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THE WHITE HOUSE
WASHINGTON

ACTION 8380 ✓
March 27, 1970

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger *HK*

SUBJECT: Closure of USIS Cultural Centers in India

You will recall having instructed that State not argue further with the Indians about closure of four of our cultural centers. Secretary Rogers has passed this instruction to Ambassador Keating.

You also asked that we look into ways of cutting back a bit on something the Indians want. Secretary Rogers has sent you the attached memorandum reporting on his canvass of possible actions. He says he will make a further recommendation.

The Secretary's Analysis: Secretary Rogers describes possible "countermeasures" as follows:

--Among the lower key measures are refusal to support Indian candidates for elections to positions in international organizations (one is pending); delay in granting permission if the Indians ask to open a tourist office in Los Angeles; rejection of some current smaller requests under the PL 480 agreement, delay in scheduling the next round of the annual Indo-US bilateral talks (due in the fall).

--The more far-reaching measures considered included: reduction of aid levels, unilateral expenditure of some of our rupee holdings, a cutback in the cultural exchange program and moves in the military supply field.

The Secretary points out that moves in either of these categories face us with "something of a dilemma." None of the more limited measures is quite comparable to what the Indians have done, so none would convey the desired political message at a reciprocal level. The more far-reaching measures could disproportionately escalate our differences.

In addition to the problem of finding the right kind of move, the Secretary describes the pitfalls in the current Indian political situation. The wrong move might open us to charges of pettiness; offer the Soviets

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an issue; give Foreign Minister Singh an issue to exploit in strengthening his political position when he is under heavy fire; risk loss of the support of those Indian political figures and newspapers who have attacked government handling of this problem and affect economic programs in our interest as well as innocent individual Indians, without hurting those responsible.

The Secretary concludes that "most of the retaliatory actions we have reviewed are unlikely to achieve their desired results." He does, however, say he will consider delay on the Indian tourist office request -- if they make it -- and on setting a date for the next round of bilateral talks scheduled to be held in New Delhi this fall.

What Can Be Done: The real question is whether doing nothing is better than doing too little, especially now that Singh is already in difficulty. The problem is to do something that will affect the right target without at the same time damaging our own interests or unnecessarily hurting innocent bystanders.

The source of this Indian action -- just as with the Hanoi recognition issue last fall -- is the top level of the Indian Ministry of External Affairs. As a result of his arbitrary and rather devious handling of this affair, Foreign Minister Singh has come under intense pressure in Parliament, been heavily criticized in the press and may be in hot water with Mrs. Gandhi. In part we are responsible for this since we made clear, while going ahead to close our centers, that Singh had violated the understanding that US-Indian relations should be conducted on the basis of consultation and openly challenged the Ministry to produce evidence to support the implication that our centers were involved in improper activities.

It may be that what is most suitable is more of the same. Singh is certainly the right target. It might be best to lie low for the moment to avoid playing into Singh's hands by giving him an issue to use against us and then to suggest quietly that Ambassador Keating look for subtle ways to renew the pressure.

Recommendation: As an interim move, that Secretary Rogers -- now that he has ordered closing the centers without additional complaint -- write to Ambassador Keating privately and tell him of your desire to find ways of denying Singh and his colleagues something they want and then report back to you the opportunities the Ambassador may see.

Approve _____

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Disapprove _____

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