The Dissertation Committee for Sarat Krishnan Certifies that this is the approved version of the following dissertation:

Proliferating Security? Explaining U.S. Policy towards nuclear weapon aspirants.

Committee:

Bryan Jones, Supervisor

Peter Trubowitz, Co-Supervisor

Francis Gavin

Paula Newberg

Jeffrey Tulis

Scott Wolford

Samuel Workman

Proliferating Security? Explaining U.S. Policy towards nuclear weapon aspirants.

by

Sarat Krishnan, B.E.; M.S.E.E.; M.S.E.C.E.; M.S.Ind.E.; M.A.

Dissertation

Presented to the Faculty of the Graduate School of

The University of Texas at Austin

in Partial Fulfillment

of the Requirements

for the Degree of

Doctor of Philosophy

The University of Texas at Austin

May 2015

Acknowledgements

I would like to thank my advisors, Bryan Jones and Peter Trubowitz for their support and guidance from the very early stages of this project. The time they have taken to peruse and comment on my many drafts have helped this effort immensely. My thanks to the other members of my committee for their valuable advice that helped strengthen this work. My parents and brother have been a source of support and encouragement over the years. For this, I am very grateful to them. My children have been a source of inspiration during the many hours of toil. This project would not have come to fruition without the support, exhortation and sacrifice of my wife and best friend, Indrani Paul. This dissertation is as much a testament to her perseverance as it is to mine.

Proliferating Security? Explaining U.S. Policy towards nuclear weapon aspirants.

Sarat Krishnan, Ph.D.

The University of Texas at Austin, 2015

Supervisors: Bryan Jones and Peter Trubowitz

The proliferation of nuclear weapons has been a critical concern of the United States since World War II. While limiting the spread of nuclear weapons was a uniform goal of American administrations, in actual practice, there was significant variability in approaches to states as they approached the threshold of weaponization or crossed it. Against allied South Korea, America used the threat of military abandonment and technology denial to force the country to curtail its nuclear ambitions. In the case of a hostile China in the 1960s, military threats were the tool of choice. Policy variability cut across the ally/opponent divide, encompassing an ambivalent acceptance of non-aligned India's nuclear capabilities by Ford in the 1970s and an acquiescence with China's by Reagan in the 1980s. I argue that explanations based purely on the International Structure or Domestic Politics do not sufficiently explain these outcomes. I propose a causal mechanism that shapes the U.S. response to nuclear proliferation based on two independent variables, 'Strategic Liability' and 'Commercial Value'. Strategic Liability is rooted in the International System, while Commercial Value is rooted in the domestic political economy of the U.S. Strategic liability is the Executive's perception of risk from the nuclear program of a particular state, whereas Commercial value is the Executive's estimation of the economic importance of that state. I show how these variables act on the American Executive, privileging its role in shaping the United States' response to a state's attempts to develop nuclear weapon capabilities. I posit four policy outcomes based on the combination of these independent variables, which take a high or low value. I test my argument by analyzing the U.S. response to the four major cases noted above, each corresponding to a unique combination of strategic liability and commercial value.

Table of Contents

List of Tables

List of Figures

Chapter 1: Introduction and Research Design

1.1 INTRODUCTION

The Proliferation of nuclear weapons has been a source of concern for the United States, which has worked to preserve its monopoly (in the early days of nuclear power) or dominance over nuclear weapon capabilities relative to other states. However, this has not prevented the proliferation of nuclear weapons across the globe, albeit to a much lesser extent than feared in the early days of the Cold War, a point made by scholars such as Gavin[1]. Apart from America's nearest competitor- the Soviet Union, American allies such as Great Britain and France, as well as states such as China that have had a complicated relationship with the U.S., quickly crossed the nuclear threshold and built their own nuclear weapon stockpiles. In recent decades other countries such as India, Israel and Pakistan have entered the nuclear club. The role of the United States as one of the originators of nuclear weapon technology and the linchpin of the nuclear non-proliferation regime in the form of the Non-Proliferation Treaty in 1968 means that it has played a central role in shaping the nuclear weapons programs of other states. The degree to which the U.S. has remained faithful to its stated goals of nuclear non-proliferation and the enforcement of these norms has varied significantly, from eventual acceptance of France's nuclear weapons, to efforts to stymie the Indian and Pakistani nuclear weapon programs. While unsuccessful in these latter cases, the U.S. was able to persuade states such as Libya and South Korea to give up their nuclear weapon programs and is actively engaged in capping and rolling back North Korea's nuclear weapon stocks

[1] Gavin focuses on how the lessons of the 1960s and the successful use of the NPT as a tool by the U.S. to limit nuclear weapon proliferation are relevant to a successful management of nuclear crises today. See Gavin, Francis, "Blasts from the Past: Proliferation Lessons from the 1960s", *International Security*, Vol. 29, No. 3, Winter 2004/2005, pp. 100-135.

and denying that capability to states such as Iran. Significant evidence exists (Jo et al., 2007)[2] that America used its security guarantees as inducements and the threat of their withdrawal as a threat to prevent states such as South Korea from developing their own nuclear weapons.

Multiple studies have analyzed the dynamics that resulted in denouements in American conflicts with countries such as Iraq over nuclear weapons, but few have paid attention to a far more prevalent phenomenon, that of U.S. acquiescence with the nuclear weapon status of regional or non-superpower states, often in contradiction with its stated goals. The central questions I ask are these – What accounts for the variation in American response to nuclear proliferation, especially its willingness to ignore or waive its stated commitment to preventing nuclear proliferation and upholding the framework of the Nuclear Non-Proliferation regimes? What are the implications of this dynamic for the broader question of a superpower's adherence to International Institutions and norms? In my research, I examine where the source of U.S. nuclear policy preferences regarding nuclear weapon aspirant states lies and what accounts for the variation in U.S. strategy. Why does the U.S. appear to follow different strategies towards nuclear proliferation in various parts of the world, when it is America's stated policy to try and reduce the number of nuclear weapon state and consequently improve its relative power position? I examine both Realist accounts of U.S. nuclear policy as well as theories of Domestic politics that may offer clues as to this question and posit a 'two-level' theory that grounds U.S. nuclear policy in a framework that relies on two causal variables, one Geopolitical, and the other primarily domestic in nature.

[2] Jo and Gartzke argue that the presence of a 'defender' does not make much of a difference in whether or not a state pursues a nuclear program, but argue that the U.S. played a role in influencing the South Korean decision not to pursue a nuclear weapons program. See Jo, Dong-Joon, and Erik Gartzke, "Determinants of Nuclear Weapons Proliferation", *Journal of Conflict Resolution*, Vol. 51, No. 1, February 2007, pp. 167-194.

The remainder of this chapter is composed as follows. I start with a survey of the current state of scholarship in the field of nuclear proliferation, highlighting key insights as well as the gaps in the existing literature, which are especially prominent when one seeks to come up with a framework which can explain a wide gamut of policy responses, ranging from acquiescence to actively seeking to rollback proliferation efforts. Next, I introduce my two level scheme to predict the American response to nuclear proliferation, explaining the salience of the two independent variables and the privileged role the Executive occupies in its causal mechanism. Finally, I present an overview of the cases that I seek to examine to test the validity of the thesis.

