

INDIA

INTEREST OF THE UNITED STATES IN THE POLITICAL SITUATION IN INDIA¹

[In a press conference statement made on January 29, 1945, in response to a question, the Acting Secretary of State (Grew) said (for attribution but not for quotation): "The American Government has continued to follow with sympathetic interest developments in the Indian question. It is naturally hopeful that progress will be made in this difficult matter and would be happy to contribute in any appropriate manner to the achievement of a satisfactory settlement. We have close ties of friendship, both with the British and with the people of India. These ties have been strengthened by our common participation in the war effort." The Secretary in charge at New Delhi (Merrell), in his despatch 997, February 3, 1945 (not printed), transmitted copies of comments on Mr. Grew's statement which appeared in certain Indian newspapers, Hindu and Moslem, on January 31 and February 1.]

845.00/4-1945

*Memorandum by Mr. William Phillips, Special Assistant to the
Secretary of State, to the Secretary of State*

[WASHINGTON,] April 19, 1945.

The Atlantic Charter² and statements by the late President Roosevelt on behalf of dependent peoples have led India to expect that she would have the sympathy of this country in her aspirations for eventual self-government. Our policy in the past has been not to disturb our relations with Churchill by unduly pressing upon him our concern with respect to India, because he is known to be sensitive on any subject pertaining to that country. In brief, Churchill regards India as "Britain's backyard" and does not welcome any new approach.

Although responsible Indians realize that they cannot achieve immediate self-government, they do insist that the British Government should take some step now leading up to it. The Congress Party³

¹ For previous documentation, see *Foreign Relations*, 1944, vol. v, pp. 232 ff.

² Joint statement by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. i, p. 367.

³ Leading Indian Nationalist Party and predominantly Hindu.

also insists that Nehru⁴ and other leaders should be released from prison and permitted to discuss the future of India with representatives of other parties.

The Viceroy⁵ is now in London on a short visit. The American Mission, New Delhi, advises us that his visit is "primarily political". Our Embassy in London states that the Viceroy's discussions with the India Office "are continuing and that some progress is being made toward the formulation of proposals for attenuating the present and past in the Indian political situation although little can be expected from the outcome". It may be assumed therefore that Wavell is trying to persuade Churchill to reach a solution.

If only for purposes of record, it seems to me highly important that we should take advantage of this moment to informally express our interest and our hope for an amelioration of the unhappy conditions throughout India.

Consequently I venture to suggest that the Secretary of State be authorized to say informally to Mr. Eden⁶ that the President is disturbed by the reports of an increasing resentment among the Indian people against both Anglo-Saxon powers, and that he hopes, in the interest of our joint military effort and for the prestige of the white races in Asia, that advantage may be taken of Lord Wavell's presence in London to make another effort to break the Indian deadlock.

WILLIAM PHILLIPS

845.00/4-2445 : Telegram

The Acting Secretary of State to the Secretary of State, at San Francisco

WASHINGTON, April 24, 1945.

30. We understand that Wavell is expected back in Delhi on May 1st and would presumably leave London not later than the 27th. Con-

⁴ Jawaharlal Nehru, "heir" in the Congress Party leadership to the Mahatma Mohandas K. Gandhi, Indian Nationalist leader and proponent of non-violence. In August 1942 Nehru, with others, including Gandhi, and Maulana Azad, Congress Party president, had been imprisoned by the British Indian Government, following the evoking of mass civil disobedience by the Congress Party leadership. For documentation regarding interest of the United States in the Indian political and economic situation following the arrest of Gandhi and other Congress leaders, see *Foreign Relations*, 1942, vol. 1, pp. 711 ff. Gandhi had been released on May 6, 1944.

⁵ Field Marshal Sir Archibald P. Wavell, Viscount Wavell, Viceroy of India since October 1943.

⁶ Anthony Eden, British Secretary of State for Foreign Affairs, at this time in the United States for the meeting of the United Nations Conference on International Organization, held at San Francisco April 25-June 26; for documentation on this Conference, see vol. 1, pp. 1 ff.

sequently, if you desire to speak to Eden along the lines of Phillips' suggestion, it would have to be done now, otherwise the opportunity will be lost.

GREW

845.00/4-2845 : Telegram

The Secretary of State to the Acting Secretary of State

SAN FRANCISCO, April 28, 1945.

[Received April 28—9:43 p. m.]

10. I had a discussion with Eden this morning relative to the general Indian problem. He thoroughly understands our position. While he made no commitment I feel that I made some headway with him. You will naturally wish to advise Phillips of this.

STETTINIUS

845.00/5-445 : Telegram

The Acting Secretary of State to the Ambassador in the United Kingdom (Winant)

WASHINGTON, May 17, 1945—7 p. m.

3897. With reference to my 3512 of May 4; repeated to New Delhi as my 342, same date.⁷ While Mr. Eden was in Washington before returning to London, I had an opportunity to say that I thought Mr. Stettinius had already spoken to him of our feeling that our prestige in the Far East would be greatly improved whenever a solution to the problem of India is found and that we must always reckon with the future development of "Asia for the Asiatics movement". I added that progressive steps in India would tend to offset the strengthening of such a movement. Mr. Eden made no comment except to say that he did not believe that the Indian problem would be settled as long as Gandhi lived.

GREW

845.00/6-1545

The British Minister (Balfour) to the Acting Secretary of State

Ref: 336/38/45

WASHINGTON, June 15, 1945.

DEAR MR. GREW: The decisions taken by His Majesty's Government as a result of the discussion of the political situation in India with the Viceroy during his recent visit to London will be announced in a statement to be made by the Secretary of State for India⁸ in Parliament on

⁷ Not printed; it repeated substance of telegram 10, April 28, from the Secretary of State at San Francisco, *supra*.

⁸ Leopold S. Amery.

June 14 at approximately 2 p. m. I send you herewith a copy of the proposed statement.⁹ The exact text is still subject to revision. May I ask you to regard it as strictly secret until the statement has actually been made.

I may add that as an appendage to the proposal the Secretary of State will also announce:

(a) that arrangements have been made to set free members of the Congress Working Committee who are still in detention, and

(b) that in connection with their proposals it is the intention of His Majesty's Government to appoint in India a United Kingdom High Commissioner to represent the particular interests of the United Kingdom.

Yours very sincerely,

JOHN BALFOUR

123 [Merrell, George R.] : Telegram

The Commissioner in India (Merrell) to the Secretary of State

NEW DELHI, June 19, 1945—11 a. m.

[Received June 19—7:18 a. m.]

480. Last night Viceroy gave dinner occasioned by my appointment as Commissioner.¹⁰

After dinner he commented with his usual reserve on Wavell plan. He said, however, that he was "working very hard" and that he hoped it would succeed.

As a result of my having said that I would like to be able to keep my Govt confidentially informed as fully as possible of negotiations¹¹ he has arranged for me to consult freely and often with Major Rankin, his assistant private secy, who will remain in New Delhi and will be kept advised of developments.

Sent Dept rptd London.

MERRELL

⁹ Not printed; the statement made in the House of Commons was printed as British Cmd. 6652, *India: Statement of the Policy of His Majesty's Government made by the Secretary of State for India on June 14th, 1945*. A copy of Lord Wavell's statement, made simultaneously at New Delhi, had been transmitted to the Acting Secretary of State on June 13 by the Agent General for India (Bajpai), and a preview from a confidential source had been reported to the Department by the Commissioner in India (Merrell) in his telegram 457, June 10, 11 a. m.; neither printed.

¹⁰ For documentation regarding this subject, see pp. 255 ff.

¹¹ With the announcement of the proposals on June 14, Lord Wavell had issued invitations to 21 Indian leaders to meet with him at the Viceregal Lodge at Simla on June 25 for securing agreement on the proposals and on means for their implementation. The Simla talks began on June 25, continued until June 29, adjourned for an interim period, and reconvened and had a final session on July 14, breaking down on the question of the composition and designation of the members of the new Executive Council; during this period the Commissioner was provided with a series of eight notes informing him in detail of the progress of the Conference (845.00/6-2645, /6-2745, /6-2945, /7-445, /7-1145, /7-1645, /7-3145).

845.00/7-1445

The Ambassador in the United Kingdom (Winant) to the Secretary of State

[Extract]

No. 24278

LONDON, July 14, 1945.

[Received July 28.]

SIR: [Here follow observations of Mr. P. J. Patrick, British Assistant Under Secretary of State for India, on the Wavell Plan.]

Concluding, Patrick said that, in contrast with the wide acclaim which had been given the Wavell Plan, his own remarks might seem to introduce a discordant and cynical note. As a matter of fact, he did entertain reservations regarding the proposals and he thought it only right to say so. What had happened was that the Viceroy had had his way over an unenthusiastic Government and the lukewarm reception which the plan had received in Parliament had been indicative of official reaction thereto. Patrick recalled, with perhaps good humored maliciousness, that those responsible for policy making in India had frequently been admonished by their American friends regarding the necessity for "doing something" toward a settlement in India but without specifying what that "something" should be. Well, the Viceroy was now following the "do something" policy and it remained to be seen how it would work out.

Respectfully yours,

For the Ambassador:

RAYMOND A. HARE

First Secretary of Embassy

845.00/11-1645 : Telegram

The Ambassador in the United Kingdom (Winant) to the Secretary of State

LONDON, November 16, 1945—2 p. m.

[Received November 17—4:20 a. m.]

12013. Following are highlights of conversation of member of Embassy staff with high official of India Office:

1. Reports reaching London indicate that political situation in India is steadily deteriorating and serious disturbances regarded as probable. Nehru said to be evincing increasing impatience with Gandhi and his "spinning wheel and non-violence policies" and to be following deliberately provocative policy which would suggest he may be attempting to make his renewed imprisonment necessary.

2. Although still indicating intention of participating in elections¹² Congress is not expending much effort in that connection and certain high ranking Congressmen have already indicated unwillingness to assume Government responsibility even though Congress is successful in elections. Reason for this apathy toward elections seen in fact that Congress leaders now taking line that only hope of achieving their ends versus both British and Moslems is resort to violence in anticipation that British Govt might hesitate to use force and that Congress would emerge from ensuing chaos with undisputed mastery of the field. Extent to which these tendencies reflect definite policy, however, is not yet clear. Meanwhile India Office is proceeding with study of plans to implement British Govt's announced policies¹³ and considerable progress has been made on draft of treaty between the UK and India. India Office official mentioned that among many subjects to be covered problems of mutual defence and of position of Indian states will be important features in treaty.

