



DEPARTMENT OF STATE
ACTION MEMORANDUM

S/S

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JAN 21 1982

TO: The Secretary

THROUGH: M - Mr. Richard T. Kennedy

FROM: S/P - Paul D. Wolfowitz (DF for PW)
OES - James L. Malone
PM - Richard R. Burton

SUBJECT: Indo-Pakistan Nuclear Dialogue

*Disapprove the
offer presented
by S/P, OES and RCM*

DECLASSIFIED IN FULL
Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: MAY 16 2019

ISSUE FOR DECISION

Whether to take action designed to encourage an Indo-Pakistan nuclear dialogue, the ultimate objective of which would be a moratorium on nuclear explosions, a lessening of political tensions, and mutual renunciation of nuclear explosives programs and preparations.

ESSENTIAL FACTORS

Potential proliferation-related events -- ranging from a clear-cut safeguards violation by Pakistan to an Indian, or possibly even an Israeli, preventive strike to derail Pakistan's continuing nuclear explosive program -- threaten to damage gravely U.S. strategic objectives in Southwest Asia.

Although we have been seeking an agreed termination of our nuclear relationship with India, unilateral Indian termination of our agreement and safeguards, and Congressional attempts to punish India, are an increasingly likely outcome. U.S.-Indian relations would be adversely affected and India's termination of safeguards would hinder efforts to induce the kind of restraint in Pakistan's nuclear program needed to maintain support for our new relationship with that country.

Mrs. Gandhi may have hoped for a new U.S. proposal on Tarapur during your visit and did not want you to return empty-handed. After that visit was cancelled, she decided to defer a final nuclear break with the U.S. This may provide us with an opportunity to seek a way to continue nuclear supply to India (which Mrs. Gandhi will welcome) as part of a broader effort to encourage a nuclear dialogue between India and Pakistan.

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Since India will not accept full-scope safeguards, future nuclear supply would require under existing law annual Presidential waivers, subject to Congressional override, or a change of law. Indian construction of a nuclear test site also creates political and legal obstacles, perhaps requiring an additional Presidential waiver, subject to Congressional override. Carter Administration efforts to uphold even a limited Presidential nuclear exports authorization for India required a legislative battle comparable to the AWACS fight. But a significant, if non-conventional, non-proliferation gain -- such as Indo-PAK agreement to an interim nuclear explosions moratorium -- could change Congressional opinion and justify the price in energy and political capital that you and the President would have to pay to win Hill acceptance of continued nuclear supply to India.

OSD 3.3(b)(1)(6)

The nuclear objectives of India and Pakistan have been a substantial obstacle to meaningful non-proliferation steps. While stating it has no intention to develop nuclear weapons, India has refused to sign the NPT, tested a device, kept its nuclear option open, and rejected repeated Pakistani proposals for a South Asian Nuclear Weapons Free Zone as well as other Pakistani nuclear initiatives. Moreover, neither India nor Pakistan has been amenable to third-country initiatives regarding nuclear policy.

More recently, however, Indian Foreign Minister Rao has invited Pakistani Foreign Minister Shahi to New Delhi and a visit is now set for January 29. Pakistan has proposed a no-war pact and India reportedly has decided to accept Pakistan's proposal on several conditions, one of which is that Pakistan guarantee it will not manufacture nuclear weapons.

the Indians would also propose a mutual commitment to submit their nuclear facilities to joint inspection.

OPTIONS

(A) Given the enormous stakes, M, S/P, and ACDA (as well as OES if your own trip to South Asia is unlikely to be re-scheduled in a month or so) believe that we should send a Special Envoy on a very private basis to meet with President Zia and with Mrs. Gandhi first, to encourage an Indo-Pakistani nuclear dialogue (whose objectives would be a moratorium on nuclear explosions, lessened political tensions, and eventual mutual renunciation of nuclear explosive programs and preparations) and second, with authority to indicate to Mrs. Gandhi

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your readiness to fight for continued nuclear supply in the context of significant progress in such a dialogue. If you choose this option -- which NEA and PM oppose -- we should prepare the matter for Presidential consideration since continuing nuclear supply to Tarapur in the absence of India's acceptance of full-scope safeguards involves his authority and Congressional relations.

