units will develop a total capacity (maximum continuous rating) of 240,000 K.W. Stage II will add two more units with a like total power output.

23. Pathri Power Project-The Pathri Power scheme involves the construction of a power station on the Ganga Canal system in the United Provinces in order to utilize a number of falls in that system for the generation of electricity. The station will have 3 turbo-alternator sets giving a total installed power capacity of 20,400 K.W. Tube wells will be run from a portion of the power generated and additional food production by pumped irrigation will be 15,000 tons annually. The powerhouse will also supply additional power to the Ganga Hydel Grid. Construction was started in 1948–49 and the planned date of completion is 1953. Total cost will be Rs. 17.5 million. Rs. 15 million will be spent on generation facilities and the remaining Rs. 2.5 million will be expended on transmission works. The equivalent of Rs. 12.5 million will be spent in the form of sterling and the remainder in domestic currency.

24. Pykara Hydro-electric Scheme-The site of this scheme is on the Pykara River in Madras. The main feature of the project is the Pykara Dam. Two generators each of 13,600 K.W. capacity will be installed with the necessary step-up transformers. Construction was started in 1946 and is scheduled for completion in 1956–57 or shortly thereafter. Total cost is placed at Rs. 48.9 million. Rs. 4.6 million were planned to be spent in dollars through 1949–50 and Rs. 4.7 in sterling through 1950–51. Details of dollar and sterling expenditures in subsequent years are not known. Included in sterling-expenditures are about Rs. 2.5 million for generators and transformers. In addition about Rs. 980,000 for water wheels are to be paid for in Swiss francs.

25. Moyar Hydro-electric Scheme-The scheme will utilize the tail water of the Pykara Power Station in Madras for generating electric power. Chief features
of the scheme include the power station with its generating equipment, 90 miles of transmission lines, and terminal equipment at Pykara and Krode. Work was started in 1945 and will be completed in 1952–53 or shortly thereafter. Total cost is estimated at Rs. 46.4 million. Rs. 7.5 million will be spent in sterling, of which about Rs. 5 million will be for electrical equipment, and Rs. 900,000 will be expended in dollars. Eventually the project will have a power capacity of 36,000 K.W.

26. Papanasam Hydro Extensions-This scheme calls for the installation of a fourth generating set at Papanasam Power House in Madras with necessary penstock, switchgear, etc., the installation of two steam turbo sets at Samayanallur and the erection of transmission lines from Madurai to Rajapalayam, Tenkasi and Sivaganga and from Papanasam to Kayattar and Tirunelveli. Construction was started in 1945 and will be completed in 1953. Cost is estimated at Rs. 33.6 million, all of it to be expended in domestic currency. The scheme will ultimately add to the installed power capacity to the extent of from 19,000 to 21,000 K.W.

27. Mohammedpur Power Station-This project calls for the construction of a water power station on the Ganges Canal in the United Provinces in order to feed Power into the Ganga Hydro-electric Grid. Work was started in 1945 and will probably be completed in 1950 at a total cost of Rs. 10.2 million. Of this amount nearly Rs. 4.7 million will have been spent in sterling. Installed power capacity will amount to 9,390 K.W. Among other things the scheme will supply power to the 600 State Tubewell Project in the United Provinces which when completed will irrigate an area of 337,300 acres of land and produce from about two-thirds of this area 54,000 tons of food grains annually.

28. Madras-Mettur Inter-Connection Scheme-This scheme provides for the inter-connection of the Madras Thermal Station with the Mettur Hydro-electric System in order to exchange electrical energy between the two systems to suit load conditions and provide relief to either station in case of emergencies. Work was started in 1946 and will be completed in 1953–54. Rs. 21.8 million will be spent on the project 4.8 millions of this amount in sterling.

29. Pipri Dam and Power Station Project-This scheme provides for the construction of a concrete dam and powerhouse on the Rihand River near the village of Pipri in the Mirzapur District of the United Provinces and for the erection of transmission lines to adjacent areas. Cost is estimated at Rs. 264 million, 164 millions for the dam and powerhouse and the remainder for the transmission lines. Rs. 66 million would be spent in dollars and about Rs. 43.8 million in sterling. Little work had done by 1949 but the project is nevertheless scheduled for completion in 1954–55. The main object of the scheme is the development of agriculture, navigation
and industries in the eastern districts of the United Provinces. A large part of the installed power capacity of 225,000 K.W. will be utilized for Electro-chemical, metallurgical, cement and other basic industries. Power will be used for the pumping of water from the Ghagra River into a network of canals for irrigation purposes in several of the eastern districts. About 3,000 tubewells will also be supplied with power. It is further expected that the scheme will provide for the irrigation of about 150,000 acres of land in Bihar. It will further serve the area by floods on the Rihand River and the Sone River of which the Rihand is a tributary. It will add about 200 miles to the navigable distances on these rivers thereby opening up an area in the interior that presently has practically no means of communications. The project will also provide opportunities for fish culture and recreational activities.

30. Rallapad Project - This project consists of an earthen storage dam across the Manneru River in Nellore District of Madras and two canal systems providing irrigation waters for a total of 12,000 acres. It is expected that 6,000 tons of food crops will be produced on this area. Cost is estimated at nearly Rs. 5.9 million. About Rs. 300,000 would be spent in dollars and a like amount in sterling. Construction began in 1948 and is scheduled for completion in 1952.

31. Saosi Irrigation Scheme - The site of this scheme is in the Saurashtra Union. A dam will create a reservoir sufficient to irrigate about 10,000 acres of land and produce 5,000 tons of grains and 10,000 tons of fodder annually. It will also raise the water table in the surrounding area and thereby help the farmers to irrigate more land from their lift irrigation wells. The scheme also provides relief work to labor which is suffering from famine conditions. When the work is completed it will serve to protect the surrounding area against recurring famine conditions. Construction was started in 1945 and is expected to be completed in 1951. Cost is estimated at Rs. 4 million, all expenditures in domestic currency.

32. Machhu Irrigation Scheme - The scheme comprises the construction of a masonry dam on the Machhu River in Saurashtra Union just below the junction of the Machhu and Benio and about 22 miles northeast of Rajkot. About 22,000 acres of land will be irrigated and devoted to mixed crops. About 11,000 tons of food will be produced. Construction started in January 1949 and original plans called for its completion in 1952. Cost of the scheme will amount to Rs. 6.8 million. No foreign exchange will be spent.

33. Bhambhan Irrigation Scheme - This scheme calls for the construction of a storage reservoir by means of an earthen dam across the Bambhan River just below its junction with the Balal River in the Zalawad District of the Saurashtra Union. It will irrigate 27,000 acres of land devoted to the cultivation of mixed food crops. Yield is expected to be 6,000 tons.
Construction was started in April 1949 and was planned for completion in 1953. Cost is estimated at nearly Rs. 5.7 million with no foreign exchange expenditures.

34. Ranghola Irrigation Scheme - The main feature of this scheme is the construction of an earthen dam across the Ranghola River about a mile upstream from the village of Ranghola in the Saurashtra Union. It will irrigate 10,000 acres of land. 9,000 acres will be used for the cultivation of food crops. Yield of food is expected to be 5,000 tons. Construction was started in January 1946. As late as mid-1949 it was expected that the scheme would be completed in May 1950. Total cost will amount Rs. 5.1 million, all in domestic currency.

35. Saprar Dam Project - The scheme consists of the construction of an earthen dam across the Saprar River near Nauranipur in the Jhansi District of the United Province, plus 80 miles of irrigation channels. Slightly over 18,400 acres of land will be irrigated, of which 13,400 will be devoted to food culture. Yield is expected to amount to 5,200 tons annually. Construction was started in 1948 and scheduled for completion in 1951. Cost amounts to Rs. 4.1 million, all in local currency.

36. Extension of Sohwal Steam Station and Faizabad Electric Supply - Two steam sets are being installed to increase the installed capacity of the Sohwal Steam Station in United Provinces from 2,500 K.W. to 4,500 K.W. More power will be sold in Faizabad and pumping will be increased at Chaghra Pumping Station. Power will be provided for the operation of tubewells and for industrial developments in the surrounding areas. Construction started in October 1948 and was planned for completion in September 1950. Cost is placed at Rs. 2.5 million. Rs. 1.5 million would be spent in dollars and Rs. 500,000 in sterling.

37. Partapgarh Branch - This project involves the construction of a network of irrigation channels branching off the Allahabad Branch of the Sarda Canal in the United Provinces. It would provide for about 293 miles of irrigation channels which would water an additional 68,164 acres of land and yield an additional 6,200 tons of food crops annually. Construction was started in 1949 and was scheduled at that time for completion in 1951. Cost will amount to slightly over Rs. 5.3 million, all in domestic currency.

38. Lalitpur Dam - The scheme consists of the construction of an earthen dam with 30 miles of channels to provide additional irrigation waters in Jalaun and Jhansi Districts of the United Provinces. Work was started in 1946 and was originally scheduled for completion by the end of 1949. Available information does not indicate whether or not it was completed at that time. The total cost is estimated at Rs. 2.7 million. No foreign exchange expenditures are involved. The project will irrigate 23,940 acres which
will be used for the cultivation of food crops and 2,800 acres for non-food crops. The scheme is expected to result in an additional yield of 5,400 tons of food crops annually.

39. Extension of Harduaganj Steam Station-This project calls for the installation of additional boilers, switchgear and transformers at the Harduaganj Steam Station in the United Provinces. Work was started in May 1948 and was scheduled for completion at the end of 1951. Cost is estimated at Rs. 3.5 million. About Rs. 2.48 million will be spent in sterling and another Rs. 282,000 in Swiss currency. The capacity of the Harduaganj Steam Station will be raised from 7,200 K.W. to 15,000 K.W. This additional power will be fed into Ganga Grid and will be utilized for the “Grow More Food” project and other purposes.

40. Nagwa Dam-This project consists of the construction of an earthen dam across the Karamnasa River at Nagwa in Mirzapur District of the United Provinces. There will be 84 miles of channels providing water for irrigation of 50,000 acres of land used for cultivation of food crops and slightly over 4,000 acres used for other crop cultivation. The project will yield 6,400 tons of food annually. Cost will amount to Rs. 7.2 million, all of it in domestic currency. Construction was started in 1946 and was scheduled for completion in 1949, although available information does not indicate whether it was completed at that time or not.

41. Kaliasote Ajnal Sehore Tanks and other Minor Irrigation Schemes - This scheme calls for the construction of two dams and a series of channels and reservoirs plus improvement and enlarging of existing reservoirs and facilities in Bhopal. The scheme would ultimately irrigate 15,300 acres of land, which would produce 2,600 tons of food crops. It will cost Rs. 4.1 million, which will involve no expenditures of foreign exchange. Construction was started in November 1941 and is planned for completion in 1953–54.

42. Morel Reservoir Project-The scheme calls for the construction of a dam across the Morel River in Jaipur State. Work was begun in August 1948 and was planned for completion in 1950, at a total cost of Rs. 2 million, all in local currency. The project would irrigate about 22,000 acres of land yielding about 1,800 tons of food crops.

43. Nugu Reservoir Project-Work on this project was started in 1947 and is expected to be completed in 1953. It consists of a dam across the Nugu River in Mysore and a canal. It will cost Rs. 8.35 million. As originally planned approximately Rs. 660,000 would be required in dollars and Rs. 1.33 million in sterling. It will eventually irrigate 20,000 acres of land from which an additional 15,000 tons of food are expected to be produced. Full production is expected by 1956. Investigations are being carried out to determine the feasibility of developing power at the dam site.
44. Tapti Project. Part I—Kakrapar Project-The Kakrapar Project was inaugurated on November 1, 1949. It consists of the construction of a weir across the Tapti River at Kakrapar in Bombay. Canals on either bank will irrigate about 562,000 acres of land annually in the Surat District from which an additional yield of 166,000 tons of food grains is expected as well as 16,000 of cotton. Cost is estimated at Rs. 62.6 million. Plans as drawn up in mid-1949 called for Rs. 6 million of this amount in dollars and Rs. 500,000 in sterling. It is stated that this is a project, which presents no unusual engineering difficulties, and it is scheduled for completion in 1952–53.

45. Sind Valley Hydro-electric Scheme-This project involves the construction of a diversion weir across the Sind River in Jammu and Kashmir State and a power channel plus a system of irrigation distributaries. About 15 percent of the waters made available by the works will be used for the generation of power. It is hoped that this will be sufficient for a daily power output of 15,000 K.W. The remaining water supply will irrigate about 8,000 acres of land. Estimates of crop output from this area are not available. Construction was started in 1941–48 and the probable date of completion was set for 1953–54. Total cost will amount to Rs. 5.5 million, all in local currency.

46. Upper Pennar (Perur) Project-This project consists of a dam across the Pennar River near the village of Perur in Madras, 18 miles of main canal and two distributaries. The foundation stone was laid in July 1949. The work will be completed within about three years. Cost is estimated at about Rs. 9 million of which at least Rs. 400,000 will be spent in dollars and a like amount in sterling. The project will irrigate 6,000 acres of land resulting in an estimated additional yield of 3,000 tons of rice.

47. Pennar-Kumudawati Anicut Project-The project comprises a reservoir formed by a dam across the Pennar River in Madras. Two channels running from the main reservoir will supply water to four or five existing tanks in the region and supplement the supply to three rain-fed tanks. Cost of the scheme is estimated at about Rs. 19.6 million. Whether or not foreign exchange expenditures are involved in the project is not known. The project was inaugurated in July 1949 and is expected to be completed in 1951. 3,000 acres of land will be benefited by the scheme from which an extra yield of 1,500 tons of food grains are expected.

48. Gangapur Storage Project-The Gangapur Project involves the construction of an earthen dam across the Godavari River above Nasik City in Bombay and two canals for the distribution of supplementary waters to the existing Godavari Canals and for the supply of water to Nasik City. Work was started in fiscal year 1948–49. Progress has been good and the project will
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probably be finished in 1953. Cost is estimated at Rs. 33.4 million. Plans as drawn up in mid-1949 called for an expenditure of Rs. 1.5 million in dollars and Rs. 1 million in sterling. An additional 37,500 acres of land will be irrigated from which 12,500 tons of food crops will be yielded. The generation of power is being considered.

49. Chalakkudi Irrigation Project—This scheme provides for the construction of a diversion weir across the Chalakkudi River about 12 miles from Chalakkudi Town in the State of Travancore and Cochin with head sluices and canal systems on either bank. Work was started in the summer of 1949 and was originally scheduled for completion in the spring of 1953 although there are indications that it may be finished as early as August 1951. Estimated cost of the scheme is Rs. 12 million. Provision has been made for the expenditure of only Rs. 300,000 in sterling. The project will bring 12,000 acres of waste land under double crop and ultimately benefit 50,000 acres, converting a good portion of single crop lands to double crop lands. Extra yield is expected to amount to 15,000 tons of rice per year.

50. Minor River Valley Projects—In addition to the various major schemes there were in mid-1949, ten minor irrigation projects under construction in Byscre. These schemes involved a series of earthen and masonry dams which will irrigate a total of about 17,000 acres of land with a roughly estimated yield of about 5,700 tons of food crops per year. Total cost of these ten schemes amounts to Rs. 7.1 million to be spent entirely in domestic currency. No data are available as to dates of commencement of construction or completion, but in view of the smallness of these schemes it is probable that some of them are already completed or will be completed shortly.

51. Kosi Dam Project—This project is under investigation by the Central Waterpower, Irrigation, and Navigation Commission of the Government of India. Investigations were started in 1947 and are expected to be completed late in 1950 or early in 1951. The project envisages the construction of a huge dam nearly 800 feet high across the Kosi River in Nepal about five miles above the point where the river emerges into the plains of that country for purposes of flood control, power generation, irrigation, navigation, etc. The dam is required primarily for flood and silt control, but it could generate about 1.8 million K.W. of power also. After completion it would irrigate about 200,000 to 300,000 acres of food crop land, producing about 100,000 to 150,000 tons of food crop land, per year, and about 50,000 acres of land to be devoted to non-food crops. The project further envisages the construction of a barrage across the Kosi at Chattra in Nepal where the river debouches into the plains, with two major canals taking off, one on either bank of the river. This part
of the project will irrigate two million acres of land in Bihar and Nepal producing nearly 500,000 tons of additional food grains. It will be possible to generate 90,000 K.W. of power at the canal falls. Plans as they existed in mid-1949 indicated that the Kosi Dam would cost a total of Rs. 118.1 million. Rs. 116.1 million of this amount would be spent in dollars and another Rs. 98.1 million in sterling. At that time the date of commencement of construction was tentatively set for 1954 and planned for completion in 1965. Power development at the dam would require another 20 years or more and would cost another Rs. 1 billion. The Kosi Barrage and canal system would cost a total of Rs. 298 million with Rs. 22.5 million to be spent in dollars and Rs. 22 million in sterling. Work on this part of the project would start as soon as investigations are completed and the irrigation aspects of the Kosi Barrage will require about four or five years to complete. A revised estimate of costs was published May of 1950 by M.L. Sood, the Director of CWING, in which he placed the cost of Kosi Dam (without power development) at Rs. 550 million and Kosi Barrage and canals at Rs. 450 millions. No details as to foreign exchange expenditures were given.

Due to the stringent financial conditions in the country a very much truncated project is currently under consideration. The object of this revised project would be to make available 30,000 K.W. of power irrigate 135,000 acres of land in Nepal and 265,000 acres in Bihar, give partial flood control, and provide essential facilities for the construction of Kosi Dam at a later date. Estimated cost of the truncated project is Rs. 180 million. No data are available regarding foreign exchange expenditures or the length of time needed to complete this scheme.

52. Ramapadasagar Project-This project involves the construction of a large concrete dam across the Godavari River at Polavaram in Madras and two canals totaling 340 miles in length. Investigations have been completed and the proposed date of commencement of construction is set for 1950–51. It would take 11 or 12 years to complete. Plans as drawn up in mid-1949 place total cost at Rs. 1,290 million, of which Rs. 150 million would be spent in dollars and Rs. 15 million of sterling. The project would ultimately irrigate 2,694,000 acres of food crop lands, which would yield 1.1 million tons of food per year, and about 56,000 acres of non-food crop lands. It will develop 150,000 K.W. of power and provide navigation facilities from the port of Vizagapatam to the hinterland of the lake formed by the dam.

53. Krishna Pennar-This project is located in Madras and consists of the construction of two reservoirs, one on the Krishna River at Siddeswaram and the other on the Pennar River at Someswaram, and a canal to divert the supplies of the Kirshna to the Pennar. Other canals and distributaries
will irrigate a total of 2.5 million acres of land in the surrounding districts. In mid-1949 it was planned to start work on the project sometime in 1950 with the date of completion being from 7 to 12 years later depending on availability of American machinery and personnel. Total cost was estimated at that time as being Rs. 780 million. Of this amount Rs. 95 million were planned to be spent in dollars and Rs. 32.5 million in sterling. Ultimately the scheme would provide irrigation waters for 2.5 million acres of food crop lands which would raise a single crop annually and 500,000 acres which would be double cropped. This would result in a yield of more than 1.4 million tons of food crops a year. The development will be by stages. Three years after the start of construction about 300,000 acres of land will be double cropped. By the end of five years another 300,000 acres of land will have been added. Between the period of 5 and 15 years the balance of land will be developed at the rate of about 200,000 acres per year.

54. Koyna Hydro-electric Project-This large-scale project is situated in Bombay Province and involves the construction of a dam, a canal system, a generating station and transmission lines, etc. The proposed date of commencement of construction is 1950 and the planned date of completion is 1964. Total cost as estimated prior to devaluation amounts to Rs. 456 million of which Rs. 354 million would be for power development and Rs. 102 million for irrigation purposes. Of the total expenditures nearly Rs. 2.7 million would be spent in dollars and nearly Rs. 7 million in sterling. The scheme will irrigate 440,000 acres of land from which 150,000 tons of food will be produced annually. Installed power capacity will amount to 315,000 K.W. 80,000 K.W. will be used for irrigation and the balance for large and small scale industries in large urban and rural areas.

55. Nayar River Project-This project calls for the construction of two-large dams in Gharwal District of the United Provinces, one across a gorge in the Nayar River, about 7 miles above its confluence with the Ganga River at Byasghat, and the second at Byasghat. The project would extend and improve irrigation facilities on the existing upper Ganga Canal system and also provide hydro-electric power. Total cost is estimated in mid-1949 amount to Rs. 330.3 million. Rs. 270.3 million would be spent on the works and Rs. 60 million on power transmission facilities. Rs. 79.1 million of the total cost would be spent in dollars and Rs. 32.5 million in sterling. Investigations on the project are complete. Construction can be started, financial conditions permitting, as soon as the project is sanctioned by the Government. Thereafter, it will take eleven or twelve years to complete. The project will result in the irrigation of 237,900 acres of new area and improvement of service to the entire area served by the
upper Ganga Canal System. An additional 86,200 tons of food crops will be produced as well as 98,400 tons of sugar and 2,200 tons of cotton. Installed power capacity will amount to 232,000 K.W. and will be used for industrialization purpose in the areas.

56. Ramganga River Project-The Ramganga River project will comprise an earth and rock fill dam on the Ramganga River about 2 miles above Kalagarh in the United Provinces. It will have an installed power capacity of 110,000 K.W. and will provide irrigation to 467,800 acres of new lands and improved irrigation service on 778,300 acres already irrigated by the Lower Ganga Canal System. Power generated will be used for industrialization. Additional crop yields annually will amount to 125,000 tons of rabi, 102,000 tons of sugar, and 7,500 tons of cotton. Total costs as estimated in mid-1949 amount to Rs. 258.2 million. Rs. 228.2 million of this amount will be spent on the dam and the remaining Rs. 30 million on power transmission facilities. Rs. 17.5 million would be spent in dollars and Rs. 35.8 million in sterling. Investigations are nearly completed on the project and once construction is started it will require about six years to complete.

57. Wainganga Reservoir Project-This project involves the construction of a concrete dam across the Wainganga River at Declgaon Village, 18 miles south of Warsa in the Central Provinces and Berar, irrigation channels and distributaries, and power generating facilities. Total cost was estimated in 1949, prior to devaluation, at Rs. 498.8 million of which Rs. 20 million would be required in dollars and Rs. 227.9 million in sterling. Investigations were completed in 1949. It will require about 11 or 12 years to construct the project. The scheme will have an installed power capacity of about 700,000 K.W. and will irrigate 1 million acres of land from which a yield of 600,000 tons of food crops are anticipated annually. Navigation for a length of 320 miles in the river and 300 miles along the canals will be provided after the project is completed.