4 [*sic*]. India Office also still has under consideration appointment of British High Commissioner in India. Discussion in that regard is at present centering on scope of that official's functions and office of British Govt to which he would be responsible.

5. Regarding suggested raising of status of office of India representative in the US to that of Minister,¹⁴ India Office official observed that idea had been strongly favored on Halifax¹⁵-Wavell level but that technical personnel in both India Office and FO¹⁶ entertained certain reservations on subject in view of anomalous situation which would result as long as foreign affairs remained attribute of Viceroy. Impression was given that personal favor in which present Agent General¹⁷ held in British official circles had been factor in raising question.

Sent Dept as 12013 repeated New Delhi as 193.

WINANT

¹² After the accession to office of the Labor Government in the United Kingdom on July 26, it was announced that elections in India for the central and provincial legislatures would be held for the purpose of implementing that part of the British offer made by Sir Stafford Cripps in 1942 (British Cmd. 6350, *India: Lord Pritty Seal's Mission, April, 1942*); for documentation regarding interest of the United States in the Cripps Mission to India, see *Foreign Relations*, 1942, vol. rv, pp. 619 ff.

¹³ The new Labor Government had invited Lord Wavell to return to London late in August for a discussion of the Indian situation. Upon his return to New Delhi Lord Wavell on September 19 made a statement, reporting that the new British Government "are determined to do their utmost to promote in conjunction with leaders of Indian opinion the early realization of full self government in India", and detailing certain steps which were to be taken; this statement was conveyed to the Acting Secretary of State (Acheson) by the Indian Agent General (Bajpai) with a letter of September 19 (845.00/9-1945).

¹⁴ For documentation regarding this subject, see pp. 255 ff.

¹⁵ Viscount Halifax, British Ambassador in the United States.

¹⁶ Foreign Office.

¹⁷ Sir Girja Shankar Bajpai.

QUESTIONS RELATED TO THE STATUS OF THE REPRESENTATION OF
THE UNITED STATES IN INDIA AND THE REPRESENTATION OF
INDIA IN THE UNITED STATES¹⁸

123 Merrell, George R.

Memorandum by the Director of the Office of Near Eastern and African Affairs (Murray) to the Under Secretary of State (Stettinius)

[WASHINGTON,] November 11, 1944.

MR. STETTINIUS: We have been giving consideration recently to the status of our diplomatic representation in New Delhi, particularly since the return of Mr. Phillips¹⁹ from England and his evident intention of not going back to India.

It seems to me highly desirable that our regular establishment in New Delhi be placed on its own footing, irrespective of the personal representatives of the President who may be sent to India from time to time. Consequently we feel it desirable to accord to Mr. Merrell,²⁰ our senior Foreign Service officer in New Delhi, the rank of Commissioner. This is the title carried by our first representative in New Delhi²¹ when the Mission was established four years ago and we have learned informally that it would be entirely acceptable to the Government of India. The Chinese representative in New Delhi carries this title at the present time.

The designation of Mr. Merrell as Commissioner would not in any way prevent the President from sending a personal representative to India at any time, with whatever personal rank the President might wish to give him. The situation would be analogous to that in Chungking, where we have an Ambassador in charge of our regular diplomatic establishment and at the same time a personal representative of the President with the rank of Ambassador (General Hurley).²²

[Here follows section concerning an attached clipping from a local newspaper.]

You may wish to discuss with the President the subject of the designation of Mr. Merrell as Commissioner,²³ as well as the designation of a personal representative of the President in India.

WALLACE MURRAY

¹⁸ For previous documentation relative to this subject, see *Foreign Relations*, 1941, vol. III, p. 170 ff.; *ibid.*, p. 176, footnote 4; and *ibid.*, pp. 189 ff., *passim*.

¹⁹ William Phillips, Personal Representative of the President to India; for documentation regarding the mission of Ambassador Phillips, see *Foreign Relations*, 1944, vol. V, pp. 232 ff.

²⁰ George R. Merrell, Secretary in charge of the American Mission at New Delhi.

²¹ Thomas M. Wilson.

²² Maj. Gen. Patrick J. Hurley; for documentation regarding the Hurley Mission to China, see *Foreign Relations*, 1944, vol. VI, pp. 247 ff.

²³ The Secretary of State sent a memorandum to President Roosevelt on January 2, 1945, recommending that Mr. Merrell be designated Commissioner with the rank of Minister. The President returned the memorandum with his approval. (123 Merrell, George R.)

128 Merrell, George R.

*Memorandum by the Chief of the Division of Middle Eastern Affairs
(Allen)*

[WASHINGTON,] January 26, 1945.

Subject: *Agrément* for Mr. George R. Merrell

Prior to Mr. Merrell's departure from India in November, 1944 he received a telegram from the Department instructing him to inquire informally of the Government of India whether it would be agreeable to that Government if Mr. Merrell should be designated as United States Commissioner to New Delhi. Mr. Merrell replied by telegraph that he had made such inquiry and had been assured by the Government of India that the appointment would be entirely agreeable.

While Mr. Merrell was in the United States during December, the appointment was cleared with the President and the nomination papers prepared. The question then arose, however, whether the informal inquiry which had already been made was sufficient to constitute an *agrément*. It was decided, in order that no uncertainty remained on this score, to approach Sir Girja Shankar Bajpai on the subject, in Sir Girja's capacity both as Agent General for India and a member of the British Ambassador's Staff, with the rank of Minister. This was done orally on January 9, 1945. Sir Girja undertook to obtain the necessary clearances. On January 16 Mr. Trevelyan, First Secretary at the Agency General, called me to say that the clearance had been given by the Government of India, but that the formal *agrément* could not be given until word was received from London.

Mr. Trevelyan called me this morning to say that the necessary clearance had arrived from London, and consequently the *agrément* and Mr. Merrell's appointment could be considered as formally in our hands.²⁴

GEORGE V. ALLEN

701.4511/1-3145: Telegram

The Acting Secretary of State to the Secretary in Charge at New Delhi (Merrell)

WASHINGTON, January 31, 1945—7 p. m.

72. The Indian Agent General here²⁵ desires Dept to grant him recognition as a chief of mission. Dept has explained that it has been happy to accord him every feasible courtesy, such as inclusion among the chiefs of mission at United Nations meetings, an invitation to the

²⁴ Mr. Merrell was designated on February 28, 1945, Commissioner of the United States to India, with the personal rank of Minister, to reside at New Delhi.

²⁵ Sir Girja Shankar Bajpai.

inauguration ²⁶ as a chief of mission, etc. It is not considered feasible, however, to list him as a full chief of mission in the absence of a request for *agrément* and the presentation of credentials. The Agent General appreciates our position, and for your personal information he has made known to us his intention of making an issue of the question with the British Government if the American Government remains unable to accord him the desired recognition without credentials.

Halifax ²⁷ and Eden ²⁸ are said to have agreed to a status of chief of mission for Bajpai some months ago but Churchill ²⁹ objected.

Any information you may obtain regarding the attitude of officials in India on the subject will be helpful. The position which will be accorded you as commissioner ³⁰ may be of some assistance to us in handling the case. Please keep Dept informed in this regard.

GREW

103.7/12-2744

The Secretary of State to the Secretary in Charge at New Delhi
(Merrell)

No. 265

WASHINGTON, February 1, 1945.

The Secretary of State refers to despatch no. 1034 from the American Consul at Karachi, dated December 27, 1944,³¹ a copy of which was transmitted to the Mission by the Consulate, concerning the transmission of publications requested by the Library of Congress. Particular reference is made to the statement that the Consulate frequently receives letters from the Punjab Government suggesting that future communications from the Consulate to the Government be routed through the External Affairs Department of the Government of India in New Delhi.

The Mission is requested to bring to the attention of the Government of India the fact that consular officers are permitted and expected, under international practice, to correspond directly with the local authorities of any of the states, principalities, or political subdivisions within their accepted consular district. The district covered by the American Consulate at Karachi includes the Punjab governor's province. The American Government perceives no basis for any hesitation on the part of the Government of the province to receive corre-

²⁶ The fourth-term inauguration of President Franklin D. Roosevelt, January 20, 1945.

²⁷ Viscount Halifax, British Ambassador in the United States.

²⁸ Anthony Eden, British Secretary of State for Foreign Affairs.

²⁹ Winston S. Churchill, British Prime Minister.

³⁰ Though American representation had been established at New Delhi in 1941, the position of the American Commissioner in the Warrant of Precedence for India had not been settled at that time by the Government of India to the satisfaction of the United States.

³¹ Not printed.

spondence directly from the American consul at Karachi and to reply to him direct.

The Mission is requested to pursue this matter energetically with the Government of India in order that a clear understanding may be reached with regard to the correspondence between all American consular posts in India and the local authorities within their district. In view of the frequent delays which have been experienced in connection with the general subject of rights and privileges in India, the Mission should press for a prompt answer, should keep the matter active, and should keep the Department informed at all times of the steps which are taken to reach a solution.

701.4511/2-845 : Telegram

The Secretary in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, February 8, 1945—5 p. m.

[Received February 8—5 p. m.]

96. Department's No. 72, January 31, 7 p. m. The Joint Secretary External Affairs Department³² indicated to me this morning that Government of India felt that in view of "the constitutional difficulties" it could not accredit Bajpai as a full Chief of Mission.

The position accorded me as Commissioner in the warrant of precedence [will?] doubtless be the same as that given me last June which is immediately after the members of the Viceroy's Executive Council, the Political Advisor to the Viceroy and the Chinese Commissioner, and immediately before the Australian High Commissioner.³³

MERRELL

702.0045/6-145

The Commissioner in India (Merrell) to the Secretary of State

No. 83

NEW DELHI, June 1, 1945.

[Received June 7.]

SIR: I have the honor to refer to the Department's instruction No. 265 dated February 1, 1945, directing the Mission to make energetic representations regarding the refusal of the Punjab Government to correspond directly with the American Consulate at Karachi and to report that after looking into the matter, Mr. Charles Duke, then Joint Secretary to the Government of India in the External Affairs

³² Charles Duke.

³³ The Acting Secretary of State (Grew) in his airgram A-47, February 14, confirmed that it was the Department's view that this was the proper precedence; Mr. Merrell presented his informal letter of introduction on April 20.

Department, informed me that, whereas a circular instruction sent to the provincial governments in March 1938, which doubtless gave rise to the misunderstanding, did preclude direct correspondence between consulates and provincial governments other than those in which the consular offices are located, a superseding circular letter of July 1938 authorized direct correspondence between consular officers and all provincial governments in British India within their consular districts, without reference to the Central Government, on all matters except those involving broad policy.

