

Mr Komer's file
↓
India military
x Gandhi limit

TOP SECRET

March 18, 1966

MEMORANDUM FOR THE PRESIDENT

One of your trickiest jobs with Mrs. Gandhi will be to stiffen her intention not to go nuclear without promising too much. This won't seem hard because it looks as if she'll state this intention flatly. But while that seemingly lets us off the hook of deciding how much pressure to apply or how much to pay for that decision, we don't want to pass over the subject so lightly that she goes away thinking we don't take non-proliferation seriously or don't have a realistic alternative to offer if some day she decides she has to reverse herself.

Rusk has been over the alternatives extensively and concluded (attached) that -- even though we should try to head off India's going nuclear -- we should not now go as far as to offer India any solid assurance of nuclear help against nuclear attack. But he also feels we're not ready yet to close any doors. So he'd propose taking this line with Mrs. Gandhi:

- You agree wholeheartedly with her intention to limit India's nuclear energy development to peaceful uses and to concentrate on economic development.
- You agree that the nuclear powers should work out some way of assuring the non-nuclear powers against nuclear attack.
- You hope that, if the pressures to build the bomb mount, she will talk the problem over with us before deciding, because there may be ways to help India find the security it needs without assuming the heavy costs of nuclear defense.
- We are willing to share with her (as we did with Shastri) intelligence on the Chicom nuclear program.

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TOP SECRET

Authority NWJ 94-255C-332
By J. Lip NARA, Date 1-29-04

TOP SECRET

- 2 -

Rusk's memorandum encloses a study reviewing all of our options -- non-proliferation treaty and comprehensive test ban, cutting off US aid if India goes nuclear, a US-Indian alliance, a Joint US-USSR guarantee or a US call for one, a private US guarantee of help against a nuclear attack, and nuclear sharing. These aren't all mutually exclusive, and Rusk's recommendations address chiefly the most difficult question of whether we're prepared to guarantee nuclear support to India.

While I agree with Rusk on the issue of nuclear support, I'd recommend you emphasize the importance you place on a non-proliferation treaty and a comprehensive test ban and ask for Indian support in order to underscore your concern about the spread of nuclear weapons. I also believe that -- without threatening to cut off aid -- you might influence Indian thinking by making it clear how hard it would be for you through economic aid to underwrite an Indian nuclear weapons program.

R. W. Komer

Attachment

HSaunders/SMKeeny:jb:3-18-66

bcc: Hsaunders (2)

RWKomer (2)

SMKeeny (2)

TOP SECRET

SECRET

January 25, 1966

3
India nuclear

Mac:

India nuclear. I've been pushing as I gather you have, for a State/Defense paper on which we could focus well before any Indians come here.

State (Garthoff) now has a reasonable draft to work from. I gather they have sent us a copy. But DOD and the Chiefs want another week so they can run it through the JCS and McNamara. I told them no problem from my viewpoint since Mrs. Gandhi probably wouldn't be here until March.

I am also told you wanted some of the Hollifield ideas brought in as options. This is an added reason for giving it a bit more time. But I wanted to be sure that you don't have a different deadline in mind than I do.

OK.

RWK

mcgB.

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *plw*, NARA, Date 5-5-04

SECRET

January 19, 1966
Wednesday/2:30 pm

MEMORANDUM FOR THE PRESIDENT

I have held up for a couple of months the actual signing of a contract for nuclear fuel for the Tarapur power plant we're helping build in India. This is a firm commitment, but (1) I didn't see why AEC alone should be exempted from the general freeze; and (2) holding off might help soften up the Indians for what we hoped you'd say on nuclear proliferation.

*Tarapur
XCB*

Now that an early Indian visit is unlikely, AEC, State, AID, Bundy, and I all agree that having long since made the Tarapur loan and promised the fuel, we ought to proceed at long last unless you see objection. This will not be regarded by India as a new gesture, but if we don't go ahead it may create an unnecessary issue.

R. W. Komer

*Go ahead —
Steel hoed up —*

McLB.

*See me - L —
RWB*

DECLASSIFIED

Authority PLJ 00-256 (412)
By JCB NARA, Date 5-5-04

~~SECRET~~

January 17, 1966

Mac -

Now that an Indian visit is highly likely to be delayed, I'm ready to drop my besotted opposition to going ahead with Tarapur. My desire to use it for anti-proliferation bargaining an early visit.

Tarapur

AEC's reasoning in the attached is feeble indeed. I'm more persuaded by the fact that we have made a commitment, and only signing the contract is involved. For this reason, I also see no need to get LBJ clearance.

RWK

OK _____

Do a Memo ✓

Attach. Memo Charles E. Johnson to Komer 1/17/66 re Tarapur fuel agreement

OFFICIAL USE ONLY

January 12, 1966

5
India Nuclear

Mac:

John Palfrey also talked to me briefly about Plowshare and India. His basic case is in the last para. on the first page. In essence, he argues that not to help the Indians in Plowshare ways would enhance their appetite to develop nuclear devices themselves. If we help them on the other hand, we can at the same time demonstrate that sophisticated, clean devices of the sort needed for peaceful explosion are so far beyond their own capabilities that it would dampen any enthusiasm for using such a program as a cover for proliferation.

I see some point in this argument but Spurgeon doesn't so am asking him to give you his own comment.

RWK

OFFICIAL USE ONLY

Attach. Letter John Palfrey to McGB 1/10/66 giving his views on Plowshare and India.

16
January 3, 1965
10:30 a. m.

Mr. Komer:

Charles Johnson phoned in response to your inquiry, saying:

R
The General Electric Company has agreed to manufacture the Tarapur Fuel Elements even though the agreement has not been signed, so that our delay in the agreement does not delay the manufacture of the fuel elements. However, AEC feels very strongly because of the strike development in our general relationship with the Indians that the agreement should be expedited now.

Palfrey talked to Bundy over the weekend and received the impression that Bundy was willing to reconsider.

T.

India
/ Tarapur

Indeo Nuclear

~~SECRET~~

Mac -

January 3, 1966

I think Tarapur matter is under control. Had a good chat with Palfrey and explained why I saw merit in waiting just another few weeks till Shastri came. This would remind the Indians of our concern about proliferation.

John saw the point. Apparently his only real reason for urgency is that AEC is getting repeated calls from the Indian Embassy. I agreed that if AEC is really hurting I'd ask LBJ, and John in turn agreed that he'd only press the matter if there was in fact real urgency. Since GE now will go ahead and make the fuel elements even though the contract has not been signed, there seems little good reason not to wait another month. This would also give LBJ something to release post-Shastri.

RWK

cc: C. Johnson
S. Keany

~~SECRET~~

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Authority NW 00-256 (#67)
By jc/ab. NARA, Date 5-5-04

CONFIDENTIAL

December 16, 1965

8
India - Tarapur file

RWK:

Nick Farr would like to know whether WH has specifically told AEC to hold up releasing fuel to International General Electric (IGE) for Tarapur.

IGE says AEC is holding up shipment and that, unless it reaches its San Jose fabricating plant by January, IGE will have to delay production until September because of its own scheduling problems.

Nick simply wants to know the facts from us before he queries AEC.

HHS

I told AEC to do this as part of general slow-down in India _____

AEC must be acting on its own; project can keep moving as far as I'm concerned _____

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By jc, NARA, Date 5-5-04

December 3, 1965

Spurg -

Let's shoot this to Bundy fast.
Just scribble your endorsement
or criticism on my covering memo,
and also revise draft NSAM further
if you so desire.

RWK

Draft McNaughton Memo to Bundy, subj. Nuclear Sharing in Asia

9
India Nuclear

9a

~~SECRET~~

December 3, 1965

Mac -

McNaughton delivered the attached without signature, so he won't get caught out criticizing State. Spurgeon and I are not convinced there's need for such a stiff warning against chatter, but are convinced that on Indian nuclear problem (1) we definitely need a US position on Indian nuclear matter to try on LBJ before Shastri visit; (2) best way to get a broad review of options, not just a Rusk/Thompson line, is an inter-agency review. Attached NSAM would do the trick. State is doing a study but not broad enough. If you OK, I'll try on LBJ.

RWK

Attach. Draft Memo for McGB, subj. Nuclear Sharing in Asia w/draft NSAM

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Authority NWJ 88-143 (#84)
By jdnp. NARA. Date 5-5-04

SECRET

August 28, 1965

*India
Nuclear*

Mac -

As I mentioned some time ago, we have to get the town focussed on how pending decisions on aid to India might affect the Indian proliferation problem. I doubt that we have yet made clear to the President how, if our holding back on aid precipitated a nationalist go-it-alone psychosis in Delhi, it would powerfully stimulate India's desire to build the bomb.

