

## ASIA FOUNDATION BANNED BY INDIA

Had Acknowledged That It  
Accepted C.I.A. Funds

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NEW DELHI, Feb. 15 — The Government announced today that the Asia Foundation had been ordered to wind up its programs in India as a result of its acknowledgment that it had accepted funds made available by the United States Central Intelligence Agency.

The foundation, a private philanthropic organization based in San Francisco, operates in 14

Afghanistan and Japan. The program in India is the only one that has been terminated as a result of the revelation of its C.I.A. links.

Official sources said there was no chance that India's decision could be reversed. They declared the Government accepted at face value the foundation's assurance that it was no longer taking C.I.A. money but found the whole matter had become "too embarrassing."

Last March the foundation's board of directors confirmed newspaper reports that it had accepted funds from foundations and trusts — so-called conduits — supported by the Central Intelligence Agency. The board stressed at the time that it would not accept funds from the C.I.A. in the future.

### Leftists Exploit Situation

Left-wing parties in India exploited the foundation's connection to the C.I.A. to condemn American "subversion" of Indian institutions.

The Government then reacted by restricting all new programs of the foundation, pending a cabinet decision on what its future in India should be. At the time there were 30 proposals for new projects, with a total value of \$400,000.

None of these proposals were considered thereafter. The authorities even refused to issue new import licenses to the foundation for books it distributed to Indian libraries and universities.

Three weeks ago the Cabinet met and rejected various proposals to tighten controls on the foundation's program here, deciding instead on the extreme step of bringing it to an end.

The decision was communicated yesterday to Richard Heggie, the foundation's representative here, and announced this morning in Parliament by the Minister of State for External Affairs, B.R. Bhagat.

### Groups Anticipated Action

Two institutions—the Press Institute of India and Delhi University—had anticipated the Government's action by rejecting grants from the foundation because of its C.I.A. involvement. Grants already approved by the Government, officials said, can still be spent; it will be some time next year before the last of these has been exhausted.

Mr. Heggie said he was surprised by the decision, having become almost optimistic as the months wore on without any final action. He said he still hoped it could be reversed.

The foundation came into existence in 1954 but did not get started in India until 1962. The Indians had been put off by the emphatically anti-Communist terms in which the foundation explained its aims in its early days.

Within the next few years, Mr. Heggie said, the India program would have become the biggest one the foundation had anywhere.

The program tried to concentrate, the representative said, on fostering closer links between institutions and elements in Indian society that have not always been in communication — the universities and government agencies, for instance.