

POL INDIA - U.S.

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DEPARTMENT OF STATE**Memorandum of Conversation**

DATE: October 3, 1973

SUBJECT: The Secretary's Luncheon Meeting with Indian Foreign Minister**PARTICIPANTS:** Secretary of State Henry A. Kissinger
Foreign Minister Swaran Singh
Ambassador T. N. Kaul, Indian Ambassador
Senator Charles H. Percy
Assistant Secretary for Near Eastern and South Asian Affairs Joseph J. Sisco
Ambassador Robert J. McCloskey, Cyprus
Minister Eric Gonsalves
Minister G. V. Ramakrishna
Mr. Hal Saunders, NSC Staff
Acting Deputy Assistant Secretary for South Asia L. Bruce Laingen**Distribution:** See attached sheet.

This memorandum is a full record of the luncheon conversation between the Secretary and the India Foreign Minister on October 3. The first portion of this conversation involved only the principals, together with Ambassador Kaul and Assistant Secretary Sisco, and has been covered in full in the summary reporting telegram.

The conversation opened with an exchange between the principals about some of the problems of dealing with an active press in both India and the U.S., in the context of the efforts of both governments to develop a better bilateral relationship.

Following the Secretary's observation that whatever happened in 1971 he believed we now have a basis for a good bilateral relationship, the Foreign Minister said India agreed and had no desire to focus on the past. That posture applied

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also to India's attitude to Pakistan and Bangladesh. He told the Secretary that he had taken the initiative in New York to have a long private luncheon with Aziz Ahmed of Pakistan to review the entire range of their relationship. He had told Ahmed that he could not see why Pakistan felt the need to speak as negatively as Bhutto did in some respects during his UNGA speech.

The Secretary expressed the view that Bhutto had his own domestic problems to deal with. Singh thought this had been overstated and added his view that if people are informed about an issue they settle down and accept it. He recalled the bitter criticism from some quarters in India after the Simla agreement and how his government had persevered. Any effort to explain away or rationalize a decision or an action on other than factual grounds only created new difficulties. That was especially important in a democratic society like India's.

The Secretary said he agreed as a general rule that the direct approach was best, for both the general public and our relationships abroad. He asked what had bothered India in the Bhutto speech.

In response Singh cited particularly the emphasis on the 195 POWs. The Delhi agreement provided for tripartite talks on this problem and this was a great concession by Bangladesh. For Pakistan now to say that the 195 were being illegally detained and that there could be no question of recognition of Bangladesh in the interim was inconsistent with the Delhi agreement. All parties in Pakistan appeared to have accepted that agreement. Singh said he wanted to put them in perspective; the provision on the 195 POWs was part of the agreement; India had not wanted to be involved in the process but it was Pakistan that had insisted on it. The Secretary referred in this connection to the assurances that the U.S. had obtained with respect to the prisoners and Swaran Singh indicated he was aware of this and he was grateful.

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India did not want to make an issue of any of this; it was bound by the agreement and regarded it as a forward looking step. Another problem that troubled India was Bhutto's references to the idea of parity with India in the military field. He did not know quite what this meant. The Secretary interjected that as a veteran of SALT he was not always sure himself. He noted, however, that as between India and Pakistan a very different strategic situation existed; India had many more borders to concern itself with. Singh said that was correct, particularly its long Chinese border where, with 150,000 troops right on the border, it could not relax. The Secretary asked and got confirmation of this figure. Singh said that only on China's India border did there appear to be this kind of troop concentration. All its other borders were quite quiet. In several places on the Indian border, troops were patrolling in sight of each other. But he said there was satisfaction in the fact that since 1967 there had not been a single case of reckless firing. The Secretary expressed his impression that India's relations with the PRC were improving. Singh said he wished he could say so. However, they were not deteriorating and that was good. The Secretary noted that he would be going to Peking October 26-29. Singh asked for the Secretary's assessment of Chinese attitude toward India. The Secretary said he would be frank in response. Even now the Chinese regard India as an extension of Soviet policy and consider the August 1971 treaty as the equivalent of an alliance and as a part of the Soviet effort of encirclement. Therefore, the Chinese were extremely suspicious of such proposals as the Brezhnev security proposal. These, of course, were his impressions and the Chinese would have to speak for themselves.