Since then there has been no change in the Government of India's attitude and any provincial governments which have declined to correspond directly had done so in error. Mr. Duke assured me that a fresh circular has been sent to the provincial governments clarifying the authorization for direct correspondence.

Mr. Duke explained that, on account of the treaty relations between the British Government and the Indian native states by virtue of which all foreign relations between the latter and other countries are placed in the hands of the British, this authorization could not extend to correspondence with the governments of the Indian states. He said, however, that he saw no reason why entirely routine correspondence with the Indian states, such as the Consulate at Madras obtaining Mysore publications which are sent automatically and the newspapers, could not be entered into directly. He implied that it might be better for consular officers in their discretion to attempt to correspond directly on routine matters without first inquiring as to the propriety of such action in view of the fact that, if the matter were presented formally to the Political Department, the latter would feel obliged on account of the rules and regulations to disapprove.

Respectfully yours,

GEORGE R. MERRELL

125.0045/10-2345

The Commissioner in India (Merrell) to the Secretary of State

No. 304

NEW DELHI, October 23, 1945.

[Received October 31.]

SIR: I have the honor to refer to despatch No. 2385 [2383] of October 11, 1945, from the Consulate General at Bombay entitled "Possible Consulate at Lahore, Punjab."²⁴

I agree with the opinion expressed in the despatch under reference that Lahore plus Amritsar together are of importance both commercially and politically. The attitude of the Government of India, however, remains one of opposition to normal consular representation.

²⁴ Not printed.

of any kind except at the principal ports; this attitude will, of course, change when India takes another step or two towards self government, and it is possible that a change might be effected now should the United States wish to request it.

In this connection there is enclosed a copy of a memorandum of a conversation between Mills of this office and the Secretary of External Affairs³⁵ regarding the attitude of the Government of India towards the establishment of a consular section in the Mission.

Respectfully yours,

GEORGE R. MERRELL

[Enclosure]

*Memorandum of Conversation, by the Secretary of Mission
at New Delhi (Mills)*

[NEW DELHI,] October 4, 1945.

During a call on Col. Burnett on October 4, 1945, I asked him if he could tell me, for my information, the present situation with regard to the establishment of consular representation in New Delhi. I pointed out that two officers of the Mission, Mr. Flood³⁶ and Miss Monroe,³⁷ were accredited as consular officers at Calcutta, but that the present arrangement appeared to me to result in much lost motion and unnecessary red tape. As an example, I mentioned the necessity when performing notarial services to send the documents, together with rupees to cover the fees, to Calcutta for completion resulting in considerable delay. A few days before, I told him, Lt. General Wheeler³⁸ was put to considerable inconvenience with respect to Miss Wheeler, his daughter, who is a civilian employee of the Army. General Wheeler wished to have his daughter accompany him in his plane on his return to the United States. Her passport, however, had expired and only a consular office could renew it. In this case General Wheeler sent a special courier by plane to Calcutta with his daughter's passport and extension forms so it could be extended, and the Mission had to telephone Calcutta by long distance so the Consulate General would be sure to be prepared rapidly to take care of this service. I also pointed out the great inconvenience to British and Indians residing in New Delhi who wished to travel to the United States by air. If they were travelling in a private capacity they could only be granted American visas by a consular office and this often meant that they had to spend a day in Karachi, for example, in order

³⁵ Lt. Col. R. R. Burnett, Joint and Acting Secretary to the Government of India in the External Affairs Department.

³⁶ Douglas Flood, Secretary of Mission at New Delhi; also Consul at Calcutta.

³⁷ Mildred I. Monroe, Attaché at New Delhi, also Vice Consul at Calcutta.

³⁸ Lt. Gen. Raymond A. Wheeler, Commanding General, India-Burma Theater.

to obtain a visa, or make a special trip from Delhi to one of the cities where there are consular offices prior to embarking on their journey.

Col. Burnett stated that he quite realized that the absence of a consular section in the Mission resulted in considerable extra effort. He stated, however, that the policy of the Government of India remained that of refusing to permit the establishment of foreign consular officers at any interior point in India, the one exception being the Consul Generals of Iran, Afghanistan and Nepal who are established in New Delhi, this being provided for by special treaty arrangements between India and the three countries in question. When I asked why the Government of India objected to foreign consuls at interior points he stated that the policy dated back to Company days³⁹ when there was a question of protection and also of intervention in Indian political affairs by foreign agents. He added that obviously if India advanced on the road to self-government the policy would be changed. I asked whether the policy of excluding foreign consuls from interior points was brought up for reexamination from time to time. Col. Burnett replied that he thought it was and asked whether the American Mission wished to raise the question now so that there could be a reexamination at this time. To this I replied that at the moment I was merely making inquiry as to the situation on my own initiative and without having been able to consult the Commissioner; but that on the latter's return I would tell him of the conversation and he might consider it advisable to request instructions from the Department of State.

I gathered the impression that if the Mission presented a request to establish a consular section in New Delhi with vigor, it might receive favorable consideration from the Government of India. Upon return from his consultations in London in June 1945 the Viceroy⁴⁰ spoke of a plan of the British Government to accredit a diplomatic representative to the Government of India. Moreover in September 1945 the Office of the Chief Representative of the British Board of Trade (British Trade Commissioner) moved his office from Calcutta to Delhi. In view of this precedent it is believed that the Government of India could not, with logic, continue to oppose the initiation of trade promotion activities in the Delhi area by a consular branch of the Mission, if one were established. This particular aspect of the case, however, has not yet been discussed with the Government of India.

³⁹ The East India Company period, 1765-1857, when the Company directly controlled the administration of government in India, under charter grant from the British Parliament.

⁴⁰ Field Marshal Sir Archibald P. Wavell, Viscount Wavell, Viceroy of India since October 1943.

There are in British India nine cities at interior points having a population of over 200,000, namely: Delhi, Lahore, Ahmedabad, Lucknow, Amritsar, Poona, Cawnpore, Agra, and Nagpur, their importance from the standpoint of population being in the order listed. Lahore plus Amritsar, however, is much more important than any of the others taken singly, although almost equalled in importance by Delhi plus Agra. The Indian States⁴¹ are prohibited from carrying on relations with any foreign countries except through the Crown Representative (i.e. the Viceroy and the Political Department), although there are at least three cities in the Indian States which are of sufficient importance so that, except for this situation, the establishment of consular offices might be considered, namely Hyderabad, Bangalore and Benares.

I am of the opinion that at an early date the Department should be requested to instruct the Mission to take up with the Government of India the establishment of consular offices at both Delhi and Lahore, the former to be a consular section of the Mission.

SHELDON T. MILLS

701.4511/10-2845

*The British Ambassador (Halifax) to the Secretary of State*⁴²

[WASHINGTON,] October 28, 1945.

SIR: I have the honour to inform you, under instructions from His Majesty's Principal Secretary of State for Foreign Affairs,⁴³ that His Majesty's Government in the United Kingdom desire to obtain the consent of the United States Government to the raising of the status of the Agent General for India in Washington to that of a fully accredited Minister. I shall be grateful if you will be good enough to inform me whether this proposal is agreeable to the Government of the United States.

I have the honour to add that His Majesty's Government in the United Kingdom are making a similar approach to the Government of China regarding the status of the representative of India at Chungking.

I have [etc.]

HALIFAX

⁴¹ The 560 or so separate states ruled by local princes or princely governments, whose only constitutional bond was their common direct relationship with the British King-Emperor who, through the Crown Representative in India (always the Governor-General and Viceroy), wielded paramount power; this was in contrast to the centrally governed provinces of British India whose administration in India was headed by the Governor-General-in-Council, in turn responsible to a British Cabinet officer in London, the Secretary of State for India.

⁴² The Commissioner in India (Merrell) was informed of this note in telegram 851, November 1, 8 p. m., not printed.

⁴³ Ernest Bevin.

701.4511/10-2845

*The Secretary of State to the British Ambassador (Halifax)*⁴⁴

WASHINGTON, November 7, 1945.

EXCELLENCY: I have the honor to acknowledge the receipt of your note of October 28, 1945 informing me that the British Government desires to obtain the consent of the United States Government to raising the status of the Agent General for India in Washington to that of a fully accredited Minister. It is noted that a similar approach has been made to the Government of China regarding the status of the representative of India at Chungking.

During the discussions in 1941 between the British and American Governments which resulted in the exchange of the present type of representation between the Governments of the United States and India, it was felt that Agent General, Commissioner, or Diplomatic Agent were the designations most appropriate to India's constitutional status at that time. As it is understood that steps are now about to be taken in India for the purpose of revising India's constitutional position, this Government believes that it would be preferable to postpone a decision on the question raised in your note under acknowledgment pending the outcome of these developments.

Meanwhile, this Government would be pleased, if the Government of India so desires, to accord to the representatives of that Government in the United States, on a reciprocal basis, the status of a Commissioner or Diplomatic Agent with the privilege of maintaining his own separate diplomatic establishment. In such case he would be given a position in the diplomatic corps immediately above chargé d'affaires.

Accept [etc.]

JAMES F. BYRNES

701.4511/11-845

Memorandum of Conversation, by the Director of the Office of Near Eastern Affairs (Henderson)

[WASHINGTON,] November 8, 1945.

Participants: Sir Girja Shankar Bajpai, Indian Agent General
Mr. Henderson-NEA
Mr. Berry-ME⁴⁵

The Indian Agent General called this morning at our request. Mr. Henderson opened the conversation by saying that we simply wished to advise him informally of the nature of and the reasons for our

⁴⁴ The substance of this note was conveyed to the Commissioner in India (Merrell) in telegram 869, November 7, 8 p. m., and repeated to the Chargé in China (Robertson) in telegram 1808, November 7, 8 p. m., with request that the appropriate Chinese authorities be informally apprised of its contents.

⁴⁵ J. Lampton Berry, Assistant Chief of the Division of Middle Eastern Affairs.

desire to postpone a decision on the above British proposal pending the results of the constitutional steps about to be taken in India. Mr. Henderson added that a note to this effect had gone to the British Ambassador this morning. Mr. Henderson emphasized our great desire to exchange fully accredited diplomatic representatives with India and that we only wished to postpone a decision pending developments.