We believe that:

-- Such a high level initiative may offer the best chance to head off proliferation induced events that would threaten U.S. strategic interests in Southwest Asia. More limited traditional demarches may not suffice to encourage the parties to take meaningful steps while the climate for those steps easily could be worse if India unilaterally severs its nuclear ties to the U.S.

-- Because we have just waged an extensive and successful legislative campaign on Pakistan's behalf, our credibility is much higher than it has been in some time. But those in the Congress who supported our more positive approach and who could yet undercut us made clear that they expected us to try to use our newly won influence toward constructive ends.

-- Both Pakistan and India may now have stronger incentives to reach an agreement. President Zia may regard a nuclear testing moratorium -- in conjunction with the deepening security tie to the U.S. -- as sufficiently lessening Pakistan's need for nuclear explosives. Mutual renunciation of nuclear explosive programs and preparations would help India because it would freeze the regional nuclear status quo in India's favor and permit India's continued concentration on a conventional arms build-up of importance for deterring China; but it would also help Pakistan to cement its ties with the U.S. and to avoid a nuclear competition with India which only would worsen the status quo. And if President Zia agrees to enter into the proposed dialogue, Mrs. Gandhi may do so as well lest Pakistan enhance its reputation for "nuclear responsibility" and we be able to lay the onus of failure squarely on India.

-- In the context of an Indian commitment to an interim explosions moratorium or at least serious progress toward such an agreement and steps to make it permanent, it might

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become feasible to win Congressional approval of continuation of the nuclear relationship with India in the absence of Indian agreement to full-scope safeguards. This offers the best assurance of continued safeguards and related non-proliferation controls at Tarapur, and of avoiding the adverse consequences in Pakistan of Indian termination of safeguards. Moreover, we also doubt that Mrs. Gandhi would have delayed terminating our fuel agreement, if the utility of continuing U.S. fuel supply were as limited as some suggest.

-- If properly handled, the risks of sending a special envoy are less than the risks of a wait-and-see approach. Not least, if only Pakistan expresses an interest, we still would be in a much stronger position to defend our new relationship with Congress and the American public.

NEA and PM oppose sending a special envoy and raising the prospect of continued nuclear fuel for Tarapur. They believe that our intervention in that fashion would endanger any prospect for a pragmatic understanding reached between the parties themselves. Pakistan, which is seeking a nuclear capability to offset Indian nuclear and, particularly, conventional military superiority, would be reluctant to give up its concept of nuclear deterrence. It might, however, encourage us to propose a nuclear moratorium to India to gain tactical advantages, to shift our pressures in nuclear matters from Pakistan to India, and to damage U.S.-Indian relations. It would do this expecting that India would reject our proposal. ;

If our proposal was put first to India, Pakistan would consider our failure to consult with it in advance concerning an initiative related to its relations with India as seriously inconsistent with our new relationship. Pakistan might also see such a U.S. proposal as putting strings on our security relationship. The Pakistanis are already resisting additional safeguards at Kanupp and one more U.S. demarche on nuclear issues could be resented as a one-sided U.S. emphasis on non-proliferation.

India would see a U.S. proposal as an unwarranted U.S. intrusion into a bilateral issue. Because of our renewed military relationship with Pakistan and our strained ties with New Delhi, India would also consider our action as adding weight to a Pakistani ploy directed against it. Besides, India's incentives to go along are more limited than suggested above because its nuclear program is also geared to a perceived Chinese threat.

Even with a nuclear dialogue well underway, the effort to continue nuclear supply could entail too high a political cost for the Administration and risk of defeat. Moreover, since India believes itself entitled to the fuel, Mrs. Gandhi will resent any use of continued U.S. fuel supply for Tarapur for leverage, and in any case is not that dependent over the long term on such fuel for her overall nuclear program. The use of continued supply in this way could kill any remaining chance of an amicable ending of our nuclear relationship.

(B) NEA proposes instead that you authorize our Ambassadors in Islamabad and New Delhi cautiously to probe for indications of the two governments positions on this issue and, as seems feasible, quietly encourage the Foreign Ministers to discuss the issue privately when they meet. While giving our Ambassadors discretion as to how far to proceed, in Pakistan we might more actively urge Foreign Minister Shahi to discuss a nuclear explosions moratorium as an initial step. In India, greater caution might be in order to avoid damaging prospects for bilateral discussions, though we should be alert to further signs of Indian interest in a nuclear dialogue with Pakistan and be prepared to nurture them quietly.

