

August 1, 1973

~~CONFIDENTIAL~~ (GDS)

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER \*

SUBJECT: Request from Prime Minister of Sri Lanka  
for Food Assistance

At Tab B is a letter to you from Prime Minister Bandaranaike of Sri Lanka, asking that urgent consideration be given to Sri Lanka's request for early shipment of PL480 wheat flour. A draft reply for your signature is at Tab A.

Mrs. Bandaranaike's letter recalls our provisional pledge of food assistance to Sri Lanka last February. She notes that food supplies in Sri Lanka are expected to fall to a critical level during the last three months of 1973, largely because of poor rains and an anticipated low harvest. The problem is also in part a result of Sri Lanka's traditional inefficient rice pricing system, which has long been a disincentive to production but which the government has belatedly begun to modify.

The possibility of a large-scale famine is not as great in Sri Lanka as in other South Asian countries such as Bangladesh and parts of India. However, severe food shortages in Sri Lanka could cause widespread disorder there and perhaps a repetition of the island-wide uprising that almost brought down Mrs. Bandaranaike's government in 1971. In short, Mrs. Bandaranaike is concerned that serious food scarcities, added to already existing inflation, shortages, and other economic difficulties, might lead to unmanageable political instability.

Mrs. Bandaranaike continues to follow the pragmatic and balanced foreign policy that has produced cordial US-Sri Lanka relations, especially since our security assistance at the time of the April 1971 insurrection and her visit here that fall. Also contributing to that policy have been Mrs. Bandaranaike's suspicion (unfounded, as far as we know) of Soviet

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complicity in the insurrection; her uneasiness over India's enhanced friendship with the USSR and over India's unrivalled position of dominance on the subcontinent since the 1971 Indo-Pakistani war; and US economic assistance to Sri Lanka, which in recent years has consisted entirely of food aid.

Despite our good relations with Sri Lanka and its need for this wheat flour, we are not in a position to make a specific commitment right now. As you know, reduced availabilities of wheat and other commodities for concessional export have injected a new element of uncertainty into the future scope of our PL480 program. The proposed letter to Mrs. Bandaranaike at Tab A expresses sympathy and understanding for Sri Lanka's situation and indicates that we will try to be as responsive as possible, while also pointing out that the PL480 program is currently under review, that we cannot make a specific commitment yet, but will be in touch with her as soon as possible.

Mrs. Bandaranaike leaves Colombo on Saturday July 28 to attend a conference of Commonwealth heads of government in Ottawa. A prompt response in her hands before she leaves might help to reassure her that we are concerned about her problem, even though we are not quite yet in a position to give a concrete answer.

RECOMMENDATION: That you sign the letter to Prime Minister Bandaranaike at Tab A this week if possible. [Text cleared by Mr. Gergen's office.]

THE WHITE HOUSE  
WASHINGTON

August 3, 1973

Dear Madame Prime Minister:


Your letter of July 10 was a very persuasive description of Sri Lanka's urgent need for food assistance. You can be sure that we appreciate the problems you face in this area and will try to be as responsive as we can. Since we are not in a position to provide a precise answer just yet, I want you to have this prompt explanation of how your government's request is being handled.

Your letter recalls the February AID Group meeting, at which the U.S. representative expressed our hope that we would be able to provide \$15-18 million worth of wheat flour to Sri Lanka under Title I of Public Law 480. As you know, the intervening months have seen very serious questions of food availability develop on a worldwide basis, greatly complicating our tasks in making allocations under PL 480.

These matters are currently under very active examination within our government. Our Ambassador will keep in close contact with your government as this process continues. Meanwhile, you may be sure that we want to be as helpful as we can and that the points raised in your letter will be taken carefully into account.

With warm personal regards,

Sincerely,



Her Excellency  
Sirimavo R. D. Bandaranaike  
Prime Minister of the  
Republic of Sri Lanka  
Colombo

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