Mr. Berry reminded Sir Girja that it was felt in 1941 that the type of representation then exchanged between the Governments of the United States and India was the type most appropriate to India's constitutional status at that time and that no basic change in India's constitutional status had occurred since that date. He added, therefore, that it would seem premature, especially in the light of impending events in India, to make an important change at this time.

Sir Girja replied that our position was legally and constitutionally unassailable but that he felt we might bear in mind that the Government of India has since 1941 been granted a wider scope in the conduct of its own affairs. He referred in this connection to India's membership in the United Nations Organization and its participation in the Far Eastern Advisory Commission. Mr. Berry replied that this did not alter the fact that the Viceroy still possesses the veto power and that basic policies, both political and economic, are formulated in London. He added that only recently our Commissioner in New Delhi had reported that one of the highest Indian officials of the Government of India had told him that he could do nothing in the way of ameliorating India's import restrictions with regard to American firms ⁴⁶ as all policies in connection with such matters were dictated from London.

Mr. Berry then expressed the fear that, were we to accede to the British Government's proposals at this time, such action might very well be used by one party or other as campaign material during the forthcoming elections. Sir Girja replied that he perceived little likelihood of this.

Mr. Henderson here re-emphasized our desire to exchange full diplomatic representation with India and that we simply wished to postpone a decision for a few months pending developments. Sir Girja replied that even after the elections were over about April 1, 1946, the actual constitutional position would not be changed until a constituent assembly had drafted a new constitution for a self-governing India which might require several months or even years so that postponement at this time in effect meant postponement indefinitely. Mr. Berry replied that there was something more to a constitution than the written word and that no country was more familiar with conventions than

⁴⁶ For documentation regarding this subject, see pp. 269 ff.

the United Kingdom. He added, therefore, that it was quite possible that the Viceroy would succeed in forming an interim national government after April 1, 1946 by means of informal assurances to the representative Indian leaders that the veto would be used sparingly. If such leaders were convinced that India was in effect self-governing under such an arrangement, there would be a new situation.

Sir Girja stated that he believed that exchange of fully accredited Ministers at this time would be of assistance to India on the road to self-government. Mr. Berry replied that such a step would be strongly resented by every representative Indian because it would publicly put this Government on record as believing that India is already self-governing when such in fact is not the case.

[Here follows expression of personal views by Sir Girja.]

701.4511/11-1345

Memorandum from the Legal Adviser (Hackworth) to the Director of the Office of Near Eastern and African Affairs (Henderson)

WASHINGTON, NOVEMBER 13, 1945.

INDIA—DIPLOMATIC REPRESENTATION

MR. HENDERSON: You have requested a memorandum regarding the desire of the British Government to have a Minister accredited to the United States from India.

1. It is unnecessary to dwell upon the proposition that independent states may send and receive diplomatic representatives. This is axiomatic. All the authorities in speaking of the right to accredit ambassadors, ministers, etc., speak of it as a right appertaining to independent states. We know that India is not independent. It is unnecessary here to go into the question of her status vis-à-vis Great Britain or the outside world. The question is whether despite her lack of independence we may allow her to have an accredited Minister in the United States.

2. While the authorities, in discussing diplomatic representation, connect the privilege with independent states, they also speak of representation by and to semi-sovereign or dependent states.

Thus, Oppenheim states:

“Not every State possesses the right of legation. This right belongs chiefly to full sovereign States, for other States possess it under certain conditions only.

“Half sovereign States, such as States under the suzerainty, or the protectorate, of another State, can, as a rule, neither send nor receive diplomatic envoys. But there may be exceptions to this rule. Thus, according to the Peace Treaty of Kainardji of 1774 between Russia and Turkey, the two half sovereign principalities of Moldavia

and Wallachia had the right of sending *chargés d'affaires* to foreign Powers. Thus, further, before the Boer War, the South African Republic, which was, in the opinion of Great Britain, a State under British suzerainty, used to keep permanent diplomatic envoys in several foreign States." I Oppenheim's *International Law* (Lauterpacht, 1937) 600-601.

Wheaton, in his discussion of the rights of legation, says:

"How far the rights of legation belong to dependent or semi-sovereign States, must depend upon the nature of their peculiar relation to the superior State under whose protection they are placed. Thus, by the treaty concluded at Kainardgi, in 1774, between Russia and the Porte, the provinces of Moldavia and Wallachia, placed under the protection of the former power, have the right of sending *chargés d'affaires* of the Greek communion to represent them at the court of Constantinople." Wheaton's *International Law* (Dana's ed., 1866) 290.

Davis in his treatise states:

"The power of sending and receiving ambassadors belongs also to dependent states, unless its exercise is expressly forbidden by the states upon which they are dependent." Davis, *Elements of International Law* (3 ed., 1908) 191.

3. The United States has at different times been represented diplomatically in quasi-independent states, but usually, if not always, by an officer of lower rank than a minister.

4. For example, prior to the recognition of Bulgaria as an independent Kingdom our Minister to Roumania and Serbia was also Diplomatic Agent to Bulgaria.

5. Prior to the relinquishment by Great Britain in 1922 of her Protectorate over Egypt we were represented in Cairo by a Diplomatic Agent and Consul General.

6. Following the establishment in 1912 of the French Protectorate over Morocco, the United States was represented at Tangier by a Diplomatic Agent and Consul General. We are at present represented by a Counselor of Legation and Consul General with a staff of diplomatic secretaries and consular officers.

7. In 1924 the Secretary of State received an Envoy Extraordinary from San Marino, a Republic, under the protection of Italy.

8. I have not undertaken to determine whether the countries referred to in paragraphs 4, 5, and 6 were similarly represented in the United States, but I know of no reason why they should not have been had such representation been mutually agreeable. A reason for not having special representatives here would have been the fact that they were represented through the protecting Powers.

9. While these representatives were lower in rank than Ministers they nevertheless were diplomatic officials and we thus had diplo-

matic relations with those countries despite the fact that they were not fully independent sovereign states.

10. If diplomatic relations may thus be established through officers of lower rank than Ministers, I know of no reason why, had we so desired, we could not as well have sent Ministers had the state having suzerainty been agreeable. The question of the rank to be given diplomatic officers is one of policy and not of law.

11. India is not an independent sovereign State but she is a member of the League of Nations and of the United Nations. She has been represented here by an Agent General in the British Embassy, who apparently has the rank (presumably personal) of Envoy Extraordinary and Minister Plenipotentiary. If India and the British Government desire to accredit him as Minister for India, it would not do violence to any law, international or municipal, of which I have any knowledge for us to receive him as such. I presume that the British Government would be willing to reciprocate, at least I think that we should make reciprocity a condition, to be exercised or not as we may see fit.

12. The fact that Constitutional changes in India are in process would not seem to have any great bearing on our decision, since such changes of which I have any knowledge would still leave India a part of the British Empire.

13. Generally speaking, the receiving of an accredited diplomatic officer is to be regarded as constituting recognition of the independence of the sending state, and questions may well be raised whether, if we receive a Minister, we have recognized India as an independent State. India might use the recognition of the right of legation as an argument that she is or should be independent. That, however, is largely a matter between India and the United Kingdom. If we acted independently, we would be giving offense to Great Britain. But since Great Britain is making the request that situation does not arise. We could answer inquisitive people—and there may be many—as to the nature and effect of the new situation, by stating the facts and saying that the arrangement was made in the mutual interest of the two countries and at the request of the British Government and that it carries no further implications.

GREEN H. HACKWORTH

PROPOSALS FOR DISCUSSIONS REGARDING LEND-LEASE TERMINATION AND SETTLEMENT, AND THE DISPOSAL OF SURPLUS UNITED STATES PROPERTY LOCATED WITHIN INDIA

845.24/10-2845

*The Department of State to the Indian Agency General*⁴⁷

AIDE-MÉMOIRE

The Government of the United States proposes that discussions should be begun at an early date with representatives of the Government of India concerning lend-lease termination and settlement, and the disposal of surplus property belonging to the United States Government and located within the territory of the Government of India. It would appear to be in the mutual interest of the Governments of the United States and of India that issues relating to the above subjects should be resolved as expeditiously and as completely as possible. The Government of the United States would, therefore, appreciate an early expression of opinion from the Government of India as to when such discussions might be begun.

WASHINGTON, October 26, 1945.

845.24/11-2845

The Agent General for India (Bajpai) to the Secretary of State

AIDE-MÉMOIRE

The Agent General for India has the honour to refer to the *Aide-Mémoire* addressed to him by the Government of the United States on 26th October 1945 proposing discussions with a representative of the Government of India concerning lend-lease termination and settlement, and the disposal of surplus property belonging to the United States Government and located within the territory of the Government of India.

The Government of India welcome the suggestion of the United States Government that problems of termination of Lease-Lend and of Reciprocal Aid and of disposal of surpluses of the United States Government in India should be resolved in discussion between the State Department and representatives of the Government of India. They are collecting the information necessary for the discussions; but it is unlikely that all the material will be ready before the latter half of January. They suggest that the discussion should commence early

⁴⁷ The Agency General was composed of certain members of the staff of the British Embassy; Sir Girja Shankar Bajpai was the Agent General for India.

in February. The Government of India trust that this proposal will suit the convenience of the United States Government.

[WASHINGTON,] 28 November, 1945.

845.24/11-2845

The Secretary of State to the Agent General for India (Bajpai)

MEMORANDUM

The Secretary of State refers to the *Aide-Mémoire* addressed to him by the Agent General for India on November 28, 1945 welcoming the suggestion of the United States Government that problems of termination of lend-lease and of reciprocal aid and of disposal of surpluses of the United States Government in India should be resolved in discussion between the State Department and representatives of the Government of India.

It is noted that the Government of India desires that the discussions commence early in February. The United States Government is agreeable to this proposal and trusts that in view of the need for an early agreement on the matters to be discussed, the conversations may be commenced as soon as possible after February 1.

WASHINGTON, December 11, 1945.

REPRESENTATIONS TO INDIA REGARDING THE POSITION OF AMERICAN EXPORTS IN THE INDIAN MARKET; PROPOSAL BY THE UNITED STATES FOR RESUMPTION OF NEGOTIATIONS FOR A TREATY OF COMMERCE AND NAVIGATION⁴⁸

845.24/12-2644

The Secretary in Charge at New Delhi (Lane) to the Secretary of State

No. 922

NEW DELHI, December 26, 1944.
[Received January 8, 1945.]

SIR: I have the honor to refer to the Mission's airgram A-105 of November 27, 11 a. m. (1944),⁴⁹ reporting a discussion of the question of import control with the Chief Controller of Imports of the Government of India,⁵⁰ and to enclose a copy⁴⁹ of a statement on "Registration of Post-War Requirements of Capital Goods" issued to the press by the Commerce Department of the Government of India on December 22, 1944.