1.2 Background and Literature Survey

Realist theories generally explain issues such as nuclear policy changes using a one-dimensional prism of balance of power or balance of threat. For example is India's possession of nuclear weapons 'good' or 'bad' from a structural perspective for the United States? One could make an argument that India's pursuit of nuclear weapons set off a nuclear arms race in South Asia, complicating U.S. non-proliferation efforts. On the other hand, a nuclear India presented itself as a possible regional balancer against China. Realism alone does not adequately explain how U.S. foreign policy would work in such an instance. Nor would Realism alone adequately explain a shift from U.S. efforts to roll back India's nuclear program to acquiescence with India's nuclear ambitions. Some Realist based literature on the spread of nuclear weapons (see Waltz, 1981[3]) argues that nuclear weapons have proven to be effective in preventing the outbreak of war, and this has been the argument in other, more prescriptive works[4]. On accounting for the

[3] Waltz, Kenneth, "The Proliferation of Nuclear Weapons – Why more may be better", *The Adelphi Papers*, Vol. 21, Issue 171, 1981.

[4] Waltz has an optimistic take on the Iran nuclear situation in Sagan, Waltz, (2012). Other scholars such as Sagan (Sagan, 1994) have taken a much more pessimistic view of the spread of nuclear weapons, arguing

variation in American non-proliferation policy around its stated adherence to non-proliferation goals, Realists (Mearsheimer (1994), Schweller (2001))[5] have been generally dismissive of any autonomous restraints on powerful states of the sorts imposed by International organizations or norms, arguing that these states essentially circumvent or bend these restraints when faced with geopolitical exigencies. However, such theories do not generally explain why super-powers such as the U.S. have pursued different responses to other powers that have pursued nuclear weapons, accepting states such as Great Britain, France and China (albeit hesitantly) while trying to persuade others such as India and Pakistan to roll back their capabilities. In a sense, we would have to construct a Realist argument for why proliferation occurs, because it is remarkably silent on the proximate causes of the phenomenon. One could argue that Off-shore Balancing (Mearsheimer, 2003)[6] would cause states to allow regional allies to proliferate. The problem with such a hypothesis is that nuclear technology is a uniquely disruptive phenomenon. Once a state obtains this technology, conventional balance of power dynamics can break down, for the regional balancer, armed with a nuclear capability, could potentially forgo the constraints imposed on it by the hegemon whose bidding it had to do at the outset of such off-shoring. If that is the case, the hegemon should have no incentive to allow the regional power to proliferate, which the record contradicts.

The reality is that U.S. allies, states such as Britain and France, and more recently, Pakistan, have all developed nuclear capabilities, in many cases with the U.S.

---

that differences in domestic organizational structure of the proliferating states, especially, weak civilian governments, can lead to a greater danger of nuclear war. See Sagan, Scott D., and Kenneth N. Waltz, "The *Spread of Nuclear Weapons: An Enduring debate*" W.W. Norton, 2012 and Sagan, Scott D., "The Perils of Proliferation: Organization Theory, Deterrence Theory, and the Spread of Nuclear Weapons", *International Security*, Vol. 18, No. 4 (Spring, 1994), pp. 66-107.

[5] Mearsheimer, John, "The False Promise of International Institutions", *International Security*, Vol. 19, No. 3, Winter 1994, pp. 5-49 and Schweller, Randall, "The Problem of International Order Revisited. A Review Essay", *International Security*, Summer 2001, Vol. 16, No. 1, pp. 161-186.

[6] Mearsheimer, John, *"The Tragedy of Great Power Politics", W*.W. Norton and Company, 2003.

looking the other way. It is possible that the United States accepted and sometimes even encouraged the nuclear programs of these states because of perceived stabilizing factors, but an analysis of contemporary accounts show that there was significant concern with the programs of even perceived allies like France, and in any case, it is not clear from a "Realist" account why the United States went from opposing to accepting the aforementioned states' nuclear programs, and why it distinguished between similarly situated allies, at least from a Realist standpoint, like Britain and France (and even South Korea).[7] Even if one were to allow that the U.S. acted opportunistically by turning a blind eye to International Non-Proliferation regimes due to geo-political reasons (as one would postulate based on a Realist argument), the difference in American attitudes towards India's nuclear program in the late 1990s versus India in the 2000s or even the differences in policies towards states such as South Korea and South Africa cannot be explained without reference to domestic economic factors in the U.S. In the specific case of India, even if Geopolitical factors, namely China's rise as a strategic competitor to the U.S. made a nuclear-armed India more attractive, it is hard to argue that this factor alone made the U.S. move from a passive acceptance of India's nuclear capabilities to one of actual acquiescence. Realist explanations for U.S. responses to nuclear proliferation, such as the one we have described, or more accurately, constructed, above, are clearly under-determining when it comes to explaining variation in American response to nuclear proliferation (see Gavin, 2012).[8]

---

[7] More generally, Realist theories such as Waltz's, by his own admission, are not theories of foreign policy and are thus not particularly useful when one is trying to understand a specific foreign policy issue outcome. See Waltz, Kenneth, "*Theory of International Politics*", Waveland Print Inc. 2005.

[8] See Gavin's criticism of the framework used Waltz and Sagan and of their predictions and prescriptions as not meeting the test of seriousness for consideration by policy makers. See Gavin, Francis, "Politics, History and the Ivory Tower – Policy Gap in the Nuclear Proliferation Debate", *Journal of Strategic Studies*, 35:4, August 2012, pp. 573-600.

Bargaining theory based frameworks offer a different take on this issue. More generally, they have been used to study the occurrence and duration of wars in the context of commitment and asymmetric information problems, (Wolford et. al, 2011). With reference to nuclear proliferation, this framework has been used to study the phenomenon of preventive wars and 'regime change'. Dittmeier (2013) uses this framework to study the occurrence of preventive wars undertaken by status-quo powers to stop proliferation attempts by rivals[9]. Powell (2003) looks at the role of nuclear weapon acquisition by a regional power in thwarting 'regime change' attempts by a super-power such as the United States[10].Whether or not attempts to obtain nuclear

[9]Wolford et al. focus on wars that exhibit characteristics of both asymmetric information and commitment problems. Pertinent to the discussion on nuclear proliferation, they argue that instances such as the U.S. invasion of Iraq result in 'absolute war' due to the willingness by the status-quo state to impose its terms rather than rely on 'revealing' its overwhelming power to enforce adherence to international commitments. Dittmeier focuses on 'dynamic commitment' problems, typically large and rapid shifts in the power of a rising challenger state – which would occur due to a challenger's pursuit of nuclear weapons - induces a status-quo power to pre-emptively attack. He argues that the relative paucity of such wars is due to the presence of a great power security guarantee to the challenging state, which reduces the incentive for a status-quo power to conduct preventive war (China's supposed security guarantee to Pakistan against India is one such example discussed, as is the absence of such a guarantee for Egypt). Of course, this discussion does not look at the sources of great power preferences for accommodation or opposition to a particular state's nuclear proliferation, which, as I will show, will result in a wide variation of policy outcomes. See Wolford, Scott et al. "Information, Commitment and War" The Journal of Conflict Resolution, Vol. 55, No. 4, August 2011, pp. 556-579, and Dittmeier, Christopher R "Proliferation, preemption and intervention in the nuclearization of second-tier states" Journal of Theoretical Politics, 25(4), 2013, pp.492-525.