NEA believes it would be more effective to use our modest influence through our Ambassadors' intervention to help catalyze quiet discussions by the parties themselves without the visibility and degree of involvement that a special emissary would bring. Failure to take any measure at all would also increase the vulnerability of the Administration to criticism should a subcontinental nuclear arms race later develop. This initiative would leave us free after the visit of British Minister of State Hurd to India and the Foreign Ministers' meeting to consider further action. Finally, it would avoid a fight with Congress over nuclear supply to Tarapur (while not necessarily foreclosing our reviewing the possibility of such supply as circumstances develop).

(C) PM would be even more restrained and proposes that the U.S. refrain from any action until after the Indo-PAK Foreign Ministers' meeting and the British visit whereupon we should consult with the British on the possibility of their raising the Indo-PAK nuclear issue with Gandhi in London in late March.

PM fears that even action at the Ambassadorial level is likely to be seen as an unwanted intrusion into a bilateral issue already under discussion. And if outside intervention

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is needed, the British may be better placed to encourage a nuclear dialogue between India and Pakistan. Both countries' relations with the U.K. are much less intense than with the U.S. Mrs. Gandhi's scheduled visit could provide a better opportunity to raise this issue at the highest political level.

Most important, PM believes that President Zia would resent any U.S. initiative at this time as an attempt to use our commitment to provide economic and security assistance as a lever to obtain Pakistani concessions. By making yet another high level approach to the Pakistani government on nuclear non-proliferation, we would be overloading our relations with a negative issue -- to the detriment of our regional security interests and our developing bilateral relationship. Indeed, a high profile U.S. initiative could well be counter-productive for our non-proliferation goals if it weakens our evolving ties to Islamabad.

Despite these reservations, M, S/P, OES and ACDA believe: that the possible repercussions for U.S. strategic interests of Indo-PAK nuclear competition are now so critical as to demand high-level U.S. attention; that time is running against us; that the alternative approaches outlined by NEA and PM are too passive and indirect to convince the parties of our seriousness or to produce meaningful results; that the risks of trying are neither excessive nor unmanageable, and that the incentives both sides have to look "responsible" provide us with the opportunity -- if we are adroit -- to maneuver them into a face-saving and more stable position. Finally, since President Zia has himself proposed a nuclear dialogue with India, we find it difficult to understand how a similar initiative on our part would damage our bilateral relationship, particularly, if it were presented in a discreet and supportive fashion.

Office of the Secretary of Defense
Chief, RDD, ESD, WHS

Date: 16 May 2019 Authority: EO 13526 + S U.S.C 8552

Declassify: _____ Deny in Full: _____

Declassify in Part: X

Reason: 3.3(b)(1)(6)

MDR: 14 -M- 0268

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RECOMMENDATIONS:

1. That you approve Option (A) that we seek Presidential approval to send a Special Envoy on a very private basis to India and Pakistan (supported by M, S/P, OES and ACDA; OES would prefer your undertaking the approach personally, but supports Option (A) if your visit to the region is unlikely to be rescheduled within the next month or so).

Approve _____

Disapprove _____

2. That you approve Option (B) that our Ambassadors take cautious soundings and, as seems feasible, quietly encourage the Foreign Ministers to discuss a nuclear explosives moratorium, and that we consider further action following discussions between the Foreign Ministers, and the British visit (favored by NEA).

Approve _____

Disapprove _____

3. That you approve Option (C) that the U.S. should refrain from any action on this issue until after the Indo-PAK Foreign Minister's meeting and the British visit, whereupon we should consult with the British on the possibility of their raising the Indo-Pakistan nuclear issue with Mrs. Gandhi in London in late March (favored by PM).

Approve _____

Disapprove _____

Drafted: ^{LM} M: LADunn; ^{W on AF} S/P: DFortier; ^{W on AS} NEA: DSchneider; ^{W on CM} PM: EMalloy:pd
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Clearances: ^{W on CM} L: JMichel ^{W on AF}
^{W on AS} ACDA: NTerrill ^{W on CM}
^{W on AF} NEA: DSchneider ^{W on CM}

Additional views from ACDA and INR are appended separately.

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