

File  
INDIA

March 7, 1970

SECRET

TO: DAVID YOUNG FOR HENRY KISSINGER

FROM: HAIG AND SAUNDERS

The President wrote the following in the margin of your daily brief reporting Ambassador Keating's conversation with Prime Minister Gandhi on the closing of the four USIS cultural centers in India: "Tell Sisco I'd like to take a stronger line on this. Not to object to closing--but to accept it and close some other facilities which may 'irritate' them (e.g., let's cut some AID program a bit)."

Saunders has talked with Sisco who will send you a fuller memo next week on exactly what can be done. In the meantime, in case this subject is raised with you from some other quarter like Frank Shakespeare, following is a report on actions taken and possible further actions to choose from.

Actions in process: (1) A telegram was sent Friday night to Ambassador Keating instructing him to proceed to close the centers in question and not to try to negotiate alternative arrangements as he had proposed. (2) A message from Secretary Rogers for Foreign Minister Dinesh Singh is on the Secretary's desk awaiting approval. It would deal with the question of the charges levied against the centers by telling the Foreign Minister that he still has not adequately answered the Secretary's request that he produce evidence or retract the charges. Since the Indian press is beginning to attack Singh for his handling of this affair, it would suggest that we might publish the exchange of letters.

Possible further actions. The following represent the kinds of actions that might be taken in response to the President's instruction. The list will be completed and sent to us in memo Monday:

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1. The US could engage in a general slowdown on forthcoming Indian requests. For instance, right now India has asked for US support on an Indian candidate for the Narcotics Control Commission. India has been talking about the date for the next round of bilateral discussions. On requests like these for Indian programs or diplomatic moves, we could delay or refuse support. There may be other such possibilities which would provide means for measured retaliation.

2. There are small requests within the overall PL 480 agreement that might be denied. For instance, India has asked for 100,000 more bales of cotton and some additional fats and oils, both in order to help them stabilize prices. India has also asked for a larger component of grants in rupees under the last agreement. Any of these could be denied, though whenever we get into programs that affect people or prices we risk touching innocent Indians rather than those officials who are responsible for closing the cultural centers.

3. India has some travel offices in the US. It is not clear to us yet under what law these are chartered or whether they would be easily closed without breach of agreement.

4. We are still searching for possibilities in the scientific support field. Since the President suggested cutting "some programs...a bit," we have assumed that the kinds of actions wanted are those which would avoid blowing up a major storm in US-Indian relations, avoid playing into the hands of the Soviets and their friends who would like to eliminate US influence in India and yet show Indian officials that this has cost them something.