[10]Powell in particular, argues that the possession of a nuclear weapon by a small regional power increases its deterrence and makes it relatively immune to 'regime-change' by a powerful state such as the United States. One of the lessons that many have drawn from American involvement in Iraq and Libya is that the possession of nuclear weapons by one or both of these states may have changed the dynamics of the conflict between them. On the other hand, the history of nuclear weapon development programs and U.S. efforts to slow or dissuade states includes opposition to friendly, hostile and non-aligned states alike, and 'regime-change' or 'deterrence' may only be one factor among many to consider. Also, it is not obvious even in the cases of countries such as 1960s China or Libya, where the U.S. was opposed to the governing regime, that regime change rather than other considerations such as further proliferation to third parties or room for maneuvering in peripheral conflicts was more important. The reasons a state pursues nuclear weapons may not be the same reasons another opposes that pursuit. However, one useful conclusion from this frame-work is that a prospective change in the nature of the Bargaining relationship between the two states (and third parties) would be a factor in American decisions to accept or support the nuclear aspirant's program, and should be considered as part of any explanation for American support or acceptance of a nuclear aspirant. See Powell, Robert, "Deterrence Theory, Nuclear Proliferation, and National Missile Defense", *International Security*, Vol. 27, No. 4, Spring 2003, pp. 86-118.

weapons trigger a war is a key puzzle that this literature attempts to resolve. This approach has generally focused on situations where a challenger's nuclear aspirations are perceived to be a military threat to a status-quo state within the context of a pre-existing conflict situation, such as between Iraq and the United States, or between Pakistan and India. Bargaining theory approaches such as this offer important insights in predicting whether a status-quo power's attempts to 'deter' a nuclear challenger will actually result in preventive war. This in turn is often predicated on the status-quo state's ability to deter proliferation through the threat of war, the aspirant's response to the threat, and the calculations of such an operation being successful. This is separate from the question of whether the status quo power even wants to deter the challenger and if so, whether war and other coercive means are even considered appropriate by it. Indeed, in the instances of India in 1974, and China at approximately the same time, one could make the argument that the U.S. intended to reluctantly accept, rather than deter their nuclear programs. Even in the case of South Korea, an ally, American attempts to stop the R.O.K.'s acquisition of nuclear weapons precluded even the discussion of coercive military tactics.

Another example of a recent work that has focused on the dynamics of preventive is an effort by Debs and Monteiro[11] where the authors examine situations in which states launch preventive wars against adversaries that are suspected to be developing nuclear weapon capabilities, even though this suspicion may be based on imperfect (or wrong information). They argue that this phenomenon is especially prevalent in cases of large and rapid endogenous power shifts where the nuclear aspirant is investing significant resources in developing this capability, and is presented with

[11] Debs, Alexandre and Nino Monteiro, Known Unknowns: Power Shifts, Uncertainty and War, *International Organization*, Volume 68, Issue 01, January 2014, pp. 1-31.

incentives to hide this development so as to present a fait accompli to its adversaries. This incentive to 'hide', and the common knowledge of this possibility, creates counter incentives for the adversary to attack even when there is a possibility that such an attack may be unwarranted. This is a compelling argument for cases when states already perceive a high degree of liability from another state's freshly acquired or qualitatively enhanced nuclear weapon capability. However, it is worth noting that this covers a relatively narrow set of cases – it is essentially a framework to cover proliferation and the response to it in an adversarial dyad (such as the United State and Iraq). However, there are several other instances where the United States has responded to the nuclear proliferation attempts of a state that is not necessarily an adversary. It may be an ally (South Korea, Pakistan), a non-aligned state (India) or a sometime adversary (China). This response has varied from strong consideration of preventive war (as with China in 1964) to non-military means of strong coercion (South Korea) to a form of acceptance (India in the 1970s) and even acquiescence (with an economically resurgent China in the 1980s). Indeed, this phenomenon clearly shows that while the United States may retain latent preferences against the proliferation of nuclear weapons, its degree of liability and the perceived benefits of accommodating states that present strong commercial possibilities may play a role in its policy response. It is also useful to note that there is a strong likelihood that the United States is influenced by the possibility that the nuclear weapon capabilities of a state, even an ally, may create destabilizing dynamics in a region, pushing it to intervene even when it does not detect a primary threat or liability. I will argue that this secondary conflict or knock-on effect played a significant role in the American response to the nuclear programs of states such as South Korea. This wide variation in approaches and the variables that engender them require further examination.

There have been other notable attempts to analyze different aspects of American non-proliferation policy. Fuhrman and Kreps (2010)[12] have examined cases where states such as the U.S. have launched preventive (anti-proliferation) attacks and hypothesized that such actions are likely to be considered in the context of pre-existing military conflict, foreign policy divergence or the existence of non-democratic regimes in the aspirant state. However, such studies only seek to explain the existence or otherwise of a military component, and do not examine the wide variation in American response to nuclear proliferation, which has ranged from the military actions examined above to more nuanced opposition and even outright acquiescence. Furthermore, works such as this do not account for the fact that a state such as the United States may feel compelled to intervene even when it is not involved in a direct military conflict, such as in cases where a nuclear proliferant's actions may trigger a regional conflict. Separately, Fuhrmann[13] has examined cases where the United States has supported civilian nuclear programs in countries such as India, as a way to strengthen the latter - a fellow democracy and rising competitors to China - politically and economically. In this instance, the author discounts economic explanations for the nuclear deal with India. However, the problem with this argument is that the American nuclear deal with India coincided with a period of tremendous expansion in economic ties between the two countries, whereas India has been a democracy and a military rival to China for a considerably longer period. While concern with China's long-term threat to American strategic interests had been building since the late 1990s, the American push to cooperate with India's nuclear program

12 Fuhrman, Matthew and Sarah Kreps "Targeting Nuclear Programs in War and Peace: A Quantitative Empirical Analysis: 1941-2000" *The Journal of Conflict Resolution*, Vol. 54, No. 6, December 2010, pp. 831-859.

[13] Fuhrmann, Matthew "Atomic Assistance: How "*Atoms for Peace" Programs Cause Nuclear Insecurity*", Cornell Studies in Security Affairs, 2012, p. 109.

occurred following an unprecedented period of economic growth during the administration of George W. Bush. Another factor to consider is that a decision to cooperate with the civilian nuclear program of a nuclear weapons state typically involves acquiescence with that state's nuclear weapons program, even if there is no direct assistance. The technical know-how and domestic resources are fungible, even if external assistance is not. In fact, the example of American cooperation with China's civilian nuclear program, was, I will show, an illuminating example of how strategic and commercial imperatives came together for the Reagan administration as it decided to expand nuclear cooperation with China. I will show how the American impetus to develop nuclear trade ties with China in the 1980s (and India) had a strong commercial component, which was qualitatively different from programs that were part of the 'Atom for Peace' initiatives of an earlier era. While works such as Fuhrman's focus primarily on the latter type of civilian nuclear assistance programs, the previous discussion demonstrates that the American reaction to the nuclear weapons programs of aspiring states goes beyond mere support or denial of civilian nuclear assistance. In addition to the probability that the United States may militarily coerce states that are perceived to be engaged in nuclear proliferation, there is also the possibility of more subtle strategies ranging from 'softer' attempts to rollback these nuclear programs to 'weakly' accepting and even fully acquiescing with them . My work will focus on the spectrum of such strategies and the factors that influence the American government's resort to a particular one.