Singh then reviewed India's relations with China since the border crisis of 1962. From then until 1971, there had been no treaty of any kind with the Soviets so that to peg India's relations with China on what happened in 1971 was not to put it in proper perspective. The

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Secretary noted that China had two complaints about India; the first with respect to the way border negotiations with India were conducted in the 1960's. On this the Chinese followed the Maxwell thesis. (Singh observed that Maxwell had indeed swallowed the Chinese line). The Secretary said that the second Chinese complaint had to do, of course, with the 1971 experience.

Singh said that with respect to the 1971 treaty the Chinese should not be unaware of India's true relations with the Soviets. They know it is not directed against them and in that context, if China uses this line, it could only be to justify a posture of hostility.

India was prepared to cooperate with China, as a big neighbor. It respected the concept of no interference in internal affairs. Nonetheless China kept referring to the presence of the Dali Lama in India as somehow inconsistent with this position. It was not. He was free to move about but not to engage in political matters. India was relaxed about China. It would not irritate them, but it was not going to be brow beaten by them either. It would follow a straight forward approach and would not join in any anti-Chinese efforts. He thought there was a good deal of evidence in the Department's archives to indicate that much pressure had been used against India at times to get India to join in an effort of containment of China. India had never accepted this and was not going to be roped into any effort such as this.

Singh said it was difficult for him to see any basis for a clash of interest with the PRC anywhere in the region. In response to a query from the Secretary, he said this applied to Southeast Asia as well. India had no strategic concerns there; U.S. interests were more vital than India's in that area. In response, the Secretary recalled talking to Foreign Secretary Desai in 1962. He had told the Secretary that he

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felt India did have a vital interest in Southeast Asia and thus wanted to keep it from falling under the domination of one power. Singh said Desai had been expressing support for the U. S. domino theory at that time. But to suggest that India had a direct national interest in that area that should cause a clash with China was not correct. India's interest was in stability there, since only Burma lay between that area and India.

The Secretary commented that the U.S. certainly was not doing anything to foster disagreement. It took all opportunities to welcome good relations between Peking and Delhi, although this had not been a principal matter for discussion between us and the PRC. He recalled having told Singh in Delhi in 1969 that the U.S. interest in India's independence was very great and that an unprovoked Chinese attack would be taken very seriously. That position had not changed. Singh said he recalled that well and also his response at the time that this was a point that should be discussed between the President and Mrs. Gandhi.

This discussion on China ended with the Secretary suggesting that he and Ambassador Kaul get together for luncheon following his return from Peking.

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Singh asked for the Secretary's assessment of the PRC Foreign Minister's visit to Tehran. The Secretary said that visit had not been geared at all to India; it had more reference to the Soviet position in the area. Mr. Sisco observed that this was reflected in public statements at the time, especially the reference to the problem of subversion in the area. That was clearly intended to underscore the Chinese concern regarding the Soviets. In this connection the Secretary asked whether there was any evidence of Chinese activity of this kind along India's borders; Ambassador Kaul affirmed that this was so,

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both in propaganda and clandestine arms in the
northeast area.

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The conversation then turned to the Persian Gulf. Singh opened by saying that India felt strongly that the U.S. interest and approach is in no way contradictory or different from India's interest, India did not interfere in that area's internal affairs; it had good business relations there and needed its oil supplies. The Secretary responded at this point that he saw no reason why there should be any clash in interests between India and the U.S. anywhere in the area, particularly if upheavals could be avoided in the Baluchistan and Pushtunistan areas. These were the only trouble spots he could see. Singh responded that these were areas geographically separate from India; it had absolutely no contact with the leaders of those two areas, except, of course, long standing contacts with Ghaffar Khan.