My hunch is that the best way to approach this problem is to tie a quiet understanding to renewed promises of US aid. In effect we'd accentuate the positive, by saying that we'd continue our massive investment in India so long as the Indians didn't waste their own resources on such things as nuclear weapons (which we'd then be indirectly subsidizing). Tommy Thompson quite agrees.

The real question is how much further we might have to go in bilateral guarantees (e. g. give them a delivery system). Here Rusk and Thompson are much more leery, I gather.

At any rate, a NSAM like the attached would force us to face up to the issue.

RWK

No NSAM issued.

~~SECRET~~

Cy O Keeny

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By jc, NARA, Date 5-5-04

10a

~~SECRET~~

NATIONAL SECURITY ACTION MEMORANDUM NO. _____

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: US Aid Leverage on Indian Nuclear Proliferation

In connection with the President's review of future economic and military aid policy toward India, we ought to consider the relationship of our aid to our efforts to prevent India from developing an independent nuclear capability. This complex of issues might be up for decision shortly if Prime Minister Shastri decides to visit here.

There seems to be a general concensus that India might be the next country to develop nuclear weapons, which would strongly influence other countries to follow a similar course. We have already made proposals for a multilateral solution to the nuclear proliferation problem, and ACDA is considering other proposals to achieve this end in accordance with NSAM 335. In the short term, however, these multilateral efforts may not be successful, so we may have to count on bilateral arrangements to influence an Indian decision. While there has already been extensive study as to how we might influence the Indian decision on this subject by bilateral arrangements, I gather that it did not focus on how we might most effectively use our economic and military assistance, which may be our best bargaining point, to influence the Indian decision. An Indian commitment to us might be formal in nature, or might simply constitute an informal understanding between Shastri and the President.

I believe, therefore, that it would be most helpful to have a critical study of the forms such an understanding might take and an assessment of the acceptability of such understandings to the Indian Government. To be most useful to the President, it should be ready by 20 September, 1965.

McGeorge Bundy

cc: The Secretary of Defense
The Director, ACDA

~~SECRET~~

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By jc, NARA, Date 5-5-04

SECRET

July 23, 1965

11
India Nuclear

Mac -

In all our planning to make India come to us, let's not forget the Indian nuclear problem. Planning lunch consensus yesterday was that India is the most likely candidate to go nuclear next.

I then noted that if India should lose confidence in the reliability of US support, this would powerfully reinforce its already marked proliferation instincts. A spat with the US which called forth a nationalist reaction (like that in Pakistan now) would strengthen such tendencies to "go it alone," and undermine confidence in any US guarantees.

In fact, I see a case for making overtures now to India about nuclear guarantees--to minimize the above risk.

RWK

SECRET

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Authority NLS 00-253 (438)

By CBM NARA, Date 5-5-04

CONFIDENTIAL

March 22, 1965

file
India nuc
13

Mr. C. Johnson:

Chuck: This looks OK to me, and State political bureau has cleared it. State's and our clear understanding is that these projects will be over and above the current economic aid program. Most of the things proposed here don't look expensive enough to disrupt the overriding economic effort. Bowles can keep this in context.

Assume you and Spurgeon are looking at the scientific policy angles.

Hal S.

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*Att: Ltr from Kratzer to C. E. Johnson
3/19 re Atomic Energy.*

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *jc*, NARA, Date 5-5-04

SECRET

January 14, 1965

14

McGB:

Here's some fascinating weekend reading. Rather a compelling case that nationalism creates its own morality.

India nuclear

I'm more and more convinced that our best move (which still may not be good enough) is to keep volunteering unilaterally a nuclear umbrella, while constantly reiterating that we ask nothing in return. It's alliance with the West that really bugs the Indians.

R. W. Komer

cc: Mr. Gilpatric

Att. Delhi's A-650 12/30/64

SECRET

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Authority NWJ 90-212 (#11)
By JSL/JP NARA, Date 4-29-04

India - Nuclear
X you - nuclear
15

~~SECRET~~

Mac -

October 20, 1964

Attached fascinating tidbit shows genesis of Shastri's recent pitch through BK urging us to compliment India on its nuclear restraint. Rusk's press conference attempt to do so was regrettably lost in the noise level.

However, it's a theme which should be used contrapuntally in all our output about Chicom text. It even deserved a sentence in LBJ fireside chat. It is surely to our interest to play up fact that Delhi (with greater nuclear potential than Peiping--at least so we can say) has taken high road of non-proliferation. Am pushing same line on State.

Incidentally, attached is further evidence that Delhi won't go nuclear in short run. We have some time to augment such inhibitions, if we use it.

RWK

RWK:
It had a sentence
in Friday statement
like that. mg B.

cc: Keeny 25X1A

Att: 

~~SECRET~~

SANITIZED
Authority NLS-032-025-2-1
By jc NARA, Date 5-5-04

~~SECRET~~

October 8, 1964

Spurgeon, *Keeny*

*India
nucle*

As you predicted, I find myself in full agreement on preferred course of action. In fact, I'd see as additional strong arguments that: (a) getting India to lay off would ease our Pak problems; (b) if India wastes money on nuclear weapons capability, we'd be indirectly subsidising it through our aid (and total burden on us likely to be greater).

I'm more dubious, however, about implication of Recommendation on pp. 8-9 that we consider a dramatic "peaceful uses" program. No harm in looking at this option, but I see real risk that we'd merely be building up eventual Indian capability should India decide to go nuclear later. Moreover, the cost might be high.

R. W. Komer

~~SECRET~~

Att: Memo for Members of the Committee on Nuclear Weapons from Llewellyn E. Thompson, Subj: Next Meeting of the Committee, att. Report on the Indian Problem - Proposed Course of Action

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *c*, NARA, Date *5-5-04*

CONFIDENTIAL

January 17, 1966

NOTE FOR MR. ROBERT KOMER

Bob --

Kratzer needled me this afternoon about the Tarapur fuel agreement, wondering if it couldn't be broken loose immediately in view of the fact that it is not being saved for the visit basket. He pointed out that the strike at Tarapur is still continuing and has been quite violent -- 10 or more have been killed and violence is continuing. The strike is led by a left-wing organization and obviously motivated in part by anti-Americanism because the project is identified as a major US-Indian cooperative enterprise. He believes, and I agree, that we probably should go ahead with the fuel agreement just to indicate our continued support of this project in the face of the political agitation.

Tarapur

Charles E. Johnson

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 E.O. 13292, Sec. 3.4
 NSC Memo, 1/30/95, State Guidelines
 By *jc*, NARA, Date 5-5-04

NO 19
! publicity

2. timing

100 mil. over 25 yrs
12.5m. first trenches

2 35

Romey
called -
will be
going out of
town
tonight

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

20

*India
nuclear*

~~CONFIDENTIAL~~

February 25, 1966

MEMORANDUM TO: Mr. Spurgeon Keeny

SUBJECT: Plowshare for India

I find myself in general agreement with the recommendations in your long memorandum on Plowshare for India, dated February 11, and I am glad to give my parting blessing to this point of view for such use as you and my successor choose to make of it.

McG. B.
McG. B.

cc: DFHornig
HSRowen
RWKomer ✓
CEJohnson

~~CONFIDENTIAL~~

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By *jc*, NARA, Date *5-5-04*

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21a

TAB A

SECRET

21 b

Excerpt from:

A REPORT TO THE PRESIDENT
BY
THE COMMITTEE ON NUCLEAR PROLIFERATION

(THE GILPATRICK PANEL)

dated January 21, 1965

- - - -

Page 20 - 5. b. (2) ...

While we recognize that the peaceful uses of nuclear explosives (Project Plowshare) may have long-term economic importance, we do not believe that that program should be allowed to jeopardize a comprehensive test ban treaty or to encourage interest in nuclear weapons. Undue emphasis on such programs tends to make nuclear explosives appear desirable, necessary and acceptable for countries presently considering undertaking nuclear weapons programs. In addition, attempts to incorporate provisions permitting such programs under a comprehensive test ban treaty may be difficult, if not impossible, without providing a loophole under which nuclear weapons could be developed. We should not, therefore, actively seek to interest other countries in such programs until we better understand their relationship to the comprehensive test ban and the general nuclear proliferation problem.

- - - -

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Authority FRS 64-68, vol. XI, #64

By jc . NARA, Date 4-29-04

SECRET

210

Palfrey's In-
coming Letter



UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

21d

DN 10

*See Rock
& Bundy
11/2/66*

Dear Mac:

You suggested I send you my views on Plowshare and India.