Innenpolitik or Domestic politics based explanations on the other hand attribute little causal power to structural factors, reducing their importance when it comes to explaining clear instances of states reacting to security threats. Within this school,

Bureaucratic Politics based approaches (Allison, 1972)[14], privilege the role of the Executive or the Bureaucracy in determining foreign policy. While Bureaucratic Politics may play a role in shaping the details of policy proposals, career bureaucracies rarely appear to be able to initiate foreign policy change[15]. They can however, stymie presidential foreign policy initiatives. Presidents frequently attempt to politicize bureaucratic policy making, and while the results are frequently counter-productive (Lewis, 2008)[16], Presidents have strong incentives to try and do so. To the extent that Bureaucratic Politics based approaches have been tried in explaining American responses to nuclear weapons proliferation, such as the fact that the U.S. had held off from attacking Iran in contrast with the conflict with Iraq (Oren, 2011)[17], such narratives have focused quite narrowly on short-term tactical responses, rather than grand strategy. Other examples that employ bureaucratic politics based explanations (Tan (1992) on the U.S. – China Nuclear agreement)[18], underplay the role of the Executive in shaping and finalizing nuclear initiatives. I will show that the Executive is extremely instrumental in defining the parameters and framework of these negotiations and outcomes.

Commercial foreign policy based approaches such as Frieden's[19], suggest that U.S. foreign policy, in particular foreign economic policy, takes a more coherent and easily discernible shape when domestic sectoral conflicts are resolved allowing one

---

[14] Allison, Graham, *"Essence of Decision"*, Harper Collins; 1st edition, 1972.

[15] See Mistry, Dinshaw, "Diplomacy, Domestic Politics and the U.S.-India Nuclear Agreement", Asian Survey October 2006, (p. 683) for a discussion the safeguards India agreed to, that could be attributed to actions of the career bureaucracy in the U.S.

[16] Lewis, David E, "*The Politics of Presidential Appointments: Political Control and Bureaucratic Performance"* Princeton University Press, Princeton, 2008.

[17] Oren, Ido, "Why has the United States not bombed Iran? The Domestic Politics of America's response to Iran's nuclear program", *Cambridge Review of International Affairs*, 24:4, 2011, pp. 659-684.

[18] Tan, Qingshan "U.S.-China Nuclear Cooperation Agreement: China's Non-Proliferation Policy", *Asian Survey*, Vol. 29, No. 9, September 1989, pp. 870-882.

[19] See Frieden, Jeff, "Sectoral Conflict and Foreign Economic Policy", International Organization, Winter 1998 for a discussion on American Foreign Economic Policy in the inter-World War years.

dominant domestic coalition to drive foreign policy, as "Internationalists" did in the 1930s. Commercial or Capitalist Peace theorists have made similar arguments about how Capitalism binds states into peaceful ties (see Gartzke (2007) and McDonald (2007))[20]. While offering compelling alternative arguments to explain the absence of war among democracies and capitalist states, it is nevertheless hard to fully explain Foreign Policy variation of the sort we see across American responses to proliferation using this dimension alone, as the cases of (capitalist) South Korea or South Africa-both of whose nuclear weapon pursuits were sought to be thwarted by the U.S.-demonstrate. To the larger point of whether domestic parochial factors alone can explain the variation in American adherence to international regimes (as scholars such as Stone and Copelovitch suggest[21]), the discussion above clearly shows that at least in the case of Non-Proliferation, these theories are under-determining. In contrast to these single-level frameworks, I will show that policy emerges from the interaction between international structural factors and primarily domestic ones acting through the mechanism of the Presidency, an institution that is uniquely positioned to affect and be affected by these two contrasting factors.

Theories of foreign policy that synthesize domestic and international politics tend to provide a less parsimonious, but potentially richer and (more) explanatory view of state behavior, one that Realist or Commercial, 'Innenpolitik' ones do not. Putnam's two-

---

[20] Gartzke, Erik, "The Capitalist Peace", *American Journal of Political Science*, Vol. 51, 2007, pp. 166-191.
McDonald, Patrick, "The Purse Strings of Peace", *American Journal of Political Science*, Vol. 51. No.3, 2007, pp. 569-582.

[21] Stone (2004) and Copelovitch (2010) discuss the variations in IMF policy based on donor state domestic interests.
Stone, Randall W, "The Political Economy of IMF Lending in Africa", *American Political Science Review*, 98:4, November 2004, pp. 577-591.
Copelovitch, Mark, "Master or Servant? Common Agency and the Political Economy of IMF Lending", *International Studies Quarterly,* 54(1), 2010, pp. 49-77.

level games approach[22] envisions the Statesman (or the Executive in American terms), playing simultaneous international and domestic 'games' constrained by both domestic and international constraints and trying to come to an agreement that satisfies the 'win-sets' or the set of outcomes that would be acceptable to both their international counterparts and domestic constituents. While this framework offers a promising start, we need to account for the fact that in many instances of nuclear proliferation, there are significant incentives for the Executive to preclude *any* form of negotiations with domestic actors (such as Congress) if the former perceives that such negotiation is unnecessary or unhelpful to perceived strategic objectives. This is particularly the case when there are no formal treaties to be ratified or agreements to be consented with. The case of India in 1974 is of particular relevance here since, as I will show, the Nixon-Ford administrations conferred a weak de facto acceptance on an Indian nuclear weapon capability following India's first nuclear test in 1974 without turning to Congress for input, because it was the administration's sole prerogative to determine Indian adherence to non-proliferation commitments. In this instance, Congressional action to 'catch up' with the reality of India's nuclear capability was undermined by the actions of the administration, as I will demonstrate later. I will show that the Executive dominates nuclear policy making even in cases where structured negotiations with Congress are necessary, as in the case of the U.S.-China Civil Nuclear agreement. That agreement initiated a major change in U.S. Nuclear policy and cannot be explained without reference to events spread over several years preceding the signing of the agreement as well as a significant amount of time after, when the U.S. Government strove to get it through Congress. In this case, the Reagan Administration played a key role in 'framing'

[22] Putnam, Robert D. "Diplomacy and Domestic Politics: The Logic of Two-Level Games", *International Organization*, Vol. 42, No. 3 (Summer, 1998), pp. 427 – 460.

the agreement as an economic and strategic benefit, overcoming the 'nuclear proliferation' centric view that opponents in Congress tried to paint the deal with. In fact, the American political structure presents several advantages that privilege the Executive branch over Congress in the conduct of nuclear proliferation policy. To begin with the subject is closely association with national security, historically an area where the American President has enjoyed wide deference and authority by Congress. More important is the fact that states have historically chosen to cloak their nuclear programs in secrecy. Since the United States' intelligence operations typically reside in the Executive branch, limited and infrequent opportunities for Congress to receive accurate intelligence assessments about the nature of a state's nuclear activities lead to information gaps and a lack of agility that only contribute further to Executive predominance. This factor plays a significant role in the ability of the Executive to 'frame' a particular nuclear policy question in advance of attempts by other actors to do so. I will show that this dynamic was especially predominant in American policy towards China during the Reagan administration, when President Reagan decided to cooperate with China's civilian nuclear program.

There have been several efforts to highlight the role of the Executive in foreign policy making. Trubowitz's 'Politics and Strategy'[23] privileges the role of the Executive in making Foreign Policy. This account borrows from the Realist account of Structural International constraints in that the amount of 'Geopolitical slack' that statesmen have influences how they react to international issues. However, another equally important causal role is played by the preferences of his domestic coalition for 'guns' or 'butter', the argument being that if the preferences of the Executive's domestic support coalition is

[23] Trubowitz combines the causal elements of both Realist and Innenpolitik theories, and distinguishes his argument from neo-classical Realism in that fashion. See Trubowitz, Peter, "*Politics and Strategy*", Princeton University Press, 2011.

for guns – i.e. defense spending and a more 'muscular' foreign policy, that will shape the President's Foreign Policy in ways that favor military action, and if the preferences are for 'butter' – that is, more domestic welfare spending, it will moderate and reshape the President's international policies. In the case of the U.S.-India Nuclear agreement, one can clearly see differences in the preferences of President George W. Bush and Clinton, differences that can be directly attributed to both international factors such as the threat from China, as well as domestic ones like the traditional Republican support from Defense industry networks, and the domestic non-proliferation groups' sway over Democratic policies. My research proposal falls into the same 'two-level' scheme as enumerated above and attempts to explain Foreign Policy, specifically policy towards nuclear weapon proliferation, in terms that take both structural and domestic factors into account.