⁴⁸ For previous correspondence concerning treaty discussions, see *Foreign Relations*, 1941, vol. III, pp. 189 ff.

⁴⁹ Not printed.

⁵⁰ Ram Chandra.

The statement, which has been communicated to the Chambers of Commerce of the country, explains that Indian firms which have or intend to place orders for capital goods overseas must register them with the Chief Controller of Imports of the Government of India. An exception to the registration requirement is made in the case of orders for capital goods which are expected to be shipped before July 1, 1945, in which case an ordinary import license will be all that is required. Also exempted from registration will be orders for machine tools with an estimated f.o.b. value of less than Rs. 10,000 (\$3,000) and other capital goods with an estimated value of less than Rs. 25,000 (\$7,500).

The procedure outlined in the statement is as follows:

From the statement, it appears that a firm in India wishing to import capital goods from the United States on which shipment is expected to be made prior to July 1, 1945, needs only the ordinary import permit and priority for dollar exchange. On goods to be shipped after that date, the importer will have to obtain the registration of the order with the Chief Controller of Imports (if for a machine tool with a f.o.b. value of \$3,000 or over or other capital equipment with a f.o.b. value of \$7,500 or over). He must also obtain acceptance of the order by a United States supplier and notify such acceptance to the Chief Controller of Imports. The importer will also require an import license with a right to dollar exchange, which will not be issued unless the above conditions have previously been met. Registration of orders for the purchase of capital goods outside the sterling area will not be accorded unless necessity and urgency can be shown.

Apparently a prospective importer of capital goods will be expected to exhaust all possibilities of obtaining them in the sterling area before having recourse to United States, Canadian, or Swiss suppliers. Knowledge of the supply position in the sterling area, therefore, may well prove a useful guide to American manufacturers in deciding whether inquiries from India deserve serious attention.

Respectfully yours,

CLAYTON LANE

711.452/2-2745

The Secretary in Charge at New Delhi (Merrell) to the Secretary of State

No. 1029

NEW DELHI. February 27, 1945.

[Received March 6.]

SIR: I have the honor to refer to the penultimate paragraph of the Department's airgram A-313, December 19, 1944, 2.15 p. m.,⁵¹ stating

⁵¹ Not printed.

that the Department would be prepared to resume discussions leading to the negotiation of a treaty of commerce and navigation between India and the United States (suspended on December 15, 1942)⁵² and requesting the Mission's comments on the general contents, acceptability and timing of such a treaty.

It will be recalled that on December 30, 1942, the Supply Member of the Government of India, Sir Ramaswami Mudaliar, then in Washington, assured officials of the Department that the Government of India had in no way lost its desire for a treaty, but that the status of the Government of India undoubtedly would undergo a change after the war, and that instruments negotiated now might need to be done again later. The future framework of the Government of India is no clearer now than it was in December 1942. If this reason for postponing negotiations was valid at that time, it is still valid.

On February 21, 1945, the officer of the Mission in charge of economic affairs⁵³ accompanied Mr. Beecroft, the Special Representative of the Foreign Economic Administration in New Delhi, in calling on Mr. Ram Chandra, Chief Controller of Imports and Acting Secretary of Commerce Department of the Government of India. The object of the visit was to permit Mr. Beecroft to obtain the latest views of the Government of India on economic relations between the United States and India before he returns to the United States for consultation early in March. The Mission's economic officer took the opportunity to sound out Mr. Ram Chandra regarding the possibility of resuming negotiations leading to a treaty of commerce and navigation. The latter made it clear that the Government of India at present has not reached any definite views on this subject. He suggested the possibility that when the Secretary of the Commerce Department, Mr. N. R. Pillai, returns to India early in March from his protracted visits to the United Kingdom and the United States, the Government of India might possibly consider the question of India's commercial relations with foreign countries after the war. Mr. Ram Chandra stressed the point that such a decision was only a possibility, and he had no way of knowing whether the question would even come up for serious discussion. The Mission will seek an opportunity to learn the views of the Secretary of the Commerce Department, Mr. N. R. Pillai, when the latter returns to India.

It has been learned from officials of the Federation of Indian Chambers of Commerce and Industry that a resolution will be introduced at the annual meeting of the Federation, which will convene in New Delhi on March 3, 1945, calling for the resumption of negotiations of a commercial treaty between India and the United States. The principal interest of the members of the Federation, it is be-

⁵² See bracketed note, *Foreign Relations*, 1941, vol. III, p. 201.

⁵³ Sheldon T. Mills, Secretary at New Delhi.

lieved, is in alleviating the position of Indian business men by a treaty which would make applicable to them the provisions of Section 3(6) of the Immigration Act of 1924.⁵⁴ Indian interests, it appears would view with unconcern the provisions of paragraph 3 of article XVI of the draft treaty⁵⁵ providing most favored nation treatment and including the United Kingdom and Northern Ireland among the third countries. When it comes to national treatment with respect to navigation, contained in articles II and [to?] VI of the draft, it is anticipated that there would be opposition since Indian shipping interests are bitter over the equal opportunity accorded the British in this field. Similarly national treatment with respect to the exploration for and exploitation of a specified list of mineral resources probably would encounter great opposition in view of the current belligerently nationalistic mood of many Indians. Finally any national treatment with respect to industrial property, covered by Article IX of the draft treaty, would be opposed. In a conversation with Sir Ardeshir Dalal⁵⁶ on February 24, 1945, Dr. Charles F. Remer⁵⁷ of the Department and Mr. Mills of the Mission were told baldly that India intended to see that foreign interests did not in the future acquire majority ownership or control of any of India's industries, and it was implied that India would be able to get along without foreign capital if the latter was unwilling to come to India on a minority basis.

With both Indian business interests and the Indian elements in the Government in such a hyper-nationalistic frame of mind, it is doubtful whether the United States would be able at this time to negotiate with India a treaty of commerce and navigation which would give the United States any of the advantages it might look for in such a treaty. On the contrary recent announcements of officials in Britain do not indicate that the United Kingdom Government is in any mood to scrap the Ottawa Agreements⁵⁸ now. In this connection a Reuter despatch from London, dated February 23, 1945, reports that the British position at the Commonwealth Relations Conference now in session is that there might be some room for an "improved Ottawa Pact" in the form of a relaxation of inter-Commonwealth trade barriers which, it is assumed, would not apply to non-Empire countries such as the United States.

Respectfully yours,

GEORGE R. MERRELL

⁵⁴ Approved May 26, 1924; 43 Stat. 153.

⁵⁵ For text, see *Foreign Relations*, 1939, vol. II, p. 354.

⁵⁶ Member of the Executive Council of the Governor-General for Planning and Development.

⁵⁷ Adviser on Far Eastern investment and finance, Division of Financial and Monetary Affairs.

⁵⁸ Agreements and announcements made at the Imperial Economic Conference, Ottawa, August 20, 1932, *British and Foreign State Papers*, vol. 135, p. 161.

845.515/3-1045

The Secretary in Charge at New Delhi (Merrell) to the Secretary of State

No. 1044

NEW DELHI, March 10, 1945.

[Received March 20.]

SIR: I have the honor to report that, after considerable reflection and in view of growing agitation in the economic press of India for the negotiation of a dollar loan for which some of India's sterling assets would be offered as security, it was decided to bring to the attention of Sir Ardeshir Dalal, Planning and Development Member of the Government of India, in an informal and personal but written form, part of the contents of the Department's confidential Airgram A-313 of December 19, 1944, 2:15 p. m., and a letter was sent to him on March 2, 1945, a copy of which is enclosed.⁵⁹

There is also enclosed a copy of Sir Ardeshir's acknowledgment, dated March 8, 1945,⁶⁰ in which he states that it is possible, but by no means certain, that he may visit the United States on the conclusion of his visit to the United Kingdom. The latter visit will be in company with a group of Indian industrialists who plan to leave India about April 1st and who are scheduled to go to the United States after visiting the United Kingdom. Sir Ardeshir indicates that if he goes to the United States he will have an opportunity to discuss at first hand with officials of the Government of the United States such questions as foreign capital participation, management, and control in such ventures as an electrical machinery industry for India.

It will be noted that Sir Ardeshir, in the final paragraph of his letter, states that he has brought to the attention of the Government of India the interest of the United States in reopening negotiations of a commercial treaty between India and the United States. I mentioned this interest orally to Sir Olaf Caroe, Secretary to the Government of India in the External Affairs Department, shortly after my return to India in January 1945.

Respectfully yours,

GEORGE R. MERRELL

⁵⁹ Neither printed. Regarding airgram A-313, December 19, 1944, see despatch 1029, February 27, from New Delhi, *supra*. In his letter to Sir Ardeshir the Secretary in Charge said in part: ". . . it might be observed that technical and financial aid for . . . India would gain encouragement through the conclusion of a treaty of commerce and navigation between India and the United States. The Department of State would be prepared to resume discussions of such a treaty at any propitious time. As you probably are aware, in 1938 the two Governments agreed that such a treaty should be concluded, but negotiations were interrupted on December 30, 1942, at the request of the representatives of the Government of India who, however, stated that the Government of India had in no way lost its interest in such a treaty." (845.515/3-1045)

⁶⁰ Not printed.

711.452/3-545

*Memorandum by Mr. Richard W. Flournoy, Assistant to the Legal Adviser (Hackworth)*⁶¹

[WASHINGTON,] March 23, 1945.

Subject: Entry of East Indians into the United States for Commercial Purposes

In my recent testimony before the House Committee on Immigration and Naturalization concerning the pending bill which provided for the immigration and naturalization of East Indians⁶² I mentioned, as one argument in favor of its passage, the fact that we have no treaty of commerce between the United States and India, since the commercial treaty of 1815 with Great Britain⁶³ relates only to trade between the United States and British territory in Europe. The fact that the Committee has tabled the bill in question, so that its passage will at least be delayed for some time, might make it desirable to have a commercial treaty with India, so that East Indians coming to the United States to carry on trade between the two countries will not be handicapped by the necessity of obtaining entry, under Sec. 3(2) of the Immigration Act of 1924, as temporary visitors for business, and of thereafter applying repeatedly for extensions of stay. However, this is a question of commercial policy.

R[ICHARD] W. F[LOURNOY]

711.4511/6-1245

*Memorandum of Conversation, by the Adviser on Commercial Treaties, Division of Commercial Policy (Wilson)*⁶⁴

[WASHINGTON,] June 12, 1945.