Following the first Chinese explosion, the Thompson Committee on non-proliferation recommended various non-military cooperative ventures with the Indians in the atomic field. Exploration of possible Plowshare ventures had been recommended by Weisner after his India trip in January 1965 and by the AEC, but was opposed by others. In the end, Plowshare was taken out of Seaborg's letter to Bhabha, which listed potential areas of India-U.S. atomic cooperation, following Bhabha's visit to the U.S. in February 1965. Bhabha has repeatedly urged that it be included.

The issue has been raised again in the course of the preparation of a comprehensive telegram to Ambassador Bowles on India and non-proliferation.

I'm perplexed by the logic of our present posture on Plowshare with India. We say we would consider an Indian Plowshare explosive development program as a weapons program (and therefore Indian use of plutonium from the Canadian reactor for Plowshare would be considered a violation of their civil use only guarantee.) Then we say at the same time we won't explore Plowshare possibilities with the Indians, in situations where we might ultimately provide our own explosive in a black box to help India build a canal or change the course of a river.

The objection is that such ventures would whet Indian appetites to build their own devices. My view is that our present refusal is more apt to rouse them to do it themselves. If we do cooperate, we can make clear that these explosives have to be particularly sophisticated clean devices that took us 20 years to develop. Also, if we do cooperate, it would make it more difficult for the Indians to use a Plowshare program of their own as a cover for a weapons program.

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Authority RA-32-25-2.4.6
By JDW WARA Date 2-13-78

Plowshare, using nuclear explosives for civil purposes does provide the prestige factor for the Indians to counter the impact of the Chicom explosion on the Asians. I believe Bhabha when he says the fact that the U.S. supplied the explosive wouldn't significantly diminish the impact on the Asians. To the Asians it would be the Indians who were moving the mountains or the rivers, instead of building the bombs which they are capable of doing.

Obviously, Plowshare cooperative ventures are some years away in terms of cratering technology, device development, and in terms of getting international agreement, in view of the limited test ban treaty. But we are much more likely to create an international interest in and support for Plowshare and lay the foundation for agreement (including agreement on the Panama Canal) if we are allowed to explore possibilities with the various countries which have expressed interest. At present, these would be merely technical studies without political commitments.

Sincerely,

(SIGNED)
John G. Palfrey
Commissioner

Honorable McGeorge Bundy
Special Assistant to the President
for National Security Affairs
The White House

OFFICE USE

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

TOP SECRET

February 10, 1966

MEMORANDUM FOR MR. KOMER

Subject: State's Memorandum to the President on
Possible Assurances and Nuclear Support Arrangements
for India

Bob --

The attached State memo on "Possible Assurances and Nuclear Support Arrangements for India" is a competent staff study. It racks up all the old proposals and does not create any new problems. There is not much in the analysis one can object to. At the same time, the memorandum is so cautious in its approach that I do not consider it too helpful.

The memo essentially concludes that since there is something wrong with all of the alternatives we might pursue, we should do nothing except indicate to the Indians that we are prepared to consult with them in the future if they feel they have a serious problem arising from the Chinese nuclear threat. While I believe this should certainly be a principal theme in the President's discussions with Mrs. Gandhi, I think some of the other proposals discussed in the memorandum can be carried in parallel. For example, I believe it should be possible for the President to apply in a friendly fashion some informal but firm pressure on any future Indian nuclear plans in connection with our future economic assistance without going so far as State's Course (2) American Pressures and Threats (page 5) which essentially reduces this line of action to an absurdity. Moreover, while I agree that Course (1) Non-Proliferation Treaty and Comprehensive Test Ban is not the full answer to this problem, it is certainly something which should be carried on in parallel and which the President could make use of as background music for any bilateral proposals. Finally, I believe we should indicate to Mrs. Gandhi that we are prepared to move ahead with unilateral

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E.O. 13292, Sec. 3.4
NSC Memo, 1/30/95, State Guidelines
By jc, NARA, Date 5-5-04

TOP SECRET

27

India -
with
Nuclear

TOP SECRET

-2-

guarantees to the Indians if the Indians desire, or with bilateral or international guarantees to the Indians if this becomes acceptable to the Indians and the Soviet Union.

I question whether it is worthwhile trying to get the paper rewritten. It might be better simply to look upon it as a more or less permissive building block for a somewhat more imaginative policy which could be formulated in the White House.

Spurgeon
Spurgeon Keeny

Returned attached:
Draft Memorandum (undated) to
the President from Secretary Rusk

TOP SECRET

From:

R. L. Gauthoff

23

23a

India
Nuclear

TOP SECRET

MEMORANDUM FOR THE PRESIDENT

Subject: Possible Assurances and Nuclear Support Arrangements for India

India may, at any time, decide to embark on a nuclear weapons program. While we do not expect such a decision soon, barring major unexpected changes in the situation the US Intelligence Board estimates that on balance India probably will do so within the next few years. I concur in this assessment. At the same time, it remains in the interests of the United States to curb nuclear proliferation, and an Indian decision to manufacture nuclear weapons would increase the probability that other countries would also decide to do so.

I believe that we should, therefore, attempt to head off an Indian decision to produce nuclear weapons. To do so, we might in time have to be more responsive to Indian security needs, preferably in some way that will minimize our own commitment. The enclosed staff study reviews briefly our efforts to deal with this problem, defines the issue and sets forth the broad alternatives, and outlines some illustrative arrangements that could be considered if it is eventually decided to offer some form of nuclear sharing to India. I do not propose that you should now decide upon any one of these alternatives. These alternatives, including the possible nuclear sharing arrangements, are intended merely to illustrate for your background the possible general lines of action which may have to be considered.

I propose that when Mrs. Gandhi comes to Washington you let her know that we are sympathetic to her policy of using nuclear energy for peaceful purposes only, and to her efforts to give priority to India's economic needs and development, but that if a growing Chinese Communist nuclear capability should ever pose a serious threat to India, you hope she would frankly discuss the question with us so that we could examine together possible means to meet that threat without nuclear proliferation and Indian assumption of the heavy economic and other burdens of a nuclear weapons program.

Secretary McNamara and the Joint Chiefs of Staff concur in this recommendation. We would of course wish to examine the illustrative arrangements outlined in the enclosed study and other possible arrangements more fully before recommending your consideration and decision on any concrete offers we might later wish to make to the Indians. Meanwhile, we will continue to study these alternatives.

Dean Rusk

Enclosure:
Possible Assurances and Nuclear Support Arrangements for India

GROUP 1
Excluded from automatic downgrading and declassification

~~TOP SECRET~~

DECLASSIFIED
E.O. 13292, Sec. 3.4
State Dept. Guidelines
By jc, NARA, Date 5-5-84
+ RAC NLJ-032-025-2-5-5

FEB 9 1966
157

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~~TOP SECRET~~

25

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

Mr. Robert Komer
White House
National Security Council
Room 372
Executive Office Building
Washington, D.C.

Dear Bob:

Attached is an advance working paper on
possible nuclear arrangements with India.
Please hold closely.



Arthur W. Barber
Deputy Assistant Secretary

Enclosure
Working Paper (TS)

UNCLASSIFIED WHEN ATTACHMENTS
ARE DETACHED

JAN 10 1966

~~TOP SECRET~~

AIRGRAM

F55 13 INDIA
FOR RM USE ONLY

RM/R	REP	AF
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A-546
NO.

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PRIORITY
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TO : Department of State 1965 DEC 28 AM 10 38

Pass AEC

RM/AN
ANALYSIS & DISTRIBUTION
BRANCH

FROM : AmEmbassy NEW DELHI DATE: December 23, 1965

SUBJECT : Status of Fuel Contract for Tarapur Atomic Power Plant

REF : New Delhi Telegram to Department - No. 1391

With reference to the status of the signing of the fuel sales contract for the Tarapur Power Station, there are attached:

(1) An Aide Memoire which an Embassy Officer received on December 17, 1965, from Surendra Sinh, Director, Americas Division of the Ministry of External Affairs. In the Aide Memoire, the GOI (a) expresses concern over the long delay in signing the sales contract; and (b) requests that the United States Atomic Energy Commission be authorized to sign the contract with the GOI.

(2) A letter dated December 13, 1965, from a senior American official of the IGE (India) to the Commercial Counselor outlining the problems which will ensue if the fuel is not available at San Jose Fabric Center in January 1966.

Under the circumstances, the Embassy would appreciate a status report concerning this subject as soon as possible.