1.3 Theory and Causal Effects

While I have argued above that Realist theories are under-determining, variables rooted in the International structure nonetheless play an important role in determining foreign policy. With nuclear proliferation, we have already analyzed the inadequacies of using a Realist approach that splits nuclear weapons into a dichotomous framework that views them as either stabilizing or destabilizing. Nor would we be able to simply argue that the variation in U.S. policy can be explained simply as a function of geopolitical opportunism. For example, to understand why the U.S. would weakly accept Pakistan's nuclear program in the 1980s, but try and block France's in the 1950s, we have to look at the role of nuclear weapons in determining not just the relationship between the U.S. and the state in question, but also what role these weapons would play in changing the nature of the relationship between the U.S. and other states that might be affected by these

developments. One factor that may be relevant is whether the U.S. has the same liabilities and responsibilities if Pakistan were to develop nuclear weapons as it would if France developed such a capability. For example, a France armed with nuclear weapons could conceivably have driven other European states towards nuclear weapons acquisition, a valid concern for American policy-makers in the 1950s. Whereas a Pakistani nuclear weapon capability in the 1980s, something which India already possessed, meant the U.S. was confronted with a reduced risk of new proliferation than would otherwise have been the case. Further, how do we explain the variation in American policy towards India and Pakistan during the Presidency of George W. Bush? One could argue that Domestic Political-Economy factors influenced the acceptance of India's nuclear program, which was an example of rapid change due to issue reframing; a phenomenon well documented by scholars of public policy (Baumgartner and Jones, 1993)[24]. India and the U.S. shared a large and growing trade relationship in the 2000s, a phenomenon that contributed in no small way to the decision of the Bush administration to sign a nuclear cooperation agreement with India. Based on a wide selection of cases, I show that this two-level framework drove U.S. policy towards nuclear weapons both prior to and after the establishment of the Nuclear Non-Proliferation Treaty (NPT) framework in the late 1960s. Given these variations, I propose an explanatory model to explain American policy towards nuclear weapon proliferators that incorporates Geopolitical and Domestic factors. My two independent variables are

- **Strategic Liability** – This is the cost incurred by the United States if and when a nuclear aspirant crosses the nuclear threshold to weapons ownership.

[24] Baumgartner, Frank, and Bryan Jones, "*Agendas and Instability in American Politics*", University of Chicago Press, 1993.

Within the American government, the Executive branch is the one that is primarily influenced by, and reacts to, this Liability.

- **Commercial Value**– This represents the degree to which the American Executive's domestic coalition is invested in trade and economic ties with the proliferating state and the reputation of the proliferator's regime among political and business elites

The first independent variable is what I term the 'Strategic Liability' of the state in question to the United States. Strategic Liability influences U.S. policy towards nuclear policy in the following way. All else being equal, I posit that the existence of an independent nuclear weapon capability in the hands of a regional state reduces the United States' freedom of action and can be taken as a permissive signal by other potential proliferators. This dynamic manifests itself as a concern that if the U.S. were to make an exception to its rules for a particular state and recognize its nuclear program or even cooperate with the civilian nuclear program of such a state, this recognition may drive other states to develop their own nuclear weapons (Fuhrmann, 2009). This sort of argument was used by opponents of the U.S.-India nuclear deal (Perkovich, 2005) and is what one could term the basic Strategic Liability to the U.S. From this foundation, I argue that the factors that contribute to or diminish U.S. liability when reacting to another state's nuclear program are the existence of a common threat, the effect of the state's nuclear program on other U.S. allies or competitors in the same region, and finally, the stability of nuclear aspirant's regime. The existence of a common threat and the cross-pressure on other regional actors are factors that go hand in hand.

While the existence of a common threat creates incentives for the U.S. to leverage the proliferator's nuclear weapons capabilities to balance against the threat and mitigates

America's liability, the same capabilities can also create liabilities for the U.S. in the form of incentives to other allies or enemies in the region to proliferate, or by creating destabilizing dynamics in the proliferator's region that might precipitate security crises. Consider the case of France, whose nuclear weapons program illustrates how this dynamic may have worked. Since the end of the Cold War, the United States has stationed troops in Europe, and Western European military and foreign policies have significantly been influenced by the U.S. Further, the U.S.-French relationship, and France's membership of NATO were part of a complex web of strategic interactions in Europe that included Great Britain and West Germany. From a contemporary (1950s) standpoint, a French nuclear weapon would have presented a very real possibility that other American allies West Germany would follow suit, and made the U.S. liable for such a program and possibly more involved in any strategic crises that follow. On the other hand, an India with a nuclear weapons capability in the twenty-first century, acting as a counter-weight to China (with Pakistan already armed) does not pose the same challenges in so far as provoking China, since China already possesses its own nuclear arsenal.

To illustrate how regime stability affects Strategic Liability, consider the cases of South Africa and France. South Africa was not part of any major American led treaty organization nor was it arguably (and discounting South African claims at that time of being susceptible to Soviet Communist aggression) located in a strategically competitive region for the United States. One of the biggest American concerns with the South African nuclear program as it gathered steam in the 1970s and 80s, was that these nuclear weapons could fall into the hands of a potentially hostile post-Apartheid regime (van

Wyk, 2007, 2010)[25]. Even in the case of a major ally such as France, worries and uncertainties about a Communist ascent to power in the 1950s led to similar opposition to its nuclear weapons program (Baum, 1990)[26].I argue that this factor contributes to America's Security Liability and influences American policy makers into trying to roll back the nuclear programs of states that are similarly positioned.

Finally, consider the case of India. While presenting challenges to the U.S. in the form of cross-pressures on Pakistan's nuclear program, and opportunities in the form of a potential counter-weight to China, India has historically not been part of any formal treaty or security alliances with the U.S., nor, since the end of the cold war, has it been part of a hostile alliance against it. I argue that this relative autonomy mitigates the sort of negative considerations described above in the French case for the U.S., reducing Strategic Liability and creating space for a more flexible policy of acquiescence with India's nuclear weapon program. To operationalize Strategic Liability and apply a qualitative measure, I posit four discrete components that decide its value

a- **Primary Conflict** -The existence of an unresolved conflict between the nuclear aspirant and the United States itself.

b- **Secondary Conflict (Knock-On effects)** -The existence of unresolved conflicts or tensions between the nuclear aspirant, whether an American ally or enemy, and other states in the region that possess the capability or have demonstrated previous intent to develop nuclear weapons, but have not done so. This variable incorporates the "knock-on" effects or

[25] van Wyk, Martha S., "Sunset over Atomic Apartheid. United States-South African Nuclear Relations, 1983-91", *Cold War History*, Vol. 10, No. 1, February 2010, pp. 51-79.
van Wyk, Martha S., "Ally or Critic? The United States' response to South African Nuclear Development, 1949-1980*", Cold War History*, Vol. 7, No. 2, May 2007, pp. 195-225.
[26] Baum, Keith W., "Two's Company, Three's a Crowd: The Eisenhower Administration, France, and Nuclear Weapons", *Presidential Studies Quarterly*, Vol. 20, No. 2, Spring 1990, pp. 315-328.

secondary consequences (from the perspective of the U.S) of nuclear proliferation. This variable measures the American perception that a third party state will perceive a significant danger from the nuclear aspirant's proliferation efforts, and will perceive incentives to engage in further nuclear proliferation or conflict.

c- **Regime Instability** – This component signifies the risk of the nuclear aspirant's regime collapsing and the nuclear weapons falling into the hands of a potentially hostile entity, such as a rogue state or non-state actor.

d- **Common Threat Perception** – The perception among government elites (importantly, the Executive Branch) in the U.S. that it shares a common strategic threat with the nuclear aspirant. This acts as a mitigating factor in Strategic Liability, but typically only when the Common Threat is already a nuclear power for the reasons described above.