Participants: Sir Girja Shankar Bajpai, Agent General for India,
Mr. Lane, formerly Secretary of Mission at New Delhi,
Mr. Haley, ITP,⁶⁵
Mr. Berry, ME,⁶⁶
Mr. Ross, CP,⁶⁷
Mr. Wilson, CP.

⁶¹ Addressed to the Division of Commercial Policy and the Division of Research and Publication.

⁶² For documentation regarding this subject, see pp. 281 ff.

⁶³ Signed at London, July 3, 1815, Hunter Miller (ed.), *Treaties and Other International Acts of the United States of America*, vol. II, p. 595.

⁶⁴ Copy transmitted to the Commissioner in India (Merrell) in instruction 323, June 29, with request that the Mission comment on the prospects for negotiating a treaty of friendship, commerce and navigation with India, "considering the prospective political changes in India. . . ." (611.4531/6-2945); for documentation regarding the political situation in India at this time, see pp. 249 ff.

⁶⁵ Bernard F. Haley, Director of the Office of International Trade Policy.

⁶⁶ J. Lampton Berry, Acting Assistant Chief of the Division of Middle Eastern Affairs.

⁶⁷ James A. Ross, Jr., Assistant Chief of the Division of Commercial Policy.

At the invitation of Mr. Haley, the Agent General for India called to discuss informally the question of reopening negotiations looking to a commercial treaty. Referring to the discontinuance (in 1942) of discussions based upon a draft treaty which the United States presented in 1939, the Agent General (1) inquired what developments there had been since 1942 which would have bearing upon the matter, (2) said that, since India desired to terminate the rights and privileges which British nationals and corporations have in India (on a national treatment basis) under the Government of India Act, 1935 (25 & 26 Geo. 5, ch. 42), it would hardly be feasible at the present time to give Americans most-favored-nation treatment in the matters concerned, and (3) expressed the view that Imperial trade preferences would need to be taken into account but should not preclude the making of a treaty.

Department representatives suggested (1) that American business interests could hardly be expected to participate extensively in trade and industry in India unless there were a treaty to provide a general framework for such participation, (2) that the improvement in the general international situation since 1942 seemed to justify the early resumption of discussions, (3) that while each Government would need to consider its own Constitutional arrangements, it should not be impossible to work out applications of the most-favored-nation principle with exceptions where these were unavoidable and, if necessary, with provision that, as to some subject matters, the United Kingdom would not be considered a most-favored "foreign" nation.

There was brief discussion of the applicability of a treaty which might be concluded between the United States and India to the Indian States as well as to British India.⁶⁸

Sir Girja said that he would report this conversation to the Government of India. It was understood that study looking to a draft treaty would be continued in the Department,⁶⁹ and that another conversation concerning the possibility of reopening negotiations would be held as soon as practicable.

⁶⁸ With regard to the Indian States, see footnote 41, p. 262.

⁶⁹ As a result of this continuing study of the treaty question the Office of Near Eastern and African Affairs on September 28, 1945, recommended to the Office of International Trade Policy that no further action be taken at that time toward treaty discussions with India, the Office of International Trade Policy agreeing in a memorandum of April 1, 1946 (711.452/4-146). At the same time the Office of International Trade Policy referred to a memorandum of the India-Burma Committee, "U.S. Benefits and Concessions with reference to [lend-lease and surplus property settlement and other] Negotiations with India", dated March 13, 1946, in which was stated a general Department opinion that "... the conclusion of a treaty of friendship and commerce with India should be postponed until representative Indian political elements were in control of the external affairs of their country". (Lot 22, Box 9, Folder "India-Burma Documents 1")

611.4531/7-1845

The Commissioner in India (Merrell) to the Secretary of State

No. 149

NEW DELHI, July 18, 1945.

[Received July 26.]

SIR: I have the honor to refer to the Department's confidential instruction No. 325 of July 2, 1945,⁷⁰ inviting comments by the Mission on points raised during a conversation on June 20, 1945, between Sir Ardeshir Dalal and Sir Girja Bajpai, on the one hand, and officers of the Department on the other.

[Here follows discussion of particular points.]

No doubt Sir Ardeshir is sincere in stating that the present Government of India does not contemplate any change in its tariff policy. Whether that will be true a year from now is questionable. The Wavell Plan to reorganize the Executive Council has failed, but another attempt may be made. If and when Congress Party nationalists are given an important and perhaps dominant voice in determining policy it is not unlikely that the party's long time demand for a high protective tariff may be heeded. It must not be forgotten that attempts to conclude a lend lease agreement with India⁷¹ failed because of the unwillingness of the Government of India to commit itself to a policy of eliminating trade barriers.

Assistant Secretary of State Clayton is reported to have told Sir Ardeshir that there should be no difficulty in obtaining reasonable credits in the United States once the Congress increases the lending power of the Export-Import Bank. It is suggested that prior to granting any substantial credit to the Government of India, the Export-Import Bank should obtain assurances with respect to:

1) The operation of import licensing in India in a non discriminatory manner and its liquidation as soon as practicable. This may involve the withdrawal of India from the Sterling dollar pool unless some agreement can be reached with the British on the operations of the pool during the transition period during which it may be permitted to continue.

2) A guarantee against discriminatory legislation which would affect the investments of Americans in India. This would mean that the Government of India would refrain from enacting legislation that would require all new enterprises to be controlled by Indians. It should be left to the individual entrepreneurs to decide whether or not they will demand majority ownership in new companies undertaken jointly with Americans. If Indians can obtain the financial assistance they need for the purchase of capital goods from the Export-Import Bank they will be reluctant to come to terms with private American investors. The Export-Import Bank, on the other

⁷⁰ Not printed.

⁷¹ See *Foreign Relations*, 1943, vol. iv, pp. 246 ff.

hand, probably can not make available "know-how" with its credits. In many lines it is in the interests of a balanced economic development in India that the policy of excluding foreigners from the control of Indian enterprises should be relaxed. If this is not done, and American credits are available for the purchase of capital goods, considerable waste is apt to occur from misdirected efforts on the part of Indian enterprisers. In complicated lines of manufacture, it is unlikely that Indians can hire first class technical advice without a willingness to share and in some cases to give others the control. Control is more important than ownership.

As previously reported, the major obstacle in the way of negotiation of a commercial treaty between India and the United States is believed to be the existence of the so-called "commercial safeguards" enjoyed by Britain. If these could be superseded by an Anglo-Indian commercial treaty, freely negotiated, it is believed that reluctance on the part of India to negotiate a treaty with the United States would diminish.

Respectfully yours,

GEORGE R. MERRELL

645.116/8-2845

The Commissioner in India (Merrell) to the Secretary of State

No. 212

NEW DELHI, August 28, 1945.

[Received September 7.]

SIR: I have the honor to refer to recent correspondence with the Department regarding the attitude of the Government of India towards the import of goods from the United States, particularly to the following despatches:⁷²

No. 102 of June 13, 1945, entitled: "Registration of Post-War Imports of Capital Goods by the Government of India."

No. 165 of July 26, 1945, entitled: "Transmitting Memoranda of Conversation with Secretary of the Government of India in the Supply Department * Regarding the Position of American Exports in the Indian Market and Related Subjects."

No. 208 of August 25, 1945, entitled: "Trade Difficulties in India of the F. E. Myers and Brother Company of Ashland, Ohio."

I now take pleasure in enclosing a copy of a note⁷³ (No. 1 (20)-ITC/45 dated August 23, 1945, but received only on August 27, 1945) in which the Secretary to the Government of India in the Commerce Department, N.R. Pillai, has replied to some of the questions which Mills and I discussed in our conversation with him on July 19, 1945.

⁷² None printed.

*should be corrected to read "Commerce Department". [Footnote in the original.]

⁷³ Not printed.

It will be noted that no mention has been made of the proposal to grant quotas for the import into India of capital goods from the United States, and I conclude that this project did not receive the approval of London. On the other hand Pillai informs me that the Government of India has modified its import policy and no longer will refrain from issuing licenses for the import of essential goods from the United States merely because similar goods are available in the sterling area. The pertinent paragraph, No. 3 in his letter, reads as follows:

"Coming now to the question of policy, our general policy hitherto, as explained in Ram Chandra's d.o. 10 (42)-ITC/44 dated the 28th October 1944,† has been that with a view to conservation of difficult currencies such as U.S. dollars, import should not be allowed from outside the sterling area of goods which are either not essential or which are available within the sterling area. You will be interested to hear that this has now been modified and we do not insist rigidly on the second of these criteria. Where a firm in India had a pre-war trade connection with a U.S.A. supplier who normally supplied goods which are considered essential to India's requirements, licenses are to be issued to that firm even though the goods could be obtained from the sterling area instead; it will not of course be possible to grant licenses up to the full extent of normal pre-war imports, but we hope that the licenses will be sufficient to enable U.S.A. suppliers to keep up their Indian connections."

Copies of this despatch are being sent to the consular offices in India so that they can inform agents of American firms concerned.

[Here follows discussion of other points of the letter.]

Respectfully yours,

GEORGE R. MERRELL

645.116/9-1045

The Commissioner in India (Merrell) to the Secretary of State

No. 230

NEW DELHI, September 10, 1945.

[Received September 19.]

SIR: I have the honor to refer to previous correspondence extending back well over a year, and particularly to the Department's restricted memorandum instruction No. 340 of August 7, 1945, (Department's File No. 645.116/2-545) regarding the difficulties of the F. E. Myers & Brother Company of Ashland, Ohio, in obtaining entry for its pumps and sprayers into the Indian market, and to enclose a copy of a communication (D.O. No. 10(42)-ITC/44) dated

†Although a summary was sent to the Department in a cable at the time and the text was forwarded later, an additional copy is attached for ready reference [not printed]. Pertinent sentence reads: "... imports should not be allowed from outside the sterling area of goods which are either not essential or which are obtainable in the sterling area." [Footnote in the original.]

September 6, 1945,⁷⁴ from the Secretary to the Government of India in the Commerce Department, Mr. N. R. Pillai, relating to the case in question.

It will be noted that the Government of India has been making inquiries as to how far Myers pumps satisfy "the test of essentiality" with the conclusion that the import of manual operated pumps is not regarded as essential but certain types of deep well pumps manufactured by the American firm are considered essential and at present their import is being licensed. Pillai's letter sounds the death knell of his earlier proposal of quotas for American machinery exporting firms, the reason being made clear in the last sentence of his letter, which reads as follows:

"You will, I am sure, appreciate that the present dollar position of the sterling area precludes all imports of non-essentials which would involve dollar expenditure."