For the Ambassador

Lindsey Grant
First Secretary of the Embassy

- Enclosures:
- (1) Aide Memoire
 - (2) Letter from IGE (India)

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 In Out

FORM 4-62 DS-323

Drafted by: PE/EX:NAVeliotes

Contents and Classification Approved by: PE/EX:LGrant

Clearances: PE/SCI:Dr. DLF

PE/COM:JSLanigan (in draft)

AID/Mr. Wade (in substance)

1965 DEC 28 PM 12 54

BUNDY-SMITH
BATOR
BOWDLER
BOWMAN
CHASE
COOPER
JESSIE
JOHNSON
KERRY
KUMER
MOODY
COPY FLO - PBR

UNCLASSIFIED

Page 1

Encl 1

A- 546

from New Delhi

AIDE MEMOIRE

The Department of Atomic Energy, Government of India, have been informed by the Indian Embassy in Washington that they are having difficulty with the US Atomic Energy Commission in signing the fuel sales contract which is long overdue.

According to the Atomic Energy Commission, India's programme in which uranium for the first charge for the Tarapur Power Station would be required in about two or three months' time and unless USAEC complies with its commitment, the entire Tarapur Atomic Power Project would be in jeopardy. It has been made abundantly clear on a number of occasions by statements made by the Prime Minister himself that India proposes to use Atomic Energy for peaceful purposes only. It is felt by the Government of India that this commitment should be upheld as otherwise it will have a serious adverse effect on the above mentioned Atomic Power Project's development.

In view of this, it is requested that the USAEC may be authorised to sign the fuel sales contract with the Government of India through the Indian Embassy in Washington.

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Page 1

Encl 2

A- 546 from New Delhi

REFERENCE: E1260-5554

December 13, 1965.

Mr. James S. Lanigan
Counselor for Commercial Affairs
Embassy of the United States of America
Shanti Path, Chanakyapuri
NEW DELHI

Tarapur Atomic Power Project

Dear Jim:

I have looked into the possible effect on the Tarapur Atomic Power Project in the event there are delays in obtaining a fuel allocation from the Atomic Energy Commission in Washington, D.C. and have determined the following:

1. Fuel is required in January 1966 to conform with the fabrication schedule.
2. General Electric Company has been unable to obtain a fuel allocation or any firm promise of one.
3. Should fuel not be available on schedule, fuel costs will increase and such increases will have to be paid by Indian Atomic Energy Commission. Increases will result from required overtime and possible air freight charges.
4. At present we estimate any delay in receipt of necessary fuel will result in a corresponding delay in completion of the project.
5. Delay in completion of the project could be far more seriously effected should the factory loading prohibit immediate fabrication upon receipt of the fuel.

We will greatly appreciate any assistance on your part to release the necessary fuel for fabrication in accordance with the present schedule.

Yours very truly,
INTERNATIONAL GENERAL ELECTRIC COMPANY(INDIA)PRIVATE LTD.,

R.E. KASK
DEPUTY MANAGING DIRECTOR

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The RAND Corporation

1700 MAIN ST. • SANTA MONICA • CALIFORNIA 90406

28 December 1965

L-25453

India Nuclear



Mr. Robert W. Komer
Deputy Special Assistant
Executive Office of the President
Washington, D.C. 20506

Dear Bob:

I enclose, at your suggestion, my draft on Indian nuclear proliferation which I will discuss with the ISA staff in early January.

Best wishes for the Holidays and for the New Year!

Cordially yours,

Paul Y. Hammond

PYH:dc

Encl. - (1) India, Nuclear Proliferation, and the Shastri Visit, UFOUO

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The **RAND** Corporation

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28 December 1965

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Encl. - (1) India, Nuclear Proliferation, and the Shastri Visit , UFOUO

INDIA, NUCLEAR PROLIFERATION, AND THE SHASTRI VISIT

SUMMARY

From now on it will be imprudent to assume that India has not decided to go ahead with at least the development of a nuclear weapon. The analysis that follows is intended to be equally relevant whether or not she does.

If India acquires nuclear weapons, very likely it will not be as the result of a grand decision to enter the nuclear club, but of a series of minimal, lowest common denominator decisions which will be particularly difficult for the United States to influence. Whatever the "size" of the decisions involved, they will also vary in other ways which are important to U.S. policy considerations -- in the sophistication of the rationale involved, in the political costs the GOI is willing to pay, and in the extent to which the GOI decides on the merits or in response to political pressures. From an appallingly low level (at least as it seemed), sophistication has grown enough to cast doubt on the prospect that simply explaining things to Prime Minister Shastri would help much.

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E.O. 13526, Sec. 3.5
NLJ / RAC 12-357
By: 440 NARA, Date 03-17-2014

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A public relations bomb, and particularly a "plow-share bomb," would suit many of India's purposes quite adequately. For that reason, they should be taken seriously by the United States for India's interest in them and as real possibilities, quite apart from U.S. assessments of their plausibility or justification.

India's nuclear program is vulnerable to external pressures because of a peculiar combination of factors. She has an ambitious, long-term electric power program underway which involves greater expected economic and prestige values than any comparable program has for any existing nuclear power. If that were all, of course, we would expect that the vital national interests which nuclear military weapons usually involve would override such values. But India's domestic power program represents also a growing potential nuclear weapons production capability. Threats to the one are threats to the other. The cost of going now for nuclear weapons would not be simply in domestic economic uses, but in growing potential military applications. To complete the picture, the vulnerabilities of the Indian nuclear power program will probably decline significantly over the next five to ten years as India becomes less dependent upon the United

States, Canada, and other countries for technical assistance.

All of these factors (though not all others) point to the desirability, from the standpoint of India's interests, of delaying her decision to acquire and test nuclear weapons. In view of this fact, the United States should seek to persuade India to postpone her acquisition of nuclear weapons. Since as a practical matter it would be difficult to effect anything more than postponement, unless a highly effective comprehensive test ban could be achieved (and that still might accomplish little more than postponement), postponement may be the most persuasive and useful objective available. It can be made more persuasive by designing India's standby capability and U.S. military commitments to India to complement each other.

To carry out these positions of substance, they must be seen in a larger context which includes every aspect of U.S. relations with India, which we may term the "bargaining situation." Several factors should be taken into account in developing a bargaining strategy with India in general, and with specific reference to nuclear weapons policies. The GOI has in the past used its domestic

weakness as a bargaining asset with the United States. While its weakness is real enough and has application to its policies on nuclear weapons, the GOI has been impressively resistant to public pressures for the bomb, so much so that the U.S. should be reluctant to accept the assertion of weakness in this matter out of hand.

Second, it should recognize that India's interest in a joint guarantee goes beyond its interest in non-alignment to a concern over the Asian power balance between the Soviet Union, Communist China and itself. Rather than press for a joint guarantee for India on the mistaken assumption that it would solve the credibility problem for the U.S. commitments to India, it would be better to emphasize the maintenance of a set of U.S. options which would keep India seeking the favor of the United States. For this purpose, the record of U.S. aid to Pakistan is an asset.

Third, the United States should exercise "control," to the degree that it can, over political "prices" which apply in its bargaining relationship with India. In particular, it should not encourage India (or Pakistan) to believe that the United States is more concerned about their mutual conflict than they are, or that India's

concession not to acquire nuclear weapons now (if that continues to be the case), or any other nuclear weapons policy which she adopts in her own interest, is much of a concession at all, except where deference has other justifications.

Fourth, the United States must not expect to coerce India directly and explicitly in her nuclear weapons policies because they involve such vital national interests. Instead, it should confront the GOI with a pattern of behavior which will lead it to infer that it will get much less of what it wants from the United States if India acquires nuclear weapons. But the inferred threat, or the prediction of contingent behavior, should not be made by U.S. officials. It should be left to be made by Indian officials.

OPTIONS AND OBJECTIVES

1. CONSENSUS PROBLEMS AND THE
PREMIUM ON MINIMUM DECISIONS

The Shastri government operates through fairly wide internal clearance procedures in the Congress Party and the Government. Several officials probably could effect a veto over a proposal to build nuclear weapons until some crisis overrides the clearance system. Evidently Shastri himself has not yet wanted to build the bomb; the senior military, particularly General Chaudhuri, the Army chief of staff, has not, and probably the finance minister, T. T. Krishnamachari, has opposed doing so. It is probably significant that neither the Chinese detonations of October 1964, and May 1965, or the armed clashes with Pakistan in 1965 overrode the clearance system by which the Shastri government operates. Nevertheless, with the new prestige gained by the military in the conflict with Pakistan, and with Shastri's new standing as a national leader, if the military demanded nuclear weapons, and Shastri supported them, the veto system would probably yield to their initiatives.