58. Chambal River Project-This project calls for the construction of three dams and a barrage on the Chambal River and irrigation and power generating facilities. The project will affect areas in both Madhya Bharat and Rajasthan Unions. One dam will be built near Chaurasigarh Fort, another near Rawatbhata, and the third near Capernath. All will have power generating facilities. The barrage will be constructed near Coanri Village. Investigations are nearly complete. It will require about seven or eight years to construct the various works involved in the project. Cost as estimated in mid-1949 amounts to Rs. 280 million. About Rs. 80 million of the total cost would be spent in sterling. The project would ultimately irrigate 100,000 acres of land from which a yield of 350,000 tons of food crops would be produced annually. Installed power capacity would
amount to about 100,000 K.W. With locks, navigation would be provided for a distance of 400 miles from the junction of the Jumna River with the Chambal up to 20 miles above Rampura in Madhya Bharat Union. The project will protect a large area in Rajputana and Central India against scarcity of food crops and famines. It was in this area that the famine of 1901 reduced the population by nearly 50 percent. Power generated under this scheme will result in an annual saving of about 200,000 tons of coal.

59. Mahi Storage Project-This project proposes the construction of a storage reservoir at Kadana on the Mahi River in Bombay, a pick-up weir at Wanakbori, and a canal system which will irrigate 280,000 acres in the Kaira District, Baroda State and merged Cambay State. It will require about eight or nine years to construct the works involved. Cost estimates made just prior to devaluation place the amount at Rs. 64.6 million, Rs. 3.9 million of this amount in dollars and Rs. 2.6 million in sterling. About 250,000 acres of the new irrigated area will be devoted to the cultivation of food crops and will result in a yield of about 83,000 tons of fodder annually. About 30,000 acres of irrigated lands will be used for cultivation of non-food crops. Installed power capacity will amount to 15,000 K.W. for 8 months of the year and about 2,800 K.W. for the other four.

60. Dochi Dam Project-This project proposes the construction of a cement dam across the Ashni River about 1 1/2 miles below the Kandaghat-Chail road crossing in the Patiala and East Punjab States Union. The reservoir water will be carried to a powerhouse at Gauhra through a power tunnel and two steel penstock pipes. Cost as calculated prior to devaluation amounts to Rs. 97.3 million, about Rs. 55.1 million of this amount in dollars. Construction work on the project will require about four years time. Ultimately, the scheme will irrigate an additional 40,000 acres of land from which 25,000 tons of food crops are anticipated. It will also irrigate 25,000 acres of non-food croplands. It will be possible to generate about 15,000 K.W. of power and to regulate flood supplies in such a way as to make available additional water to the Jumna canals. This will in turn help to alleviate the acute water supply problem in Delhi. It is further proposed to work about 400 tubewells for irrigation with the power supply afforded by this project.

61. Chaggar Project-Chandigarh Dam-This scheme consists of the construction of an earthen dam across the Chaggar River near Chandigarh in the Patiala and East Punjab States Union together with power stations and a canal system. Proposed date of commencement of construction is 1951. It will require about four years to complete the project. Cost has been estimated prior to devaluation at Rs. 66.6 million. Rs. 40.1 million of this amount was planned to be spent in dollars. The average power
generated will be 13,000 K.W. Installed capacity will amount to 22,500 K.W. The scheme is expected to provide water for the capital of the East Punjab and for Ambala. It will also save large tracts of land from floods and will provide irrigation to about 400,000 acres of land at 40 percent intensity and about 160,000 acres by the supply of power to tubewells. This will result in the additional yield of 200,000 tons of food crops annually. 20,000 acres of non-food croplands will also be irrigated.

62. Tube Well Project-It is proposed to construct 4,000 tubewells throughout Eastern Punjab, in the United Provinces and in Bihar. Whereas the 4,000 are planned for a three-year construction period, an additional 565 wells are contemplated beyond the three-year period. During the first year a total of 1,200 wells are to be constructed, 1,400 during the second year and 1,400 during the third year. The program is calculated to provide irrigation for 600,000 acres of food crops and 150,000 acres of non–food crops annually for each 1,000 wells. The construction of wells would be accompanied by the installation of requisite power facilities for 875 of each 1,000 wells, with remaining 125 to be operated by diesel pumps. The total cost of the construction of 4,000 wells has been placed at $40 million of which foreign expenditures would amount to $21.6 million. Government of India estimates the net increase of food production through irrigation provided by tubewells at one-fifth of a ton per acre. Thus, a total of 480,000 tons of food might thereby be realized. During 1950 a contract for the construction of the first 1,000 wells has been signed with a British firm. Negotiations with other foreign construction firms are in progress.

63. Reclamation Projects—Two major projects, scrub jungle land reclamation and kans grass elimination, are being planned to reclaim about 6,000,000 acres of land for cultivation, generally over a period of from 7 to 9 years. The program is one undertaken by the Central Government, to operate under contract to the provinces in question. Reclamation work is to proceed by means of the purchase of heavy tractors from abroad, to the extent of 1,000, together with related equipment. The tractors would operate in units of 15 each. Necessary expansion of the facilities of the Government, of India’s Central Tractor Organization would be undertaken. Half of the recovered land would be mechanically cultivated, under the plan. For such purpose 9,000 cultivating tractors would be required with attendant equipment.

(a) Scrub Jungle Land Project: The first of the two reclamation projects involves the clearing of jungle land over a period of nine years, about 2,000,000 acres to be brought into cultivation for the first time. Most of this land lies in the virgin area along the foot of the Himalayas, that is in East Punjab, the United Provinces and Bihar. Additional lands to be cleared lie in Orissa and Bombay. Initial clearing and
plowing of the land would be followed by provincial programs for drainage, malaria control, and settlement. Roads, housing, and other local facilities are to be provided. Cultivation would require 7,000 of the 9,000 cultivation tractors planned to be purchased. It is planned to settle refugees, with 10 acres of land to be allocated to each family. Provincial emphasis would be placed on the growing of rice and wheat, other grains, pulses, and in some cases, sugarcane and oilseeds. The 525 heavy tractors to be required for this project will require an expenditure of some $23.7 million. Cultivation tractors would require an additional $51 million, while settlement of refugees would require an equivalent of $132 million, thus a total cost of $207 million. It is proposed to recover costs of this project by assessment against settlers, to be paid by the latter over a period of 25 years. Estimates of food grain production resulting from the cultivation of 2,000,000 acres would be about 670,000 tons. This level would be reached in the ninth year of the program. While most of the additional produce would be consumed by the families themselves, some quantities could be made available for national requirements.

(b) The Kans Grass Project: Here it is proposed to clear 4,000,000 acres over a period of 7 years. This acreage lies in Central India particularly in the Central Provinces, Bombay, etc. It is proposed to eradicate the kans grass (a week allied to the sugarcane family) by deep plowing and subsequent exposure to sunlight. There are no settlement aspects involved in this project, in view of the fact that the land is now in private ownership. Crops resulting from such clearance would consist primarily of wheat and millet, and other grains and pulses. It has been estimated that 32 units of 15 tractors each (a total of 480 heavy tractors) would be required. One-fifth of the reclaimed area would require mechanical cultivation, and for this purpose some 2,000 cultivation tractors would be needed (at 400 acres per tractor). The cost of the 480 heavy tractors has been estimated $20.7 million, whereas the cost of the 2,000 cultivation tractors has been placed at $14.7 million, a total capital cost of $35.4 million. The government proposes to charge off the cost of the program to the cultivator (private owner) over 7 years. For the entire program, additional grain production has been estimated at 878,000 tons by the eighth year. By May 1950 over 9,000 acres had been cleared of kans grass in Central India by the use of heavy tractors purchased in the US, out of the $10 million loan extended to India by the IBRD. 375 tractors were purchased in the US and by May 1950 180 had arrived; 60 are expected in September 1950 and the remainder during 1951. This would make possible a clearing of 800,000 acres by 1951.
64. Fisheries Development-A five-year plan to develop fisheries of India has been undertaken by the Government of India. Together with provincial plans the total cost of this plan for fisheries development is Rs. 37.2 million. Deep sea fishery stations and research institutes will be established. Cold storage plants are to be installed and facilities provided for the transport of fish to the interior by means of refrigerated railway cars and motor trucks. All Provincial and State Governments are to initiate cooperative movements among fishermen for the marketing and distribution of fish. In several Indian provinces the inland fishery resources are to be developed with the assistance of the Central Ministry of Agriculture. By early 1949 freezing and cold storage plants had arrived from the US and UK for the Central Fisheries Research Station in Bombay. The construction of the Pipri Dam on the Rihand River (United Provinces) will create a lake 180 square miles. This lake when fully stocked is expected to yield over 1,000,000 pounds of fish annually. It has been estimated that at present but 5 percent of the entire fishable marine area of India is being tapped with major consumption in the coastal areas. A US firm is interested in Indian fishing development in the hope of obtaining a source of supply of frozen shrimp and shark liver oil. At present no raw fish is imported into India. Imports consist of dried fish and fish products such as cod-liver oil and fish ‘manure’. The only canned fish available to Indians are wholly imported. During 1948–49, for instance, 2,683 cwts. (112 lbs. each) of tinned or canned fish were imported, at a value of Rs. 368,000. 384,556 pounds of cod-liver oil were imported at a value of Rs. 481,000. Other fish imports amounted to 56,446 cwts. at a value of Rs. 1,462,000. Present consumption of fish by persons even in coastal areas probably does not go beyond 19 pounds annually.

65. The Bombay Milk Project-Initiated by Mr. D.N. Khurody, Milk Commissioner for Bombay Province, and costing about Rs. 30,000,000, a large cattle farm is being undertaken 20 miles north of Bombay City. This dairy farm is to have 32 units, with a combined capacity of accommodating at least 15,000 cattle (buffaloes). By March 1950 at least 17 of the units had been completed and a central processing station as well. The program has been initiated in order to remove the cattle from Bombay City, where heretofore the owners of such cattle had kept them, and had them milked under extremely unsanitary conditions. All animals are to be removed to the new dairy farm, with the provincial government supplying feed at low cost and charging rental rates lower than those prevailing within Bombay City. The animals are those owned by private persons, and the milk produced on the farm will be dispatched to the central cooperative processing plant from which point it will be taken to Bombay City and distributed. Eventually this scheme will be applied to the remainder of the cattle (about 35,000 head) in the rest of Greater Bombay.
66. Forestry Projects-The total area under forest in India is estimated at 171,000 square miles (approximately 15-percent of the total land area). A Five-Year development plan, combining Central and Provincial Government resources (mainly those of the latter), has estimated the costs of forestry resources development at Rs. 93,400,000. The Provinces of Bengal, Punjab, and Madras propose to spend the largest share. The plans include afforestation, the acquisition of private forests, the planting of trees, and the extension of casuarina and teak plantations. Anti-erosion schemes and soil conservation plans are included. The development plan will require the training of forest staffs, development of forest-roads. In Madras, which has reserved forests covering 42 percent of its total area, plans call for an increase of this area by some 20 percent by bringing 5,000 square miles of forests now privately held into the reserve area. A 15-year program in Bihar aims at bringing an additional 20 percent under managed forests. In Bengal the plan is to acquire and afforest 150 square miles of wasteland. The Punjab has a scheme for the planting of canal and road-side avenues over a length of 15,000 miles. The general development plan will require the provision of transport to and from forest areas, to render them more accessible and to expedite the exploitation of the resources therein.

67. Coal Production-Coal development is estimated to require Rs. 120,000,000, of which Rs. 80,000,000 is to be expended in foreign exchange, in order to raise the 1949 capacity from 31 millions of tons per year to the long-term level of 41 millions. Foreign exchange will be expended mainly for the acquisition of mining machinery.

During 1948, 29,730,000 tons of coal were produced and in 1931 a record of 31,457,000 tons. Of the coal produced in India some 30 percent is diverted to industrial use, including railways. One of the problems of domestic Indian coal utilization has centered about the employment of metallurgical grades in miscellaneous industries and in railways. The Conservation of Metallurgical Coal Committee has recommended that high-grade coal not be used by these industries and railway, and that this be accomplished by means of the diversion of some freight cars from high-grade coal areas to non-metallurgical coal areas. The committee has also recommended that the high-grade coal of the Giridih area be preserved; deposits there are at present being depleted. This coal is particularly useful in the fabrication of special steels.

During 1948–49 India exported, mainly through Calcutta, above 1 million tons of coal, valued at Rs. 37,597,000 and supplied bunkering to the extent of 390,000 additional tons. Thus, the major portion of domestic coal supplies are utilized non-industrially.

Plans include coal surveys and a short-term (five-year) plan to increase present production to 35,000,000 tons by 1955, and this largely for the
purpose of meeting fuel requirements for the industrialization of the nation. In line with this planning the Central Provinces Government has decided to expand the production of coal at the State’s coal mine in the Korba area of the Bilaspur district and to work another coal mine, as a State enterprise, in the Kamptee coal field in the Nagpur District.

68. Aluminum Development-No substantial progress has yet been achieved in the development of a non-ferrous metals industry in India. Despite considerable bauxite reserves in the country aluminum production remains small. Annual consumption of aluminum is estimated at 12,000–15,000 tons, with a probable doubling by the early 1960’s. Production of aluminum ingots during 1949 was in the amount of 3,491 tons as against 1948 production of 3,367 tons. Present capacity stands at 8,000 tons per year. During 1948–49, 6,594 cwts. of aluminum (unwrought -ingots, blocks, bars), were imported, representing a value of Rs. 598,000 as were 189,054 cwts. of wrought aluminum (circles, sheets, etc.) valued at Rs. 25,962,000. The largest demand in the country remains for sheets and circles, particularly for use in the manufacture of pots and pans. The remainder of the supply is used for the packing of tea for export, for the manufacture of paints, castings, rods, wires, and by the engineering industries. Automobile bus bodies have taken some aluminum sheets. India exports small quantities of household utensils to countries of the Near and Far East.

There are at present two companies manufacturing aluminum ingots in India, largely utilizing imported aluminum. The short-term plan envisages 10,000–12,000 tons of aluminum ingot production per year. A new plant was set up during 1948 for the production of 10,000 tons annually of aluminum (efficient production of aluminum ingots results in 1 ton of aluminum ingots from 2 tons of alumina). A long-term target has been set for alumina production, to reach 40,000 tons of production per year. In aluminum ingot production the long-term target calls for an output of 15,000 tons annually, which will result in production of at least 10,000 tons of sheets and 1,500 tons of foil among other aluminum products.

69. Copper Development-The nation has but one copper smelting plant, that of the Indian Copper Corporation at Ghatsila (Bihar). It produced 6,390 tons of refined (ingot) copper in 1949 against 5,843 tons in 1948. The India Copper Corporation’s rolling mill turned out 9,851 tons of brass sheets against the previous year’s production of 9,551 tons. ... two new rolling mills were brought into production in Bombay. Production figures for these mills is lacking. India’s estimated consumption of copper is 35,000 tons per year with anticipated domestic production of radio transmitters, heavy electrical equipment, and cables in the next years, copper demand will most likely advance to about 60,000 tons annually. 1949 imports of copper ingots amounted to some 23,000 tons,
mainly from the US, Canada, and Belgium, against 1948 imports of almost 28,000 tons. The increasing production of brass and copper sheets, however, in India has occasioned a decline in imports of these items. During 1941 imports were in the amount of 14,628 tons, 1948 imports in the amount of 7,312 tons and 3,220 tons in 1949, of which latter 2,392 tons were of brass sheets.

The short-term target is to raise present-capacity from 7,000 tons of refined (ingot) copper to 10,000 tons. During 1949, under the auspices of the Council of Scientific and Industrial Research (sponsored by the Government of India) investigations were carried out looking towards the manufacture of copper-bronze alloys. The long-term program for Indian copper development contemplates a production of electrolytic copper from copper base scrap of 20,000 tons-per-year, a production of copper sheets in the amount of 6,000 tons, 35,000 tons of brass sheets, and 5,000 tons of copper and brass sheets and tubes and shapes. Until the long-term program receives necessary implementation, and with the certainty of increased production requirements for copper arising from developments in the electrical industry, India will remain partially dependent on imports of copper ingots and sheets. The cost of the development problem is not available.

70. Manganese production-The principal problem in manganese development in India is to improve the export potential of this Strategic mineral. Export markets are virtually assured, particularly in the US and UK. US industrial users of manganese have recently lowered the minimal ore-content requirements on manganese ore purchases, thus encouraging smaller mines in India to take up or to increase production, although the US stockpile has maintained its minimal standards. Factors limiting ore production are the availability of labor (many miners are also farmers in the general area of the mines and, as such, are not available until the harvesting of crops is done) and the competition for rail and ship space, rail space competing with the movement of other goods for domestic consumption, particularly foodstuffs and coal.

During 1948–49 308,895 tons of manganese ore were exported (521,000 tons in 1947–48), half of which to the US, and one-third of which to the UK. For calendar 1950 India hopes to export 500,000 tons to US the alone, and about 200,000 to the rest of the world. Such export figures represent a utilization to the maximum of present Indian facilities for ore movement to ports. The largest producer in India is the Central provinces Manganese Ore Co. (CPMO) which ships through Vizagapatam. Consideration is being given to diverting ore movements to Bombay, but present conditions at that port are congested and the movement
...thereto would involve higher freight costs and so affect the price of the ore. No definitive decision has yet been reached respecting diversion of ore movement.

Small mine owners in India are being financed by a number of banking firms such as Dupre, of London, the Compagnie Balge, of Belgium, the Netherlands Indies Commercial Bank, the Eastern Bank and the Hong Kong and Shanghai Banking Corporation. Some of these organizations have opened agencies at Vizagapatam to engage in such financing and to assure supplies of manganese ore for their principals.

Development of manganese production is geared to attain a level of production by 1952 of slightly over 900,000 tons, of which 900,000 tons would be exported (with 700,000 to the US). With assured markets for Indian manganese ore this level of ore export can be achieved and maintained. Most likely Vizagapatam would remain the important shipment point.

71. Railroad Equipment—

(a) Locomotive Works: A government plant is being erected at Chittaranjan (West Bengal) in order to overcome the absolute dependence on foreign sources of supply for locomotives. By April 1950 the Chittaranjan plant was half completed. The estimate of plant cost is Rs. 140,000,000, and the annual capacity of the plant is to be 120 complete locomotives and 50 spare boilers. The plant is scheduled for completion by early 1951 and, together with a commensurate development of the Telco Plant at Tatanagar of the Tata industrial group (private), in which up to 100 locomotives per year will be constructed, is expected to render India largely self-sufficient in steam locomotives. Locomotive replacement for India is reckoned, in the fifties, at some 200 locomotives per year. In December 1949 an agreement was concluded between the Government of India and the Locomotive Manufacturing Association of Great Britain, under the terms of which, and for a period of five years, the latter was to provide not only expert advice but skilled supervisory personnel for the Chittaranjan plant and some technicians. Production targets at Chittaranjan include 3 locomotives to be constructed in 1950, 33 in 1951, 45 in 1952, 66 in 1953, and 90 by 1954. At the end of the five year period the production level of 120 locomotives should be attained.

(b) Railway Coaches: A contract has been concluded with the Swiss firm, Schlieren Works, for the provision of technical assistance in the manufacture of all-steel railway coaches at the government’s aircraft plant (Hindustan Aircraft Ltd.) at Bangalore. This plant was already making deliveries on railway coach orders during 1949.
It was expected that the plant would step up coach production to 15 per month during 1950, and further plans call for an ultimate production of 350 railway coaches of all kinds per year. India's passenger coach requirements, through 1955, are laced at 2,000 per year.

72. Steel Production-The general development program for steel production includes a replacement and expansion program at the Tata Iron and Steel Factory at Jamshedpur, to increase capacity by 400,000 long tons per year, at an estimated cost of Rs. 400,000,000. By April 1950 no financing means had yet been devised, although technical reports respecting layout and flow were in readiness. The SCOB (Steel Corporation of Bengal) and Indian Iron and Steel Company, Ltd. were planning a combined increase of annual steel production capacity of 270,000 long tons. The Government of India has already advanced Rs. 35,000,000 to the former organization and Rs. 15,000,000 to the latter. The first phase of this expansion, to raise the combined capacity by 70,000 additional tons per year, was to be completed by 1952–53. The Indian Iron and Steel Company was, during early 1950, in state of installing a new coke oven battery together with auxiliary equipment. These have already cost Rs. 25,000,000. Part of the company's own financial resources were thus employed. The Kulti works of the latter company are being extended in order to reorganize the foundries for the production of pipes and general castings. Most of these installations are already completed. The Government of India has decided upon the erection of two steel mills, the first in the Central provinces, known as Madhya Pradesh, and the second in Orissa. Each of these plants is to have a production capacity of 500,000 tons of steel. The cost of these governments projects is placed at Rs.1,000,000,000. The total Program for the steel industry involves the expansion of production capacity by about 1.7 million long tons per year. This will require an estimated expenditure of approximately Rs. 1.7 billion, of which about Rs. 1 billion would be required in foreign exchange.

Present steel capacity of India is placed at 1,264,000 long tons per year. Production of steel during 1949 reached the figure of 925,000 long tons, against a production in 1948 of 854,000 tons. India's steel requirements have been placed at 2,500,000 tons per year. The aim of the so-called short-term target is an annual capacity of 1,760,000 tons and the long-term target at the capacity of 2,500,000, to cover completely India's requirements. While the increase of steel capacity and, with it, production itself, will ultimately decrease India's import dependence for finished steel, the early fifties can be expected to witness imports around the 1949 level of 400,000 long tons, unless general economic development planning is deferred. With a production of 925,000 tons
domestically and the importation of 400,000 tons, during 1949, the steel situation inside India was still adjudged acutely critical.

73. Fertilizer project-A government factory at Sindhri (Bihar), with an annual capacity of 350,000 long tons of ammonium sulphate, is approaching completion. Major machinery items are already installed. The estimated cost is Rs. 175,000,000, and of this sum some Rs. 163,000,000 had already been expended by April 1950, of which Rs. 108,000,000 was in foreign exchange. Production on a pilot plant basis is to commence during the latter part of 1950 and full production should be undertaken by 1951. The present annual capacity is 50,000 tons, the capacity of the Fertilizers and Chemicals Company of Travancore. Existing plans likewise contemplate an increase of 10,000 tons in capacity additional to the 350,000 planned, so that the long-term target in ammonium sulphate fertilizer capacity is set at 410,000 long tons for all India. Up to the moment India has been meeting its fertilizer requirements by means of imports, mainly from the UK, USSR, US, and Belgium. If the raw material, gypsum, can be satisfactorily obtained, the annual production of ammonium sulphate in India can, by 1953, render that country self-sufficient in this respect.

74. Other Chemicals-Expansion of production is being planned by private firms, particularly in the areas of super phosphates, sulphuric acid, caustic soda, and soda ash. The cost of such expansion is reckoned at Rs. 400,000,000, of which Rs. 260,000,000 are to be expended in foreign exchange. The installed capacities, 1949 production, and the short and long-term targets are shown in the following tabulation (in long tons per year).

