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Memorandum of Conversation

DATE August 2, 1972

SUBJECT: Indo-American Relations

*Judith*

PARTICIPANTS: Acting Secretary Irwin  
Indian Ambassador L.K. Jha

Distribution: The Deputy Secretary - 1  
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Ambassador Jha said one aspect of his trip home which worried him was that he sensed for the first time a growing public antipathy with the United States. He emphasized he was not speaking of the governmental level but of the public at large. The Ambassador was concerned that the longer the two governments delayed starting "the dialogue" the firmer anti-American sentiments would tend to become and the more difficult it would be to improve Indo-American relations. He thought that any dialogue between the governments should have in mind what might be done to reverse this growing anti-US feeling.

Ambassador Jha said that in some instances relatively minor US actions could be helpful. In this connection, he noted the upcoming 25th anniversary of Indian independence. He thought that a message on this occasion, while a small thing, would be noticed and appreciated. He also noted that President Nixon, in his last letter to Mrs. Gandhi, dated December 18, 1971, had written that he would be in further communication with Mrs. Gandhi. To date, there has been no further communication.

Another annoyance from the Indian view was the parallelism in phraseology used by the USG with regard to the current status of our arms supply policy to Pakistan and our development assistance program toward India. In both instances we were saying that the two programs

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"were under review." As the Indians saw it, we appear to be equating arms and developing. They did not understand or like such a comparison.

On the other hand, Ambassador Jha thought that some of our more recent statements with regard to the prospects for improved relations were couched in a more objective, less patronizing language. This was noticed in India and received positively. He had in mind that our public statements were now no longer making improved relations and the related dialogue conditional on other developments. We were saying that we wanted a dialogue per se with no strings attached. This sounded to the Indians as if our attitude had somewhat altered, and was a helpful development.

The Connally visit, Ambassador Jha reported, had gone off well. Some in the GOI had been somewhat apprehensive before the Secretary came but afterwards felt the talks had been useful. Jha said that he had talked with Mrs. Gandhi after her meeting with Connally and she shared these views. She was hopeful about a possible up-turn in Indo-American relations.

The Acting Secretary commented that it was also our view that the Connally visit had made a positive contribution. However, with regard to getting "the dialogue" going, the Acting Secretary said that regretfully whenever one side or the other seemed ready an event occurred which seemed calculated to create new problems. The Acting Secretary then showed Ambassador Jha a sanitized version of Ambassador Keating's telegram reporting his farewell call on Mrs. Gandhi. The Acting Secretary added that the expression of views and feelings by the Prime Minister were not conducive to promoting an atmosphere for "a dialogue" which he thought we both wanted in order to seek to improve Indo-US relations. He said it seemed to show an almost ingrained antipathy to the US.

Without trying to justify Mrs. Gandhi's performance, Ambassador Jha spoke to some of her comments. Ambassador Jha obviously had not received any report of Ambassador Keating's farewell call. After reading the sanitized version carefully, Ambassador Jha said he thought that the temper outburst could have been sparked by recent US actions on the debt rescheduling question. The GOI understood that the US had unilaterally opposed the other lenders and the World Bank and frustrated the achievement of an agreement. This created the disturbing impression for the Indians that the US was using humanitarian and economic development assistance for political

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purposes. In effect, our actions were signalling the Indians that if they wanted aid, India would have to act the way we wanted. This would be difficult for any nation to accept. The debt rescheduling question, Ambassador Jha said, perhaps also recalled to mind events of the recent past in which the US had acted in a way that Mrs. Gandhi considered hostile to India. These factors, the Ambassador thought, may have helped trigger her criticisms of the US. It was also possible, Jha said, that Mrs. Gandhi was simply tired, and her temper threshold was lower than would normally be the case.

With regard to specific subjects discussed by Ambassador Keating and Mrs. Gandhi, Ambassador Jha said there was uneasiness in India about the scope and character of some US exchange programs. Suspicions had been stirred by the revelations in America in the late sixties of extensive CIA involvement in such overseas programs. Thus, when the purpose of a particular project was not entirely clear or when Americans acted in a way that seemed unusual to the Indians, suspicions regarding the bona fides were raised. Ambassador Jha knew the overwhelming majority of visiting Americans created no problems, but if one did, that was sufficient to stir difficulties.

The PL 480 rupee programs also remained a source of constant concern and irritation, Ambassador Jha said. The Indians noted, in this regard, that two years ago the Saulnier report on the PL 480 rupee question had been completed, but nothing further had been done to resolve what they considered a fundamental problem. The failure on our part to act on PL 480, plus the impression we created in our handling of the \$87 million aid commitment and the debt rescheduling issue, all served to hurt Indian sensitivities. No doubt, Ambassador Jha said, this was not our intention, but nonetheless this was the impression we created in India.

One result of US use of PL 480 rupees created on occasion academic irritation. The Americans seemed to have unlimited Indian rupee resources and were, in effect, able to outspend Indian institutions working in similar areas and "buy up" available Indian talent. Thus, an American professor could come to India for six months and complete research that Indians had been working on for several years. In addition, there was

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a feeling that the Americans were not always forthcoming in providing the Indians with the results of research activities. This created particular concern if the subjects were ones India regarded as sensitive.

With regard to Mrs. Gandhi's comments about US activities in Bangladesh, the Acting Secretary reiterated that US assistance in no way was intended to drive a wedge between India and Bangladesh. We had no interest in doing so and wanted only to assist in stabilizing the political situation in the new country and in alleviating human suffering. We thought this was also India's desire and, therefore, saw no conflict between our respective policies. Ambassador Jha said that he understood our policy. He noted that Mrs. Gandhi's concerns may have been stirred by some Bangladesh officials who had expressed to her their view that, in fact, the US was trying to drive a wedge between Dacca and Delhi through its activities.

Returning to the question of the "dialogue," Ambassador Jha reiterated his hope that this would shortly start in a serious fashion. He also restated his concern that the longer we delayed the harder it would be to remove some of the current irritants. Acting Secretary Irwin also expressed the hope that a dialogue would begin. He stressed the importance of avoiding statements that made the start of a dialogue more difficult.

Clearance:  
The Deputy Secretary (in draft)

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