But even then, and certainly in the absence of such a clear-cut change of positions, major national policies

tend to be cast in a form which arouses the least opposition. Consensus is not an absolute value, but it is and probably will remain highly valued in India's public life. In these circumstances, minimal decisions are at a premium.

The present public position of the government is a minimum holding position against getting nuclear weapons. Shastri's first reaction to the first Chinese detonation (a reaction which probably reflected his attitude toward nuclear weapons far more than it did his method of dealing with public policy issues) was a categorical rejection of Indian nuclear weapons. In contrast, he now takes a conditional position in which he can evade substantive policy issues by promising to consider any factor advanced by his critics if it becomes important enough.

2. SOPHISTICATION, PUBLIC RELATIONS, AND THE "PLOWSHARE" BOMB

An effective decision by the GOI to acquire nuclear weapons could vary in a number of ways which are important to U.S. policy. Among them are (1) the level of sophistication with which the decision is made, (2) the size of the undertaking decided upon -- measured at least in resources committed and technical objectives, (3) the

political costs the GOI expects and is willing to pay, including the risks it runs, and (4) the extent to which the government has acted rationally according to its own perception of the interests and costs at stake, or has simply yielded to political pressures. The third and fourth variables will be taken up in later sections.

The level of technical sophistication has risen from (at least as it seemed) an incredibly low level in October 1964, until now, judging by Prime Minister Shastri's interview for the Bombay weekly, Blitz,* he and his cabinet take seriously the weapons systems -- as distinct from warhead -- costs and performance requirements. It is not clear how fully they understand these matters, but it would be unwise to assume that simply presenting to them an American viewpoint with supporting technical data would make a difference to them. From the onset of the debate over nuclear weapons touched off by the Chinese detonation in 1964, Shastri showed some distrust of the data available to him from his own Atomic Energy Commission. He has as much reason to distrust U.S. data.

* Released December 4, 1965.

What may look like poorly informed behavior by the GOI may in fact be something quite different. The only authoritative source of data which Shastri cited in the Lok Sabha debate on nuclear weapons in November, 1964, was William Lawrence, the American science correspondent. But at least Shastri thereby indicated that he was not a captive of the data and viewpoint of Bhabha. Similarly, India has some real interests in the acquisition of nuclear weapons and a range of options which can be seriously underestimated.

In particular, the GOI is likely to consider seriously the detonation of a nuclear device solely for prestige purposes, without committing itself in advance to going further into a weapons system. Much of the public support for India's acquiring nuclear weapons has turned on India's prestige and matters related to it, particularly government and public morale. Hence, a "prestige-only" or "public relations" bomb could well be the lowest common denominator which would win the necessary clearance to get things started. The latter group would anticipate that the government could not long live with a decision to build a PR bomb without having to face the prospect that unless it planned to carry the nuclear weapons effort

beyond a few nominal detonations, the prestige gained would soon become a wasting asset or even an embarrassment.

While no Indian official of any prominence has advocated a PR bomb only, the concept is implicit in the propensity to put the issue whether or not to build nuclear weapons in terms of a minimum initial commitment, at least since political and prestige as distinguished from military objectives have been prominent in the domestic Indian debate. The distinctive feature about the PR bomb option is the low initial objective: India starts into the nuclear weapons business on the assumption that it can get the minimum that it wants for a minimum of expenditure and technical commitments. The end is not at all distinctive. It may even be at a high-performance, high-cost nuclear weapons posture.

The minimum initial commitment would minimize the resource allocation problems which India will eventually have to face if the commitment grows, including foreign exchange costs, public sector costs, and costs to the rate of implementation of its ambitious and impressive nuclear-electric power program. The objective of a

prestige-only bomb need seem plausible only long enough to avoid facing these costs and get a program under way.

Or, India could detonate a few nuclear devices and declare that they are intended and have been used for peaceful, nonmilitary purposes only: that they are "plowshare" devices. Early detonations may not actually perform useful work, but serve only as tests. Their intended peaceful purpose could still be emphasized, possibly with claims (probably not entirely justified) either that the device set off had been designed so that it could not be used for military purposes, or that at best it could be used only for defensive military purposes -- atomic demolition, for example.

The plowshare bomb could be less of a break with the past for India's foreign policy than a public relations bomb would be. The GOI could claim that it was adhering to its scruples by denying itself nuclear military capabilities, possibly emphasizing the contrast between China's apparent resolve to acquire "aggressive" nuclear weapons and India's limiting itself to peaceful purposes. Or, without singling out China, India could present herself as the only member of the nuclear club which has limited herself to nonmilitary capabilities.

The plowshare bomb could have advantages similar to those of the public relations bomb, and some additional ones besides. It could gain wide support within the GOI, ranging from groups who want prestige only to groups who would like to see substantial military capabilities eventually. And it could preserve India's prestige as a leading advocate of disarmament and military self-denial, a posture which, at least for domestic political purposes, the Prime Minister prefers to take. If nonmilitary use is not sufficient, moreover, the "plowshare" bomb concept can be extended to include defensive nuclear weapons and India could then pose as the country which denied itself offensive nuclear weapons, even under the nuclear threat of Peking.

The defensive weapons, by this line of speculation, would be demolition devices to be used in defense against Chinese attacks through the Himalayan passes. How much she could make the distinction between offensive and defensive weapons stick could depend only in part on the technical characteristics of the weapons she devises. While it would, for practical purposes, be difficult or all but impossible to build weapons which were useful for

demolition but impossible to turn into air-deliverable weapons, it should be practical to concentrate on weapons which are in fact deployed for demolition purposes.

India might not convince everyone in her foreign audience that she lacked an offensive capability; yet what she had would look quite different from the nuclear military postures of the first four nuclear powers and from what Peking wants to be credited with. Furthermore it would be useful if only Indians were convinced that the distinction is a technically valid one.

In the same vein, the political costs and consequences as GOI officials assess them of violating the test ban by venting in an underground explosion would be much less serious if the detonation were credited with a peaceful purpose. It may well be that New Delhi will favor a working plowshare detonation over a test detonation, despite the greater technical difficulty of accomplishing a working detonation within the constraints of the test ban because the working detonation would, so to speak, be legitimized by the work it performed. At any rate, it would demonstrate its peaceful utility. Either way, however, the nonmilitary, or at least nonaggressive purpose of the weapons under development could be the

basis for justifying a violation of the test ban: the venting was unintentional, it could be argued, the purpose was peaceful, and the test ban must not be allowed to impose permanent handicaps on the non-nuclear powers when their objectives are peaceful. India has already taken very strongly the position in disarmament negotiations that whatever is done about the proliferation of nuclear weapons must not amount to concessions by non-nuclear powers without comparable concessions from nuclear powers. The argument could readily be adapted to the situation India might find herself in if, while attempting a plowshare shot, she were to vent and violate the test ban.

The objective of the plowshare detonations would be to counter the prestige which Communist China has acquired by its nuclear detonations without losing the prestige which India enjoys because of her nonmilitary international leadership. New Delhi's interest in plowshare as a way out of the dilemma posed by the Chinese detonations has been unmistakable, although it is not clear how thoroughly the GOI has considered the military variant of plowshare. Neither is it established, for that matter, that the GOI's consideration of plowshare

has been limited to the narrow definition dictated by the American concern for separating peaceful from military uses. Furthermore, like the public relations bomb, the full reach of the plowshare concept -- into defensive military weapons -- need not be apparent when the decision to attempt plowshare detonations is taken. Both the PR bomb and plowshare bomb concepts are attractive because of the feature that they can begin as a minimum objective and grow into something more ambitious. It is not unlikely that the GOI has already been attracted by and made use of these features to start down the road to nuclear weapons.

3. EXTERNAL VULNERABILITIES

So far we have considered India's interest in nuclear weapons as though the decision to acquire them would be a "rational" one in the sense that the GOI would decide whether or not to do so on the basis of reasons (including quite tenuous ones) which could be stated and which, if refuted, would lead to a different policy decision or outcome. But India's nuclear weapons policy may turn as much on political behavior which has, at least for our purposes, two dimensions, (1) the relationships with other

states, including the United States, which are potentially competitive or hostile, and (2) domestic relationships which in any case limit, in some measure distort, and even could override the "rational" considerations of the GOI. In this section we will consider the vulnerabilities of the GOI's nuclear military aspirations to external, particularly U.S., pressures. Consideration of domestic pressures will be deferred until a later section where they can be dealt with as part of a more comprehensive consideration of bargaining with the GOI.

