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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF NATIONAL ESTIMATES

4 February 1952

STAFF MEMORANDUM NO. 190

SUBJECT: Field Comments on NIE-23, "India's Position in the East-West Conflict"

1. On 3 January 1952 US Embassy New Delhi commented at length, by dispatch, on NIE-23, "India's Position in the East-West Conflict."\* Despite their considerable length, these comments do not reflect any basic disagreement with the estimate except on the question of economic deterioration -- a point, it may be recalled, which was responsible for considerable fireworks during preparation of the estimate. The Embassy generally lines up with OIR [redacted] (in its comments on NIE-23) in rejecting the concept that India's ability to support its large and growing population is threatened. Whereas OIR [redacted] [redacted] recognized the existence of an unfavorable trend but believed it could be countered by an economic development program, the Embassy in effect rejects the notion that mounting population pressure is a fundamental component of the situation. The Embassy attributes India's present economic deterioration chiefly to such "transitory" factors as the impact of World War II, the "calamities of partition," and the abnormal climatic conditions of the last four years. It adds, moreover, that any continued economic decline would probably be slow in view of India's primarily agricultural character.

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State Dept. declassification & release instructions on file

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\* The full dispatch is available in [redacted] care in the Reading Room. The most pertinent parts are summarized in this memorandum.

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NO CHANGE IN CLASS.   
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DATE: 21 Feb 80 REVIEWER: [redacted]

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2. Unfortunately, very little can be said on this point without raking over the ashes of last summer's arguments in the IAC representative meetings. It is possible that NIE-23 brought up the problem of population pressure in too mechanistic and gloomy a fashion, and, in any event, we would thoroughly agree with the Embassy that any problem of economic deterioration is essentially a long-range rather than an immediate one. The facts remain that population pressure is mounting (at a rate of about 5 million persons a year) and that some serious students of the problem question India's ability to achieve greater stability even if large-scale outside aid is forthcoming. The final version of NIE-23 attempted to balance off the pessimism of this school with the optimism of the equally well-qualified men in State [redacted] who are committed to a program of trying to do something to retrieve the situation. In the opinion of the staff, we can, in honesty, do no more.

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3. The Embassy's comments on the foreign affairs sections of NIE-23 fall into two general categories: (a) those regarding India's responsiveness to future Soviet and Chinese Communist pressures against South Asia and nearby areas; and (b) those calling attention to what it regarded as distortions or inadequacies in the treatment of India's current foreign affairs outlook. We would certainly agree with the Embassy's statement that India has recently shown increasing awareness of the external Communist threat, and would also go along with the Embassy's assertion that overt Chinese Communist invasion of Southeast Asia would require a re-examination of Indian policy. As the Embassy apparently also believes, however, the basic caveat which we intended to convey would still appear valid: namely, that India's basic predilection for non-involvement makes it impossible to count on India's identifying itself more closely with the Western defense effort even though India becomes more aware of the external Communist threat. The Embassy made useful suggestions on two related matters, pointing out quite validly that India would regard Soviet aggression in the Middle East more seriously than it would aggression in Europe and that India would wish to come to Burma's assistance (against direct aggression) under UN auspices rather than directly.

4. Most of the remaining foreign affairs comments are in accord with the intent if not the actual wording of the estimate. [redacted] the Embassy gagged over the word "appeasement" in a manner which misconstrued its intended meaning, and

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probably that expression would better have been omitted from the text. We agree with the Embassy that the estimate might have spelled out more fully the bases of Nehru's objections to Western rearmament as a means of combatting Soviet expansionism.

5. There appears to be a contradiction between two of the Embassy's comments. In line with its views on the economic future, the Embassy suggested that political disintegration may possibly be more potent than economic disintegration and that we might validly assert the conclusion that political disintegration might lead to Communist domination of India. Later, however, the Embassy states that despite friction within the ruling Congress Party there is little to justify the belief that Nehru will be unable to hold the party and the government together during the years immediately ahead. The Staff's current view is that Nehru's control will probably be threatened to some extent during the next year or two, in part because of the basic divisions within the Congress Party and in part because of the apparently growing strength of leftist and other opposition elements in South India as a result of economic discontent.

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