

By STVSW Date 4/27/98

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(21) FORM DS 322 (OCR)
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here - Delhi
Tel. 83263
SFD-

REPRODUCED AT THE NATIONAL ARCHIVES

NEA/INC:DTSCHNEIDER/AID: MJWILLIAMS/AID: JAHANNAH
5/11/72 EXT 22141
U: JNIRWIN II

5/11/72

NEA: CVANHOLLEN
AID: MJWILLIAMS
S/S: TLELIOT, JR.

NEA: JJSISCO
AID: JAHANNAH

PRIORITY NEW DELHI

NODIS REVIEW

1 ~~Cat. 1~~ - Caption removed:
transferred to O/FADRC

~~Cat. 2~~ - Transferred to O/FADRC
with additional access
controlled by S/S

~~Cat. C~~ - Caption and custody
retained by S/S

Reviewed by: Ambassador W. Witzen, II
Date: *9/1* 1975

~~NODIS~~

JNIRWIN
DTS
CVH
JJS
MJW
JAH
TLE

SUBJECT: AID STAFF IN INDIA
REF: NEW DELHI 5704
FOR AMBASSADOR FROM HANNAH AND SISCO - EYES ONLY

1. WE ARE CONSIDERING THE IMPLICATIONS OF MINISTRY OF FINANCE REQUEST THAT USAID REMOVE FROM INDIA ALL AMERICANS WORKING ON ECONOMIC AID AT EARLY DATE. WE DO NOT WISH IN ANY WAY TO SUGGEST THAT WE QUESTION THIS REQUEST OR THAT WE ARE RELUCTANT TO MOVE IN THE DIRECTION SUGGESTED. WE BELIEVE THAT THE BEST TACTICS WOULD BE TO INDICATE RESPONSE FOR PHASED REDUCTION OF AID STAFF IN INDIA IN LINE WITH MUTUALLY AGREED PRIORITIES.

2. WE SUGGEST AID DIRECTOR RETURN TO MINISTRY OF FINANCE AND TAKE FOLLOWING LINE:

A. USG CONSIDERS INDIAN REQUEST A CONSTRUCTIVE PROPOSAL. USG DOES NOT WISH MAINTAIN STAFF IN ANY COUNTRY WHICH IS NOT ESSENTIAL TO PROGRAM. WE THEREFORE PROPOSE USG-GOI CONSULTATIONS DESIGNED TO PRODUCE MUTUALLY AGREED REDUCTION OF AID STAFF TAKING INTO CONSIDERATION INDIAN AND US PRIORITIES FOR VARIOUS PROGRAMS.

2 B. WE SUGGEST STAFF REDUCTIONS NOT NECESSARILY BE LIMITED TO QUOTE AMERICANS WORKING ON ECONOMIC AID UNQUOTE. AS MISSION DIRECTOR TOLD KRISHNASWAMI, THERE ARE FEW IF ANY AID PERSONNEL EXCLUSIVELY IN THAT CATEGORY. WE PROPOSE THAT WE INDICATE WILLINGNESS FOR REDUCTION OF ALL

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NND 969012
By STVSW Date 4/27/98

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CATEGORIES AID PERSONNEL NOT FULLY EMPLOYED OR NOT ESSENTIAL FOR MUTUALLY AGREED PROGRAM OBJECTIVES.

C. WE SUGGEST CONSULTATION WITH MINISTRY OF FINANCE SO THAT WE MAY TAKE CAREFULLY INTO ACCOUNT INDIAN AND US PRIORITIES IN REGARD TO TECHNICAL ASSISTANCE AND OTHER AID ACTIVITIES.

D. WE ARE QUITE FLEXIBLE IN REGARD TO THE EXTENT OF PERSONNEL REDUCTIONS AND WOULD WELCOME MINISTRY OF FINANCE VIEWS ON THIS SUBJECT.

E. WE NOTE REMARKS BY KRISHNASWAMI REGARDING POSSIBLE RESUMPTION OF SUSPENDED OR NEW AID. IT SHOULD BE MADE CLEAR TO GOI THAT FAVORABLE CONSIDERATION FOR AID STAFF REDUCTIONS CARRIES WITH IT NO SIGNIFICANCE ONE WAY OR THE OTHER IN REGARD TO RESUMPTION OF AID. IT IS SIMPLY RECOGNITION OF CHANGE IN CURRENT STATUS OF ONGOING PROGRAM WHICH WE BELIEVE MEETS DESIRES OF BOTH COUNTRIES.

F. WE AGREE FULLY THESE DISCUSSIONS SHOULD BE HELD VERY CLOSELY PENDING MUTUAL AGREEMENT ON AID STAFF REDUCTIONS AND PLAN LIMIT INFORMATION IN WASHINGTON ON STRICTLY NEED-TO-KNOW BASIS. 44

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