The "Plowshare" and "PR" bombs are ways to conceive of and justify a minimum but open-ended decision. They are useful to the extent that they are convincing justifications. But in addition to or apart from them, a decision to go nuclear would depend on how much of a "price" India would be willing to pay in its external relations or be forced to pay by domestic political pressures. The U.S. is not likely to be able to raise external costs in terms of hostile political reactions significantly except with a new multilateral treaty, such as a universal test ban. India's nuclear program, however, is now vulnerable to certain quite specific technical sanctions from outside. This vulnerability, however,

will decline rapidly over the next decade.*

India is dependent for weapon grade fissile material on plutonium produced in research and power reactors constructed with foreign assistance. One research reactor and one power reactor constructed by the United States use enriched uranium for the supply of which India is dependent upon the United States. Both are also subject to inspection and certain physical controls. India also has an unsafeguarded natural uranium research reactor constructed with the help of Canada and a very small one produced without direct foreign assistance. Canadian and U.S. firms are currently constructing new power reactors -- one each -- both of them to be subject to inspection. Plans call for the construction by the early 1970's of another power reactor by India's AEC (though not without foreign assistance). This last one presumably will be without any safeguards.

Long-range nuclear power development plans provide for increasing self-sufficiency in both technology and

*The implications of this situation for U.S. policy -- to encourage India to wait until the situation improved for her -- are considered below in Section 4, "Emphasizing the Advantages of Postponement Or a Standby Capability."

fuels. For the foreseeable future India is dependent upon the United States for the enriched fuel for the U.S.-supplied reactors. It still makes use of some foreign fuel materials for its natural uranium reactors, but not on Canadian fuel elements. While it does refine uranium and manufacture fuel elements, and probably now can meet current needs from its own production, it has continued to acquire uranium from foreign supplies.

Without refining facilities for producing weapons grade U-235, India is dependent for fissile weapons material on the plutonium which it can extract in its own separation plant from the fuel elements or other elements exposed in power and research reactors. At some risk of detection it could cheat on the disposition of the safeguarded U.S.-designed reactors to get plutonium. It obtains weapons grade plutonium from the Canada-India research reactor, though it is committed to the Canadian Government to use that plutonium for nonmilitary purposes. As the two new power reactors come into operation after 1968, considerably more plutonium which evaded control or inspection would presumably be available.

This is an impressive picture of growing independence in resources and technology. But India is dependent, and will remain dependent, on foreign cooperation for the accomplishment of her domestic nuclear power plans for the next five to ten years, and maybe longer. While neither the United States nor Canada can keep complete count on the byproducts of either the completed reactors or those which are now under construction, and while Canada's denial of further reactor fuel probably would not be severely detrimental to India's nuclear power program, India needs the continued cooperation of the United States and Canada. The prospect of losing that cooperation would be a considerable inhibition on India's nuclear electric power ambitions. Furthermore, the prospects that other countries, like Sweden, might refuse to help with the proposed Kalpakkom reactor because of her nuclear weapons intentions or efforts could also discourage India. Her ambitious nuclear power program may be an asset to her nuclear military weapons aspirations, but it is also a hostage to her technological partners.

Probably neither the United States nor Canada would have a very good formal case against India were she to detonate a nuclear device, or announce that she was going

to do so. But concerted action by the two countries could enable them to impose effective penalties on India by limiting or discontinuing their technological cooperation. Close cooperation with Canada would appear to be an absolute imperative for the United States in dealing with India's nuclear aspirations, at least in the short-run. However, if India could present her nuclear detonations as legitimate because they are for peaceful purposes, the United States and Canada would find sanctioning India politically costly to them. India's manifest interest in plowshare takes on increasing significance in the light of this analysis, as does any other prospective way to legitimize her nuclear explosions.

It might appear that these inhibitions, however, would be quite insubstantial where the stakes involved are the vital national security interests usually associated with nuclear weapons. If all that were risked by acquiring some nuclear weapons were the domestic nuclear power program, that might be correct. But India's domestic power program has a military weapons equivalent in the future as well as in the present. The hostage is not only the domestic power program, but its future nonmilitary and military potential as well. It is that potential

which is vulnerable to foreign (particularly Canadian and U.S.) sanctions.

4. EMPHASIZING THE ADVANTAGES OF POSTPONEMENT
OR A STANDBY CAPABILITY

The GOI does not need to choose once and for all, now or at any particular time, whether or not it will get nuclear weapons, as long as it continues with its nuclear electric power program, and as long as it is not confronted with an effective self-denying ordinance, like a universal test ban might be (to the degree that it raised the political costs of testing). What India decides at any time is whether to go on with its domestic power program as planned or to divert some of the resources for that program to a nuclear weapons program.

The Indian nuclear electric power program is intended to follow a three-phase plan which begins with the construction of natural uranium reactors for producing electrical power in plutonium. The second phase is the development of reactors for producing U-233 from thorium with the help of plutonium. The third phase is the development of U-233-thorium breeder reactors. India is now in the first phase and planning the second and third. The U-233 and thorium technology will involve some

technological pioneering. The objective is to take advantage of India's large thorium supplies. Great emphasis is being given to eventual self-sufficiency -- an objective adopted long before the self-sufficiency campaign which followed the Punjab-Kashmir cease-fire.

The three-phase program is an ambitious one, not only technologically, but in terms of national self-sufficiency and expectations about future production capacities. India's military potential in the program is dependent largely upon its capacity to produce and separate plutonium. That capacity will continue to grow throughout the implementation of the three-phase plan. The nuclear weapon capacity of the plutonium produced annually in the nuclear power industry by 1975 as present development and implementation have been projected into the future in the light of published plans is several hundred per year. By 1980, it would be more than twice as many. With this prospect in mind the Indian Government could conclude that a decision now against acquiring nuclear weapons still leaves it with the option to get them later, possibly with a greater material capacity to do so because the development of the peaceful nuclear program will not have been set back by resource diversions

and the withdrawal of foreign cooperation. This would be the principal reason for delaying -- the prospect that it would be possible to acquire nuclear weapons later, in two or five or ten years, at successively less political and (in at least the larger sense) economic costs.

In addition, the growing plutonium production capacity of the peaceful program could make the option to acquire nuclear weapons itself a deterrent to India's opponents if it is adequately supplemented with other security arrangements, particularly if the standby capability can be related to those security arrangements and perceived threats.

The design and fabrication of nuclear weapons, including their preparation for use under military or battlefield conditions, are capabilities which do not follow from the availability of plutonium as a weapons material. But a decision against acquiring nuclear weapons does not preclude the development of designs and of a capacity to move quickly into the production of nuclear weapons. It should be possible for India to reduce the time it would take from a decision to build nuclear weapons until the first steady production of them

to a period as short as weeks or a few months by a conservative approach to weapons designs, by test simulations, and by careful advanced preparations of facilities and designs -- even going so far as having untested weapons, or at least a standby capacity to fabricate test weapons and then move into production.

Much of the pressure on India to make nuclear weapons is due to the reactions to the Chinese detonations, which have been particularly noted in New Delhi -- the lack of condemnation from the Afro-Asian bloc, e.g., and the rise in China's evident prestige. It is also the case that nothing else pertaining to nuclear power status "costs" as well as "pays" politically like nuclear detonations do, and for no state would the political costs be likely to be greater than for India.

If India acquired some nuclear weapons but refrained from testing them, and was able to keep these facts secret, then she would have a choice between keeping her nuclear readiness secret and making it public. With it kept secret, she would avoid the costs to her reputation as a champion of peace, but at the expense of prestige and of status with the Afro-Asian militants. If her readiness were publicized, some elements of her nonaligned leadership

position would be jeopardized. Her effective capacity to gain reciprocal concessions from the established nuclear powers in exchange for her continued nuclear self-denial would also suffer. Her standby capability would be able to deter whether its degree of readiness was secret or not, but what it would deter best under what circumstances would vary. The quicker the response possible, the more direct the military threat which could be deterred, for example.

The most optimistic expectations about the lead-time for weapons acquisition from a standby posture, moreover, would not make it possible for India to deter an enemy which suddenly revealed its intention to press for a major and immediate power showdown. But India well might conclude that it is not threats of major strategic nuclear attack which are her problem, but the more limited conflicts where threats and risks can be quite ambiguous. Were Communist China to threaten a major strategic nuclear attack, India could probably count on the support at least of the United States and possibly of the Soviet Union.