<table>
<thead>
<tr>
<th>Chemical</th>
<th>Installed capacity</th>
<th>1949 production</th>
<th>Short-term target</th>
<th>Long-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superphosphates</td>
<td>97,940</td>
<td>43,250</td>
<td>not fixed</td>
<td>100,000</td>
</tr>
<tr>
<td>Sulphuric acid</td>
<td>100,000</td>
<td>42,000&lt;sup&gt;a&lt;/sup&gt;</td>
<td>152,000</td>
<td>185,000</td>
</tr>
<tr>
<td>Caustic soda</td>
<td>17,630</td>
<td>6,278</td>
<td>97,000</td>
<td>133,000</td>
</tr>
<tr>
<td>Soda ash</td>
<td>54,000</td>
<td>17,918</td>
<td>Not fixed</td>
<td>270,000</td>
</tr>
</tbody>
</table>

<sup>a</sup> Estimate for first 6 months of 1949.

In superphosphates three plants are presently expanding their capacities. In sulphuric acid an expansion of 3,000 tons of capacity is under construction. In caustic soda four firms have placed orders for equipment to raise capacity by 13,500 tons. In soda ash there is now one plant, of 9,000 tons of capacity, under construction. A second plant, with a capacity of 22,500 tons, is to go under construction either at the end of 1950 or in 1951.
Indian imports of chemicals have been increasing steadily since the end of World War II. Notable increases have taken place in caustic soda imports, which imports reached 9,000 tons during 1948–49 (sea-borne trade). Diminutions of imports may be expected in caustic soda as increase capacity becomes available for production after 1951. Imports of soda ash were as high as 163,000 tons during 1948–49. Imports of sulphuric acid were but 5 tons during 1948–49 and it may be likely that such imports will be reduced to truly minimal quantities as domestic productive capacity enters production. Nonetheless, other Indian chemical requirements, aside from the commodities discussed herein, will have to be met largely out of imports from abroad.

75. Paper Production—There are some 15 paper mills in India with a combined installed capacity of 110,000 long tons per year, of paper, pulp and allied products. 1949 production was reckoned at 103,000 tons, and 1948 production at 97,000 tons. The 1949 output is estimated as meeting less than half the requirements in India of these products. Present expansion schemes would raise India’s total capacity by 65,000 tons during 1950 alone. New production units to be installed in a number of paper mills would add 44,000 tons during 1951. The target for 1956 is placed at a total capacity of 352,000, recommended by the Panel on Paper, Pulp and Board in their 1947 report. Imports of paper during calendar 1949 were 148,000 tons. Most of the domestic paper mills have begun to add to their productive capacities. Imports of paper mill machinery, during the first 11 months of calendar 1949, were valued at Rs. 11,303,749 against Rs. 7,739,108 during calendar 1948 and Rs. 4,330,000 during 1947. The Titagur Paper Mills (largest in India) with a total capacity of 37,000 tons per year of assorted paper products in two factories, have installed machinery for the manufacture of art paper. India will continue to import pulp and paper of special kinds, particularly printing and wrapping paper.

76. Cement Production—There are 20 cement mills in India, with an overall installed capacity of 2,643,000 long tons per year. Cement production during 1949 was placed at 2,000,000 tons against 1,550,000 tons during 1948. While Indian cement requirements have been assessed as high as 6,000,000 tons per year, the actual addition of three plants during 1949 and the consequent increase in production ensuing during that year, together with planned expansion, may create a supply larger than demand. Effective demand cannot be reckoned at the 6,000,000 ton figure. Expansion plans are going forward in at least 10 of the mills in the country to raise output by at least 850,000 tons. New plants are being planned with a combined annual capacity of some 1,000,000 tons. One of these is to be a government-owned plant to be located in the United Provinces and it is expected that this plant will enter production early in 1951.
Plant machinery is estimated to cost Rs. 15,000,000. The long-term target for cement production in India contemplates some 5,000,000 long tons per year of capacity. Total financial requirements are estimated at Rs. 300,000,000, of which half may be expended in foreign exchange. During 1948–49 146,000 long tons of cement were imported, most of which was Portland. The general improvement in the domestic cement supply during 1949 has occasioned the prohibition of cement imports during 1950. Whether this situation will continue into the early fifties cannot yet be determined, but it will depend upon the general supply situation. In any case 1953 imports can be predicated as most likely under those for 1948–49.

77. Pharmaceuticals and Drugs-A factory, the joint enterprise of the Government of India and the Government of Bombay is to be established, most likely at Poona (Bombay). The Government of India has signed an agreement with a Swedish firm for technical assistance in the establishment of the factory. The cost of the plant has been placed at Rs. 40,000,000, with 60 percent of such cost representing the Central Governments share. Production at the plant should commence by early 1952, for penicillin, antimalarial drugs and sulfa products. It is anticipated that early production of penicillin will be in the magnitude of 1,200 billion units per year, after which a tripling of this level is to be looked for, to render the nation self-sufficient. It is hoped to attain an annual output of 100,000 pounds of antimalarial drugs, 60,000 pounds of sulfamerazine, and 20,000 pounds each of sulfathiazole and sulfanilamide.

78. Communications Equipment

(a) Underground Telephone Cables: A government-owned enterprise is being planned, on which some Rs. 3,000,000 had already been spent by April 1950 for surveying and consulting most likely to be set up near Chittaranjan (West Bengal). The Government of India signed a contract with Standard Telephone and Cables, Ltd., of London, for technical assistance for a period of 20 years. Total cost of the plant is placed at Rs. 10,000,000 and the factory should be completed by the close of 1952. It will initially produce about Rs. 10,000,000 worth of cables and, in view of the fact that India imports about Rs. 7,000,000 each year of such equipment, the output of the plant will bring self-sufficiency to the country in this commodity and give rise to an export surplus by 1953. The long-term target is placed at Rs. 50,000 worth of cables annually.

(b) Telephone Instruments: A government-owned and operated enterprise for the manufacture of telephone instruments is being established at Bangalore, to cost about Rs. 25,000,000. Up to April 1950, Rs. 9,700,000 had been expended. The first stage calls for the production of 50,000 instruments and 30,000 exchange lines per year.
Equipment for this stage is already in place. Assembly is now proceeding at the rate of 2,000 instruments per month. When completed the factory will have an annual capacity of 100,000 telephone instruments and 50,000 exchange lines. Telephone instruments are presently mainly being imported. During 1948–49, for instance, India imported telephone and telegraph instruments valued at Rs. 3,871,000, mainly from the UK. The production of the Bangalore plant should render the nation self-sufficient.

79. Textiles-The Indian development program in textiles places major emphasis upon mill production of cotton textiles and upon the development of the cottage industries. The aim of the cotton textile development program is to raise the output of cotton cloth from mill production from the 1948 capacity of some 4,700 millions of yards per year to 6,600 millions of yards by 1954–55. Production of mill cloth during 1949 was in the amount of 3,900 millions of yards against a 1948 production of 4,319 millions of yards. The 1949 capacity, in spindles, was 10,300,000. The long-term target contemplates raising this total to 14,600,000, most likely by 1954–55. Handloom production is to be increased from a present level of some 750 millions of yards to 1,500 millions of yards during the same period. The long-term target contemplates raising this total to 14,600,000, most likely by 1954–55. Handloom production is to be increased from a present level of some 750 millions of yards to 1,500 millions of yards during the same period. Total capital costs of the mill textile development program in cotton is placed at Rs. 250,000,000, of which Rs. 200,000,000 are expected to encompass foreign exchange expenditures. Exports during 1949, of cotton piece goods from both mill and handloom production, amounted to 487 millions of yards against 334 millions during 1948. Up, to April 1950 no actual development work had commenced; such development work will be contingent on favorable factors, among which are the availability of steel and cement, the assurance of a good cotton supply and the determination of export markets for Indian cotton piece goods. The Government of India expects to earn foreign exchange in the value of Rs. 1,000,000,000 from cloth and yarn exports. This compares with a value of Rs. 399 million in 1948–49. On the other hand the development of Indian textile production will, apparently, not go away with the necessity of importing finer yarns and piece goods. Imports of such cotton yarn during 1948–49 amounted to Rs. 44,976,000 and of piece goods Rs. 92,764,000.

India produces neither rayon yarn nor staple fiber. Two rayon factories, one in Travancore State and the other near Bombay City, are close to completion and should enter production by the end of 1950. The Travancore plant is designed to manufacture 4,000,000 pounds of viscose multifilament yarn. The Travancore Government has subscribed 20 percent of the plant capitalization. The Bombay firm, known as The National Rayon Corporation, Ltd., expects to operate at a capacity of
7 tons of rayon per day, likewise through the viscose process. A rayon plant was started in Hyderabad State during 1947 but political difficulties occasioned cessation of work thereon. The cost of the plant was estimated at Rs. 70,000,000. The Hyderabad plant will employ the acetate process. Annual domestic requirements of rayon yarn have been placed at 50,000,000 pounds, presently entirely met out of imports.

80. Diesel Engines—Present annual productive capacity in diesel engines in India is 4,600 units. The long-term target of 5,000 units will, most likely be reached. Actual production of diesel engines was 1,025 during 1948 and 2,048 during 1949. The Government of India has, up to April 1950, spent a total of Rs. 14,10,00000 for development purposes in this line. Development therefore, is taking the line of expanding present installation capacity. Imports will be cut commensurately.

81. Machine Tools—The Government of India signed an agreement, during 1949, with the Swiss firm of Oerlikon Machine Tool Works of Zurich, for the erection of a machine tools plant (to be owned by the Government of India, although the Oerlikon organization is contributing 10 percent) at Bangalore (Mysore). The project is to be completed by 1954, at a total estimated cost of Rs. 150,000,000. Present annual capacity for machine tool production in India stands at 10,000 units. Production during 1948 was in the amounts of 1,691 units, of so-called graded units, valued at Rs. 5,473,000, with probably a total of 6,000 tools, of ungraded units. 1949 production was running at the rate of 21,500 units of graded tools. The long-term target is Rs. 80,000,000 per year of production, which, together with present installed capacity, should make India self-sufficient.

82. Automotive Vehicles—There is, at present, no manufacture of automotive vehicles in India. Present assembly capacity stands at 30,000 vehicles per year, representing an increase in such capacity of 10,090 vehicles since 1947. Two private Indian firms, the Hindustan Motors Ltd. of Calcutta, and the Premier Automobiles Ltd., of Bombay, are planning to enter the manufacturing business. Hindustan Motors plans to produce 20,000 vehicles by 1954 and Premier Automobiles is planning on the production of 15,000 vehicles by the same period. To the present the only advances made in these development schemes have been the acquisition of plots of land for factory location. Problems centering about the economic aspects of automotive production in India have yet to be resolved, including tariff protection for infant industry. The financing aspects are, as yet, indeterminate. The car and truck population of India, at mid-1949, was 214,000 units. During 1948–49 38,721 units were imported, with about 4 cars to every 3 trucks.

83. Electric Power Plant Equipment—An ultimate target, for 1956, has been fixed for the production of equipment with a capacity of 300,000 K.W. per year.
The cost of such development is estimated at Rs. 240,000,000. To the present the Government of India has sums on surveys and on engaging foreign firms for the preparation of project reports. It is expected that factory construction cannot begin before 1952. In the meanwhile Indian imports of such power plant equipment will continue to rise, particularly as river valley electric power programs are implemented.

84. Radio Equipment-Present development in India has been along the lines of expanding radio assembly facilities. During 1948 India produced 25,000 radio receivers. During the period 1948–49 receiving sets were imported into India in the amount of 42,202 arid at a value of Rs. 7,659,000. 317,892 receiving tubes were brought in during the same period at a value of Rs. 839,000. Component parts in the value of some Rs. 5,000,000 were likewise imported. While India had been negotiating with several foreign firms for the establishment of a state-owned factory for the manufacture of radio equipment, mainly tubes, no success in this respect has yet been achieved. The emphasis, therefore, will continue to be upon the expansion of assembly facilities, in the hope of rendering the nation self-sufficient in meeting annual requirements for radio receiving sets. By September 1949 there were about 343,000 licensed radio receiving sets in the country.

85. Textile Machinery-Textile machinery manufacturing facilities in India are relatively small, confined largely to the production of spindles. Local demand is considerable, in all types of textile equipment. The textile machinery presently in use in India is somewhat antiquated. At the present time there are six firms in the country producing assorted textile equipment items, largely spindles. Present capacity is placed at production of 300,000 spindles per year. The long-term target, by 1955, is to double present capacity, in spindles, and increases of auxiliary equipment production.

A new factory is about to be completed, to enter production during 1950, with a capacity of 100,000 spindles per year. This factory is owned by the Machinery Manufacturers Corp. Ltd., of Bombay, which has negotiated with the US firm, H and B American Machine Co., of Rhode Island, for equipment and technical assistance. The new plant will manufacture cotton, textile equipment. It is to pay the H and B Company some $300,000 for its services and equipment. It has been estimated that costs of the long-range program, up to 1955, will amount to Rs. 63,000,000 in textile plant and equipment other than jute, and Rs. 14,600,000 for jute textile equipment. During 1948–49 Rs. 91,426,000 were expended for imports of cotton textile machinery, predominantly from the UK. For jute machinery a total of Rs. 150,625,000 was expended for imports during the same period. Imports will, however, continue to be relatively heavy.
86. Aircraft-The Hindustan Aircraft Ltd. factory at Bangalore, a government plant, jointly owned by the Governments of India and Mysore, is now capable of assembling primary trainer airplanes for the Royal Indian Air Force (RIAF). During 1949 the factory turned out 12 such planes. The assembly takes place from parts supplied by the Percival Aircraft Ltd. of England. Component parts other than engines and accessories will be made in the factory itself. As yet no engine production has taken place in India. Development study is going forward on the assembly of two additional types of trainer planes. 83 aircraft were imported during 1948–49 at a value of Rs. 9,382,318 and the value of parts imported during the period was in the amount of Rs. 15,751,563. Thus, present limited development plans will have only slight influence on the annual number of planes imported.

87. Synthetic Petroleum Plant-At the request of the Government of India, the Koppers Company has investigated the potentialities of a synthetic petroleum plant. Koppers Company officials are of the opinion that India is one of the few places in the world where synthetic petroleum can be produced economically. Unlimited supplies of raw material are available in the form of sub-bituminous grades of coal. The Koppers Company estimates that a plant could be erected at a cost of between $40,000,000 and $50,000,000 which would produce approximately 100,000 tons of petroleum products a year. India is presently importing about 1,000,000 tons of petroleum products each year at a cost of approximately $75,000,000. Koppers Company officials point out that the proposed plant would therefore pay for itself in a period of from seven to eight years. What further action the Government of India has taken on this matter is not known.

8.4

Aug. 14, 1953

INDIA. U.S. embassy suggests to DOS that it receive formal request from India before giving aid to avoid U.S. aid seeming “forced” on India. DOS cable (2), 8/14/53. Top Secret. Dc l s 4/18/83. Incomplete.

SECURITY INFORMATION
Incoming Telegram
REC’D: Aug. 14, 1953
From: New Delhi
To: Secretary of State
NO: 318, Aug. 14, 6.00 p.m.
PRIORITY
EYES ONLY FOR THE SECRETARY
Embassy’s telegram 310, AUGUST 13, 1953
I have come reluctantly to conclusion that even aside from Battle Act, we should insist on clear cut statement by Government of India at this time, recognizing that acceptance of US aid involves obligations on part of India. During first meeting I had with Deshmukh, he referred when I discussed thorium nitrate case with him July 25, I mentioned that all governments requesting aid from US accepted certain limitations in connection therewith. Deshmukh denied that India had ever requested US grants of assistance. This point of view not only plays directly into hands of Soviet accusations that US aid is being forced on reluctant recipients, but also encourages Indians to think US aid is solely at US request and for US convenience.

At start of our aid program here, it would have been preferable, in my judgement, if we had insisted (as we did in Yugoslavia) on clear-cut request by GOI for our assistance. Instead, we skirted around question of request and agreed to Indian position that GOI merely let us know, in answer to our inquiries, how much GOI lacked in funds to complete Five-Year plan, but was not asking anybody for anything. One can understand India motives, but we might have foreseen what difficulties this position would lead us into. I believe continuation of this essentially dishonest fiction would be fraud on American people as well as continue to place US–Indian relations on false and therefore unsound basis.

As regards Battle Act, record is clear that we relied, unwisely, on informal assurances from one or two GOI officials that no strategic materials were being shipped to prohibited areas. Machinery was never set up by GOI to carry out these assurances, and PM Nehru now categorically states, We would be foolish in my view to rely on informal assurances again, even if given by Nehru himself, which he has indicated clearly he cannot give.

I think it unlikely that GOI will make clear our statement re aid, and that my recommendation, if followed, will therefore presumably result in termination
of assistances. This would have especially serious repercussions at present moment in view of Kashmir situation. Nevertheless, I believe we can ride out the storm with calmness, patience and dignity and that long-term result will be sounder and eventually more friendly basis for US–Indian relations.

ALLEN

April 15, 1957
The Honorable George M. Humphrey
Secretary of the Treasury
The Honorable Christian A. Herter
Under Secretary of State
The Honorable John B. Hollister
Director, International Cooperation Administration
(Declassified, By DJH, Date 6/15/83)

Gentlemen:
May I call to your attention personally a matter which the President regards as urgent, and which Governor Adams has asked me to follow?

A few days ago, Ambassador Mehta of India called on Governor Adams, saying that when Prime Minister Nehru was the guest of the President, he outlined the difficult economic situation of India, in response to which, the Ambassador said, the President had undertaken to cause a special study to be made of the economy of India.

The President does not recall having made such a commitment, and there is no reference to it in the notes on the conference.

Nevertheless, the President wishes that the study be made.

Fortunately, Secretary Dulles about three weeks ago, initiated such a study, and established an interagency committee to carry it through. The membership of that group is as follows:
Department of State
Gordon Strong, Chairman
International Economist, South Asian Affairs
Department of the Treasury
Paul Dickens
Chief, South and Southeast Asian Division.
Office of International Finance
International Cooperation Administration

Evelyn Ripps
International Relations Officer, Economic-Politics.
Program Office

Alfred White
Assistant India Desk Officer.
I talked with Chairman Strong last week, and he intimated that the study would be completed by April 26.

In view of the personal interest taken by the President in this matter, it seems to me important that every effort be made not only to conclude the study on time, but to have it in such shape that it may go promptly to the President for his personal consideration.

Sincerely Yours,
Clarence B. Randall
Special Assistant to the President
Cc: Dr. Gabriel Hauge April 19, 1957

Dear Clarence:
I appreciated tremendously having your note of April 15th regarding the request the President has made to have a special study of the economy of India.

We are checking here in the Department to be sure that the study is going to be ready to meet the April 26th deadline.

With warm regards,

Most sincerely,
Christian A. Herter

The Honorable
Clarence B. Randall,
Special Assistant to the President,
The White House.

May 21, 1957
Declassified by authority MR 82-443 #7
Date: 6/15/83

MEMORANDUM FOR GENERAL GOODPASTER

In my memorandum to Governor Adams of May 3, with respect to the study on the economy of India, I said that interagency recommendations might be forthcoming in about ten days.

That has not come to pass, and I have today reviewed the matter once more with the State Department.

There is one new development. Mr. B.K. Nehru is in Washington for talks with the World Bank, and has called on Douglas Dillon. Those conversations have some bearing on the recommendations and have not yet fully been evaluated.

A second difficulty is that there is not yet unanimity of opinion with the State Department.
Then, there is the third difficulty that differences of opinion will certainly exist at the interagency level.

I will keep in touch with the matter, and my present guess is that two more weeks will be required.

When the matter reaches the interagency level, I will meet personally with the committee.

Clarence B. Randall

8.7

MEMORANDUM FOR GENERAL GOODPASTER
May 27, 1957
Declassified authority MR 82-443 #4
Date: 6/15/83

Here is the next step in the matter of getting conclusions for the economic study on India.

I enclose an original letter from Douglas Dillon, and I am bound to say that I think he is right in asking not to be pressed for conclusions until he has talked with B.K. Nehru.

Clarence B. Randall
Enclosure as stated
THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR THE HONORABLE CLARENCE B. RANDALL
May 27, 1957
Declassified authority: MR 82–443 #6, date 6/15/83

Many thanks for the opportunity to look at the attached report from Douglas Dillon, having to do with the economic study on India. I took the liberty of passing on this information to Governor Adams, so that he might be up to date on the matter.

A. J. Goodpaster
Brigadier General, USA

8.8

DEPARTMENT OF STATE
WASHINGTON
July 15, 1957
Dear Clarence:
On May 3 a report by an interdepartmental study group entitled “The Economic Problem of India” (Tab A) was forwarded to you. This report described the economic difficulties arising out of India’s expanded development program and particularly the anticipated shortages of foreign exchange resources to carry forward the second Five-Year Plan (1956–61) on schedule.

A part of the difficulties are caused by expanded private investment activity, which has turned out to be greater than expected. A sharp reduction in the Indian development program would doubtless have a depressing and lasting effect upon the private sector in India.

The report estimated that the foreign exchange gap for the plan period, after taking into account assistance from all available sources, including an assumed $300 million of development and technical assistance from the United States under the Mutual Security Program and an assumed $400 million from the International Bank for Reconstruction and Development, would total $700–900 million.

More recently the Government of India has taken additional steps to adjust to the serious situation which is developing. For example, it is revising its tax structure to raise additional revenues, and by delaying the initiation of new projects not yet underway, it is in process of rephasing its development program to conserve foreign exchange resources. Whether the Government of India further reduces the scale of its development activity will be significantly affected by its judgement as to the likelihood of further United States assistance.

(The Honorable Clarence B. Randall, Chairman, Council on Foreign Economic Policy, The White House.)

Consistent with the policy directives of the National Security Council, the United States should assist the Government of India at this time in every practicable way, without however engaging its prestige in the Plan objectives. It does not appear that United States aid resources of the magnitude which the Indians believe necessary to carry out the Plan are available at this time. The Department or State believes however that the following measures constitute a feasible course of action within present budgetary limitations for the United States to assist India in realizing its objectives.

(1) Consider supplementing the existing Public Law 480 agreement to prevent further inflation of food prices in the event that subsequent information demonstrates a pressing need. Such an agreement would not contribute to meeting the gap in resources required to carry out the Plan, as that gap was estimated in the May report, on the basis of data available at that time. However, food requirements appear to have proved greater than anticipated and such an agreement would assist in meeting these increased requirements. Consideration might also be given to short-term credit financing through Commodity Credit Corporation thirty-six
month credit sales, and to deferred payment barter transactions wherein we would receive payment in strategic materials over a three-to five-year period.