I use publicly available data on inter-state conflicts to qualitatively code (a) and (b) as either 'High' or 'Low'. For Regime Instability, I use the presence or absence of Intra-State and Non-State conflicts to classify each nuclear aspirant's Regime Instability as 'High' or 'Low' depending on the prevalence and strength of internal insurgencies or civil conflict. I argue that if any one of the three contributing factors to Strategic Liability (a, b or c) are 'High', then this places the nuclear aspirant in the 'High' Strategic Liability Category. The rationale for this is that from the perspective of the U.S. Executive, each of these in itself poses an unacceptable increase in strategic risk to the U.S. On the other hand, the Common Threat Perception variable typically only plays a role when the other

factors are 'Low', further diminishing Strategic Liability but not qualitatively changing the coding of the case.

While Strategic Liability plays a major role in influencing American nuclear policy, it is not completely determining by itself. I argue that American nuclear policy is heavily influenced by Domestic factors acting on the Executive, specifically the nature of commercial ties or the Commercial Value of the relationship between the U.S. and the state in question. In contrast to authors such as Stone (ibid.) and Copelovitch (ibid.) who argue that domestic parochial factors singularly determine states' deviation from International Institutional rules and norms, I argue that in the Non-Proliferation case, these factors, and specifically the economic interests of the Executive's domestic coalition, account only partly for this variation and deviation. That commercial factors can strengthen commitments to peace has been argued by authors such as McDonald[27]. I propose a variant of the Commercial Ties thesis to argue that close Commercial ties between the U.S. and the nuclear aspirant influences American policy-makers and in particular the President by creating incentives for the Executive to offer a conciliatory approach to the nuclear programs of the aspirant state, especially when it perceives a low strategic liability. When strategic liability is perceived to be high, the presence of a strong commercial impetus will constrain the Executive's ability and impetus to pursue a punitive response that includes economic measures. These incentives and constraints are especially reinforced when the potential for significant economic growth is present, given the Executive's traditional role in championing and negotiating American access to overseas markets. Since such initiatives often require reciprocal concessions between the

[27] See McDonald's argument on how smaller (capitalist) governments can make more credible international commitments. McDonald, Patrick, "*The Invisible Hand of Peace. Capitalism, the War Machine, and International Relations Theory*", Cambridge University Press, Cambridge, 2009

U.S. and the state in question, pressure on the Executive to factor economic interests in nuclear policy – applied by domestic coalitions as well as by members of the administration - can be especially acute. Shared commercial ties can also play a role in reducing the risk that the partner state will 'go rogue', adopting policies that could significantly hurt American interests. One could argue that these factors played a key role in the Indian case during the George W. Bush administration. A variant of this dynamic shaped a restrained push-back is also operational when the U.S. is dealing with high strategic liability in the context of a significant commercial relationship with the aspirant state, where these strong commercial ties circumscribe the coercive efforts of the United States, leading to a more restrained pushback. I term this factor the 'Commercial Value' variable. It represents the degree to which the Executive branch is invested in trade and economic ties with the potential proliferator. I argue that the extent of these linkages affect the acceptance of the state's nuclear weapons program by the U.S., playing primarily a positive role in such acquiescence. I hypothesize that the changes in this variable are driven by the revealed information about the commercial credibility and reputation of the regional power through the expansion of inter-state trade linkages and trade lobbies, and the consequent change in perception of the Executive. To understand and quantify the impact of the Commercial Value variable, I analyze the relative preference of the President's domestic coalition for trade with the proliferator by analyzing the archival record of deliberations within the administration and in Congress on issues such as free-trade initiatives, commercial (civilian) nuclear and military trade and economic assistance to the concerned state, the importance of the latter's economic success to American trade and political interests. Next, I analyze the contribution of trade with the proliferating state to the U.S. economy and its importance to the U.S. economy and domestic interests important to the Executive, using publicly available bilateral trade

data. If this qualitative analysis shows that the majority of these factors are positive for the state in question, I code the state's commercial value as 'High', and as 'Low' when the opposite occurs.

The Dependent Variable – U.S. response to proliferation –I posit that the U.S. response to proliferation by an aspirant will fall into four distinct categories, each characterized by distinct observable implications that together constitute a unique response, as shown in Figure 1. The nature of the relationship between the U.S. and the nuclear aspirant will determine the subset of available options. The first combination is the case where we have High Security Liability and Low Commercial Value. This quadrant should see the U.S. being able to exert the maximum possible pressure on the nuclear aspirant because of the lack of economic ties and the high degree of security risk. Since the lack of a significant commercial relationship generally implies the lack of any significant military alliance, the measures I predict should be

- Overt as well as covert military threats or actions, not limited to nuclear infrastructure.
- Coercive financial and economic measures backed by threats of force
- Diplomatic sanctions including attempts to expel or prevent the aspirant from joining any international institutions.

I term this subset of policy actions **'Active Rollback'**. This is the most stringent policy action that is taken by the U.S.

The second combination is the one with a Low Security Liability and Low Commercial Relationship. Here, the absence of a significant security concern means that the U.S. will be averse to taking military action that may lead to a full-scale conflict. On the other hand, the lack of a significant economic relationship will mean that the U.S. will

not find any compelling reasons to actively collaborate with the aspirant state. While I expect to find limited economic sanctions, consistent with the fact that the U.S. will incur limited costs in this quadrant, the existence of compliance costs and the possibility of damaging relations with third parties may limit the deployment of this measure. Therefore, I expect the policy outcome to include the following measures

- Non-cooperation with civilian nuclear and dual-use programs in an effort to cap further nuclear weapon development or stockpiles.
- Technology denial, especially in military and nuclear areas.
- Limited Economic sanctions.

Ultimately, I posit that the absence of a high degree of Strategic Liability means that the U.S. will be ultimately willing to 'live' with the aspirant maintaining a limited nuclear weapons capability. I term this subset of actions a policy of **Weak Acceptance**.

The next combination is one where the United States perceives high strategic liability but also high commercial value. I argue that the perception of high commercial value in this quadrant qualitatively differentiates the American policy response from other instances of increased strategic liability where commercial value may be absent. For example, it is obvious that the nature of the American relationship with South Korea is significantly different from the one it had with Libya under Gaddafi. Here, I posit the following superset of options available in the military, economic and diplomatic arenas.

Military: Overt military action, covert military action, blockades, (military) alliance degradation.

Economic: Economic sanctions, denial of market access, sanctions on civil and dual-use military technology.