Singh introduced the Afghan situation by asking the Secretary's impressions, noting that he was scheduled to make a visit there on October 19-20. The Secretary responded that our contacts were still limited with the new leadership so that we would like very much to have Singh's impressions after his visit. We do have the impression that the Iranians believe, and the Pakistanis as well, that to some degree the Soviet role had increased; there was also concern about the volatile nature of some of the Soviet trained military officers involved in the coup.

Singh then referred to Iran and asked somewhat rhetorically why the Shah needed all those aircraft. The Secretary observed that the Shah felt that, like India, he had a good many borders to worry about. The Secretary added (observing with a smile that he had only been on the job a week and that he had not yet learned as a diplomat to be less than totally frank) that he thought the Shah was quite concerned about India's intentions toward Pakistan. Mr. Sisco added that if one viewed the scene as the Shah does from his balcony in Tehran, one would see perhaps why the Shah also worries about the Soviet presence in India, in Iraq, and now the new question marks about Afghanistan. At this point, Senator Percy joined the

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luncheon and the Secretary noted that the presence of a Senator at this kind of working luncheon was a new development. For the purpose of conversations such as these, the Department treated Senators as a member of the Executive Branch!

The conversation resumed with respect to Iran, the Secretary saying that to the extent that Iran could be reassured of India's good intentions toward Pakistan, the likelihood of transfer of any arms by Iran would be greatly reduced. Singh recalled the Secretary's policy statement on this matter in his confirmation hearings before the Senate Foreign Relations Committee. The Secretary affirmed that it was not U.S. policy to encourage transfers.

Swaran Singh then noted the growing interest of numerous Arab states also to acquire sophisticated arms and expressed concern that this could cause new tensions in the area. In response to the Secretary's query whether India was concerned about Saudi Arabia's acquisition of arms, Singh said India was only in the sense that the escalation of arms purchases generally in the area could enhance the possibility of outside powers becoming involved. The Secretary said the U.S. was not interested in seeing a large increase in arms into the Middle East, especially not into areas like Libya and Iraq where they were bound to show up elsewhere in the Middle East eventually. Singh said that he would like to suggest serious consideration of one aspect of the matter; namely that large scale acquisition of arms by Iran would cause Arab states also to seek arms and this could cause tensions. Therefore a moderation in the quantum of arms by the U.S. to Iran would help reduce their spread.

In response to a query by Senator Percy as to protection against trans-shipment of arms, the Secretary said we, of course, have no means of preventing transfer of non-U.S. arms but with respect to U.S. equipment there were legislative provisions that preclude their transfer.

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The Secretary then shifted the conversation to a discussion of bilateral issues, particular rupees. He noted this was now a Congressional problem, given the Byrd amendment. The Department took a dim view of this development, not only because of its possible impact for the rupee settlement with India but because of the risk of inflexibility that this kind of Congressional position would cause in our entire range of debt rescheduling problems. The Executive Branch would comply with the provisions of PL 480 law requiring 30 days review by the Agriculture Committees and this gave Congress sufficient chance to cancel or disapprove of proposed settlements.

The Secretary had talked to Senator Mansfield and we were now going to try to achieve elimination of the Byrd amendment in conference. This might mean a delay of some weeks before we could resume our discussions with India and he hoped that would be understood. If this effort proves unsuccessful, we would still press ahead with the proposed settlement because we thought it was a good and fair one. Senator Percy concurred with this view, noting however that there were Congressional requirements that would need to be understood.

Singh said he was reassured by these comments. India had been troubled by this development but did not intend to intervene in any way. Senator Percy recalled that he had discussed the proposed settlement with Mrs. Gandhi as an important step in improved relations and she had taken a positive attitude. He reaffirmed his view that the conference route was best, noting that he had discussed this with President Nixon in his meeting on Saturday and he was of a similar view. He felt that if Senator Mansfield felt this way as well the problem could be resolved.

The Secretary then reaffirmed our intention to proceed with the settlement as a sign of our interest and good faith in building a better relationship. Mr. Sisco interjected that he thought it would be

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best for the present if Swaran Singh on his return to India could avoid public reference to this issue, perhaps limiting himself to an indication that he had been generally assured of the U.S. goodwill on this issue while he was in Washington.