Her own acquisition of nuclear weapons would be for smaller scale Chinese threats which India expects would not engage any major nuclear power on her side, and would

not involve issues vital to her. She could deal with them by concessions which played for time, while undertaking her nuclear armament. Better than that, where these conditions prevailed, India could deter Peking from exploiting its nuclear military capabilities with the counter-threat to launch into full-scale nuclear weapons production which a standby nuclear deterrent would provide. It would not be worth it to Peking to get, say, a favorable settlement of a minor boundary issue or some other localized conflict with India at the expense of starting India off producing nuclear weapons at the rate she will eventually be able to produce them.

Whether or not the GOI has indulged in this kind of speculation, or taken it seriously if it has, a standby capability which would grow at the rate India can expect its capabilities to grow could be an attractive solution to the problem of how to meet India's security needs vis-à-vis China while maintaining India's self-perceived status as a major power with scruples and an important neutralist leadership position.

THE BARGAINING SITUATION

The limited test ban treaty has raised the threshold to nuclear club membership for most nuclear aspirants in three ways: (1) it offers the hope that there can be general arms control agreements, and thus raises the political cost of going nuclear; (2) it poses a dilemma of meeting a severe technological requirement to test underground or pay the political costs of violating the agreement; and (3) it is substantial evidence that the Soviet Union and the United States could reconcile their major differences, a prospect which has particular relevance to India as she faces the potential nuclear power of Peking.

But the near-term prospects of raising higher the political barriers and inhibitions against the spread of nuclear weapons through multilateral agreements -- a comprehensive test ban, for instance -- are not large enough to justify depending upon them very much for coping with the several states which have substantial incentives to acquire nuclear weapons, sufficient capabilities, and some or much political support for doing so. India is one of these states.

For the time being, U.S. interests in India's acquisition of nuclear weapons lie in their political effect -- in exacerbating the conflict with Pakistan, diverting resources within India from developmental objectives, and encouraging other states to acquire nuclear weapons.

For these reasons, the United States needs to deal unilaterally and bilaterally with India's nuclear aspirations, quite apart from its interests in multilateral solutions. To deal with these aspirations the United States can persuade with information and credible advice and coerce through the manipulation and control of valuables. On the other hand, the more India sees her interests in nuclear weapons to be vital the less she can permit the United States to influence her nuclear policies by direct or explicit coercion.

1. DOMESTIC CONSTRAINTS AS A BARGAINING ASSET FOR THE GOI

Like any regime that may be better than the alternative to it, the GOI can use its domestic weakness as a bargaining asset. Unlike the German Federal Republic, the political alternatives have not been spelled out with specific

reference to U.S. nuclear policies, but the connection is there to be drawn. If we do not support the government as now constituted, and it must yield or adapt to militant domestic pressures which it would prefer to resist, the U.S. Government could live to regret its failure to cooperate with the GOI. Because this is an important element in the bargaining relationship with India, it is important to be clear about the GOI's standing domestically on nuclear weapons policy.

The Shastri government has since October 1964 been in a line-holding position against domestic pressures which favor nuclear weapons. The pressures are manifestly widespread. They place the GOI in an excellent position to use them to its advantage in extracting concessions from the nuclear powers. At the same time, the resistance has been effective enough to justify the expectation that the GOI is not desperate. It stood successfully against the initial flare-up after the first Chinese detonation in October and November, 1964, and the summer following the Kutch cease-fire last June. It resisted the nuclear weapons pressures at the height of the war fever in September 1965, when the

famine evidently looked much worse than it did at the end of the year. All of these successful holding actions occurred before the Shastri government had won the popular following it now has for its handling of the conflict with Pakistan.

Furthermore, it has drawn the most effective promoter of nuclear weapons in Indian public life, Dr. Bhabha, into cooperation with its position from a posture of constrained alienations.* The available evidence indicates that he was distrusted by Shastri in October 1964, and not in close communication with the Prime Minister (as he had been with Nehru). At the same time, his public pronouncements, particularly his low cost estimates for nuclear weapons, strengthened the opposition to the Shastri government's nuclear weapons policy.**

* It may have done so at some cost -- permission to go ahead secretly with the development of a nuclear device. Speculations about a secret order to that effect are reported in the London Times, October 12, 1965. Bhabha denied them in an interview with Selig Harrison, Washington Post, November 7, 1965.

** Shastri avoided relying on data supplied by the IAEC in the public debates from October through December,

Finally, the Shastri government has remained remarkably intact on this important national policy, considering the fact that it was caught unawares a year ago by both domestic and foreign reactions to the Chinese bomb. Even the Indian military has been held in line.

All of these things suggest that the Shastri government has much strength in holding the line against nuclear weapons production. It may be that one important reason is a shared emotional or ideological response; if so, it is nonetheless (or especially) effective. The emotional or ideological response may exaggerate the GOI's perception of the assets which it has in its standing as a leader of the nonaligned, or its prestige for its service to peace, or its military self-denial. Exaggerated or not, it in

1964. Bhabha may not have thought of himself as intentionally insubordinate. He kept himself within distinct limits of opposition. On at least one occasion he indicated that his purpose was to make sure the government had considered thoroughly the question whether or not to build a nuclear bomb. Assuming that he intended nothing more, this statement indicates little confidence in the government. In contrast, by November 1965 -- a year later -- he was making public statements which eased the burden of the government in maintaining its nuclear policy. See Harrison interview, ibid.

fact has assets of this sort to husband. It has, furthermore, vulnerabilities to concern itself with if it is to deflect some of its nuclear power resources to nuclear weapons production. The GOI, then, has enough reasons not to exercise its nuclear option to justify the United States limiting its concern about the prospects that the GOI will be forced by domestic pressures to get nuclear weapons against its preferences.

2. THE GOI AND THE ASIAN POWER BALANCE

India's first clear diplomatic reaction to the Chinese bomb was to propose a Big Three guarantee for the unaligned. Since then, it has backed off to support a larger and less attainable disarmament package. While a joint guarantee would serve to maintain India's nonaligned status, the main thing it would do would be to establish a limited Indo-Soviet alliance against Communist China.

It may be a U.S. interest, as it is India's, to win the adherence of the USSR to such a treaty. But the United States should be unwilling to concede very much in lieu of its own limited commitment, or to pay very heavily in order

to increase it. The lesson of the NATO analogue -- the difficulty of making U.S. commitments credible -- is insufficient. Beyond the difficulty of establishing or increasing the credibility of a U.S. commitment is an additional reason not to try very hard: that, unlike our NATO allies, it is not our commitment, but the Soviet Union's that India wants.

Instead of looking at the task for U.S. diplomacy as one of establishing the credibility of U.S. commitments to India in assisting it against China, it might be better to approach it as a problem in designing an appropriate set of U.S. options. If the latter is done properly, then instead of the GOI posing for the United States the question, "What more can you do to reassure us of your commitment to us?" it will have to ask itself, "What will the United States do if we do not cooperate with it?" Pakistan is the most obvious and available option which India does not want the United States to choose. As an option in dealing with India it can easily be overplayed. Even the resumption of military assistance to Pakistan, if

it is not on a substantially altered and reduced basis, might drive India to proceed to the detonation of some nuclear weapons. However, if the United States does not repudiate its relationship with Pakistan, it will be difficult to underplay too much that relationship as an option in U.S. relations with India. In this respect, if in no other, the past record of military assistance to Pakistan is unmistakably an asset.

3. U.S. OBJECTIVES AS A FACTOR IN
THE BARGAINING RELATIONSHIP

The United States is concerned with moderating the Indo-Pakistani conflict, keeping Pakistan from too close an involvement with Communist China, and sustaining India in her efforts to hold against Chinese threats and attacks. The capability of the United States to influence these events through her relations with India and Pakistan, however, is severely limited. In order to make the best use of that ability, the United States needs to be quite clear about the relationship of its own objectives in the area to their objectives. While it is true that the United

States did not want India and Pakistan to clash with each other, this is no reason for assuming that it has a greater interest than have they in avoiding future clashes between them. As great as it is, the interest of the United States in avoiding Indo-Pakistani conflicts is less than that of the two parties involved. To convey the contrary impression is to reduce the U.S. capacity to influence either or both governments.

Similarly, if the U.S. Government gives the impression that it would regard nuclear military forbearance by India as a favor to the United States, or if it confuses the substantial concession which India would make were she to cooperate with the great powers in eliminating her own option to acquire nuclear weapons (e.g., through an effective multilateral treaty) with the far more limited and revokable concession of temporary nuclear forbearance, then the basis for cooperation will be severely limited because the ability of the United States to influence events will be severely limited.