Diplomatic: Denial or Suspension of membership in International institutions. In addition, threats to carry out punitive military or economic measures can be made either overtly or covertly through "Quiet" diplomacy. That threats and this particular attribute of threats can make a material difference in the reaction of the adversary as well as the subsequent interaction between the two states is a point that has been made by authors such as Jervis (1970) and Schelling (ibid)[28].

Consequently, I posit the following observable implications for each of the four combinations of independent variables, starting with High Security Liability/High Commercial Value; A High Security Liability classification implies that the U.S. faces a significant negative change in its security interests if the aspirant obtains nuclear weapons capability. This classification also implies that the U.S. possesses multiple security related options that it can activate in response to the aspirant's program. However, the presence of a correspondingly high Commercial Value in the relationship will mean that the U.S. may be constrained from enforcing any harsh offensive military or economic measures to prevent domestic economic damage. Thus, it will be forced to limit its economic sanctions. Also, the fact that the U.S. shares a close economic relationship with the nuclear aspirant will mean that any threats are much more likely to be made covertly initially, allowing both parties to 'save face', and avoid damage to this other important aspect of their ties. Discreet threats also allow the U.S. to step back from having to carry out these actions without losing credibility. As a result; I expect the policy outcome to consist of the following measures in this quadrant

[28] Jervis provides an exposition on how the images states project to others in times of mutual antagonism is a material factor in the outcome of their confrontation. Likewise, Schelling's work on Deterrence Theory focuses on the nature and importance of threats in nuclear standoffs. See Jervis, Robert, "*The Logic of Images in International Relations*", Princeton University Press, Princeton, 1970 and Schelling, Thomas, "*The Diplomacy of Violence*", Yale University Press, 1966.

- Degradation in the strategic alliance relationship (if the aspirant is engaged in one with the U.S.).
- Covert technology disruption activities.
- Suspension or denial of cooperation in nuclear or dual-use civilian technology
- Threats and actions to suspend or expel the nuclear aspirant from international institutions.
- A long 'gestational' period of threats before actual action, with the U.S. applying quiet or covert pressure initially.

Ultimately, I argue here that while economic considerations will limit the stringency of U.S. actions, the high Security Liability will mean that the U.S. will not accept even a limited nuclear weapon capability, continuing to pursue a Rollback policy. I group this subset of actions into a policy that I term **'Soft Rollback'**.

Finally, the fourth combination of Low Liability and High Commercial Value is the one I deem the most permissive. The lack of significant security issues and a high degree of commercial value will mean that the U.S. will be loath to pursue military or economic actions. The existence of a Common Threat will be a factor in this quadrant since it will further reduce any inclination on the part of the U.S. to sanction the state and will lead in fact to acquiescence with the aspirant's nuclear weapons program. In this quadrant, I predict that we will see an absence of any of the negative sanctions listed above and will in fact see

- Cooperation with the aspirant's Civilian nuclear program
- No sanctions on dual-use technology

- Attempts to block any other states or international institution from imposing negative sanctions on the nuclear aspirant's due to its nuclear weapons program.

I term this **Strategic Acquiescence.**

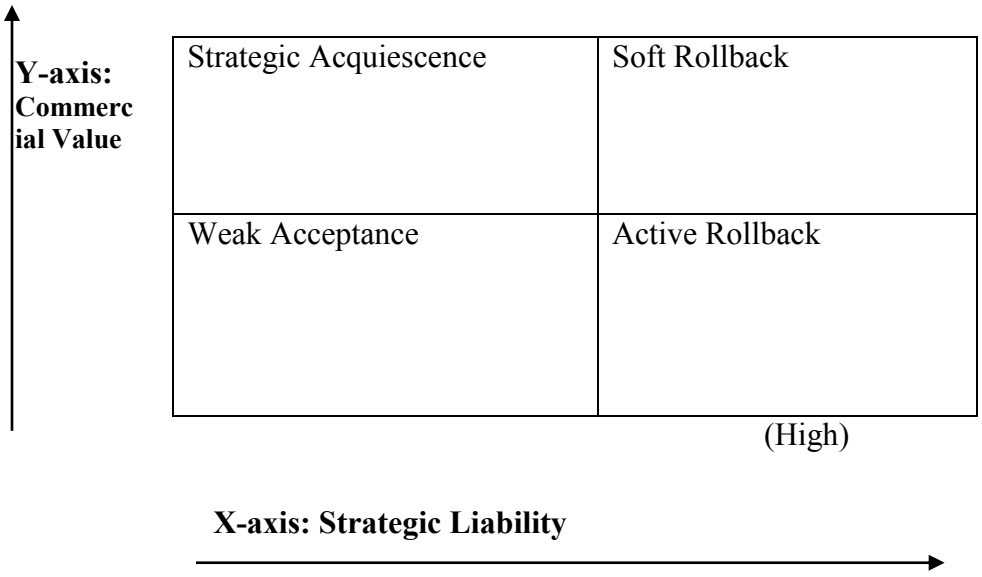

Figure 1: Position of nuclear weapon aspirant states in the two-level scheme

1.3.1 Privileging the Executive in this framework

I have previously argued that the Executive's position in the American political system confers advantages that privilege its role in nuclear policy making. I have described how the Administration's prerogative in adjudicating a state's compliance with international agreements gives the President wide discretion in fashioning a policy response. I have also theorized on how the Executive is able to rapidly 'frame' a nuclear policy question to its advantage using its privileged access to intelligence, using the Bush

administration's policy towards India as an example. I elaborate further on this topic in relation to my theoretical framework. With specific reference to the independent variables under discussion here, the Executive's control of both the external intelligence and war making apparatus of the American government imply that it is in a strong position to calculate the Strategic liability of a particular state's nuclear program, and to do so in much more of an agile fashion than can Congress. Congressional access to this information is intermittent and often reliant on the Executive branch for judgment of intelligence reports that are often subjective. Further, while there are occasions where Congressional focus on a particular proliferation question is heightened due to the contingent nature of a threat, such attention is more often diffuse. Additionally, the Executive retains the ability to engage in dialog with its counterparts in state that are potentially affected by these proliferation efforts and to obtain confidential signals. Congress' ability to influence this is limited due to the absence of timely and credible information. In the nuclear policy sphere, the Executive's privileged position exerts a role even when Commercial considerations, traditionally a much more comfortable domain for Congress, are at work. I will show for example that when Commercial interests are elevated and Strategic liability is perceived to be low, the Executive is able to use the support of domestic trade coalitions to overcome non-proliferation advocates in Congress while pursuing paradigm shifting objectives such as nuclear deals with states that outside the global non-proliferation framework. In instances such as the Bush administration's nuclear deal with India, the Administration's privileged access to strategic information regarding the nuclear strategies of that state, and its ability to drum up support from domestic trade groups helped it to 'frame' the policy question in a politically advantageous way. Finally, the administration is able to use its access to confidential

diplomatic channels (and the perception of credibility this provides) to either discount or highlight the often subjective intelligence that it shares with Congress.