(2) Extend loans from the new Development Fund for sound projects which cannot otherwise be financed. The Indians heretofore had estimated a continuation of United States Mutual Security Program Developmental and Technical Assistance at a rate of $60 million a year. In the future, with the establishment of the Development Loan Fund, India in all likelihood will have to rely on this Fund for all Mutual Security Program aid other than technical assistance. In Indian project submissions prove sound and well documented, development financing from the Fund might well run at a somewhat higher rate than from present Mutual Security programs.

(3) Extend loans from the Export–Import Bank especially to strengthen selected private enterprise in India.

(4) Support generally Government of India applications for loans—both in public and private sectors—from the International Bank for Reconstruction and Development.

Consideration has also been given to a request of Congress for special legislation to provide additional resources in the form of a long-term loan to the Government of India. In order, however, to provide the basis for a request at the next session of Congress, if it should be decided to make such a request, the Department of State intends to undertake necessary preparatory studies.

Sincerely yours,
C. Douglas Dillon

Deputy Under Secretary for Economic Affairs

India and Pakistan, Relations between (U) [although a reduction in India–Pakistan tensions is highly desirable, any arms limitations imposed on Pakistan as part of a negotiated settlement would have adverse military and political consequences; Pakistan’s military capacity is crucial to both SEATO and Baghdad Pact defense planning. Current or planned Pakistani forces pose no serious threat to India. India. The US should not assume additional military commitments by offering India and Pakistan guarantees of border security]. Gen. Nathan Twining, Chair. Memorandum, to the Secy of Defense. Jan. 8, 1958. 3 p. SECRET. Declassified June 26, 1979. Released 1981.
1. It is evident from reports in recent months that India may be approaching a serious economic crisis and that the goals of the Second Five-Year Plan may not be met due to a lack of foreign exchange resources and managerial talent. India is currently seeking foreign exchange from additional external sources to meet the needs of this development program. The recent communist political gains in the State of Kerala reflect in part both the deteriorating economic situation and the ability of the communists to exploit it. The U.S. Ambassador has recently advocated that the U.S. provide India with economic aid of major proportions for reasons which include that of influencing India to change its policy of neutralism to one of commitment to the West. There are two schools of thought both as to the relative importance of a program of this nature and as to the possible efficacy of such a program in influencing Indian orientation. It is understood that a special U.S. interdepartmental working group, on which the Department of Defense is not represented, is currently undertaking a survey of this situation. It would therefore appear advisable that the Joint Chiefs of Staff have at a timely review of the strategic importance of this area, together with an appraisal of factors relevant to the future orientation of India, in order to present the military point of view in any reconsideration of U.S. policy toward India.

2. From a political standpoint: it is well known that India is committed to neutralism and is hostile to military Pacts such as Baghdad and SEATO, to U.S. military aid for Pakistan and to the U.S. attitude towards the Kashmir question. India's policies on these questions have their basis in deeply rooted emotional, religious and nationalistic feeling. Since U.S. policies on those questions are also relatively immutable, it is a moot question as to whether or not a significant change in U.S. policy on other issues could exert any influence on current Indian policies. It is clear that there is considerable U.S. congressional antipathy towards large-scale economic aid to India. However, it is not clear as to whether or not a significant change in U.S. policy in this respect would be effective in influencing Indian orientation. The foregoing leads to the conclusion that the Joint Chiefs of Staff should be prepared to make appropriate recommendations with regard to U.S. policy towards India in light of the current politico-economic situation and U.S. strategic interests in this area.

3. Accordingly, it is recommended that the Joint Chiefs of Staff:
   a. Note the above comments.
b. Refer this problem to an appropriate Committee of the Joint Chiefs of Staff for comment and recommendations.

No recommendation is made as to the distribution of this paper to commanders of unified or specified commands.

8.10

THE WHITE HOUSE
WASHINGTON

July 16, 1957

Declassified authority: MR 82-443 #3, date 6/15/83

MEMORANDUM FOR MR. RANDALL

1. Attached hereto as Tab A are the recommendations of the Department of State for assisting India to carry out its Second Five-Year Plan objectives.

2. Background. The Department of State in a previous report, Tab b attached, estimated that the foreign exchange gap for the Second Five-Year Plan, after taking into account assistance from all available sources (including $300 million from the United States and $400 million from the IBRD) would total $700 to $900 million. State further said in this report that “by rephrasing the plan to string it out over a six or seven-year period, or otherwise altering it….would tend to weaken moderate elements in India and increase the chances that extremist elements would eventually come to power”. Nevertheless, India is now taking steps to rephrase its development program to conserve foreign exchange resources.

3. State recommends in Tab A that the United States take the following action to assist India to realize its objectives:
   a. Consider increasing the present P.L. 480 program, providing short-term 36-month CCC loans and deferring barter payments for food; all of which would prevent further inflation of food prices.
   b. Make loans from the new Development Fund in excess of previously planned development and technical assistance (which are $300 million for the Five-Year Plan).
   c. Extend loans from the Export–Import Bank to specially selected private enterprise projects.
   d. Support India’s applications for loans from the IBRD.

4. States says that consideration was also given to asking Congress for legislation for a special loan to India, but it was decided that it was not feasible to make such a request at this time. State advises, however, that
THE UNITED STATES AND INDIA

... it intends to study the necessity for submitting a request for a loan to the next Congress.

5. Conclusions:
   (a) The success of the Second Five-Year Plan is vital to the interests of the U.S. Government.
   (b) Although the State Department paper does not show how far its recommendation will go to assist India to meet the foreign exchange gap in its Second Five-Year Plan, it does not appear that it will do so to any marked degree without direct legislation by the Congress.

6. Recommendation. It is suggested that you advise Governor Adams that the recommendations submitted by the Department of State will not in your option meet the requirements of India and that you therefore have established a CEEP interagency committee to consider appropriate courses of action. (Recommend this be discussed with General Cutler prior to submitting same to Governor Adams.)

Paul H. Cullen
Attachments as stated.

The economic problem of India

Summary

I. THE PROBLEM

The Indian Government now estimates that additional external credits must be obtained if the Second Five-Year Plan is to be completed substantially on schedule. It is probable that the Indians will soon approach the U.S. for loans to meet that part of the $700–900 million foreign exchange gap which cannot be met from other sources. This paper provides background for U.S. consideration of such a request, utilizing statistical conclusions set forth by the Indians in the Second Five-Year Plan as revised. These estimates have been taken as given, since it has not been possible to examine the source material underlying them.

II. BACKGROUND

India’s present development efforts under the Second Five-Year Plan (1956–61) expand upon the achievements of the First Plan (1951–56). The First Plan reached its more modest goals but did not achieve a rate of growth sufficient to meet India’s long-term problems.

The Second Plan calls for a total outlay equivalent to approximately $16 billion in an effort to raise national output by 25 percent and per capita income by 18 percent over the Five-Year period. It calls for expenditures of $11 billion in the public sector and $5 billion in the private sector. It emphasizes transport,
communications, and industrial development. Financing for the plan envisages the equivalent of $2.5 billion of deficit financing.

Progress under the Second Plan, now in its second year, has been characterized by increasing deficit financing, and by a more rapid rise in prices and drawdown in foreign exchange reserve than was anticipated.

III. DISCUSSION—The Resource Gap

The Plan projects foreign exchange expenditures of $3.1 billion in excess of anticipated receipts on current account. This gap has been reduced on the basis of Indian estimates of the use of sterling balances, more private foreign investment, IBRD loans, and anticipated foreign aid including a continuation of present rates of U.S. assistance ($60 million a year or $300 million over the entire Plan period). This leaves a residual gap of $700–900 million. The Indian Government can be expected to seek additional resources for a deficit or gap of this range.

IV. POSSIBILITIES OF DEALING WITH RESOURCE GAP WITHOUT RE COURSE TO THE U.S.

The $700–900 million gap might be reduced by still further use of sterling reserves; by additional private foreign investment, Colombo Plan assistance, and Soviet aid; and by imposition of an even tighter austerity program. Such measures might reduce the gap but would still leave a substantial residual shortfall.

Rephasing the Plan to stretch it out over a six-or seven-year period, or otherwise altering the Plan, while probably obviating or reducing the need for additional external resources, would result in a slower rate of economic expansion, and less relief to the India unemployment problem. This, in the judgement of the Department of State, would tend to weaken moderate elements in India and increase the chances that extremist elements would eventually come to power.

V. POSSIBILITIES OF DEALING WITH RESOURCE GAP BY RE COURSE TO THE U.S.

While it is possible that the present plan with be slowed down, in any even, by technical and managerial problems, external resources needs are also a major bottleneck to achieving Indian development goals. It is, therefore, probable that India could effectively use increased dollar assistance. The amount of assistance which might be required from the United States to eliminate the present shortfall will depend, in part, upon how much becomes available from other sources, including Indian internal measures. For this reason, and because even the present gap is subject to a wide range, no specific estimate of additional dollar aid requirements is possible.

Additional PL 480 sales programs or improvements in existing ICA aid procedures would not meet the presently indicated gap in external resource requirements. However, if consumption requirements for surplus agricultural commodities should increase above presently anticipated levels, additional PL 480 sales programs would be helpful.
8.11

July 17, 1957
(Declassified MR 82-443#2 by DJH date 6/15/83)

MEMORANDUM FOR GOVERNOR ADAMS
Cc: General Goodpaster
On May 3, 1957, I submitted an interdepartmental study with respect to the
economic problem of India.

Here are the long delayed recommendations, as submitted by State.
These represent interagency consensus, with one exception: Treasury recoils
at the very thought of special Congressional action to meet the problem of India.
Here is the problem as I see it:

1. India's present position in the world justifies a strong effort of support
   from the United States.
2. Her economy will fall short under her Second Five-Year Plan by be-
   tween $700 and $900 million over and above all assistance presently
   contemplated.
3. We should go part way to make up that deficit but should leave enough
   unmet to keep heavy pressure on India.
4. An addition of $40 million per year to the present $60 million level of
   annual assistance might be all that the new Development Fund could
   bear, and still meet other problems.
5. We might offer that now to India, and next year consider objectively
   whether to ask Congress for special additional appropriation.

Attachments as stated.
Clarence B. Randall
Cc: General Goodpaster

8.12

July 19, 1957

MEMORANDUM TO MR. STAAETS
(Declassified MR 82-432#3, by DJH, date 3/3/83)

SUBJECT: Randall Memorandum on India, July 17, 1957
Will you please have the attached memorandum from Mr. Randall to Governor
Adams, July 17, 1957, the letter from Mr. Dillon to Mr. Randall, July 15, 1957,
and the report of the Interdepartmental Working Group on India, May 2, 1957,
circulated and placed on the OCB agenda for July 24, 1957, for discussion and
appropriate action.
I think the substance of the attachments should also be noted in the South Asia progress report, and it might be advisable to attach copies of the Randall memorandum and the Dillon letter to the progress report.

F.M. Dearborn, Jr.

Attachments

8.13

September 11, 1957

MEMORANDUM FOR GOVERNOR ADAMS

(Declassified MR 82-444 #2, by DJH, date 3/3/83)
Subject: India Economic Study
You will recall that earlier in the year you asked me to expedite the preparation of a report on the economy of India.
I sent this to you on May 3, and then, after considerable delay, submitted to you on July 17 the recommendations of the State Department.
We were at that time morally committed to give India $60 million a year for five years in economic assistance.
I recommended at that time that we raise this to $100 million a year for five years.
You then referred the entire matter to OCB.
You will shortly receive the OCB report, and, because I leave for Europe before the staff study will have been formally approved by OCB, I offer these comments at this time.
In my judgement, the OCB report will not help you settle this question. It is couched in general terms, and does not offer specific solutions.
I do not find that my recommendation was considered or that it is referred to in the report, but that is immaterial because events have made my recommendation futile. I suggested an addition of $40 million per year on the hypothesis that the Development Fund would be $500 million per year. With that Fund cut to $300 million, my suggestion would have to be eliminated. We clearly could not give one-third of that total fund to India alone and still meet our other obligations in the world.
India will need $500 million of new money over a five-year period, and unquestionably that is the sum which she will ask.
This could only be provided by a request from the Administration to the Congress that the Executive Branch be authorized to make a dollar loan in that amount to India. Such a recommendation would be a very serious step for the Administration to take, both because of its implications on relationships with the Congress, and because of the precedent that it might set with respect to other nations. For example, we turned down our staunch ally Turkey on a loan of $300 million.
The decision to take this step must, it seems to me, be reached, if at all, at Cabinet level, unless you should first wish me to put it to the CFEP at the senior level. No further staff studies can contribute to it.

I do not believe that such a decision could be arrived at in advance of the visit of the Finance Minister from India late this month.

I recommend therefore that he be received with every courtesy and that his visit be regarded as a formal presentation of a demand which will thereafter receive consideration on the part of our Government.

Clarence B. Randall

MEMORANDUM FOR THE PRESIDENT

Subject: Aid to India

I believe that it is desirable to reach an Executive Branch decision concerning aid to India in the near future because of the impact of such a decision on budgetary planning and mutual security Congressional consultations. It would be helpful if a decision could be made before November 13 when I am to submit final official budget estimates to Mr. Brundage.

I enclose a brief memorandum which has been prepared in the Department setting forth our view that substantially increased aid should be provided India during the next three years. This proposal has already been discussed informally with Secretary Anderson and the Vice President, and we will make this memorandum available to them prior to the proposed meeting on this subject.

If an Executive Branch decision to provide India with such aid could be reached in principle, we could then give more detailed consideration to the method and timing of this aid and consult with interested allied government concerning the proposed aid.

I recommend, therefore that you meet with the Vice President, the Secretary of the Treasury, and myself in the near future to reach an Executive Branch decision, in principle, concerning aid to India.

John Foster Dulles

Enclosure:
Memorandum
Subject: India’s Economic Problem.

1. India has embarked on an effective economic development program, reflected in the Second Five-Year Plan. The Private business sector is responding with unexpected vigor.

2. There is a gap of somewhat over $1 billion between the foreign exchange required to complete even a reduced Second Five Year Plan and the
foreign exchange which will probably be available to India during the next three years from all other sources, including foreign exchange draw downs, the World Bank, other developed countries, private investors, and PL 480. Further study of the Indian economic situation is unlikely to alter this basic conclusion, which has been reached independently by the United States Embassy in New Delhi, the World Bank representative in India, and the Department of State. If anything, this estimate of the gap is believed by these sources to be overly conservative.

3. A national Intelligence Estimate of October 8 states: “Failure of the (Second Five-Year) Plan would hasten the disintegration of the Congress Party and threaten the continuance of democratic government. There is now no other coherent opposition force except the Communists, and they would stand to make important political gains from the collapse of the Congress Party. Success with the plan would probably permit the Congress Party to retain power in the 1962 elections and would provide the kind of environment in which a moderate conservative party could emerge when and if the present Congress Party breaks up”.

4. This estimate is emphatically endorsed by the Department of State and by the United States Embassy in New Delhi. In the last elections, the Communists came to power in the economically depressed Indian state of Kerala. It is feared that if the Second Five-Year Plan fails they may extend their power to the more populous and strategically situated province of Bengal. This could trigger off a chain reaction which would lead to growing extremism and separatism in other parts of the country. The chances of chaos and a Communist advent to power in the sub-continent would be vastly increased. Loss of this area to Communist control would undermine the West’s position throughout free Asia.

5. This is the risk that the United States would run in not extending adequate assistance to India. For if the current gap cannot be covered from outside source, the Government of India will have to reduce its imports to such an austerity level that the momentum for economic development will be lost and the Second Five-Year Plan will fall considerably short of its goals.

6. These considerations led the National Security Council to decide in January that it was in the United States interest that India be able substantially to fulfill the Second Five-Year Plan, and that the United States be prepared to extend substantial assistance to this end.

7. If this policy is to be carried out, substantially increased United States aid will be required. That aid must be adequate to meet our objectives, if it is not to be wasted. To increase our aid to India somewhat, but not enough to meet the basic need, would be to choose the worst of the several alternatives confronting us.

8. It is concluded that it would be in the United States interest to provide India with somewhere around $250 million annually in assistance over the
period of the Second Five-Year Plan, i.e., the next three fiscal years, over and above the approximate $100 million annually which can probably be secured from the Development Loan Fund. There are various alternatives means of providing this additional $250 million annually, each of which would have the same effect on the FY 1959 budget and all of which would require approval by this or the next session of the Congress. A choice between these different methods need not, therefore, precede a decision in principle concerning increased aid to India. This choice can be made, on the basis of more detailed consideration of the alternatives, once that decision has been reached.

Once a decision in principle has been reached, it will also be desirable to undertake careful discussion with the government of Pakistan, Turkey and Iran. If necessary, of course, our decision could be reviewed in the light of those discussions.

8.15

November 16, 1957

MEMORANDUM OF CONFERENCE WITH THE PRESIDENT
November 12, 1957—8.25 AM

Dcls Authority MR 82-366#1, by DJH, 12/15/82

Others present: Vice President Nixon
Secretary Dulles
Under Secretary Herter
Secretary Anderson
Mr. Brundage
Governor Adams
General Goodpaster
Mr. Douglas Dillon (for part of meeting)

Mr. Dulles said the Tunisian arms question is becoming acute. The French are talking of not attending the NATO meeting. The President said he understood the Egyptians are planning to send arms within a few days and that we risk seeing Tunisia affiliated with Egypt if we do not act. The Vice President felt that, although we are in a difficult position in this matter, the French are also limited in what they can do. The President said he recognized that the French government might well fall, and a new one might be organized on this issue, and hence adverse to the United States.
Mr. Dulles said the main purpose of the meeting was to discuss the question of a loan to India. He suggested Secretary Anderson might outline the Indian finance situation. Mr. Anderson said that India has put a levy on capital of the order of 10% in some areas. The result is to scare off private investment even though some of their private people, such as Birla when he was here, make a great deal of sense in their plans and propositions. He said India is talking about a $1.4 billion deficit over the next three years. If we were to provide that kind of money we would have to go to Congress for a specific loan.

The Vice President asked what a program might be that would not require special legislation. Mr. Dillon thought it might be possible to prevail on the Exim Bank for a bigger loan than they now plan, and it could be a balance of payments loan for purchases in the United States for the private sector. Secretary Anderson said that if we carried on aid to India at our current level, gave them $200 million from the Exim Bank, and they drew down their reserves and got some aid from outside, perhaps Germany, they could squeak through. Mr. Dulles recalled that we had given them grain under PL 480 for a three-year period, and Mr. Dillon brought out that they had used this up in twenty-one months.

The Vice President surmised that if were to do this, Turkey and Pakistan would immediately be in for aid. If we do not, the cost will be disintegration of India and its orientation toward the Communists. He said that if we do not work out something in this matter, the propaganda effect of such disintegration would be very heavy and adverse throughout Asia.

Mr. Dulles, in commenting on any idea of special legislation, said that the danger of a spectacular defeat in Congress is very great. He thought it was better
to pick up bits and pieces, slow down the military program, and get the Exim Bank to put up additional funds. The President said he would be glad to meet with the people concerned at the NATO session in Paris.

Mr. Dulles summarized the outcome of the meeting as follows:

We will not go to Congress for a special grant; “we will try to break the problem down into parts; we will try to get the Germans to cover the Indian trade deficit with them; we will try to cover our deficit through the Exim bank, perhaps $200 million; we will try to provide $50 million or so from the development fund; we .................................................................
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8.16

INDIA. Barter of grain for Manganese with India discussed. WH Memo (2), 12/17/57. Confidential. Dcls 8/12/87.
COUNCIL ON FOREIGN ECONOMIC POLICY
THE WHITE HOUSE
WASHINGTON
December 17, 1957

MEMORANDUM TO COUNCIL ON FOREIGN ECONOMIC POLICY

Subject: CFEP 561/1—Barter of Grain for Manganese with India.

1. Your attention is invited to the attached proposal by the Department of Agriculture recommending that the Council on Foreign Economic Policy approve a barter transaction with India of one million tons of wheat or other food grains for Manganese or Ferro-manganese for the supplemental stockpile.

2. Your attention is also invited to the action of the CFEP on February 14, 1956 approving the recommendation of the Office of Defense Mobilization that:

(a) The supplemental stockpile shall in general include only those materials on the official list of strategic and critical materials for stockpiling for which long-term objectives have been established;

(b) As a general rule the quantity to be authorized for the supplemental stockpile be 50% of the long-term objective, with the further provision that in no case will a quantity be established for the supplemental
stockpile that will result in the total quantity of any material in the hands of the Government exceeding the total projected 5 year war national security requirement;

(c) Each material to be obtained for the supplemental stockpile should be carefully reviewed on a “case-by-case” (i.e., material-by-material) basis by the Office of Defense Mobilization Interdepartmental Materials Advisory Committee to ensure that proper consideration has been given to the possible need for maintenance of the domestic component of the mobilization base as well as the maintenance of materials producing capacity in nearby reliable countries.

3. This proposal by the Department of Agriculture has been scheduled for consideration by the Council on Foreign Economic Policy at its next meeting on December 20, 1957.

Incl.
As stated.
Paul H. Cullen
Lt. Col., USA
Secretary

8.17

INDIA. Barter of food grains for Manganese Ore and Ferro-manganese with India discussed. WH Memo (2), N.D. Confidential. Dec 8/12/87.

THE SECRETARY OF AGRICULTURE
WASHINGTON 25, D.C.

Barter of food grains to India

(Declassified, Authority Department of Agriculture, date 8/12/87.)

I. The Problem
Barter of Food Grains for Manganese Ore and Ferro-manganese with India.

II. Discussion
1. India has an urgent need for at least an additional 1.0 million tons of food grain imports by June 30, 1958, which can only be met from U.S. sources.

2. India’s difficult foreign exchange position will not permit any substantial increase in regular commercial imports. Urgent requests from other countries already exceed the current $1.0 billion authorization under Title I, P.L. 480 for fiscal year 1958. Although Title II, P.L. 480 funds may have to be used to supply some food grains for famine or urgent relief as a result of the recent drought in India, we believe it is in the interests of the U.S. to exert every effort to provide a maximum of food grains by barter.
3. The proposed barter offers a ready means for the U.S. to supply this additional million tons of food grains within the foreign economic policy of the CFEP and within the revised barter policy announced by the U.S. Department of Agriculture on May 28, 1957. Further, it would not require any increase in fiscal year 1958 appropriation requests.

