MEMORANDUM

DECLASSIFIED A/ISS/IPS, Department of State E.O. 12958, as amended October 11, 2007

THE WHITE HOUSE

INFORMATION

WASHINGTON

October 29, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BRENT SCOWCROFT

Secretary Kissinger asked that I pass you the following report of his meetings in India:

"I spent this morning in talks with the three Indian Cabinet Ministers who, with the Foreign Minister Chavan, and the Prime Minister, form the 'inner cabinet' of the Indian Government. These are men of great political durability -one, the Minister of Agriculture, who is a leader of the 'untouchables' has been in every Cabinet since 1946 save for three years in the 1960's. They are moderate men, and, decently disposed to the United States. Certainly more so than the Prime Minister. As much as India can be said to work, it is men such as these who make it do so. Each has a new post, the Prime Minister having shifted them all around three weeks ago. C. Subramaniam is Minister of Finance. He is one of the 'technocrats' in the Cabinet and has long had close relations with us. He began by welcoming the 'reinstatement of old relations' between the US and India, noting that he had been the main beneficiary of those relations. (He was Minister of Food and Agriculture in the drought years 1966, when the US shipped India 8 million tons of wheat, and 1967, when 6 million tons were provided.) He said we need assistance again. India had bought or was buying \$620 million worth of American wheat, and \$1 billion of fertilizer, much of it from the United States, but that resources were being exhausted. Ambassador Kaul said they hoped for 3 million tons from us.

"I said we had not restored an old relationship, but had begun a new and innovative one. I could not be optimistic about anything so large in the way of PL 480 food shipments. If we were to ship that much and price rises followed, Congress might abolish the whole program. The United States, I said, had to put its agricultural exports on a much more systematic basis, and we hoped to do so in the aftermath of the Rome Conference. We hoped India would benefit from this change.

"We talked of debt rescheduling, to which I said we were sympathetic, Subramaniam having reported that India will have a \$700 million trade imbalance with the United States this year. He talked of his ideas for the World Food Conference, with emphasis on the need for a greater commitment of scientific resources to agricultural questions, and, of particular interest to me, of post-harvest technology. The United States loses about 7 percent of its crop

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to spoilage and pests; India as much as 15 percent. We agreed this is a matter our new Joint Commission should take up.

'Jagjivan Ray, is Food Minister now, and was Food Minister once before in the late 1960's. Until just now he has been Defense Minister. He seems a quiet untouchable, but he plainly enough won the third Indo-Pakistan War. He began by saying, as Subramaniam had said, that India needs American assistance. The amount we have so far offered, 300,000 tons for the first half of 1975, would not be enough. I explained that we wanted to increase this amount, that we will try to move it toward 1 million tons, but that to do so we would have to take food away from other countries, and that I would have to get back to Washington before this could be done. I, however, said we would definitely increase our food aid, and that he would hear from us about two weeks after my return.

'We talked of India's long run agricultural prospects. If they can get themselves together out here, and get irrigation going, Northern India could become a giant imperial valley.

'Swaran Singh, now Defense Minister, formerly Defense Minister, and in between, Foreign Minister, is an old friend. We had a long, thoroughly frank and genuinely useful exchange. Referring to the passage in my address yesterday in which I said 'the United States accepts nonalignment,' he said this was the first such statement ever by an American official. It was immensely important, and immensely flattering to India that it should have been said in New Delhi. He hoped it could be followed by serious talks about the principle of nonalignment: 'It is not neutrality. We are not neutral where injustice occurs.' I agreed, adding that the danger now seemed to lie in the emergence of what in effect is a bloc of nonaligned. Swaran Singh got the point clearly, saying 'we would never be a member of such a group.'

"We talked then on regional relations, the Simla process, and the neverfailing subject of arms to Pakistan. I said that we do not and could not regard Pakistan as being in the same category of power as India; that we would never support an arms race here; that we did not think of South Asia in balance-ofpower terms. He spoke of the great harm that would be done to our relations if the United States resumed arms shipments, and of his concern that Pakistan might be thinking of a confrontation with India that would bring China into armed conflict as well.

"We had absolutely no interest in military confrontation between India and Pakistan. For historic reasons we could not be indifferent to the independence of Pakistan, but we do not look at Pakistan as a counterbalance to India. That issue, I said, has been settled. On the other hand we had to consider cash

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sales of arms to Pakistan. Nothing was imminent. Conceivably we would respond. But, I assured him, if the matter ever reaches the point of being considered by the President, I would inform the Indian Ambassador. In any event I saw no such prospect for the immediate future. I said he had my absolute assurance that there would be no secret, clandestine arms shipments to Pakistan.

"I had said that frankly the arms-to-Pakistan issue was a problem for us with China which on every visit pleads with us in such matters. He spoke of his concern about Chinese intentions; they now have 150,000 troops on the Indian border. I said that if China were to attack India they would find us on the other side. I said we have absolutely no interest to let China Weaken India. Our relations with China were a marriage of convenience: He should read what they say about us in their UN speeches.

"In sum, we have had a successful visit; as much as we would have wanted. A Russian reading the Indian press today might wonder what they had to show for their efforts of the past four years and more.

"Half of the front page of both the English language and the vernacular press is devoted to headlines, photographs, cartoons, and stories of the visit. Most of the editorial pages are given over to the same subject, as they have been for a week now. One would not know there was a country called Russia. A Chinese might have to consider that the Americans can operate in the Third World as well as they. If there is a problem, it will be in keeping the Indians from exaggerating the success. This Prime Minister is not likely to do this; her suspicions of the United States are pathological. But the Cabinet might and the public might. India is in desperate economic condition, and the only prospect is for things to grow worse. But the American capacity to make any very great difference is drastically limited now, as it was not, or at least was not thought to be, in the 1960's.

"They would consider a visit from you a great event, and know that you have been invited. You may well want to consider coming."

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LUKE

SENSITIVE.