It appears probable to me that this marks a reversion to the previous policy of the Government of India of refusing permission to import from the United States goods which may be available in the sterling area. If this is the case the move is obviously connected with the cessation of Lend Lease and the near panic with respect to the dollar position in the United Kingdom. If my interpretation is correct, it is evident that the Bank of England must have instructed the Government of India to limit its demands for dollars from the Sterling Area Dollar Pool as rigidly as possible.

It will be noted that the current communication from Mr. Pillai does not specifically withdraw the statement of policy in his letter of August 23, 1945,⁷⁵ which informed me of a change from the previous rigid refusal to license imports payable in dollars if such goods were available in the sterling area. I believe it would be inexpedient to press now for a clarification of this point since, until I am specifically advised of a change, the Mission can assume that the August 23rd statement still stands, at least in theory. I fully anticipate, however, that great difficulty will continue to be encountered in obtaining the issuance of licenses to import from the United States, at least for the present. An ultimate relaxation of this policy must depend, in my opinion, on (1) the outcome of the negotiations being opened in Washington today between the British and ourselves with respect to Lend Lease termination and related problems,⁷⁶ and on (2) any separate negotiations with India which may be initiated at a later date as a logical outgrowth of the current talks with the British.

Respectfully yours,

GEORGE R. MERRELL

⁷⁴ Neither printed.

⁷⁵ See the Commissioner's despatch 212, August 23, *supra*.

⁷⁶ For documentation regarding this subject, see pp. 1 ff.

645.006/11-2445

The Commissioner in India (Merrell) to the Secretary of State

No. 349

NEW DELHI, November 24, 1945.

[Received December 4.]

SIR: As of interest to the Department and the Department of Commerce, I have the honor to quote below the text of a Press Note issued by the Government of India on November 23, 1945, regarding facilities for the import into India of capital goods under the capital goods orders registration scheme:

"With a view to facilitating early consideration of applications for registration of requirements of capital goods for the cotton textile industry, it has been decided that the Deputy Chief Controller of Imports, Bombay, who is the licensing authority for cotton textile machinery, millstores and component parts, should receive such applications on behalf of the Chief Controller of Imports, New Delhi.

"Applications for registration of such goods should, therefore, in future be addressed to the Deputy Chief Controller of Imports, Bombay, in the first instance, in the prescribed form.

"It has also been decided that imports of capital goods for stock and sale, whether for the requirements of the cotton textile industry or any other industry, will require registration only if the value of any of the individual units included in the stock order is Rs. 25,000 and over (or Rs. 10,000 and over in the case of machine tools), irrespective of the total value of the order.

"It has further been decided that, in future, when once an application has been accepted for registration, an import license will be issued as quickly as possible after issue of the Registration Certificate, from whatever country import has been registered and whatever the goods concerned. In other words, acceptance of registration carries with it automatically the right to an import licence."

The Chief Controller of Imports had previously communicated to the Mission his decision that acceptance of registration of an order to import capital goods from abroad would automatically entitle the applicant to an import license, and in my despatch No. 312 of November 5, 1945," for example, I reported that the same policy would be applied to imports of machine tools. As far as the Mission is aware, however, the Press Note quoted above constitutes the first public statement by the Government of India regarding this policy.

Paragraph 3 of the Press Note is of interest in that it will permit, providing import licenses can be obtained, larger imports of capital goods for stock and sale. This constitutes, in the opinion of the Mission, a step towards the merging of the capital goods registration scheme in the normal import control system.

Respectfully yours,

GEORGE R. MERRELL

" Not printed.

REMOVAL OF CERTAIN RESTRICTIONS IN THE IMMIGRATION AND
NATURALIZATION LAWS OF THE UNITED STATES, AS THEY RE-
LATED TO THE PEOPLE OF INDIA

150 Barred Zones/27½

*Memorandum of Conversation, by the Director of the Office of Near
Eastern and African Affairs (Murray)*

[WASHINGTON,] December 28, 1944.

Sir Girja Shankar Bajpai, the Indian Agent General, called on me by appointment today.

The principal purpose of Sir Girja's visit was to raise again the question of placing the nationals of India in this country on a basis of equality with the Chinese as a result of legislation passed in Congress during the past session.⁷⁸

Sir Girja told me that he had had an opportunity to discuss this matter quite fully with the President several months ago and that the President, while sympathetic to the idea, had expressed the view that it would be desirable to postpone consideration of the matter until after the national elections.

Now that the elections are past, Sir Girja hopes that the Department may see its way clear to reexamine this question which is one of such vital concern to India. I told the Agent General that we had been following the subject closely and that we would be glad to raise the question in the Department in order to arrive at a decision as to what practicable steps could be taken under the present circumstances.

The Agent General referred to his visit to the West Coast some months ago and to the cordial reception which he had received at the hands of high state officials, including the Governor of California.⁷⁹ Since the Governor had urged him to return again to California and to tour that part of the country, Sir Girja says he expects to do so, taking with him his wife and possibly his daughters on the next trip. Many Californians expressed the view that it would be very helpful to have the people in that part of our country more acquainted with the cultural aspects of modern India; they pointed

⁷⁸ For documentation regarding legislation approved December 17, 1943, (57 Stat. 600), by which Congress repealed the acts relating to Chinese exclusion and the naturalization bar, see *Foreign Relations, China, 1943*, pp. 769 ff. Sir Girja had made informal representations to the Department in 1943 and 1944, hoping that the provisions of that bill might be extended to East Indians (150 Barred Zones/1, 5, 11a). Legislation imposing disabilities on the immigration and naturalization of East Indians included Section 2169 of the Revised Statutes (8 U.S.C. § 359), as interpreted by the Supreme Court in its decision of February 19, 1923, in the case of the *United States vs. Bhagat Singh Thind* (261 U.S. 204); the Immigration Act of 1917 (approved February 5, 1917, 39 Stat. 874); the Immigration Act of 1924 (approved May 26, 1924, 43 Stat. 153); and the Nationality Act of 1940 (approved October 14, 1940, 54 Stat. 1137).

⁷⁹ Earl Warren.

out that the only two cultured Indians whom they had met in long years was the poet Tagore and Sir Girja himself. Sir Girja feels that this is an encouraging indication that Californians and other people in that region would welcome more cultural contacts and he is going to pursue the matter.

I very much hope that with the reconvening of Congress, serious thought will be given to meeting the wishes of the Government of India that some gesture be made to the Indians similar to that already accorded to the Chinese. After all, the Indian war effort both in production and manpower has been astonishingly large despite the fact that the political question⁸⁰ has not yet been solved.

150 Barred Zones/38

The Acting Secretary of State to the Chairman, Committee on Immigration and Naturalization, House of Representatives (Dickstein)

[WASHINGTON,] February 9, 1945.

MY DEAR MR. DICKSTEIN: In response to the request contained in your letter of January 11, 1945,⁸¹ for an expression of opinion concerning H.R. 173⁸² to authorize the naturalization and admission into the United States, under a quota, of Eastern Hemisphere Indians, and with reference to the interim reply sent to you on January 18, 1945, I have pleasure in stating that the Department views with favor the passage of the proposed legislation.

The enactment of legislation such as H.R. 173 would, it is believed, remove an outstanding inequity in American immigration and naturalization laws and one which causes bitter resentment against the United States by the people of India, an important member of the United Nations.

[Here follows a procedural statement.]

Sincerely yours,

JOSEPH C. GREW

150 Barred Zones/40

The Secretary in Charge at New Delhi (Merrell) to the Secretary of State

No. 1007

NEW DELHI, February 9, 1945.

[Received February 16.]

SIR: I have the honor to inform the Department that the legislation now pending before the Congress of the United States regarding the

⁸⁰ See pp. 249 ff.

⁸¹ Not printed.

⁸² A bill introduced by Representative Emanuel Celler of New York.

granting of citizenship to Indians has created considerable favorable comment in the Indian Press.

At yesterday's session of the Central Assembly, Sir Olaf Caroe, Secretary, External Affairs Department, reviewed the history of Indian immigration and citizenship and summarized the points in the pending legislation. In reply to a question, Sir Olaf stated that the Government of India has taken the initiative in raising the matter of Indian immigration into the United States and the granting of citizenship as soon as the American Government had passed the action conferring such rights on the Chinese.

Respectfully yours,

GEORGE R. MERRELL

150 Barred Zones/42: Telegram

The Secretary in Charge at New Delhi (Merrell) to the Secretary of State

NEW DELHI, February 26, 1945—11 a. m.

[Received February 26—8:48 a. m.]

140. Press report from Washington dated February 22 states that the State and Justice Departments are now preparing opinions for Congress regarding bills on the immigration and naturalization of Indians.

In this connection the Department may wish to learn that in a conversation on February 23 of the Planning and Development Member of the Government of India⁸³ on the one hand and Charles Remer⁸⁴ of the Department and Mills⁸⁵ of this Mission on the other, Dalal countered a suggestion that some of India's postwar trade plans might conflict with reciprocity by stating that there could be no talk of reciprocity as long as Indians could not even enter the United States because of our immigration laws. Action on the immigration bill may therefore have an important bearing on our future trade relations with India.

MERRELL

[For a letter of March 5 from President Roosevelt to the Chairman of the Committee on Immigration and Naturalization, House of Representatives (Dickstein), in support of proposals for the removal of discriminatory provisions against East Indians in the immigration and nationality laws of the United States, see *Congressional Record*, volume 91, part 7, page 9523.]

⁸³ Sir Ardeshir Dalal.

⁸⁴ Charles F. Remer, Adviser on Far Eastern investment and finance, Division of Financial and Monetary Affairs.

⁸⁵ Sheldon T. Mills, Secretary at New Delhi.

150 Barred Zones/42

The Acting Secretary of State to the Chairman, Committee on Immigration and Naturalization, House of Representatives (Dickstein)

[WASHINGTON,] March 6, 1945.

MY DEAR MR. DICKSTEIN: I refer to my letter to you of February 9, 1945 in which I stated that the enactment of legislation such as H.R. 173 would remove an outstanding inequity in American immigration and naturalization laws and one which causes bitter resentment against the United States by the people of India.

You will be interested in learning in this connection that the Department has now received strong representations in support of this legislation from Sir Girja Bajpai, the Agent General for India in Washington. The Department has also received a telegram dated February 26, 1945 from the American Commissioner to India, New Delhi, advising the Department that sentiment in India may preclude the extension of reciprocal trade treatment to the United States in the absence of such legislation.