4. In order to make possible barter arrangement for approximately one million tons of wheat or the equivalent in other food grains, it will be necessary for the Department of Agriculture to accept in exchange about 1–1/2 million tons of manganese ore averaging 42 percent manganese content, or the dollar equivalent in ferro-manganese, for delivery over a 5 year period. It is understood the total supplemental stockpile objective established under the criteria developed by CFEP is ample to cover the quantity of manganese ore being considered. The Office of Defense Mobilization has programmed only 400,000 long dry tons of ore for barter procurement during fiscal year 1958, with delivery time limited to two years. No ferro-manganese has been programmed. This compares with CDM programming of 1.5 million tons of manganese ore or equivalent in ferromanganese for delivery over 3 years for fiscal year 1957. Virtually no material was accepted at that time because of high market prices. Further, the Office of Defense Mobilization has expressed the desire that manganese ore acquired by barter be restricted to ore containing an average of 46 percent Mn. The ore being considered under this proposed barter would fully comply with National Stockpile Specifications and would contain an average of 42 percent Mn. In view of India's request for U.S. assistance to help in overcoming its foreign exchange shortages, it is not considered desirable or practical to press for the higher grades currently being sold on the open market for hard currencies which make a significant contribution to the Indian economy.

5. The Department of Agriculture requested the Office of Defense Mobilization to revise its 1958 Procurement Directive to facilitate this barter arrangement, and the Office of Defense Mobilization suggested that the matter be referred to the CFEP.

6. If food grains are to move quickly under barter, it is essential to know immediately the grades, forms, quantities and delivery periods for the manganese that CCC may accept in order to get firm offers from private contractors.

III. Recommendation
The Department of Agriculture recommends that the CFEP approve a revision by Office of Defense Mobilization of its 1958 barter Procurement Directive for the supplemental stockpile to provide sufficient manganese ore averaging 42 percent manganese content or its dollar equivalent in ferro-manganese for delivery over a period of up to 5 years to permit the export of approximately 1 million tons of wheat or other food grains to India.
MEMORANDUM TO MR. MCGEORGE BUNDY

THE WHITE HOUSE

Subject: President’s Meeting with Indian Finance Minister.

There is enclosed a talking paper for use by the President in his talk with the Indian Finance Minister, Mr. Morarji Desai at 4:00 P.M., Thursday, September 20. Mr. Desai will be accompanied on his visit to the President by the Indian Ambassador, Mr. B.K. Nehru. On the United States side, it is suggested that Mr. Talbot and Mr. C. Tyler Wood, Economic Minister at our Embassy in New Delhi, be present during the meeting. We are recommending the inclusion of Mr. Wood since we anticipate a large part of the discussion will concern economic matters.

We believe the conversation is likely to cover the following subjects: United States–Indian relations, foreign resources for Indian development, Indian utilization of resources, and the Indian military build-up. We have requested the reactions of the International Bank and Ambassador Galbraith to the anticipated Indian proposal that the Three Wise Men return to India to make a study which would elicit greater support in Western Europe for improving the terms of assistance. Ambassador Galbraith has concurred we will notify you when we hear from the International Bank.

At our request, Ambassador Galbraith has sent his views on subjects Mr. Desai is likely to raise and those the President might bring up during their meeting. His message is enclosed.

Ambassador Galbraith says Mr. Desai may raise the subject of internal Indian politics. While Desai may be willing to discuss Krishna Menon; we expect his loyalty to Prime Minister Nehru may prevent him from entering a general discussion of the political struggle to succeed Nehru in the presence of the Indian Ambassador, particularly since he is another Nehru. Also the Finance Minister is not likely to discuss Menon in a manner reflecting adversely on the Prime Minister.

In a later telegram (Delhi’s 936, September 19) on another subject, Ambassador Galbraith has commended that as a part of an effort to lower the temperature of Indo–Pakistan relations, we encourage the Indians and Pakistanis to resume talks on a wide range of subjects such as border demarcation, trade, and flood control. He suggested that the President take this up with Mr. Desai.
This could be effectively done during a discussion of maximizing the resources available for economic development on the subcontinent by resolving Indo-Pakistan disputes (item 3 on President’s talking paper).

William H. Brubeck
Executive Secretary

Enclosures:
1. Talking Paper, with attachments.
2. Delhi’s telegram 915.

THE PRESIDENT’S MEETING WITH MORARJI DESAI, INDIAN MINISTER OF FINANCE
4:00 PM, Thursday, September 20, 1962
WHITE HOUSE.
CONFIDENTIAL.
January 20, 1963
PRESIDENT’S TALKING PAPER

About the Finance Minister (See Tab A for fuller biographic information)
On most of the issues that we have exacerbated Indo-United States relations within the last year, the Finance Minister was opposed to the course of action that the Government of India followed. He has, however, loyally supported the decision reached.

Morarji Desai attaches great importance to his visit to Washington both because of his interest in economic aid and because of the importance of the visit to his personal political position. Desai, of the moderate right-wing of the Congress Party, is closely associated in India with western economic assistance; his star will dim if that assistance falters or if India’s relations with this West worsen. Krishna Menon, Desai’s most bitter political opponent, attacks Desai and his supporters by trying to damage U.S.–Indian relations and thereby undermine the basis for U.S. assistance. Unlike Menon, Desai has little rapport with Nehru, but the Prime Minister respects his ability.

Although his political stature in India has declined in the past two years, Desai is one of the principal actors in the succession struggle. As things stand now, he is by no means assured of succeeding Nehru. There is reason to believe that the Congress may regard its chances for prolonged rule better if Nehru is succeeded by a compromiser who is acceptable to both Congress right and left-wings and who therefore is able to hold them together. Desai is not such a person. Nevertheless, he plays an essential role as a counterweight to Krishna Menon during the struggle for succession.
Desai is an unusual combination of a practical Finance Minister and a Gandhian idealist. It is frequently difficult to predict whether he will discuss finance or morality. The President should not be surprised to hear a dissertation on Gandhian ethics but should not discount Desai’s capacity as a practical and pragmatic Minister.

1. U.S.–Indian Relations.
Anticipated Indian Position.
Mr. Desai is likely to begin the conversation with a general statement of Indian appreciation for U.S. economic assistance. This statement may include reference to the success of the consortium meeting of last July. Depending on the circumstances at the time, Desai may indicate or imply some concern over prospects for U.S. aid during the coming year. He may also refer to some of the issues—Goa, Kashmir, MiG’s—which have vexed Indo-U.S. relations in recent months, and express the hope that they have not affected the basis for Indo-U.S. relations.
Recommended U.S. Position
The President, in reply, might:
remark on the importance to the United States and India of a friendly relationship between us, and his appreciation of Prime Minister Nehru’s recent letter.

note that a continuing effort is required from people of goodwill in both countries to generate the kind of mutual understanding which enables us to weather differences, such as those of the past year.

describe some of the political factors in the United States affect U.S. aid appropriations and how these are related to developments in India.

2. Foreign Resources for Indian Development
Anticipated Indian Position.
The Finance Minister may review the Indian need for economic assistance, commenting on progress already made, and indicating the bottlenecks which are now preventing achievement of the objectives of the Third Plan (Tab B). Desai may conclude that the Government of India is faced with the necessity either for cutting Plan targets or obtaining increased foreign aid. He may suggest, as Ambassador B.K. Nehru has already done to the Department and the World Bank, that Mr. Eugene Black send his three Wise Men for a follow-up report on India as a prelude to determining what measures can be taken further to assist India to achieve its Third Plan goals.
PART I: CONTRADICTIONS

9.1 THE BASIC APPROACH

1. We have many grave internal problems to face. But even a consideration of these internal problems inevitably leads to a wider range of thought. Unless we have some clarity of vision or, at any rate, are clear as to the questions posed to us, we shall not get out of the confusion that afflicts the world today. I do not pretend to have that clarity of thinking or to have any answers to our major questions. All I can say in all humility is that I am constantly thinking about these questions. In a sense, I might say that I rather envy those who have got fixed ideas and, therefore, need not take the trouble to look deeper into the problems of today. Whether it is from the point of view of some religion or ideology, they are not troubled with the mental conflicts which are always the accompaniment of the great ages of transition.

2. And yet, even though it may be more comfortable to have fixed ideas and be complacent, surely that is not to be commended, and that can only lead to stagnation and decay. The basic fact of today is the tremendous pace of change in human life. In my own life, I have seen amazing changes, and I am sure that, in the course of the life of the next generation, these changes will be even greater, if humanity is not overwhelmed and annihilated by an atomic war.

3. Nothing is so remarkable as the progressive conquest or understanding of the physical world by the mind of man today, and this process is continuing at a terrific pace. Man need no longer be a victim of external circumstances, at any rate to a very large extent. While there has been this conquest of external conditions, there is at the same time the strange spectacle of a lack of moral fibre and of self-control in man as a whole. Conquering the physical world, he fails to conquer himself.

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1 This note was later published as “The Basic Approach” in AICC Economic Review (August 1958).
4. That is the tragic paradox of this Atomic and Sputnik Age. The fact that nuclear tests continue, even though it is well recognized that they are very harmful in the present and in the future; the fact that all kinds of weapons of mass destruction are being produced and piled up, even though it is universally recognized that their use may well exterminate the human race, brings out this paradox with startling clarity. Science is advancing far beyond the comprehension of a very great part of the human race, and posing problems which most of us are incapable of understanding, much less of solving. Hence, the inner conflict and tumult of our times. On the one side, there is this great and overpowering progress in science and technology and of their manifold consequences, on the other, a certain mental exhaustion of civilization itself.

5. Religion comes into conflict with rationalism. The disciplines of religion and social usage fade away without giving place to other disciplines, moral or spiritual. Religion, as practised, either deals with matters rather unrelated to our normal lives and thus adopts an ivory tower attitude, or is allied to certain social usages which do not fit in with the present age. Rationalism, on the other hand, with all its virtues, somehow appears to deal with the surface of things, without uncovering the inner core. Science itself has arrived at a stage when vast new possibilities and mysteries loom ahead. Matter and energy and spirit seem to overlap.

6. In the ancient days, life was simpler and more in contact with nature. Now it becomes more and more complex and more and more hurried, without time for reflection or even of questioning. Scientific developments have produced an enormous surplus of power and energy which are often used for wrong purposes.

7. The old question still faces us, as it has faced humanity for ages past: what is the meaning of life? The old days of faith do not appear to be adequate, unless they can answer the questions of today. In a changing world, living should be a continuous adjustment to these changes and happenings. It is the lack of this adjustment that creates conflicts.

8. The old civilizations, with the many virtues that they possess, have obviously proved inadequate. The new Western civilization, with all its triumphs and achievements and also with its atomic bombs, also appears inadequate and, therefore, the feeling grows that there is something wrong with our civilization. Indeed essentially our problems are those of civilization itself. Religion gave certain moral and spiritual discipline; it also tried to perpetuate superstition and social usages. Indeed, those superstitions and social usages enmeshed and overwhelmed the real spirit of religion. Disillusionment followed. Communism comes in the wake of this disillusionment and offers some kind of faith and some kind of discipline. To some extent it fills a vacuum. It succeeds in some measure
by giving a content to man’s life. But in spite of its apparent success, it fails, partly because of its rigidity, but, even more so, because it ignores certain essential needs of human nature. There is much talk in communism of the contradictions of capitalist society and there is truth in that analysis. But we see the growing contradictions within the rigid framework of communism itself. Its suppression of individual freedom brings about powerful reactions. Its contempt for what might be called the moral and spiritual side of life not only ignores something that is basic in man, but also deprives human behaviour of standards and values. Its unfortunate association with violence encourages a certain evil tendency in human beings.

9. I have the greatest admiration for many of the achievements of the Soviet Union. Among these great achievements is the value attached to the child and to the common man. There the systems of education and health are probably the best in the world. But it is said, and rightly, that there is suppression of individual freedom there. And yet the spread of education in all its forms is itself a tremendous liberating force which ultimately will not tolerate that suppression of freedom. This again is another contradiction. Unfortunately, communism became too closely associated with the necessity for violence and thus the ideal which it placed before the world became a tainted one. Means distorted ends. We see here the powerful influence of wrong means and methods.

10. Communism charges the capitalist structure of society with being based on violence and class conflict. I think this is essentially correct, though that capitalist structure itself has undergone and is continually undergoing a change because of democratic and other forces. Still it is obviously true that there are class struggles and inequality. The question is how to get rid of this and have a classless society with equal opportunities for all. Can this be achieved through methods of violence, or can it be possible to bring about those changes through peaceful methods? Communism has definitely allied itself to the approach of violence. Even if it does not indulge normally in physical violence, its language is of violence, its thought is violent and it does not seek to change by persuasion or peaceful democratic pressures, but by coercion and indeed by destruction and extermination in their grossest forms and, at the same time, it has no acceptable ideal.

11. This is completely opposed to the peaceful approach which Gandhiji taught us. Communists as well as anti-Communists both seem to imagine that a principle can only be stoutly defended by language of violence, and by condemning those who do not accept it. For both of them there are no shades, there is only black and white. That is the old approach of the bigoted aspect of some religions. It is not the approach of tolerance
of feeling that perhaps others might have some share of the truth also. Speaking for myself, I find this approach wholly unscientific, unreasonable and uncivilized, whether it is applied in the realm of religion or economic theory or anything else. I prefer the old pagan approach of tolerance, apart from its religious aspects. But whatever we may think about it, we have arrived at a stage in the modern world when an attempt at forcible imposition of ideas on any large section of people is bound ultimately to fail. In present circumstances this will lead to war and tremendous destruction. There will be no victory, only defeat for everyone. Even apart from this, we have seen, in the last year or two, that it is not easy for even Great Powers to reintroduce colonial control over territories which have recently become independent. This was exemplified by the Suez incident in 1956. Also what happened in Hungary demonstrated that the desire for national freedom is stronger even than any ideology and cannot ultimately be suppressed. What happened in Hungary was not essentially a conflict between communism and anti-communism. It represented nationalism striving for freedom from foreign control.

12. Thus, violence cannot possibly lead today to a solution of any major problem because violence has become much too terrible and destructive. The moral approach to this question has now been powerfully reinforced by the practical aspect.

13. If the society we aim at cannot be brought about by big-scale violence, will small-scale violence help? Surely not, partly because that itself may lead to the big-scale violence and partly because it produces an atmosphere of conflict and of disruption. It is absurd to imagine that out of conflict the social progressive forces are bound to win. In Germany both the Communist Party and the Social Democratic Party were swept away by Hitler. This may well happen in other countries too. In India any appeal to violence is particularly dangerous because of its inherent disruptive character. We have too many fissiparous tendencies for us to take risks. But all these are relatively minor considerations. The basic thing, I believe, is that wrong means will not lead to right results and that is no longer merely an ethical doctrine but a practical proposition.

14. Some of us have been discussing this general background and, more especially, conditions in India. It is often said that there is a sense of frustration and depression in India and the old buoyancy of spirit is not to be found, at a time when enthusiasm and hard work are most needed. This is not merely in evidence in our country. It is in a sense a world phenomenon. An old and valued colleague said that this is due to our not having a philosophy of life and indeed the world also is suffering from this lack of a philosophical approach. In our efforts to ensure the material prosperity of the country, we have not paid any attention to the spiritual
element in human nature. Therefore, in order to give the individual and
the nation a sense of purpose, something to live for and, if necessary, to
die for, we have to revive some philosophy of life and give, in the wider
sense of the word, a spiritual background to our thinking. We talk of a
Welfare State and of democracy and socialism. They are good concepts
but they hardly convey a clear and unambiguous meaning. This was the
argument and then the question arose as to what our ultimate objective
should be. Democracy and socialism are means to an end, not the end
itself. We talk of the good of society. Is this something apart from the
transcending the good of the individuals composing it? If the individual
is ignored and sacrificed for what is considered the good of the society,
is that the right objective to have?

15. It was agreed that the individual should not be so sacrificed and indeed
that real social progress will come only when opportunity is given to the
individual to develop, provided the individual is not a selected group, but
comprises the whole community. The touchstone, therefore, should be
how far any political or social theory enables the individual to rise above his
petty self and thus think in terms of the good of all. The law of life should
not be competition or acquisitiveness but cooperation, the good of each
contributing to the good of all. In such a society the emphasis will be
on duties, not on rights; the rights will follow the performance of the
duties. We have to give a new direction to education and evolve a new
type of humanity.

16. This argument led to the old Vedantic conception that everything,
whether sentient or insentient, finds a place in the organic whole; that
everything has a spark of what might be called the Divine impulse, or
the basic energy or life force which pervades the universe. This leads to
metaphysical regions which tend to take us away from the problems of
life which face us. I suppose that any line of thought, sufficiently pursued,
leads us in some measure to metaphysics. Even science today is almost
on the verge of all manner of imponderables. I do not propose to discuss
these metaphysical aspects, but this very argument indicates how the
mind searches for something basic underlying the physical world. If
we really believed in this all-pervading concept of the principle of life it
might help us to get rid of some of our narrowness of race, caste or class
and make us more tolerant and understanding in our approaches to life's
problems.

17. But obviously it does not solve any of these problems and, in a sense,
we remain where we were. In India we talk of the Welfare State and
socialism. In a sense, every country, whether it is capitalist, Socialist or
Communist, accepts the ideal of the Welfare state. Capitalism in a few
countries at least has achieved this common welfare to a very large extent,
though it has far from solved its own problems and there is a basic lack of something vital. Democracy allied to capitalism has undoubtedly toned down many of its evils and in fact is different now from what it was a generation or two ago. In industrially advanced countries there has been a continuous and steady upward trend of economic development. Even the terrible losses of World Wars have not prevented this trend, insofar as these highly developed countries are concerned. Further, this economic development has spread, though in varying degrees, to all classes. This does not apply to countries which are not industrially developed. Indeed, in those countries the struggle for development is very difficult and sometimes, in spite of efforts not only do economic inequalities remain, but tend to become worse. Normally speaking, it may be said that the forces of a capitalist society, if left unchecked, tend to make the rich richer and the poor poorer and thus increase the gap between them. This applies to countries as well as groups or regions or classes within the countries. Various democratic processes interfere with these normal trends. Capitalism itself has, therefore, developed some socialistic features even though its major aspects remain.

18. Socialism, of course, deliberately wants to interfere with the normal processes and thus not only adds to the productive forces but lessens inequalities. But what is socialism? It is difficult to give a precise answer and there are innumerable definitions of it. Some people probably think of socialism vaguely just as something which does good and which aims at equality. That does not take us very far. Socialism is basically a different approach from that of capitalism, though I think it is true that the wide gap between then tends to lessen because many of the ideas of socialism are gradually incorporated even in the capitalist structure. Socialism is after all not only a way of life but a certain scientific approach to social and economic problems. If socialism is introduced in a backward and under-developed country, it does not suddenly make it any less backward. In fact, we then have a backward and poverty-stricken socialism.

19. Unfortunately many of the political aspects of communism have tended to distort our vision of socialism. Also the technique of struggle evolved by communism has given violence a predominant part. Socialism should, therefore, be considered apart from these political elements or the inevitability of violence. It tells us that the general character of social, political and intellectual life in a society is governed by its productive resources. As those productive resources change and develop, so the life and thinking of the community changes.

20. Imperialism or colonialism suppressed and suppresses the progressive social forces. Inevitably it aligns itself with certain privileged groups or classes because it is interested in preserving the social and economic status quo. Even after a country has become independent, it may continue to
be economically dependent on other countries. This kind of thing is euphemistically called having close cultural and economic ties.

21. We discuss sometimes the self-sufficiency of the village. This should not be mixed up with the idea of decentralization though it may be a part of it. While decentralization is, I think, desirable to the largest possible extent, if it leads to old and rather primitive methods of production, then it simply means that we do not utilize modern methods which have brought great material advance to some countries of the West. That is, we remain poor and, what is more, tend to become poorer because of the pressure of an increasing population. I do not see any way out of our vicious circle of poverty except by utilizing the new sources of power which science has placed at our disposal. Being poor, we have no surplus to invest and we sink lower and lower.

22. We have to break through this barrier by profiting by the new sources of power and modern technique. But, in doing so, we should not forget the basic human element and the fact that our objective is individual improvement and the lessening of inequalities; and we must not forget the ethical and spiritual aspects of life which are ultimately the basis of culture and civilization and which have given some meaning to life.

23. It has to be remembered that it is not by some magic adoption of socialist or capitalist method that poverty suddenly leads to riches. The only way is through hard work and increasing the productivity of the nation and organizing an equitable distribution of its products. It is a lengthy and difficult process. In a poorly developed country, the capitalist method offers no chance. It is only through a planned approach on socialistic lines that steady progress can be attained though even that will take time. As this process continues, the texture of our life and thinking gradually changes.

24. Planning is essential for this because otherwise we waste our resources which are very limited. Planning does not mean a mere collection of projects or schemes, but a thought-out approach of how to strengthen the base and pace of progress so that the community advances on all fronts. In India we have a terrible problem of extreme poverty in certain large regions, apart from the general poverty of the country. We have always a difficult choice before us; whether to concentrate on production by itself in selected and favourable areas, and thus for the moment rather ignoring the poor areas, or try to develop the backward areas at the same time, so as to lessen the inequalities between regions. A balance has to be struck and an integrated national plan evolved. That national plan need not and indeed should not have rigidity. It need not be based on any dogma; but should rather take the existing facts into consideration. It may and, I think, in present-day India it should, encourage private enterprise in
many fields, though even that private enterprise must necessarily fit in with the national plan and have such controls as are considered necessary.

25. Land reforms have a peculiar significance because without them, more especially in a highly congested country like India, there can be no radical improvement in productivity in agriculture. But the main object of land reforms is a deeper one. They are meant to break up the old class structure of a society that is stagnant.

26. We want social security, but we have to recognize that social security only comes when a certain stage of development has been reached. Otherwise we shall have neither social security nor any development.

27. It is clear that, in the final analysis, it is the quality of the human beings that counts. It is man that builds up the wealth of a nation, as well as its cultural progress. Hence education and health are of high importance so as to produce that quality in the human beings. We have to suffer here also from the lack of resources, but still we have always to remember that it is right education and good health that will give the foundation for economic as well as cultural and spiritual progress.

28. A national plan has thus both a short-term objective and a long-term one. The long-term objective gives a true perspective. Without it short-term planning is of little avail and will lead us into blind alleys. Planning will thus always be perspective planning and have in view the physical achievements for which we strive. In other words, it has to be physical planning, though it is obviously limited and conditioned by financial resources and economic conditions.

29. The problems that India faces are to some extent common to other countries but, much more so, there are new problems for which we have not got parallels or historical precedents elsewhere. What has happened in the past in the industrially advanced countries has little bearing on us today. As a matter of fact, the countries that are advanced today were economically better off than India is today, in terms of per capita income, before their industrialization began. Western economics, therefore, though helpful, have little bearing on our present-day problems. So also have Marxist economics which are in many ways out of date, even though they throw a considerable light on economic processes. We have thus to do our own thinking, profiting by the example of others but essentially trying to find a path for ourselves suited to our own conditions.

30. In considering these economic aspects of our problems, we have always to remember the basic approach of peaceful means; and perhaps we might also keep in view the old Vedantic ideal of the life force which is the inner base of everything that exists.

