

MEMORANDUM OF CONVERSATION  
Ambassy New Delhi

ECON  
D Bhutan

SUBJECT: Strains in Indo-Bhutanese Relations; China

PARTICIPANTS:

Bhutanese

Embassy, New Delhi  
Peter Tomson, First Secretary, American  
Embassy, New Delhi

DATE & PLACE:

November 8, 1974, United States Embassy,  
New Delhi

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Taken: *Bhutan*

dropped in for a briefing on the Secretary's visit to India. The conversation also covered the following themes with respect to Bhutan's relations with India and Chinese overtures to Bhutan.

Indian Advisors in Bhutan: stated that Bhutan, as a general rule of the thumb, is terminating the contracts of all Indian advisors in Bhutan. Three months ago, the senior Indian police advisor was tossed out because of questionable activities. Bhutan would like to rely on its own advisors across the board, look to the UNDP (which he said is already operating about twenty projects in Bhutan), or do without. By the end of the year, Bhutanese will be operating all of the telephone exchanges in the country. claimed that Indian advisors often refused to accept instructions from their Bhutanese superiors. For example, the Indian Director of the large hydroelectric project in south-western Bhutan has refused to take orders from the Secretary dealing with the project from Thimphu.

Problems with the Telecommunications Project: [redacted] said that several years ago the Bhutanese were completing negotiations with the UIDP to establish a telecommunication link with Bhutan's capital when the Indian Government intervened with an offer to do the project itself and to contribute the funds as well. The Bhutanese agreed. The Indians then sunk into inactivity for a year. When the Bhutanese alerted the Indians that they were still interested in the project, the Indians submitted a draft contract. The contract included a brief stipulation that a point of control for all cables dispatched from either direction would be located in India. The Bhutanese refused to sign. [redacted] thought that the Indians will shortly resubmit the contract minus the stipulation.

Indian Settlers: [redacted] stated that the Bhutanese Government was attempting to block the entry of Indian settlers into Bhutan and, as unobtrusively as possible, move those who have already settled in Bhutan out of the country. Resources to do the job are limited and progress will probably continue at a snail's pace for some time to come. And the Bhutanese Government is very sensitive about India's feelings on this score. But the policy is clear.

The Tibetan Refugee Community in Bhutan: According to [redacted] about 4,000 to 5,000 Tibetan refugees poured into Bhutan in 1959. Nehru asked the Bhutanese Government to allow them to stay until India completed facilities to receive them. Nehru died and so did his personal commitment. The Indian Government has since refused to take them. [redacted] criticized the Tibetans for blatantly proclaiming their allegiance to the Dalai Lama, who is outside of Bhutan, while enjoying the prosperity and pleasures that life in Bhutan has brought. He also alluded to a conspiratorial connection between the Tibetans and the Indian Government. He remarked that the Khamps guerrillas were trained in India, and alluded to a group of Khamps who had successfully left Nepal and were favorably received by the Indian army in Sikkim. He recounted that at a recent dinner party in Thimphu, a Bhutanese asked a high-ranking Indian official point blank why his Government was supporting a Tibetan conspiracy against Bhutan. The Indian, [redacted] consented, did not respond.

China: Asked what was new in this area, [redacted] commented that the Chinese continue to buttonhole Bhutanese diplomats abroad about establishing diplomatic relations or accepting Chinese aid. The Bhutanese response is that the lack of official funds prevents the opening of new missions abroad. In what appeared to be a pre-prepared answer, he added that at this point Bhutan has about as much interest in China as it does in France.

POL:PT [redacted] /gp 11/12/74  
Clearance: RFOber, Jr.)

Approval: JRVought  
PHKreisberg (in draft)