Sincerely yours,

JOSEPH C. GREW

150 Barred Zones/43a : Telegram

The Acting Secretary of State to the Secretary in Charge at New Delhi (Merrell)

WASHINGTON, March 8, 1945.

174. The following statement was presented today by the Chief of the Division of Middle Eastern Affairs,⁸⁶ before the House of Representatives Committee on Immigration and Naturalization in open hearings on pending Indian immigration legislation:

"The Acting Secretary of State has asked me to present the following statement on his behalf:

"In response to an invitation by your Committee, I am glad to make known the views of the Department of State with regard to this proposed legislation. Dept strongly favors the purposes of the legislation, and believes that the existing discrimination against the people of India in our immigration and naturalization legislation should be removed.

India is a prominent member of the United Nations. Its soldiers are fighting shoulder to shoulder with American troops in Italy, Burma and elsewhere. We are asking for and confidently expecting their continued support until the ultimate and final defeat of Japan. Japanese propaganda officials are endeavoring to sow seeds of distrust between us and our allies in the Orient. We know that they shall fail. At the same time, we are aware that our efforts to bring our friends in the Orient, and particularly the four hundred million

⁸⁶ George V. Allen.

people of India, into full and enthusiastic cooperation with us in the war effort and in our endeavors to build a strong and peaceful postwar world are not consistent with existing barriers against Indians contained in our immigration legislation. Declarations such as the Atlantic Charter⁸⁷ are unimpressive when no Indian can be naturalized as an American citizen or immigrate into the United States.

The people of India understand fully that the proposed legislation will permit a minimum number of Indian immigrants to enter the United States each year. There is no difference of view on this point. I recommend to your committee, however, that the principle of discrimination as regards both immigration and naturalization be removed in order that America may approach India with dignity and justice in our relations with that great nation.'"

GREW

150 Barred Zones/49

Memorandum of Conversation, by the Acting Secretary of State

[WASHINGTON,] March 24, 1945.

The Indian Agent General, Sir Girja Bajpai, called on me today at his request after I had failed to see him yesterday afternoon owing to my long conference at the White House and said he had two matters to take up with me.

[Here follows brief reference to the subject of food and agriculture.]

Second, the Agent General spoke of the Indian Immigration and Naturalization Bill which he had learned had been tabled in the House Committee. He spoke at great length of the importance of this legislation from the point of view of the reputation in India of the United States and the very favorable effect on public opinion in his country which the passage of the bill would bring about. He showed me a Reuters⁸⁸ telegram setting forth the sorrow of the Indian people at the news that the bill had been tabled. He said he felt that a technical mistake had been made in not having the bill considered by the Senate before the House, as he thought that favorable action would have been more readily obtained in the Senate.

I said to the Agent General that that of course is a domestic matter which I did not wish to discuss with him. So far as the bill itself goes, I said that he did not need to persuade me of its merits because it had my complete sympathy and I could assure him that I had done and would do everything in my power to obtain early favorable action. The fact that the bill had been tabled does not mean at all that it is dead and it can be brought out at any time by a vote of the Committee. The Agent General asked me whether it would not be well for him to take the matter up with the President, who had been very sympa-

⁸⁷ Joint Declaration by President Roosevelt and British Prime Minister Churchill, August 14, 1941, *Foreign Relations*, 1941, vol. 1, p. 367.

⁸⁸ British news agency.

thetic to him since his arrival in our country. I said that I could tell him confidentially that I had written to the President about this matter only last evening and had made my recommendations, so he has the whole story before him, and I therefore did not think that anything would be gained by the Agent General asking for an appointment. I said that I would follow the matter closely and would be glad to call the Agent General by telephone if any important developments should occur.

JOSEPH C. GREW

150 Barred Zones/61

*The British Ambassador (Halifax) to the Acting Secretary of State*⁸⁹

Ref: 554/20/45

WASHINGTON, May 3, 1945.

DEAR MR. ACTING SECRETARY: I see that when the bill to grant a quota to Eastern Hemisphere Indians and to make them racially eligible for naturalization (H.R. 173) was taken in the House Committee on Immigration and Naturalization a member of the Committee asked a question about the attitude of His Majesty's Government in the United Kingdom. Mr. Biddle⁹⁰ answered that he thought the bill would be welcomed by His Majesty's Government.

The subject matter of the legislation is, of course, one for the Government of the United States to determine. I should, however, like to assure you that His Majesty's Government in the United Kingdom would welcome enactment of a law on the lines of the Bill as a gesture of friendship to India which has played, and is playing, so important part in the war.

Yours very sincerely,

HALIFAX

[For a letter of May 18 from William D. Hassett, Secretary to President Truman, to the Chairman of the House Committee on Immigration and Naturalization, with which was enclosed the late President Roosevelt's letter of March 5, and in which was stated President Truman's agreement with the views expressed in the March 5 letter, see *Congressional Record*, volume 91, part 7, page 9524.]

⁸⁹ Received in the office of the Acting Secretary on May 12; copy forwarded on the same date by the Acting Secretary of State to the Chairman of the House Committee on Immigration and Naturalization.

⁹⁰ Francis Biddle, Attorney General.

130 Hindus/101a

Memorandum by the Acting Secretary of State to President Truman

[WASHINGTON,] June 9, 1945.

As you know, the Department is very anxious to see favorable action taken on the Celler bill for the extension to East Indians of immigration and naturalization privileges similar to those extended to China last year. This bill was tabled by the House Committee on Immigration and Naturalization last March but is being called up for reconsideration on June 14, 1945.

The people of India are following the progress of this legislation with the keenest anxiety and the tabling of the bill last March provoked strong resentment in the Indian press. For example, one journal said that "not until America sees fit to revoke her various humiliating immigration barriers to Indians can we view America and the Americans with anything like the enthusiasm its propaganda seeks to inspire." Another Indian paper found in the Committee's action a foretaste of the type of peace to come and concluded that the professions of the western powers apply only to the white races.

When American officials in India recently suggested to the Indian Member of the Viceroy's Executive Council for Planning and Development the desirability of fostering reciprocal trade relations between our two countries, the Member of Council replied that he saw little basis for such reciprocity as long as we maintained our discriminating immigration legislation against Indians. India has plans for post-war economic reconstruction which surpass anything seen elsewhere outside Russia and the country is a great potential market for American goods.

I have received a letter from Lord Halifax in which he assures me that the British Government "would welcome enactment of a law on the lines of the Bill as a gesture of friendship to India which has played, and is playing, so important part in the war."

As you perhaps know, the late President was keenly interested in the passage of this bill and in a letter to Chairman Dickstein⁹¹ said that "the present statutory provisions that discriminate against persons of East Indian descent provoke ill-feeling, now serve no useful purpose, and are incongruous and inconsistent with the dignity of both our peoples." In the same connection, he said that he was "very keen to alleviate what really amounts to the growing hostility to the white races in India and other places."

If the peoples of Asia conclude that they cannot hope to obtain equitable treatment from the white races, a future color war is a distinct possibility. Pearl Harbor is a recent reminder of the bitter-

⁹¹ March 5; see bracketed note, p. 283.

ness which the oriental can achieve against westerners who treat them as racially inferior.

It should be emphasized that passage of the proposed measure would in no way modify our established quota system. The bill only removes the *racial* disabilities of present legislation and, if passed, about one-hundred East Indians would be admissible to the United States each year, and would be eligible for naturalization, provided, of course, that they could meet the other requirements of our immigration and naturalization laws.

The Department sincerely hopes that favorable action will be taken on this bill and you may possibly wish to discuss it with Congressman Ramspeck⁹² and others who opposed it in the Committee.

JOSEPH C. GREW

150 Barred Zones/6-1645

The Commissioner in India (Merrell) to the Secretary of State

No. 107

NEW DELHI, June 16, 1945.

[Received June 27.]

SIR: I have the honor to inform the Department that the approval of the House Immigration Committee of the Indian Immigration Bill has received small but favorable press notices here. Were it not for the preoccupation of the press over the Wavell Plan,⁹³ the Immigration Bill would undoubtedly have received much more attention.

All papers mentioned that Mr. Phillips⁹⁴ had testified before the Committee in favor of the bill and *Dawn*⁹⁵ captioned its Reuters' announcement "William Phillips Supports Indian Immigration Bill."

Respectfully yours,

GEORGE R. MERRELL

150.01 Bills/9-2845: Telegram

The Acting Secretary of State to the Commissioner in India (Merrell)

WASHINGTON, September 28, 1945—9 p. m.

768. House Rules Committee on Sept. 26 recommended to House that preferred treatment on calendar be given to Indian Immigration Bill.

⁹² Robert Ramspeck of Georgia.

⁹³ Proposals concerning the future government of India made at New Delhi on June 14 by the Governor-General and Viceroy of India, Viscount Wavell; see British Cmd. 6652, *India: Statement of the Policy of His Majesty's Government made by the Secretary of State for India on June 14th, 1945*; see also *ante*, pp. 249 ff.

⁹⁴ William Phillips, Special Assistant to the Secretary of State, and formerly Personal Representative of President Roosevelt to India; for documentation regarding the Phillips mission to India, see *Foreign Relations*, 1943, vol. iv, pp. 178 ff., and *ibid.*, 1944, vol. v, pp. 232 ff.

⁹⁵ Moslem League newspaper.

For your confidential information, House is not likely to debate measure before Oct. 10 ⁹⁶ as several members favorably disposed to bill will be in Europe until that date.

ACHESON

PROPOSAL BY THE UNITED STATES FOR AN AIR TRANSPORT AGREEMENT WITH INDIA ⁹⁷

[Discussions for the negotiation of a bilateral air transport agreement with India were initiated by the United States in 1945, with inconclusive results. Documentation regarding this subject is in Department of State File No. 711.4527.]

⁹⁶ The bill, H.R. 3517, was debated and passed by the House of Representatives on October 10; its legislative history extended to June 1946, at which time the Senate passed an amended version of the House bill on June 14, a Conference settlement being effected on June 29, 1946 (*Congressional Record*, vol. 91, pt. 7, p. 9544; vol. 92, pt. 6, pp. 6543, 6918, 6933, 7077, and 7957). The bill was approved by President Truman on July 2, 1946 (60 Stat. 416).

⁹⁷ For previous documentation concerning this subject, see *Foreign Relations*, 1944, vol. v, p. 291 ff.