Yours sincerely,

Jawaharlal Nehru
9.2 NEHRU SPEECHES

Rise of Arab Nationalism

Our General view in regard to West Asia has been frequently stated. Our approach is not inimical to any country there. It is friendly to all countries, but inevitably our sympathies are with the Arab countries and with Arab nationalism which represents today the urge of the people. Also, according to our general policy as well as our views on the present situation in West Asia, we do not accept that foreign troops should be used in any territory in the area in the circumstances prevailing there. We are convinced that there can be no settlement and no return to normality till foreign troops are removed from the area. Sometimes it is stated that these countries should be treated like tender infants and be under the guardianship of bigger countries. But it is quite clear that they do not like this offer of guardianship and patronage, and in fact resent such suggestions.

One has to take, to some extent, a historical view of the developments in West Asia. For hundreds of years these countries in West Asia were under Turkish domination. They came out of it at the end of the first world war. The Western powers decided what they liked about these countries without really caring much for the wishes of the people. Probably there was no organized way for the people to express their views. New nations were created, and the contacts of the Western powers were with the rulers of their own creation or, chiefly, with the landed gentry. There were few contacts with the people. The whole period between the two world wars was one when Arab nationalism was trying to push out this foreign domination and was gradually making some progress in that direction. Then came the war and the post-war period, when much has happened in the various countries of the Middle East.

The major fact in West Asia is the growth of Arab nationalism in a very powerful, resurgent way. Egypt took the lead in this matter and, under the wise leadership of President Nasser, has played a very important part. Nasser, in fact became the most prominent symbol of Arab nationalism. This fact, which was patent, was neither liked nor appreciated by many powers, and an attempt was made to split the Arab countries, in fact, Arab nationalism.

The House may remember the talk about building up the “northern tier defence” and about the Baghdad Pact. The motives were supposed to be to protect these countries from the attack or invasion from the Soviet Union and to give them security and peace. As a matter of fact, the result was quite the contrary. The troubles of these countries only increased because of such an approach. The Arab countries, at any rate the Governments, were divided—some in the Baghdad Pact and some outside it. While the Governments carried on a cold war against each other, the people almost in every Arab country were powerfully affected by this tide of Arab nationalism. Thus in the countries associated

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with the Baghdad Pact there was a hiatus between the Governments and the people, the people looking more and more towards Arab nationalism and the Governments looking in another direction and rather ranged against the spirit of Arab nationalism. How big this hiatus was can be seen from the coup d’etat in Baghdad which surprised everyone. I believe it surprised even the people in Iraq and Egypt. The surprise was not essentially that it took place but the speed with which it took place and the complete success which attended it. It showed how utterly divorced from public opinion the Government of Iraq was. When the change came, it brought tremendous relief all over Iraq, and the people flocked to the side of the new Government. So this attempt at not recognizing the spirit of Arab nationalism, even trying to come in its way and obstructing it, really achieved the opposite effect—it encouraged nationalism as such an approach will inevitably do. This has resulted in the Arab nations coming nearer to one another and will no doubt bring about a great deal of co-operation between them. It was said that some kind of an Arab empire was being built up, which was dangerous. I do not know about the future, but I see no empire, much less an Arab empire.

Why nuclear power

THE DEPARTMENT OF Atomic Energy has produced a report which is a remarkably comprehensive report. Hon. Members have spoken not only in commendation of the work of the Atomic Energy Department, but have urged the Government to go ahead at a faster pace in this direction.

It is a curious circumstance which strikes me often that in India we live in a variety of ages and centuries at the same time. I once said that we live in the cow-dung age in India, and I meant it in the sense that even now the principal source of power in India is cow-dung. It is an extraordinary position. At the same time, we are among the more or less advanced countries in regard to the development of atomic energy. So, we span not only centuries but millennia in this respect.

I have no doubt that the attention which we have paid to atomic energy has been right and very worth-while. It is worth-while from the point of view of the practical advantages which are beginning to come to us and which will come to us in greater measure. It is worth-while from an even deeper point of view, because a new age began with the bursting of the atom bomb at Hiroshima and with atomic power coming into use. Ever since then, the development of atomic energy has made considerable progress, both for destruction and for construction. Atomic power is a real symbol of the modern world which, Janus-like, faces two ways, the way of vast destruction and annihilation and the way of great speed in construction and progress.

So far as we are concerned, we are determined not to go in for making atomic bombs and the like. But we are equally determined not to be left behind in the advance in the use of this new power. It is true that in the ultimate analysis
a country which has atomic powerfully developed can use it for good or evil purposes. And no declaration which I can make today will necessarily bind people in future, but I do hope that we shall create an atmosphere in this country which will bind every Government in future not to use this power for evil purposes.

Hon. Members who spoke congratulated the Atomic Energy Department, or rather the Head of that Department, Dr. Bhabha, quite rightly. But I would like to stress that our congratulations are also due to a brilliant set of young scientists who are working in that Department. The work which the Atomic Energy Department has done and is doing is to pick out young, able scientists and to provide them the requisite training and experience. In this way the Department has built up a very fine set of young scientists. In fact, I remember that some eminent foreign scientists have referred to this. When they go to Trombay, one of the remarks they make almost invariably is about the young men in the Atomic Energy Department occupying very responsible positions. I wish in other departments of our activity also we could have young men in similar positions.

India is among the very few countries in the world which have developed the technique of fabricating fuel elements. This is known to Members here, but I wish to repeat it. It is an important achievement. One of the results of this achievement is that we are saving a considerable amount of money in foreign exchange. From the figures I have, I find that after having spent Rs. 81 lakhs for the fuel fabrication facility, of which Rs. 40 lakhs was foreign exchange, we are saving annually Rs. 45 lakhs in foreign exchange and could save more with bigger production.

So far as our Apsara is concerned, the level of operation has gone up in the course of four years, from 17,840 kWh annually to one million kWh. It is known that the Canada–India Reactor achieved critically on July 10. This is going to be one of the biggest isotope-producers in the world. Zerlina has yet to come; it is being built.

One of the things to which I should like to draw special attention is the Electronics Division of the Trombay establishment. The Trombay establishment has built up a very big Electronics Division which is producing various kinds of electronic instruments. And electronics definitely is a part of the future, for which we are working.

A question was asked about training. In this respect we are helping numerous universities, schools etc., and we are specially helping the Meghnad Saha Institute of Nuclear Physics. This apart, there is a proposal in the Third Plan for two inter-university atomic centres, one in North India and one in the South.

A large-scale research centre requires a team of high-class men, and we seldom have that team in one place. One of the reasons why the Trombay establishment has done exceedingly good work is that a big team of scientists work there. If all these very persons were spread out in the universities of India, the result would
not have been so good. Therefore, instead of spreading out the work in different universities, we want to have, to begin with, two inter-university centres to which the universities in each region would have access. These centres presumably will have reactors and the like and other facilities and a team of people drawn from the universities will work there. We want the universities to provide this basic training and even some higher training. At the present moment, high class training is being given at Trombay. Two hundred graduate scientists and engineers are being trained there every year, and we are training not only our own people but persons from other parts of Asia and elsewhere.

Mr. Bharucha evidently wants the programme of the building up of atomic power stations to be expanded considerably and speeded up. I would very much like to do so. Though we should go fast, I think that we should do so on sound foundations. Therefore, we have decided to provide one nuclear power stations, and we are considering the establishment of two more power stations, initially with an installed capacity of 150 megawatts each, capable of doing two shifts. I hope we shall be able to do this.

One very important factor about these atomic power stations is that they serve a dual purpose, namely producing power on the one hand and plutonium on the other. Plutonium is of the greatest importance because it is not available from outside as a commercial commodity. Its production is essential in order to enable the country to set up breeder power stations using thorium which we have in ample measure. From all these points of view it becomes very important for us to build up these power stations.

There is some apprehension about the cost of atomic power. From time to time a leading article appears in the newspapers dealing with its cost and saying that it is an uneconomic proposition to build these atomic stations. The country has to go the farthest with the United States, the United Kingdom and the Soviet Union. I have not got any particulars about the Soviet Union. But here is the British Government’s White Paper on the Nuclear Power Programme to which they are committed. Let me correct an error in the minds of those who think that they have given up this power programme or have reduced it. The fact of the matter is that they are going ahead. For the moment they have got large quantities of coal and oil and they are trying to use them. I shall quote a few sentences about costs. The cost of electricity has gone down. That is true. But the White Paper says:

The nuclear costs in which capital charges are the major element are falling even faster in stations designed today … In the long run we shall, therefore, need increasing supplies of nuclear power. In about ten years’ time it should be cheaper to generate a base load in nuclear stations than in conventional stations provided that we achieve the technological progress that is expected. To secure this we must continue to build nuclear stations on an adequate scale.
The point to remember is that we have to carry on to achieve some result. We cannot wait for America or Russia or some other country to achieve it and then try to imitate the benefits of that. We have to build up in order to keep in the forefront all the time. The moment we give up that effort and wait to take advantage of some further improvement made by a foreign country, we have lost the foothold. The British White Paper says:

“In these circumstances, the Government has decided, in agreement with the parties concerned, that the national interest would best be served by continuing, for the time being, to place orders for nuclear stations at the rate of roughly one every year.”

An interesting lecture was given by Dr. Christopher Hinton at the recent tercentenary celebrations of the Royal Society. In it he shows how the costs are going down. There is a chart in it and the stations in the U.K. are mentioned. At Berkeley the cost was £ 160 per kW., at Bradwell £ 159, at the third station about £ 133, at the fourth about £ 123 and at the fifth about £ 110. Every new one makes it cheaper. It becomes cheaper because of the experience gained and technological progress. May I say that India is favourably situated, more favourably than England or America, so far as costs are concerned?

According to a chart I have here, the nuclear costs and the conventional costs are both falling. In the case of the coal-based plant the costs fall gently whereas in the case of the nuclear plant the costs fall much more rapidly. For a 75 per cent load factor the two lines cross in 1966 and later the costs of atomic energy go down. It becomes less and less expensive than energy from coal.

It is generally admitted in other countries where conditions are less advantageous than in India that nuclear power stations are becoming and will soon become definitely economic propositions and cheaper than conventional power stations. In India which is a big country with long distances over which coal and other conventional elements have to be transported, the development of atomic energy is even more necessary. Also, in spite of an apparently large supply of coal in India, it is not really large enough for the future. Therefore, there is no doubt that we should lay the foundations for the atomic power and go ahead from now on. If we start a power station now, it will be four years before it is ready, and if we do not take steps now for the second and third stations progressively, then in future we shall be left rather far behind.

As you perhaps know, we have decided to have the first power station on the west coast of India, between Ahmedabad and Bombay. This place was chosen entirely from the point of view of various facilities. The place chosen is a place called Tarapore which is in Maharashtra but near Gujarat border. It is totally immaterial whether it is in Maharashtra or Gujarat, because it will supply power in equal measure to both. In fact, the power distribution will be controlled by a
committee or a like body in which Gujarat, Maharashtra and the Atomic Energy Department will jointly be represented.

Mr. Mukerjee said something about the disposal of atomic or radio-active waste. This is a matter which is one of great concern. The International Atomic Energy Agency at Vienna have set up a number of panels on the disposal of radio-active waste and the handling and transport of radio-active material, etc. Indian scientists have been invited to be members of all these, and an Indian scientist, Mr. Sethna, was chairman of one of these panels.

I am grateful for the appreciation shown by hon. Members for the work of this Department. I think no other department of the Government of India has had this unanimous appreciation.

Manufacture of MiG airport

I might deal with the issue of the MiG planes. The facts are quite simple. At no time did I think that this matter would become a major international issue.

Our Defence forces, perhaps rightly or not, were agitated ever since the United States gave the Sabre jets to Pakistan. No Defence Force is ever satisfied with what it has. It wants to make its position more assured. Our Defence Forces pointed out that in certain respects Pakistan was stronger in the air than we were and they wanted naturally the latest type of planes. For my part, I believe, as a practical proposition, that it is better to have a second-rate thing made in our own country than to rely on the first-rate thing which we have to import and which may stop functioning for lack of spare parts or something else. Therefore, our policy has been to make things and we have succeeded very largely. The manufactures in our Ordnance factories have gone up.

We have made a very fine supersonic aircraft in Bangalore with the help of a very eminent German engineer. But it takes time to make more of it. It will take two or three years before it is available in numbers. If we have them, we would not require anything else. We have made the Avro almost from scratch. We got the blueprint from England and we have made such a good transport plane that some of the nearby foreign countries want to buy it off even before we have made it.

So, when our Defence Forces felt anxious, we thought immediately of manufacturing a place rather than merely buying it. It is getting terribly expensive to buy such items, but we have to buy them, to begin with. We do not want to continue that process. Fortunately, we have got excellent engineers and mechanics in our Air Force and they are in charge of the Avro being made at the Hindustan Aircraft Factory. They are first-class men. And what is more, they are men with enthusiasm, and they like building up such things for India. We examined various planes. We had plenty of information about American, British and French supersonic aircraft. Some of them were flown by our people too, and they gave us their report.
Meanwhile some of our first-class engineers were sent by us to the Soviet Union to enquire whether they could make an engine or supply us with an engine for our supersonic aircraft made at Bangalore, because the engine we had got for it from England had ceased to be made owing to various reasons. We were suddenly called upon to face such a situation. So our engineers were sent out to find out about the engines and they remained in the Soviet Union for some weeks.

The engine which the Soviet Union offered us was excellent but it did not fit into our aircraft. They said, “Change the aircraft”. We said, “No. We cannot change the aircraft. You change the engine”. There was a long argument as to which was to be changed. Ultimately they agreed to change the engine to fit in the aircraft.

Only about four or five days ago another team of officers has gone to Moscow to decide how that engine is to be fitted in. While the team was previously there, they were interested as experts in the MIG. There was no offer or suggestion from us. They saw the MIG, made enquiries, had discussions and gave us a report after coming back. For a variety of reasons they thought that the MIG was a good proposition for us. So far as the performance was concerned, it is, according to the engineers, about the same as the American plane or the French Mirage, but it is probably more suitable for us. It is meant for rougher work. It does not require very special airfields but can land on ordinary airstrips. Its price also was much less. It is easier to manufacture. It is not so sophisticated and so complicated as the American plane or the Mirage is. That is important, because although we have developed a great deal in our technology and in our manufacture of aircraft, still we cannot compare ourselves with the experienced technicians in America or in Russia or in England. We discussed the matter amongst ourselves.

Just then somehow the matter got out into the press, not only here but in the press of England, America and may be in other countries. To our great surprise there was a tremendous noise made about it, but we had not looked upon it in that way. We thought it was relatively a simple operation of our buying anything which we chose to.

May I go back a little? About six years ago we were confronted with the fact that Pakistan had got some aircraft from America and was ahead of us. We were worried about that and we wanted to buy some aircraft. Among the planes proposed to us was the Ilyushin fighter aircraft which we might buy from the Soviet Union. Till then we had not bought any aircraft from anywhere except England, America and France. We had not gone outside that charmed circle. It so happened that a Minister of the United Kingdom was here then and we discussed the matter with him. He said, “If you are going out to buy these Russian aircraft, it will hurt us very much. We have dealt with each other all this time and now you go outside and buy abroad.” He pleaded against it. We had, in fact, thought of Russia only because the British had refused us delivery.
They could not supply us with that type of aircraft. Then he said, “We shall see to it that you get it”, although previously they had, in reply to our enquiry, said that they could not supply us the aircraft. Rightly or wrongly, we decided to buy British aircraft then, because they promised to deliver them quickly.

At that time, I wrote a letter to the Prime Minister of the United Kingdom because he had written to me in regard to the matter. I replied to it. We said that we would not give up the freedom to buy anything from where we liked and when we liked, and that should be admitted. “In the present case” we said, “as you are prepared to supply what we want—previously you were not—we will buy it”. I added that, because of our relations, if we wanted to buy anywhere else we would let them know, consult them and then decide, the decision being ours. This happened about six or seven years ago. I am mentioning it because when the present question arose, I was reminded of that letter and was told that I had promised to consult them and to give them a chance before we came to a final decision. I told them that we had consulted our experts and they had considered various aircraft in England, America, France and Russia.

It is patent that no independent country, and certainly not India, can agree to the proposition that our purchases of aircraft or anything can be vetoed by another country. It is an impossible thing to agree to. And I must say nobody has said that to us. They have all agreed that we can buy where we like and what we like. Nevertheless they have expressed their regret and sorrow that we should buy from markets other than their own.

In coming to a decision we are certainly not going to be governed or influence by either pressure tactics from outside or the hope that aid will come if we did not do it. We want aid badly for our civil, economic programmes. Our Five Year Plans and other economic programmes depend on that aid if it means giving up our independence in any respect. I was glad, therefore, to observe that hon. Members who referred to this matter, although they may hold differing opinions on other issues, did agree that it was improper for any country to put pressure on us to buy or not to buy a particular type of aircraft which we want. In this matter there is a certain unanimity, which is as it should be.

**Part II: US Global System of Military Alliances**

9.3 **Inter-American Treaty of Reciprocal Assistance**

In the name of their Peoples, the Governments represented at the Inter-American Conference for the Maintenance of Continental Peace and Security, desirous of consolidating and strengthening their relations of friendship and good neighborliness, and Considering:

That Resolution VIII of the Inter-American Conference on Problems of War and Peace, which met in Mexico City, recommended the conclusion of a treaty
to prevent and repel threats and acts of aggression against any of the countries of America;

That the High Contracting Parties reiterate their will to remain united in an inter-American system consistent with the purposes and principles of the United Nations, and reaffirm the existence of the agreement which they have concluded concerning those matters relating to the maintenance of international peace and security which are appropriate for regional action;

That the High Contracting Parties reaffirm their adherence to the principles of inter-American solidarity and cooperation, and especially to those set forth in the preamble and declarations of the Act of Chapultepec, all of which should be understood to be accepted as standards of their mutual relations and as the juridical basis of the Inter-American System;

That the American States propose, in order to improve the procedures for the pacific settlement of their controversies, to conclude the treaty concerning the “Inter-American Peace System” envisaged in Resolutions IX and XXXIX of the Inter-American Conference on Problems of War and Peace,

That the obligation of mutual assistance and common defense of the American Republics is essentially related to their democratic ideals and to their will to cooperate permanently in the fulfillment of the principles and purposes of a policy of peace;

That the American regional community affirms as a manifest truth that juridical organization is a necessary prerequisite of security and peace, and that peace is founded on justice and moral order and, consequently, on the international recognition and protection of human rights and freedoms, on the indispensable well-being of the people, and on the effectiveness of democracy for the international realization of justice and security,

Have resolved, in conformity with the objectives stated above, to conclude the following Treaty, in order to assure peace, through adequate means, to provide for effective reciprocal assistance to meet armed attacks against any American State, and in order to deal with threats of aggression against any of them:

Article 1

The High Contracting Parties formally condemn war and undertake in their international relations not to resort to the threat or the use of force in any manner inconsistent with the provisions of the Charter of the United Nations or of this Treaty.

Article 2

As a consequence of the principle set forth in the preceding Article, the High Contracting Parties undertake to submit every controversy which may arise
between them to methods of peaceful settlement and to endeavor to settle any such controversy among themselves by means of the procedures in force in the Inter-American System before referring it to the General Assembly or the Security Council of the United Nations.

Article 3

1. The High Contracting Parties agree that an armed attack by any State against an American State shall be considered as an attack against all the American States and, consequently, each one of the said Contracting Parties undertakes to assist in meeting the attack in the exercise of the inherent right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations.

2. On the request of the State or States directly attacked and until the decision of the Organ of Consultation of the Inter-American System, each one of the Contracting Parties may determine the immediate measures which it may individually take in fulfillment of the obligation contained in the preceding paragraph and in accordance with the principle of continental solidarity. The Organ of Consultation shall meet without delay for the purpose of examining those measures and agreeing upon the measures of a collective character that should be taken.

3. The provisions of this Article shall be applied in case of any armed attack which takes place within the region described in Article 4 or within the territory of an American State. When the attack takes place outside of the said areas, the provisions of Article 6 shall be applied.

4. Measures of self-defense provided for under this Article may be taken until the Security Council of the United Nations has taken the measures necessary to maintain international peace and security.

Article 4

The region to which this Treaty refers is bounded as follows: beginning at the North Pole; thence due south to a point 74 degrees north latitude, 10 degrees west longitude; thence by a rhumb line to a point 47 degrees 30 minutes north latitude, 50 degrees west longitude; thence by a rhumb line to a point 35 degrees north latitude, 60 degrees west longitude; thence due south to a point in 20 degrees north latitude; thence by a rhumb line to a point 5 degrees north latitude, 24 degrees west longitude; thence due south to the South Pole; thence due north to a point 30 degrees south latitude, 90 degrees west longitude; thence by a rhumb line to a point on the Equator at 97 degrees west longitude; thence by a rhumb line to a point 15 degrees north latitude, 120 degrees west longitude; thence
by a rhumb line to a point 50 degrees north latitude, 170 degrees east longitude; thence due north to a point in 54 degrees north latitude; thence by a rhumb line to a point 65 degrees 30 minutes north latitude, 168 degrees 58 minutes 5 seconds west longitude: thence due north to the North Pole.

Article 5

The High Contracting Parties shall immediately send to the Security Council of the United Nations, in conformity with Articles 51 and 54 of the Charter of the United Nations, complete information concerning the activities undertaken or in contemplation in the exercise of the right of self-defense or for the purpose of maintaining inter-American peace and security.

Article 6

If the inviolability or the integrity of the territory or the sovereignty or political independence of any American State should be affected by an aggression which is not an armed attack or by an extra-continental or intra-continental conflict, or by any other fact or situation might endanger the peace of America, the Organ of Consultation shall meet immediately in order to agree on the measures which must be taken in case of aggression to assist the victim of the aggression or, in any case, the measures which should be taken for the common defense and for the maintenance of the peace and security of the Continent.

Article 7

In the case of a conflict between two or more American States, without prejudice to the right of self-defense in conformity with Article 51 of the Charter of the United Nations, the High Contracting Parties, meeting in consultation shall call upon the contending States to suspend hostilities and restore matters to the status quo ante bellum, and shall take in addition all other necessary measures to re-establish or maintain inter-American peace and security and for the solution of the conflict by peaceful means. The rejection of the pacifying action will be considered in the determination of the aggressor and in the application of the measures which the consultative meeting may agree upon.

Article 8

For the purposes of this Treaty, the measures on which the Organ of Consultation may agree will comprise one or more of the following: recall of chiefs of diplomatic missions; breaking of diplomatic relations; breaking of consular relations; partial or complete interruption of economic relations or of rail, sea,
air, postal, telegraphic, telephonic, and radiotelephonic or radiotelegraphic communications; and use of armed force.