The Secretary also raised the debt rescheduling issue and told Singh we were prepared to go ahead with another annual exercise immediately. As for the future, he said that the unresolved issue of equivalent treatment as compared to debt relief provided by other creditor nations needed to be discussed sufficiently in advance so that an understanding could be worked out that would meet U.S. requirements.

Senator Percy made brief reference to the issue involving restrictions on U.S. post-doctoral scholars in India, expressing the view that this had been a most unfortunate development. He suggested that Swaran Singh might want to make public reference while he is in the U.S. to steps GOI is taking on this matter. Singh responded that no restrictions presently apply, following the changed policy that GOI had just announced, and he thought India had gone a long way on this.

Senator Percy also asked how the Bhutto visit had been received publicly in India. Singh responded that with the exception of Bhutto's UN speech there had been no difficulty. The Secretary recalled that he had been very pleased to hear that in response to press questions concerning India's reaction to the President's reference to Pakistan's integrity and independence being a cornerstone of U.S. policy, the Indian Embassy had responded that this was even more an objective of India. He turned to Minister Gonsalves and recalled that it was Gonsalves who had taken this position. Senator Percy: "Marvelous!" Singh added that he had also given formal expression to this position in his UNGA speech.

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Senator Percy at this point recalled the Secretary's public statement that the U.S. was not going to be a major arms supplier in South Asia. He said he felt this statement reflected the strong view of the Congress. This prompted Ambassador Kaul to note the recent transfer of six helicopters to Pakistan and to ask whether these were armed or unarmed. The Secretary responded that these were flood relief helicopters and added facetiously that every time there was a major flood in Pakistan there would be six more helicopters. He assumed the Indians would now be starting to build dams like crazy. Kaul said he hoped in any event that this was not an indication of other exceptions to policy to come.

In a discussion on India's food situation the Foreign Minister reviewed the problems facing India and the efforts it had made to meet the current gap in requirements. He made no reference to the Soviet loan of wheat. The Secretary reviewed the situation facing the USG on foodgrain exports generally, noting that this was a new situation for us. It had never occurred to us before that we could sell too much wheat. Our whole experience had previously been to encourage a free market on a global basis to insure maximum opportunity for food availabilities. This situation no longer was the same, however, and it was now absolutely necessary fully to coordinate the food problem with other nations.

In a discussion of fertilizer requirements, Singh noted that India intends to try to set up at least 10 fertilizer factories in the next two or three years and would welcome help from the U.S. in this area. The Secretary responded that following a rupee settlement the U.S. would be ready to move ahead in other fields with India. Senator Percy noted the great importance of India's progress in self-sufficiency in food and thought the fertilizer area was one in which we could help.

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The conversation concluded with the Secretary proposing a toast. He thought that perhaps his colleagues had not in the recent past heard him express the depth of conviction he felt with respect to good U 'S.-Indian relations. Not only did our two countries have no conflict in interests; we have strong parallel interests in areas such as peace and development. He had gained a new appreciation of the importance of our relationship by this constructive exchange of views. He proposed a toast to the friendship of the U.S. and India.

The Foreign Minister responded in a similar vein, noting our commonality of interests in democracy, trade and an open society. India had no ambitions for hegemony and would not impose its influence on anyone. It wanted good relations with both Pakistan and the PRC. India would seek to share U.S. burden of world peace by seeking peace in its part of the world. With the leadership the U.S. provides and the stimulation it provided, he was confident of success.

He then expressed a warm invitation to the Secretary to come to Delhi, directly or in connection with any other of his travels. He would find a warmth and openheartedness and, to use an American idiom, he would find that we can do business with each other. The Secretary said he gladly accepted the invitation and when his own schedule took better shape, he would take the liberty of suggesting a date to Ambassador Kaul. Meanwhile our two governments could easily be in touch on a range of matters and he would welcome that.

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