

MEMORANDUM

NATIONAL SECURITY COUNCIL ~~ACTION~~
3399

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April 18, 1972

MEMORANDUM FOR: DR. KISSINGER
FROM: HAROLD H. SAUNDERS *Hal*
SUBJECT: Congressional Presentation on Indian
Aid Program--Instructions to Keating

You will recall that at the Monday SRG on South Asia it was mentioned that a telegram should be sent to New Delhi to put Ambassador Keating in a position to explain the presentation of the Indian aid program to the Congress.

As you know, that presentation will carry a "provisional" figure of \$90 million for India for FY 1973. This presentation will go to the Congress tomorrow (Wednesday) and we need to give Ambassador Keating an explanation of our procedure that is consistent with our interests.

A State Department telegram is in the process of clearance which, after simply quoting the language of the Congressional presentation, would have Keating tell the Minister of Finance that we have "agreed on this provisional allocation for the Indian program and on the unallocated reserve for development lending in Asia in order to keep our options open while our economic assistance relationship is under review." If asked about the status of our aid program, Keating would be instructed to say that it remains unchanged.

The argument for having Keating make this kind of presentation is at least to get our reasoning to the Indian government directly so that it does not have to be filtered through the press. We cannot expect a reasonable reaction in any case and the present atmosphere resulting from their reaction over Vietnam will not make it any more so, but at least we will have put the truth on the record.

RECOMMENDATION: That you authorize us to clear this instruction to Keating tonight so as to give the embassy time to make a pre-emptive approach.

Approve HK Other _____

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with addition conveyed orally
by Kennedy. HHS