Article 9
In addition to other acts which the Organ of Consultation may characterize as aggression, the following shall be considered as such:

a. Unprovoked armed attack by a State against the territory, the people, or the land, sea or air forces of another State;

b. Invasion, by the armed forces of a State, of the territory of an American State, through the trespassing of boundaries demarcated in accordance with a treaty, judicial decision, or arbitral award, or, in the absence of frontiers thus demarcated, invasion affecting a region which is under the effective jurisdiction of another State.

Article 10
None of the provisions of this Treaty shall be construed as impairing the rights and obligations of the High Contracting Parties under the Charter of the United Nations.

Article 11
The consultations to which this Treaty refers shall be carried out by means of the Meetings of Ministers of Foreign Affairs of the American Republics which have ratified the Treaty, or in the manner or by the organ which in the future may be agreed upon.

Article 12
The Governing Board of the Pan American Union may act provisionally as an organ of consultation until the meeting of the Organ of Consultation referred to in the preceding Article takes place.

Article 13
The consultations shall be initiated at the request addressed to the Governing Board of the Pan American Union by any of the Signatory States which has ratified the Treaty.

Article 14
In the voting referred to in this Treaty only the representatives of the Signatory States which have ratified the Treaty may take part.
Article 15
The Governing Board of the Pan American Union shall act in all matters concerning this treaty as an organ of liaison among the Signatory States which have ratified this Treaty between these States and the United Nations.

Article 16
The decisions of the Governing Board of the Pan American Union referred to in Articles 13 and 15 above shall be taken by an absolute majority of the Members entitled to vote.

Article 17
The Organ of Consultation shall take its decisions by a vote of two-thirds of the Signatory States which have ratified the Treaty.

Article 18
In the case of a situation or dispute between American States, the parties directly interested shall be excluded from the voting referred to in two preceding Articles.

Article 19
To constitute a quorum in all the meetings referred to in the previous Articles, it shall be necessary that the number of States represented shall be at least equal to the number of votes necessary for the taking of the decision.

Article 20
Decisions which require the application of the measures specified in Article 8 shall be binding upon all the Signatory States which have ratified this Treaty, with the sole exception that no State shall be required to use armed force without its consent.

Article 21
The measures agreed upon by the Organ of Consultation shall be executed through the procedures and agencies now existing or those which may in the future be established.

Article 22
This Treaty shall come into effect between the States which ratify it as soon as the ratifications of two-thirds of the Signatory States have been deposited.
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Article 23
This Treaty is open for signature by the American States at the city of Rio de Janeiro, and shall be ratified by the Signatory States as soon as possible in accordance with their respective constitutional processes. The ratifications shall be deposited with the Pan American Union, which shall notify the Signatory States of each deposit. Such notification shall be considered as an exchange of ratifications.

Article 24
The present Treaty shall be registered with the Secretariat of the United Nations through the Pan American Union, when two-thirds of the Signatory States have deposited their ratifications.

Article 25
This Treaty shall remain in force indefinitely, but may be denounced by any High Contracting Party by a notification in writing to the Pan American Union, which shall inform all the other High Contracting Parties of each notification of denunciation received. After the expiration of two years from the date of the receipt by the Pan American Union of a notification of denunciation by any High Contracting Party, the present Treaty shall cease to be in force and with respect to such State, but shall remain in full force and effect with respect to all the other high Contracting Parties.

Article 26
The principles and fundamental provisions of this Treaty shall be incorporated in the Organic Pact of the Inter-American System.

In witness whereof, the undersigned Plenipotentiaries, having deposited their full powers found to be in due and proper form, sign this Treaty on behalf of their respective Governments, on the dates appearing opposite their signatures.

Done in the city of Rio de Janeiro, in four texts respectively in the English, French, Portuguese and Spanish languages, on the second of September nineteen hundred forty-seven.

9.4 THE NORTH ATLANTIC TREATY
Washington D.C.– 4 April 1949
The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.
They are determined to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law. They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defence and for the preservation of peace and security. They therefore agree to this North Atlantic Treaty:

Article 1
The Parties undertake, as set forth in the Charter of the United Nations, to settle any international dispute in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article 2
The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Article 3
In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Article 4
The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

Article 5
The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by
taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article 6

For the purpose of Article 5, an armed attack on one or more of the Parties is deemed to include an armed attack:

- on the territory of any of the Parties in Europe or North America, on the Algerian Departments of France, on the territory of or on the Islands under the jurisdiction of any of the Parties in the North Atlantic area north of the Tropic of Cancer;
- on the forces, vessels, or aircraft of any of the Parties, when in or over these territories or any other area in Europe in which occupation forces of any of the Parties were stationed on the date when the Treaty entered into force or the Mediterranean Sea or the North Atlantic area north of the Tropic of Cancer.

Article 7

This Treaty does not affect, and shall not be interpreted as affecting in any way the rights and obligations under the Charter of the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

Article 8

Each Party declares that none of the international engagements now in force between it and any other of the Parties or any third State is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

3 The definition of the territories to which Article 5 applies was revised by Article 2 of the Protocol to the North Atlantic Treaty on the accession of Greece and Turkey signed on 22 October 1951.

4 On January 16, 1963, the North Atlantic Council noted that insofar as the former Algerian Departments of France were concerned, the relevant clauses of this Treaty had become inapplicable as from July 3, 1962.
Article 9

The Parties hereby establish a Council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The Council shall be so organised as to be able to meet promptly at any time. The Council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defence committee which shall recommend measures for the implementation of Articles 3 and 5.

Article 10

The Parties may, by unanimous agreement, invite any other European State in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any State so invited may become a Party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

Article 11

This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the States which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other States on the date of the deposit of their ratifications.5

Article 12

After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

5 The Treaty came into force on 24 August 1949, after the deposition of the ratifications of all signatory states.
Article 13

After the Treaty has been in force for twenty years, any Party may cease to be a Party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

Article 14

This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies will be transmitted by that Government to the Governments of other signatories.

9.5 SECURITY TREATY BETWEEN AUSTRALIA, NEW ZEALAND, AND THE UNITED STATES OF AMERICA

THE PARTIES TO THIS TREATY, REAFFIRMING their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all Governments, and desiring to strengthen the fabric of peace in the Pacific Area, NOTING that the United States already has arrangements pursuant to which its armed forces are stationed in the Philippines, and has armed forces and administrative responsibilities in the Ryukyus, and upon the coming into force of the Japanese Peace Treaty may also station armed forces in and about Japan to assist in the preservation of peace and security in the Japan Area, RECOGNIZING that Australia and New Zealand as members of the British Commonwealth of Nations have military obligations outside as well as within the Pacific Area, DESIRING to declare publicly and formally their sense of unity, so that no potential aggressor could be under the illusion that any of them stand alone in the Pacific Area, and DESIRING further to coordinate their efforts for collective defense for the preservation of peace and security pending the development of a more comprehensive system of regional security in the Pacific Area, THEREFORE DECLARE AND AGREE as follows:

Article I

[The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.]
Article II  
In order more effectively to achieve the objective of this Treaty the Parties separately and jointly by means of continuous and effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack.

Article III  
The Parties will consult together whenever in the opinion of any of them the territorial integrity, political independence or security of any of the Parties is threatened in the Pacific.

Article IV  
Each Party recognizes that an armed attack in the Pacific Area on any of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes. Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article V  
For the purpose of Article IV, an armed attack on any of the Parties is deemed to include an armed attack on the metropolitan territory of any of the Parties, or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels or aircraft in the Pacific.

Article VI  
This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

Article VII  
The Parties hereby establish a Council, consisting of their Foreign Ministers or their Deputies, to consider matters concerning the implementation of this Treaty. The Council should be so organized as to be able to meet at any time.

Article VIII  
Pending the development of a more comprehensive system of regional security in the Pacific Area and the development by the United Nations of more effective means to maintain international peace and security, the Council, established by Article VII, is authorized to maintain a consultative relationship with States, Regional Organizations, Associations of States or other authorities in the Pacific Area in a position to further the purposes of this Treaty and to contribute to the security of that Area.
THE UNITED STATES AND INDIA

Article IX
This Treaty shall be ratified by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of Australia, which will notify each of the other signatories of such deposit. The Treaty shall enter into force as soon as the ratifications of the signatories have been deposited. 6

Article X
This Treaty shall remain in force indefinitely. Any Party may cease to be a member of the Council established by Article VII one year after notice has been given to the Government of Australia, which will inform the Governments of the other Parties of the deposit of such notice.

Article XI
This Treaty in the English language shall be deposited in the archives of the Government of Australia. Duly certified copies thereof will be transmitted by that Government to the Governments of each of the other signatories.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Treaty.
DONE at the city of San Francisco this first day of September, 1951.
FOR AUSTRALIA:
[Signed:]
PERCY C. SPENDER
FOR NEW ZEALAND:
[Signed:]
C.A. BERENDSEN
FOR THE UNITED STATES OF AMERICA:
[Signed:]
DEAN ACHESON
JOHN FOSTER DULLES
ALEXANDER WILEY
JOHN J. SPARKMAN

9.6 SOUTHEAST ASIA COLLECTIVE DEFENSE TREATY (MANILA PACT); SEPTEMBER 8, 19547

The Parties to this Treaty,
Recognizing the sovereign equality of all the Parties,
Reiterating their faith in the purposes and principles set forth in the Charter of the United Nations and their desire to live in peace with all peoples and all governments,

6 Instruments of ratification were deposited for Australia, New Zealand and the United States of America April 29, 1952, on which date the Treaty entered into force.
Reaffirming that, in accordance with the Charter of the United Nations, they uphold the principle of equal rights and self-determination of peoples, and declaring that they will earnestly strive by every peaceful means to promote self-government and to secure the independence of all countries whose peoples desire it and are able to undertake its responsibilities, Desiring to strengthen the fabric of peace and freedom and to uphold the principles of democracy, individual liberty and the rule of law, and to promote the economic well-being and development of all peoples in the treaty area, Intending to declare publicly and formally their sense of unity, so that any potential aggressor will appreciate that the Parties stand together in the area, and Desiring further to coordinate their efforts for collective defense for the preservation of peace and security, Therefore agree as follows:

Article I
The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article II
In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack and to prevent and counter subversive activities directed from without against their territorial integrity and political stability.

Article III
The Parties undertake to strengthen their free institutions and to cooperate with one another in the further development of economic measures, including technical assistance, designed both to promote economic progress and social well-being and to further the individual and collective efforts of governments toward these ends.

Article IV
1. Each Party recognizes that aggression by means of armed attack in the treaty area against any of the Parties or against any State or territory which the Parties by unanimous agreement may hereafter designate, would endanger its own peace and safety, and agrees that it will in that event act to meet the common danger in accordance with its constitutional processes. Measures taken under this paragraph shall be immediately reported to the Security Council of the United Nations.
2. If, in the opinion of any of the Parties, the inviolability or the integrity of the territory or the sovereignty or political independence of any Party in
the treaty area or of any other State or territory to which the provisions of paragraph 1 of this Article from time to time apply is threatened in any way other than by armed attack or is affected or threatened by any fact or situation which might endanger the peace of the area, the Parties shall consult immediately in order to agree on the measures which should be taken for the common defense.

3. It is understood that no action on the territory of any State designated by unanimous agreement under paragraph 1 of this Article or on any territory so designated shall be taken except at the invitation or with the consent of the government concerned.

Article V

The Parties hereby establish a Council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The Council shall provide for consultation with regard to military and any other planning as the situation obtaining in the treaty area may from time to time require. The Council shall be so organized as to be able to meet at any time.

Article VI

This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of any of the Parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security. Each Party declares that none of the international engagements now in force between it and any other of the Parties or any third party is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

Article VII

Any other State in a position to further the objectives of this Treaty and to contribute to the security of the area may, by unanimous agreement of the Parties, be invited to accede to this Treaty. Any State so invited may become a Party to the Treaty by depositing its instrument of accession with the Government of the Republic of the Philippines. The Government of the Republic of the Philippines shall inform each of the Parties of the deposit of each such instrument of accession.

Article VIII

As used in this Treaty, the “treaty area” is the general area of Southeast Asia, including also the entire territories of the Asian Parties, and the general area of the Southwest Pacific not including the Pacific area north of 21 degrees 30 minutes north latitude. The Parties may, by unanimous agreement, amend this Article to include within the treaty area the territory of any State acceding to this Treaty in accordance with Article VII or otherwise to change the treaty area.
Article IX

1. This Treaty shall be deposited in the archives of the Government of the Republic of the Philippines. Duly certified copies thereof shall be transmitted by that government to the other signatories.

2. The Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the Republic of the Philippines, which shall notify all of the other signatories of such deposit.  

3. The Treaty shall enter into force between the States which have ratified it as soon as the instruments of ratification of a majority of the signatories shall have been deposited, and shall come into effect with respect to each other State on the date of the deposit of its instrument of ratification.

Article X

This Treaty shall remain in force indefinitely, but any Party may cease to be a Party one year after its notice of denunciation has been given to the Government of the Republic of the Philippines, which shall inform the Governments of the other Parties of the deposit of each notice of denunciation.

Article XI

The English text of this Treaty is binding on the Parties, but when the Parties have agreed to the French text thereof and have so notified the Government of the Republic of the Philippines, the French text shall be equally authentic and binding on the Parties.

Understanding of The United States Of America

The United States of America in executing the present Treaty does so with the understanding that its recognition of the effect of aggression and armed attack and its agreement with reference thereto in Article IV, paragraph 1, apply only to communist aggression but affirms that in the event of other aggression or armed attack it will consult under the provisions of Article IV, paragraph 2.

In witness whereof, the undersigned Plenipotentiaries have signed this Treaty.
Done at Manila, this eighth day of September, 1954.

9.7 BAGHDAD PACT; FEBRUARY 4, 1955

Pact of Mutual Cooperation Between the Kingdom of Iraq, the Republic of Turkey, the United Kingdom, the Dominion of Pakistan, and the Kingdom

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8 Thailand deposited its instrument of ratification Dec. 2, 1954; the remaining signatories (the United States, Australia, France, New Zealand, Pakistan, the Philippines, and the United Kingdom) deposited their instruments Feb. 19, 1955.
of Iran (Baghdad Pact), February 24, 1955. Whereas the friendly and brotherly relations existing between Iraq and Turkey are in constant progress, and in order to complement the contents of the Treaty of Friendship and Good Neighbourhood concluded between His Majesty the King of Iraq and his Excellency the President of the Turkish Republic signed in Ankara on March 29, 1946, which recognised the fact that peace and security between the two countries is an integral part of the peace and security of all the nations of the world and in particular the nations of the Middle East, and that it is the basis for their foreign policies;

Whereas article 11 of the Treaty of Joint Defence and Economic Co-operation between the Arab League States provides that no provision of that treaty shall in any way affect, or is designed to affect, any of the rights and obligations accruing to the Contracting Parties from the United Nations Charter;

And having realised the great responsibilities borne by them in their capacity as members of the United Nations concerned with the maintenance of peace and security in the Middle East region which necessitate taking the required measures in accordance with article 51 of the United Nations Charter;

They have been fully convinced of the necessity of concluding a pact fulfilling these aims, and for that purpose have appointed as their plenipotentiaries ... who having communicated their full powers, found to be in good and due form, have agreed as follows:-

Article 1
Consistent with article 51 of the United Nations Charter the High Contracting Parties will co-operate for their security and defence. Such measures as they agree to take to give effect to this co-operation may form the subject of special agreements with each other.

Article 2
In order to ensure the realization and effect application of the co-operation provided for in article 1 above, the competent authorities of the High Contracting Parties will determine the measures to be taken as soon as the present pact enters into force. These measures will become operative as soon as they have been approved by the Governments of the High Contracting Parties.


Article 3
The High Contracting Parties undertake to refrain from any interference whatsoever in each other’s internal affairs. They will settle any dispute between themselves in a peaceful way in accordance with the United Nations Charter.

Article 4
The High Contracting Parties declare that the dispositions of the present pact are not in contradiction with any of the international obligations contracted by either of them with any third State or States. They do not derogate from and cannot be interpreted as derogating from, the said international obligations. The High Contracting Parties undertake not to enter into any international obligation incompatible with the present pact.

Article 5
This pact shall be open for accession to any member of the Arab League or any other State actively concerned with the security and peace in this region and which is fully recognized by both of the High Contracting Parties. Accession shall come into force from the date of which the instrument of accession of the State concerned is deposited with the Ministry for Foreign Affairs of Iraq.

Any acceding State party to the present pact may conclude special agreements, in accordance with article 1, with one or more States parties to the present pact. The competent authority of any acceding State may determine measures in accordance with article 2. These a measures will become operative as soon as they have been approved by the Governments of the parties concerned.

Article 6
A Permanent Council at ministerial level will be set up to function within the framework of the purposes of this pact when at least four Powers become parties to the pact.

The Council will draw up its own rules of procedure.

Article 7
This pact remains in force for a period of five years renewable for other five-year periods. Any Contracting Party may withdraw from the pact by notifying the other parties in writing of its desire to do so six months before the expiration of any of the above-mentioned periods, in which case the pact remains valid for the other parties.

Article 8
This pact shall be ratified by the contracting parties and ratifications shall be exchanged at Ankara as soon as possible. Thereafter it shall come into force from the date of the exchange of ratifications.

In witness whereof, the said plenipotentiaries have signed the present pact in Arabic, Turkish and English, all three texts being equally authentic except in the case of doubt when the English text shall prevail.

Done in duplicate at Baghdad this second day of Rajab 1374 Hijri corresponding to the twenty-fourth day of February 1955.
About the Editors

Praveen K Chaudhry is Assistant Professor, Department of Social Sciences, Fashion Institute of Technology, State University of New York. He received his PhD in Political Science from the University of Pennsylvania. He specializes in Security/Strategic studies, Political Economy, Global Governance and Comparative Politics. He has been associated with various prestigious educational institutions across the world such as Ohio University, Swarthmore College, Lafayette College, University of Pennsylvania, and the University of Delhi. He is also a Visiting Fellow at the Observer Research Foundation, New Delhi. His articles have appeared in several journals and magazines such as The World Economy, Journal of Development Studies, Finance and Development, and Economic and Political Weekly.

Marta Vanduzer-Snow is an independent scholar based in New York and New Delhi. She is an alumni of the Lafayette College, Bard College, and New York University. A specialist in the field of Strategic Studies, Political Economy, Global Governance and Comparative Politics, she has contributed her works to various journals and magazines such as Finance and Development, Bard Politics, Comparative Political Studies, and G24 Papers. She is a Visiting Fellow at the Observer Research Foundation, New Delhi.
Abdullah, Sheikh Mohammed, leader of the National Conference, Kashmir's largest political party, and one of the most important political figures in the modern history of Jammu and Kashmir; Prime Minister of Kashmir soon after its provisional accession to India in 1947.

Acheson, Dean, United States Assistant Secretary of State 1941–45; Under-Secretary of State, 1945–47; Secretary of State 1949–53.

Adams, Llewelyn, Sherman A., was White House Chief of Staff for President Dwight D. Eisenhower. He was also Governor of New Hampshire 1949–53.


Aflaq, Michael, founded The Ba’ath Party in Damascus, Syria, 1943; became its chief ideologis. Later he became Prime Minister of Syria between 1963 and 1964 and in 1966.

Albuquerque, Alfonso De, Portuguese Naval General who established the Portuguese colonial Empire in the Indian sea 1453–1515.

Allen, George, V., United States Ambassador to India and Nepal 1953–54; Assistant Secretary of State for Near Eastern, South Asian, and African Affairs 1953–54, Director of the United States Information Agency 1957–60.


as-Said, Nuri, an Iraqi politician during the British Mandate and the Monarchy, who served in various key cabinet positions, including fourteen terms as Prime Minister of Iraq 1930–58.
Auriol, Jules-Vincent, 1st President of the 4th Republic of France, 1947–54. He also served as interim President of the Provisional Government (Head of State and Government) in 1946.


Ball, George Wildman, United States Secretary of State for Economic and Agricultural Affairs in the John F. Kennedy and Lyndon B. Johnson administrations.


Battle, Lucius D., Executive Secretary in the United States Department of State 1961–62.

Ben-Gurion, David, 1st Prime Minister of Israel 1955–63; he played an instrumental role in the founding of the state of Israel at the expiration of the British Mandate. In the 1948 Arab-Israeli War he led Israel to victory.

Berendsen, Carl A., New Zealand Minister at Washington since 1944; Permanent Head of the Prime Minister’s Department, Wellington; New Zealand High Commissioner in Australia, 1943–44.

Berle, Adolf Augustus, Jr., Assistant Secretary of State for Latin American affairs 1938–44; Ambassador to Brazil 1945–46, a founder and Chairman of the Liberal party 1952–55; headed a task force for President John F. Kennedy 1961.

Bevan, Aneurin, Welsh Labour politician and a socialist. He was a key figure on the left of the party in the mid-twentieth century and was the Secretary of State responsible for the formation of the National Health Service.

Bevin, Ernest, British labour leader, politician, and statesman best known for his time as Minister of Labour in the World War II coalition Government 1940–45; Foreign Secretary in the post-war Labour Government.

Bhutto, Zulfiqar Ali, President of Pakistan from 1971–73 and as Prime Minister from 1973–77; founder of the Pakistan People’s Party (PPP).
Black, Eugene, United States Representative Democratic from the 1st District of Texas 1915–29; member of United States Board of Tax Appeals 1929–66.

Bogra, Muhammad Ali, Ambassador to the United States; 3rd Prime Minister of Pakistan, 1953–55.

Bohlen, Charles Eustis, United States diplomat from 1929–69 and Soviet expert, serving in Moscow before and during World War II; United States Ambassador to the Soviet Union 1953–57.

Bonaparte, Napoléon, General during the French Revolution, ruler of France as 1st Consul (Premier Consul) of the French Republic 1799–1804, Emperor from 1804–14; King of Italy, Mediator of the Swiss Confederation and Protector of the Confederation of the Rhine.

Bowles, Chester, United States Ambassador to India 1951–53.

Bradley, Omar Nelson, commanded the First Army and the 12th Army Group in the invasion and final campaigns of Western Europe, 1944–1945. He was made army Chief of Staff in 1948 and 1st official Chairman of the Joint Chiefs of Staff in 1949–1953. In 1950 he became the General of the Army.

Brezhnev, Leonid Ilyich, General Secretary of the Communist Party of the Soviet Union (and thus de facto ruler of the USSR) from 1964–82; twice Chairman of the Presidium of the Supreme Soviet (Head of State) (1960–64, 1977–82).

Brubeck, William H., Executive Secretary in the United States Department of State 1962–63.

Bulganin, Nikolai, prominent Soviet politician that served as the Minister of Defense 1953–55 and Prime Minister 1955–58.


Bunker, Ellsworth, American Ambassador to India 1956.