4. U.S. METHODS: BILATERAL,
INDIRECT, AND DETACHED

India's attitudes about nuclear weapons, like those of most states, makes it difficult for the United States to prevent the acquisition of nuclear weapons by India. Nuclear weapons lie too close to the center of vital national interest for India to permit herself to be coerced openly into modifications of her nuclear aspirations. In fact, the more we bring pressure to bear not to acquire nuclear weapons by making military and economic aid conditional on nuclear self-denial, the more we encourage India to take steps which will reduce her dependence on other states, a course of action which is likely to include at some point in its program nuclear military self-reliance.

If we are to influence India, the means must be indirect. The GOI must be confronted with a general pattern of U.S. support and non-support, of incentives and pressures which will lead it to infer that it will get much less of what it wants from the United States and

from others if India acquires nuclear weapons. The threat, or the prediction of contingent behavior, should never be made by U.S. officials: it should be left to the Indian Government to observe the conditional pattern of U.S. behavior.

This would not be something new in U.S. relations with India. It is a common inference that the GOI avoids a decision to go nuclear out of fear of the consequences that decision would have on U.S. behavior towards India. At least it seems clear enough that the timing of the careful denial which the IAEC's Mr. Bhabha issued in mid-November that India was going ahead secretly with the development of nuclear weapons was dictated by a concern with avoiding U.S. suspicions at a crucial time for India in her relations with the United States. Apparently India is quite prepared to relate on her own initiative her nuclear military policy to her foreign diplomacy, even if she would be forced, were the initiative to come from the other direction, to take evasive and defensive actions to protect herself against coercion.

Very likely direct efforts to coerce would be costly. Quite probably they would also be unsuccessful. Among other things, it would not be difficult for the GOI to create domestic public reactions which would foreclose for all practical purposes its ability to respond to clear and direct coercion, even if United States officials remain quite clear about the strength of the GOI in this issue. It would be well, therefore, to rule out the directly coercive use of military and economic assistance programs and military commitments for preventing nuclear military developments. At the present time, while these programs and commitments are being refashioned as instruments of coercion and control, it is particularly important to be clear about the limits of their utility as well as their considerable value for dealing with the problem of nuclear proliferation.

If India is to be constrained from going nuclear, it will not be by direct coercion, but by a combination of persuasion and marginal, indirect, and discreet coercion. Indirect coercion may be quite useful. It could be applied by establishing conditions which affect India's perception

of her interests. For example, unilateral force dispositions, like U.S. sea-based nuclear forces in the Indian Ocean, will be taken into account in New Delhi and undoubtedly affect India's appraisal of her own nuclear vulnerability. Similarly, U.S. declaratory commitments to the sub-continent which are couched in terms of U.S. interests in order to remove the implication that they are merely manipulative -- without substance or permanence -- could serve the GOI in forecasting more accurately and with greater confidence future U.S. behavior.

30

NATIONAL SECURITY COUNCIL

12/3/65

NOTE TO MR. KOMER

Bob --

I have forwarded your note to Mac with the attached revised draft of the proposed NSAM together with the original draft from McNaughton.

Spurgeon

Atts. - a/s

DEC 3 1965

India nuclear

SECRET

December 3, 1965

Mac -

McNaughton delivered the attached without signature, so he won't get caught out criticizing State. Spurgeon and I are not convinced there's need for such a stiff warning against chatter, but are convinced that on Indian nuclear problem (1) we definitely need a US position on Indian nuclear matter to try on LBJ before Shastri visit; (2) best way to get a broad review of options, not just a Rusk/Thompson line, is an inter-agency review. Attached NSAM would do the trick. State is doing a study but not broad enough. If you OK, I'll try on LBJ.

RWK

Mac -

I agree and have attached a revised draft of the proposed NSAM.

Spurgeon

DECLASSIFIED

Authority NLS 88-143 (84)

By felip NARA. Date 5-5-04

~~SECRET~~

December 1965

DRAFT NATIONAL SECURITY ACTION MEMORANDUM NO.

TO: THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE CHAIRMAN, ATOMIC ENERGY COMMISSION
THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY
THE DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY

SUBJECT: Review of U. S. Nuclear Policy Toward India

In preparation for his forthcoming meeting with Prime Minister Shastri, the President would appreciate a review of the alternative courses of future U. S. policy in dealing with the inter-related problems of preventing the development by India of an independent nuclear weapons capability and the provision of adequate security arrangements for India.

The review should examine the question of reassurances in the broadest context including bilateral and multilateral guarantees, economic cooperation and assistance, and possible proposals involving bilateral or multilateral nuclear sharing. The review by the appropriate agencies should be organized under the direction of the Secretary of State. The study with appropriate recommendations should be submitted not later than January 15, 1966, to permit adequate time for consideration prior to Prime Minister Shastri's visit.

DECLASSIFIED

~~SECRET~~

Authority PLJ 00-256(484c)
By jc/CS . NARA. Date 5-5-04

DEC 3 1965

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-2-

Particular care should be taken to avoid any public disclosure of the specific proposals considered in this review. This problem and the relating subject of nuclear sharing in NATO should not be discussed with Asian officials prior to Prime Minister Shastri's visit.

* * *

SECRET

~~SECRET~~

India Nuclear 31

D R A F T

MEMORANDUM FOR Mr. McGeorge Bundy

SUBJECT: Nuclear Sharing in Asia

I and members of my staff are concerned over the expanding contacts and discussions between representatives of certain Asian governments and Executive Branch officials about possibilities for inter-governmental arrangements in Asia regarding nuclear weapons. This is an extremely complex subject which thus far has not fully been explored within the Executive Branch. It is by no means clear in which direction our national security interests lie and whether any particular arrangements -- indeed, the idea of nuclear sharing itself -- would be to the advantage of the United States.

Accordingly, I believe that an NSAM should be issued (draft attached), directing (1) Executive Branch officials not to discuss the subject of nuclear sharing with representatives of Asian countries (official or unofficial); and (2) the creation of a State-DoD group to formulate promptly for Presidential decision various alternatives for U.S. nuclear policy in Asia, including the Subcontinent. These alternatives should be submitted well prior to the President's meeting with Shastri.

Enclosure
Draft NSAM

*To Keating w/ RWR
Memo 12/3/65*

DECLASSIFIED

Authority NW 89-25 (#84a)

By Jclisp NARA. Date 5-5-04

~~SECRET~~

DEC 3 1965

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31a

DECLASSIFIED

Authority ALJ 89.25 (#846)

SECRET

By jc/isp NARA. Date 5-5-04

December 1965

DRAFT NATIONAL SECURITY ACTION MEMORANDUM NO.

TO: THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE CHAIRMAN, ATOMIC ENERGY COMMISSION
THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY

Director ACDK

SUBJECT: Nuclear Sharing in Asia

At the present time, the US has no agreed plans or policies for

inter-governmental arrangements in Asia (including the Subcontinent)

regarding the sharing of control over nuclear weapons and consultation

concerning their use. *of more immediate concern, the President*

prepared to would like recommendations on what, if anything

it would be wise to refer to Shastri, if needed to head
~~In order to anticipate problems arising from this issue, some of which~~
~~we have encountered in the NATO context, there is need for attention to this~~

of Indian nuclear proliferation.

~~matter in the immediate future.~~

Therefore, the President would appreciate a quick
~~I desire that a study be initiated by the Departments of State and~~
review by the appropriate agencies, under the direction of SecState,
~~Defense, under the direction of the Secretary of State, to consider a~~

of ~~alternative future courses for US policy in this area. The Atomic Energy~~

~~Commission and the Central Intelligence Agency should be consulted as~~

~~appropriate.~~ The study and appropriate recommendations should be

submitted ~~to me~~ by January 15, 1966, for consideration prior to Prime

Minister Shastri's visit.

DEC 3 1965

SECRET

~~SECRET~~

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In the meantime,

~~until the study is reviewed and acted upon or unless I direct to the~~

~~contrary, every~~ American official should exercise the utmost discretion

in dealing with matters related to this question, particularly in talks

with Asian nationals or the press, ~~and should not initiate discussions on~~

~~this subject with any such persons.~~ In addition, the related subject of

nuclear sharing within NATO should not be discussed with Asian nationals.

It may be indicated generally, however, in response to questions and as

required, that the matter of nuclear policy in Asia is under consideration

by the United States Government in order to implement the views of

our Government set forth in my address to the nation in October 1964

following the first Chinese nuclear test.

~~SECRET~~