Dear Mrs. Lincoln:

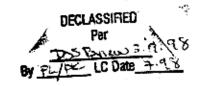
I would be grateful if you would give the President the enclosed envelope, which contains a personal and Secret letter to him from me.

With my thanks and warm regards, Sincerely,

W. Averell Harriman

Enclosura

Mrs. Evelyn Lincoln, Secretary to the President, The White House.



FERSONAL & SOUCHASSIFIED

January 23, 1963

Dear Mr. Fresident:

I have listened to many statements by Presidents in the Cabinet Room and at other meetings during the past thirty years. I have heard none which was as clear or as penetrating as your statement to the group yesterday. No President ever attempted to cover as wide a field in both domestic and foreign policy as you did, so I refer to the incisive manner in which you dealt with each subject.

You may recall that when you suggested I take the job of Ambassador at Large, I asked your permission to comment occasionally to you directly as I did to both Presidents Roosevelt and Truman. I would like, if I may, to make a few comments to you on specific matters which you covered yesterday.

To my mind, the most important matter in the interest of our security which you touched upon was the question of attempting to prevent Red China from obtaining nuclear capability, and the possibility of working with the Soviets to this end. They undoubtedly would want a similar understanding regarding West Germany.

This matter has come up in a general way in conversations I have had with Several Russians. They

always

The President

The White House.





- 2

always indicated Kremlin concern over the remilitarization of Western Germany, and particularly over the possibility of her obtaining independent nuclear capability. In this connection, I have usually suggested that the Soviets must have similar concern regarding Red China.

From my talks with Stalin and Khrushchev, I am convinced that the Soviets are really concerned over the possibility of the rebirth of German militarism. Obviously, they have the power to destroy Germany, but they do not preclude the possibility of the Germans becoming blackmailers or involving us all in nuclear war. In one of my talks with Khrushchev in 1959, he made this point very definitely. I asked him why he was concerned with Germany, pointing out that Adenauer would never be aggressive. Khrushchev said, "I know that, but how do you know about future German leaders?" Then he added, "What will happen if Strauss should become Frime Minister?"

Personally, I agree with Khrushchev and do not trust future German developments. Evan Adenauer has based his policies on his concern that Germans cannot be trusted unless they are scrambled into the Western European community in such a manner that they cannot act independently. A German leader, such as Strauss, could easily do a DeGaulle on us in developing independent nuclear capability, flaunting our agreements.

The only safe way to control Germany is through an international understanding, applying to all nations, to prevent further proliferation of nuclear capability.

As far as China is concerned, in a conversation with one Russian representative, I asked what was the use



of our



- 3 -

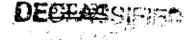
of our coming to an agreement on a test ban without Red China. He replied that if the United States and the Soviet Union agreed, world opinion would prevent China from acting independently. The earnest manner in which he spoke gave me the impression that what the Kremlin had in mind was that with such an agreement, together we could compel China to stop nuclear development, threatening to take out the facilities if necessary. In any event, I was glad to learn that you put this subject so high on your priority list.

The second matter on which I should like to comment is your statement about our inability to get other countries to do what we want. I hope that you were speaking of this in the past, since I am convinced that we can find ways to influence other countries to a greater degree than we have been successful in doing in recent years. It is true that our failure to act decisively in the past makes it more difficult to do so today.

One problem has been the unwillingness of people in authority to be realistic in understanding other countries' objectives. I am afraid Foster Dulles made unbelievable mistakes in this direction. The manner in which he pressured Iran, Pakistan and Thailand into military pacts made them believe that they were doing us a favor, rather than appreciating our guarantee of their security. This is among the reasons for our present difficulties.

Take for example the question of an agreement between India and Pakistan on Kashmir. I am convinced there is a substantially better than even chance to get this done if all of those involved are completely determined. The stakes are high. A combined Indian-Fakistan defense of

the





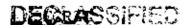
the subcontinent can develop an area of strength against either Chinese or Russian aggression. Eive hundred million people, with a good military tradition, can maintain forces of a formidable nature with not too large an investment on our part in providing the more sophisticated weapons. A strong subcontinent will radiate confidence both to the East and to the West. Southeast Asia is particularly weak today, and I doubt whether it can be held against communist aggression without a strong subcontinent.

We must have ambassadors who are as determined as you are to see your policy objectives achieved. You probably know that I jeopardized my long friendship with Ken Galbraith. At first he was inclined to find a way to avoid the issue. I am satisfied he is now on the track and is applying his unusual talents very effectively. The Indian military and several of the important Ministers already agree that India must make the necessary compromises to reach a Kashmir settlement, although Nehru is still unwilling to face the issue.

To take another case: the rows between Cambodia and its neighbors, Thailand and South Viet-Nam. We are making some progress with Thailand, but little or none with South Viet-Nam. Mike Forrestal can fill you in on chapter and verse. I am quite annoyed when I hear the statement, "Well, we can't get along without Diem," utterly disregarding the fact that Diem can't get along without us. I don't want to be unduly critical as Diem has been induced to take many useful steps forward, but not sufficient to assure the success of our efforts. In some cases, to achieve our objectives we may have to run the risk of facing adverse consequences.

We are making progress in Taiwan in regaining our "independence." Alan Kirk and the country team are doing

a first-





- 5 -

a first-rate job, as David Bell will confirm.

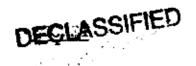
I completely agree that an adequately expanding domestic economy with a high level of employment is perhaps the single most important subject, not only for domestic political reasons, but in order to maintain our position in the world. On the vital question of balance of payments, we are practically the only country which permits the free flow of long-term capital without some controls, both for private investment abroad and for foreign borrowing in this market. I know that this subject is taboo in the Treasury and among my banking friends. Here is, however, a reserve power which can be used to protect the dollar before cutting back on actions necessary to further our long-term security interest.

Finally, a word about Lucius Clay. I fully agree that aid must be sold on the basis of our security interests. In fact, that was the idea we developed when I was Director for Mutual Security a decade ago. I have worked with Lucius for over twenty years. I respect him, but sometimes, as I am sure you know, he is stubborn and inflexible. At some time, David Bell may need your help with him. However, if he is convinced, he will have extremely favorable influence on the Hill.

Forgive this long letter, but you covered the water-front.

Alan Kirk is coming home for an operation, as perhaps Mike has told you. While he is here, I hope we would have a chance to talk with you about Red China, including the future of Talwan. The Generalissimo seems to be becoming a bit obstreperous and we need some guidance.

I have





- 6 -

I have enjoyed these past two years and hope that with this experience I can be somewhat more useful in the coming months.

with my warmest regards,

Sinceraly,

W. Perell Harriman