Burris, Col. John T., member of the Wyandotte Constitutional Convention in 1859; sergeant in Lane’s Frontier Guards 1861; Lieutenant-Colonel of the 4th Kansas Infantry.
Byroade, Henry A., Brigadier General, United States Army and Assistant Secretary of State for Middle East, South Asia and Africa from 1952 to 1955; Ambassador to Egypt 1955–56.

Castro, Fidel, Prime Minister of Cuba, 1959–76. 1st Secretary of the Communist Party of Cuba in 1965; President of the Council of State and Council of Ministers 1976; current President of Cuba.

Chagla, Mahommedali Currim, Chief Justice of Bombay High Court in 1948–58. Later, he became Ambassador to the United States, Mexico, Cuba, Vice-Chancellor, University of Bombay, High Commissioner to England, and Minister of Education.

Chamoun, Camille Nimr, President of Lebanon from 1952–58 and one of the country’s main Christian leaders during most of the Lebanese Civil War 1975–90.

Chânakya, Adviser and Prime Minister to the 1st Maurya Emperor Chandragupta India (c. 340–293 BC).

Chaudhry, Muhammad Ali, served as Prime Minister of Pakistan, 1955–56.

Chavan, Y.B., was appointed Defense Minister of India 1962, in the wake of India–China border conflict and resignation of Shri Krishna Menon.


Chiang, Kai-Shek, President of the Republic of China 1948–75.

Chiperfield, Robert Bruce, lawyer and United States Representative from Illinois. He was elected to the 76th United States Congress in 1938. He was in Congress for twenty-four continuous years and twelve consecutive terms, until 1962. In 1953 and 1954, during the 83rd Congress, he was the Chairman of the Foreign Affairs Committee.


Chundrigar, Ibrahim Ismail, Prime Minister of Pakistan 1957–57.

Collins, Gen. Richard, Departmental Director (Intelligence), International Cooperation Administration; Joint Staff Memorandum for Chairman Joint Chiefs of Staff, 1956.
Cooper, John Sherman, U. S. Ambassador to India 1956–61

De Gaulle, Charles André Joseph Marie, 1st President, of the 5th Republic of France 1958–69.

Dearborn Jr., Frederick M., Special Assistant to President Eisenhower for Security Operations Coordination, watchdog over the implementation of National Security Council decisions.

Dening, Esler, British diplomat (1957).

Desai, Morarji R., served as Finance Minister of India (1959–64, 1967–70); he became the Prime Minister of India after the Emergency (1977–79).

Deshmukh, Chintaman Dwarakanath, 3rd Governor of India and 1st Indian Governor of the Reserve Bank of India 1943–49. He later became Finance Minister of independent India.

Dewey, Thomas Edmund, Governor of New York 1943–55; Republican Presidential candidate 1944.

Dillon, Clarence Douglas, Ambassador to France 1953–57; Secretary of the United States Department of the Treasury 1961–65; member of the Executive Committee of the National Security Council (ExComm).

Dixon, Owen, 6th Chief Justice of Australia; in 1950, he was invited by the United Nations to act as their official mediator between the governments of India and Pakistan over the disputed territory of Kashmir.

Doud, Lt. Colonel John Sheldon, Assistant Staff Secretary in the White House, on the Army's General Staff 1958–61, son of Dwight D. Eisenhower, 34th President of the United States.


Dulles, John Foster, United States Secretary of State 1953–59.

Dungan, Ralph Anthony, Special Assistant to President John F Kennedy 1961–63. He served as an advisor on Latin American affairs, Ambassador to Chile, 1964–67.

Dutt, Subimal, Foreign Secretary, Ministry of External Affairs of India (1952–57).
Dwivedy, Surendra Nath, member of the Rajya Sabha, India 1952–57; staunch anti-Communist, Praja Socialist and the only member of delegation from the opposition since 1957.

Eisenhower, Dr. Milton, Advisor to his older brother, President Dwight D. Eisenhower.


Elsey, George M., Commander, United States Naval Reserve, and duty officer, White House Map Room, 1941–46; Assistant to the Special Counsel to the President, 1947–49; Administrative Assistant to the President, 1949–51; Assistant to the Director, Mutual Security Agency, 1951–53.

Evans, T.E., Head, Middle East Secretariat 1950.

Fallaci, Oriana, an Italian journalist.

Finletter, Thomas K., United States Secretary of the Air Force (SECAF) 1950–53.

Francis, Patrick Matthews, 49th Secretary of the Navy, 1949–51. United States Ambassador to Ireland 1951.

Friedrich, Engels, 19th-century German social scientist and philosopher, developed communist theory alongside his collaborator, Karl Marx, co-authoring The Communist Manifesto (1848). Engels also edited the second and third volumes of Das Kapital after Karl Marx’s death.

Fry, Leslie A.C., former member of the British High Commissioner for India staff. South-East Asia Department 1950.

Furlonge, G.W., Head, Eastern Department 1950.

Galbraith, John Kenneth, United States Ambassador to India under John F Kennedy.

Gandhi, Indira Priyadarshini, Prime Minister of India for three consecutive terms 1966–77 and also for a fourth term 1980–84.

Gandhi, Mohandas Karamchand, major political leader of India in the Indian independence movement.
Gandhi, Rajiv, son of Indira Gandhi and Prime Minister of India 1984–89.


George, Mcghee, United States Ambassador to Turkey, 1952–53.

Gerald, D.A. Fitz, Acting Director of International Cooperation Administration 1956.

Ghosh, Atulya, political leader of West Bengal, India; General Secretary of the West Bengal state Congress Committee 1948; member of the Lok Sabha (1952, 1957, 1962).

Gleason, S. Everett, Deputy Executive Secretary, National Security Council (1950–59).

Goodpaster, General, Andrew Jackson, NATO Commander 1969–74, also served as Deputy Commander of American forces in Vietnam.

Gopal, Sarvepalli, a well known Indian historian, the son of philosopher-statesman Sarvepalli Radhakrishnan. Some of his works include a three-volume biography of Jawaharlal Nehru and British Policy in India (1858–1905).


Govind, Ballabh Pant, 1st Chief Minister of Uttar Pradesh and also served as Union Home Minister, India 1955–61.


Graham, Dr. Frank, United Nations Representative, 1958.

Grant, James P., Deputy Assistant Secretary of State for Near Eastern and South Asian Affairs, Department of State, 1962

Griffin, George, United States political officer in Calcutta, India in 1971; State Department South Asia specialist.

Gromyko, Andrei, Russian Minister of Foreign Affairs 1957–85.


Hauge, Dr. Gabriel, a New York banker who had served on the White House staff during the Eisenhower administration.

Henderson, Loy W., served in the United States Department of State 1922–60; Director, Near Eastern and African Affairs, 1946–48; Ambassador to India, 1948–51 and Ambassador to Iran, 1951–55.

Herter, Christian A., Republican Governor of Massachusetts 1953–1957; United States Under Secretary of the State in 1956 and Secretary of State in 1959.

Higgins, Marguerite, American reporter and war correspondent. Higgins covered World War II, the Korean War and the war in Vietnam, and in the process advanced the cause of equal access for female war correspondents.

Hildreth, Horace A., United States Ambassador to Karachi, Pakistan 1953–57.

Hitler, Adolf, German Chancellor 1933–45, Führer of Germany 1934–45; leader of the National Socialist German Workers Party (Nationalsozialistische Deutsche Arbeiterpartei abbreviated NSDAP or simply Nazi Party).

Ho Chi Minh, Prime Minister of Vietnam 1946–55; President of the Socialist Republic of Vietnam 1955–69.

Hoffman, Paul Gray, President of Ford Foundation 1953–54, and former administrator of the Economic Cooperation Administration 1948–50, which managed postwar aid to Europe; Board Chairman of Studebaker Corporation, of Studebaker-Packard Corporation 1954–56; Administrator UN Development Program 1966–72.

Hollister, John B., Director of International Cooperation Administration 1956.

Humphrey Jr., Hubert Horatio, 38th Vice President of the United States, serving under President Lyndon Johnson 1965–69.
Humphrey, George Magoffin, United States Cabinet Secretary.

Hutheesing, Mrs Krishna Nehru, younger sister of Jawaharlal Nehru.

Ikramullah, Mohammad H. E., 1st Foreign Secretary of the newly independent Pakistan in 1947 and subsequently represented Pakistan as an Ambassador.

Ivy, James, editor of Crisis, the National Association for the Advancement of Colored People (NAACP) publication.

James, S Lay Jr, Assistant Executive Secretary of National Security Council, 1947–50, and then as Executive Secretary, 1950–61; Deputy Assistant to the Director of Central Intelligence, 1961–64, and the Executive Secretary of the Intelligence Board through 1971.

Jinnah, Muhammad Ali, leader of the All India Muslim League who founded Pakistan and served as 1st Governor-General.

John, Marshall, Chief Justice of the United States, Supreme Court, 1801–35.


Johnson, Lyndon Baines, 36th President of the United States 1963–69.

Josip Broz Tito, Yugoslav Prime Minister and Defense Minister 1945–53; President of Yugoslavia 1953–80.

Kabir, Humayun, 1st Petroleum Minister of India, 1963–66.

Kamaraj, Kumaraswami, Chief Minister of Madras Province India, 1954–63.


Katju, Dr. Kailash Nath, former Governor of Orissa, West Bengal; Minister of Home, Law and State Affairs, India and Defense Portfolio 1956. Thereafter he took over as Chief Minister, Madhya Pradesh.

Kaul, M.N., Secretary of the Lok Sabha(House of the People)India. A lawyer by training, he accompanied Indian parliamentary delegations on foreign visits since 1948.
Kennan, George Frost, officer in the United States Foreign Service 1926–53; retired as Ambassador to the Soviet Union.

Kennedy, Jacqueline Lee Bouvier, wife of United States President John F Kennedy.


Khadilkar, R.K., western Indian social reformer and for a number of years led a rural opposition party in his home state of Maharashtra. Elected to the Lok Sabha as a Congressmen in 1957; Editor of a number of Maharashtrian newspapers.


Khan, Muhammad Ayub, Field Marshal during the mid-1960s, and the political leader of Pakistan 1958–69; 1st Pakistani Military General to seize power through a coup.

Khrushchev, Nikita Sergeyevich, Chief Director of the Soviet Union after Stalin; 1st Secretary of the Communist Party of the Soviet Union 1953–64.

Khurody, D. N., Milk Commissioner for Bombay Province.

Khurody, D. N., Milk Commissioner for Bombay Province.

Khwaja, Nazimuddin, after Pakistan came into being on August 14, 1947, he became the 1st Chief Minister of the Province of East Bengal, then 2nd Governor General of Pakistan 1948–1951, and 2nd Prime Minister of Pakistan 1951–53.

King, Martin Luther, one of the leaders of the American civil rights movement. In 1964 King became the youngest man to be awarded the Nobel Peace Prize.


Kusumasumantri, Iwa, former Defense Minister of Indonesia, 1953–55.
Lama, Dalai, traditional governmental ruler and highest priest of the dominant sect of Buddhism in Tibet and Mongolia.


Lenin, Vladimir, leader of the October Revolution and the primary theorist of Leninism; first Head of USSR until 1922.

Lumumba, Patrice Émery, an African anti-colonial leader and 1st legally elected Prime Minister of the Democratic Republic of the Congo, after he helped to win independence from Belgium in June 1960.

Macarthur, Douglas, American General and Field Marshal of the Philippines Army. He was a Chief of Staff of the United States Army during the 1930s and later played a prominent role in World War II, in the Pacific.

Macaulay, Lord Thomas Babington, passed the Government of India Act in 1833; appointed 1st Law Member of India under the British Administration.

Macmillan, Harold, British Conservative politician, Prime Minister of Britain 1957–63.

Madame Chiang Kai-Shek, wife of President Chiang Kai-shek, she played a prominent role in the politics of the Republic of China.

Magsaysay, Ramon del Fierro, 3rd President of the 3rd Republic of the Philippines 1953–57.

Malcolm X, African-American Minister, and spokesman for the Nation of Islam. He was also founder of the Muslim Mosque, Inc. and the Organization of Afro-American Unity.

Malik, Feroz Khan Noon, High Commissioner of India to the United Kingdom from 1936–41; 7th Prime Minister of Pakistan 1957–58.

Malviya, K D, Minister of Natural Resources 1955.

Mao Tse-Tung, Chinese Marxist military and political leader; led the Communist Party of China (CPC) to victory against the Kuomintang (KMT) in the Chinese Civil War; 1st President of the People’s Republic of China (PRC) 1954–59.

Marshall, George Catlett, General President American Red Cross; Ex-Secretary of State and of Defense; Originator of “The Marshall Plan”.
**Marx, Karl**, philosopher, social scientist, historian and revolutionary of the 19th century.

**Masaryk, Jan Garrigue**, a Czechoslovak diplomat; 1st President of Czechoslovakia 1918–35.

**Mathai, M.O.**, worked with the United States Army in India before becoming an Assistant to Jawaharlal Nehru in 1946.


**Mehta, Asoka**, Indian freedom fighter and a socialist politician. He helped organize the socialist wing of the Indian National Congress and was Mayor of Bombay city 1946–47.


**Mikoyan, Anastas Hovhannes**, Soviet statesman during the Stalin and Khrushchev years.

**Milton, John**, (1608–74) an English poet, prose polemicist, and civil servant for the English Commonwealth.

**Mirza, Iskander Ali**, President of Pakistan 1956–58; 4th Governor-General of Pakistan before it was replaced by the Presidency.


**Mountbatten, Lady Edwina Cynthia Annette**, wife of Louis Mountbatten, the last Vicerene of pre-Partition India.

**Muhammad Naguib**, President of the Republic of Egypt, 1953–54.
Muhammad, Malik Ghulam, Governor-General of Pakistan 1951–55.

Murray, James D., Head South-East Asian Department 1950.

Nagy, Imre, Prime Minister of Hungary Prime Minister 1953–55.

Nanda, Gulzarilal, acting Prime Minister of India twice, once after the death of Jawaharlal Nehru in 1964 and again in 1966 after Lal Bahadur Shastri’s death.

Narain, Jai Prakash, founder and General Secretary of the Congress Socialist Party, member of the Congress Working Committee 1946–47.

Nasser, Gamal Abdel, President of Egypt 1956–70.

Nehru, Braj Kumar, Ambassador of India to the USA, a High Commissioner in the UK.

Nehru, Pandit Jawaharlal, 1st Prime Minister of independent India 1947–63.

Nehru, R.K., Ambassador of India to several countries in the 1950s and 60s.

Nitze, Paul H., Director of the State Department’s Policy Planning Staff in 1950. He oversaw the drafting of a report, National Security Council (NSC) 68, to President Harry S. Truman urging a general strengthening of United States armed forces to counter the threat of Soviet aggression.

Nixon, Richard Milhous, 36th Vice President of the United States in the Dwight D. Eisenhower administration; 37th President of the United States 1969–74.


Nye, Archibald, British High Commissioner to India 1948–1952.

Olver, S.J. L., South-East Asian Department 1950.

Olympio, Sylvanus, 1st President of Togo; 1st Presidential victim of a wave of military coups that occurred in Africa in the 1960s.

Oppenheimer, J. Robert, an American theoretical physicist, best known for his role as the director of the Manhattan Project.

Pace Jr., Frank C., Director, Bureau of the Budget, 1949–1950; Secretary of the Army, 1950–1953.
Palmer, Joseph II, 1st Secretary, US Embassy, London.

Pandit, Vijaya Lakshmi, Indian diplomat and politician, sister of Indian Prime Minister Jawaharlal Nehru, and the 1st female President of the United Nations General Assembly 1953.


Pathak, Gopal Swarup, Vice-President of India and ex-officio Chairman of the Rajya Sabha, 1969–74.

Patil, Sadashiv Kanoji, formerly Mayor of Bombay, India; represented Bombay South in the Lok Sabha for three terms from the 1st general election in 1952.

Patnaik, Biju, Chief Minister of Orissa India 1961–63.


Powell, Adam Clayton Jr., 1st African American to become a powerful figure in the United States Congress; member of the United States House of Representatives from Harlem in 1945; Chair of the Education and Labor Committee in 1961.

Prasad, Dr. Rajendra, 1st President of India 1950–62; he served as President of the Constituent Assembly that drafted the constitution of the Republic 1948–50.

Pridi, Phanomyong, Prime Minister of Thailand, 1946; named one of the world great personalities of the century by the UNESCO in 2000.

Radhakrishnan, Sarvepalli, President of the United Nations Educational, Scientific, and Cultural Organization (UNESCO) from 1952–54; served as President of India 1962–67.

Rajagopalachari, C.R., 1st Governor General, 1947.


Reed, John, an American journalist and socialist. He wrote the book *Ten Days that Shook the World* 1919.


Reilly, D.P., Permanent Under Secretary Department Commonwealth Relation Office 1950.

Rhee, Syngman, 1st President of South Korea 1948–60.

Rockefeller, Nelson A., Vice President of the United States, 1974–77. He initiated massive building projects that left a profound mark on the state of New York. He also led in the creation and expansion of many major highways.

Roosevelt, Franklin Delano, 32nd President of the United States 1933–45.


Roy, Dr. Bidhan Chandra, 2nd Chief Minister of West Bengal, India. He remained in his post for 14 years as a Congress Party candidate, 1948–62.

Rusk, Dean, United States Secretary of State 1961–69.

Russell, Bertrand, influential 20th century logician and philosopher.

Saud Ibn, 1st monarch of Saudi Arabia; continued to consolidate power throughout the Arabian Peninsula 1927–32.

Scoones, Sir Geoffrey, General in the British Army, served for several years in India and later on became British High Commissioner.

Scott, R.H., Assistant Under Secretary of State for South Asian Department 1950.

Sen, Ashoke Kumar, former Member of Lok Sabha (1957–77, 1980–89) and Rajya Sabha till 1996.
Sharma, Diwand Chand, was elected to the Parliament in 1952. President of the All-India Federation of Educational Associations in 1955; authored a number of books on Indian culture as well as several on aspects of the life of Mahatma Gandhi.

Shastri, Lal Bahadur, 2nd Prime Minister of India 1964–66.

Shaw, George Bernard, an Irish dramatist, literary critic, and socialist; honoured Nobel Prize in 1925 for his contribution to literature and an Oscar 1938 for Pygmalion.

Shepilov, Dmitri Trofimovich, he became the Soviet Foreign Minister in 1956 replacing Vyacheslav Molotov.

Shishakli, Adib Ibn Hasan, a Syrian military leader; fought in a volunteer Arab army, known as the Army of Deliverance, against the Zionist militias in the 1948 Arab-Israeli War.


Singh, Dinesh, Deputy Foreign Minister of India 1962–66, Foreign Minister of India, 1969–70.

Singh, Dr. Manmohan, was involved in the Ministry of Finance, Government of India since independence and currently the Prime Minister of India.


Sobolev, A. A., Soviet representative to the UN Security Council discussions on the Kashmir decision (1957).

Soekarno, 1st President of Indonesia 1945–67.

Sparkman, John Jackson, Democratic member of the United States House of Representatives and the United States Senate, where he represented Alabama 1946–79.

Stalin, Joseph, General Secretary of the Communist Party of the Soviet Union’s Central Committee 1922–53; in the late 1920s, Stalin became the dictator of the Soviet Union.
Stassen, Harold, Director of the Mutual Security Administration and the Foreign Operations Administration before becoming Special Assistant to the President for Disarmament during the Dwight D. Eisenhower administration. Mr. Stassen was Governor of Minnesota 1938–43.


Suhrawardy, Huseyn Shaheed, a politician from Bengal in undivided India, and later in East Pakistan, who served as Prime Minister of Pakistan 1956–57.

Taussig, Charles W., Chairman of the National Advisory Committee of the National Youth Administration, 1935–34.

Taylor, General Maxwell Davenport, American soldier and diplomat 1922–64.


Thant, U, a Burmese who was elected as the 3rd Secretary-General of United Nations unanimously, 1962.

Thimayya, Kodendera Subayya, Commissioned Officer of the British Indian Army in 1926. In 1948 he was one of the active officers in the actions against the forces of Pakistan in the conflict over Kashmir; Chief of Army Staff of the Indian Army in 1957.


Toynbee, Arnold Joseph, English historian and philosopher of history described himself as a “metahistorian” whose “intelligible field of study” was civilization; served in the Political Intelligence Department of the War Office during World War I; a member of the Middle Eastern section of the British delegation to the Paris Peace Conference in 1919; directed the Research Department at the Foreign Office 1943–46.

Truman, Harry S., 33rd President of the United States 1945–53.

Tubman, William Vacanarat Shadrach, President of Liberia 1944–71.

Twining, Nathan Farragut, United States Air Force General; Chief of Staff of the United States Air Force 1953–57; Chairman of the Joint Chiefs of Staff 1957–60.

Tyabji, Badr-Ud-Din, former Commonwealth Secretary.

Valerian, Alexandrovich Zorin, the Soviet Ambassador to Czechoslovakia (1947–1955, 1956–65); Deputy Minister of Foreign Affairs of the USSR. At the same time, he served as the permanent Soviet representative at the UN Security Council 1952–53.


Vishinsky, Andrey Januaryevic, Soviet jurist and diplomat. He served as the Soviet Foreign Minister 1949–53. He became a Menshevik in 1903.

Voroshilov, Kliment Yefremovich, Marshal of the Soviet Union; President U.S.S.R. 1953–60.

Wang Pingnan, a veteran Chinese Diplomat.

Washington, George, he led America’s Continental Army to victory over Britain in the American Revolutionary War 1775–83; in 1789 was elected as the 1st President of the United States of America.

Weight, M.R., Assistant Under-Secretary of State. 1950.

Wells, Herbert George, (1866–1946) an English writer best known for science fiction novels. He produced works in different genres, including contemporary novels, history, and social commentary; he was also an outspoken socialist.

White, Alfred, Assistant India Desk Officer. 1957.

Whitman, Ann Cook, Personal Secretary to United States President Dwight D. Eisenhower.
Wiley, Alexander, member of the Republican Party who served four terms in the United States Senate for the state of Wisconsin 1939–63.

Wilson, Thomas Woodrow, 28th President of the United States (1913–21).

Win, Bo Ne, Military Commander and dictator of Burma 1962–88.

Wood, C. Tyler, Economic Minister at US Embassy in New Delhi.

Zahedi, Mohammad Fazlollah, Iranian General, Prime Minister, and politician 1953–55.

Zhou Enlai, leading figure in the Chinese Communist Party (CCP) and premier (1949–76) and foreign minister (1949–58) of the People’s Republic of China.

Zhukov, Georgy Konstantinovich, Soviet Military Commander 1915–57, who, in the course of World War II, led the Red Army to liberate the Soviet Union from the Axis Powers’ occupation, to overrun much of Eastern Europe, and to capture Germany’s capital, Berlin.
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