1.3.2 Strategic Considerations in this framework

The framework above would appear to raise the question of how the nuclear aspirant's 'intentions' insofar as its nuclear weapons program affects the United States' response and how this perception shapes the subsequent interaction. Typically, such considerations come to the fore in the context of crisis situations where a nuclear aspirant may (or may not) intend to use a nuclear capability as a bargaining chip against a status-quo state. The circumstances under which such as situation can lead to preventive war have been the topic of examination by scholars using Bargaining and Deterrence theory based frameworks enumerated in prior sections[29]. I posit that in my framework, the intent of the nuclear aspirant is one among several factors that is considered by the United States in fashioning a policy response. From the standpoint of my two independent variables, the one that is most relevant to this discussion is strategic liability. Strategic liability primarily measures the perceived impact of the aspirant's nuclear weapons program on the United States, and subsumes the intent of the aspirant. For example, in the extreme case where the United States perceives the intent of the aspirant's state to be in favor of using its newly acquired nuclear weapons capability against it, it is likely in the context of an already existing primary conflict with the United States. In this instance, the United States will perceive the aspirant's nuclear weapon capability to be directed against it, whether or not that is its real intent. In other instances, such as when a state allied with the U.S. begins a push to develop nuclear weapon (such as France did in the 1950s), I will show that what matters more is not the 'intent' of the

[29] Debs and Monteiro (2012), Dittmeier (2013), Powell (2003), Wolford (2011).

ally – which is often to develop a strategic capability independent of the U.S. – but rather the perceived impact, which includes a chain reaction of proliferation in the neighborhood. While the intent of the allied state plays a role at the tactical level, it does not change the overall American strategy. These dynamics illustrate how the perceived intent of the nuclear aspirant is factored into my model of the United States' perception of the former's nuclear capabilities, with its effect varying significantly across quadrants.

1.4 Research Design – Case Selection

Using the selection methodology detailed in the previous section, I select cases that show variation across my two independent variables, Strategic Liability and Commercial Value. The cases include both countries as well as the same country across multiple time periods. I examine a broad selection of major regional powers that have attempted to develop nuclear weapon capabilities, excluding by definition the Soviet Union since it was involved in a direct conflict with the U.S. and does not fit the definition of a regional power. I base my analysis on one primary case in each quadrant, choosing one that presents sufficient complexity in the independent variables so as to test the robustness of my argument. I also analyze multiple secondary cases to ensure that my theory is sufficiently tested. I focus my analysis on pivotal moments when the nuclear aspirants are poised to make major choices in their nuclear weapons programs, such as when they are testing nuclear weapons, declaring weapon capabilities, deciding to pursue the enrichment of weapons grade radioactive material or undertaking a significant expansion of their nuclear programs.

My primary case for the combination of High Strategic Liability and Low Commercial Value is China in the 1960s under the Lyndon Johnson Administration. The conflicts in Vietnam and Korea, where the U.S. and China were on opposite sides, and

the absence of commercial ties between the two states places the Chinese-American relationship of this era in this quadrant. I analyze archival data from the LBJ administration to show that the U.S. pursued a policy of Active Rollback towards the Chinese nuclear program during the period leading up to and following the Chinese nuclear tests until the de jure recognition of China by the United States as a nuclear weapon power following the signing of the Nuclear Non-Proliferation Treaty (NPT) in 1968. I show that the Sino-Soviet relationship complicated the strategic liability calculus of the United States towards China's nuclear program and provided nuance to its policy of Active Rollback.

For the Low Strategic Liability/ Low Commercial value case, I analyze the Indian case in the 1970s under Presidents Nixon and Ford when they started the process of gradually repairing relations with India, which had been badly dented by the fallout of the Bangladesh War. It was in this period that India conducted its first 'Peaceful Nuclear Explosion (PNE)' in 1974. The Ford administration adopted what can be termed a weak acceptance or indifference towards India's nuclear program, focusing instead on gradually mending fences with the latter. This case is additionally notable for what I will show to be the misreading of India's intent by the Ford administration. I will show here that while the Indian nuclear test was intended to be a technology demonstrator by the Indira Gandhi administration, the U.S. perceived it to be the start of a push by India to weaponize its nuclear program. Nevertheless, I will show that the Ford administration perceived the impact of an Indian nuclear capability to be benign, since one of India's major rivals, China, already had a nuclear weapon capability, and the other, Pakistan, was considered too weak to pursue one in the near future.

My case for the quadrant which signifies a high degree of Strategic Liability and high Commercial value, South Korea, presented a high degree of Security Liability to the

U.S. due to its high degree of involvement in local conflicts, while at the same time complicating the American calculus due to the high degree of commercial linkages between the two states. Its entanglement in the conflict with North Korea, another nuclear aspirant and the chances that a South Korean nuclear weapons program could conceivably drive Japan, the previously dominant colonial power in the neighborhood to adopt the same course, meant that the Strategic Liability incurred by the U.S. if the South Koreans developed nuclear weapons was high. I argue that unlike other instances where the lack of commercial ties allowed American Presidents to pursue a relatively severe policy of Active Rollback against the nuclear aspirant, the presence of commercial ties would force the U.S. to adopt a more restrained policy of 'Weak' Rollback, not exerting any overt or covert military pressures. By an analysis of the archival record, I show that this is what occurred in the South Korea case during the Administrations of Presidents Carter and Reagan from the mid-1970s to the mid – 1980s when South Korea sought to weaponizes its nuclear program. In this instance, I will show that what mattered most to the Ford administration was the impact of a South Korean nuclear weapon capability on Japan and China, and not so much the intent behind the South Korean program, which was to develop a security capability independent of the American security guarantee.

For the Low Strategic Liability/ High Commercial Value case, the Sino-U.S. relationship under President Reagan is my primary case, with the more recent case of India and President Bush's signing of the U.S.-India nuclear deal providing a testable framework for my hypothesis for this quadrant. The U.S.-China nuclear agreement which opened up commercial American nuclear technology to the Chinese heralded an American policy of Strategic Acquiescence towards China's nuclear weapons program. Using primary archival and secondary source material, I show that the significant widening in U.S.-Chinese trade relations following the liberalization of the Chinese

economy in the late 1970s and the rise of China as a rival to America's main Cold War foe, the Soviet Union, provided the impetus for the change in American policy towards China's nuclear weapons program.

My research in support of these hypotheses is primarily qualitative, especially to confirm that the dependent variable, U.S policy towards the proliferator, takes the shape expected in the previous section. Using archival research in Presidential Libraries, Congressional and other contemporary records[30], I aim to show evidence confirming not only that the observable implications posited were actually implemented, but also that these were undertaken for the reasons I set forth in my placement of the aspirant in my two variable scheme . The evidence includes deliberations on balancing against a common threat versus the permissive or destabilizing signals from acquiescing with the proliferator's nuclear weapons program, and arguments and debate around the stability of the proliferating state's regime, leading to the predicted actions. Confirmation of my hypothesis on the causal mechanism lies in finding evidence that there is a strong correlation between the actual policies adopted by the U.S. with evidence that the factors influencing Strategic Liability and Commercial Value were a major component of Executive debates and arguments in the time leading up to policy operationalization.

The remainder of this dissertation is divided into chapters structured around each of the four quadrants that are created by the pairing of Strategic Liability and Commercial Value. Each chapter focuses on one combination, with an initial focus in each on the characteristic attributes that this combination imparts to the dyadic relationship and the policy outcome that I predict will occur based on these attributes. Next, I situate the cases

[30] Research was conducted using archival material obtained from visits to the Lyndon B. Johnson Presidential Library and access to research material at the Richard Nixon Presidential Library, the Gerald Ford Presidential Library and the Ronald Reagan Presidential Library. Material from these libraries and from other sources was also obtained from the Digital National Security Archive Website and the Foreign Relations of the United States series at the U.S. State Department.

that belong in this quadrant, elucidating on why these cases belong in the quadrant. I then examine the available data on the dyadic relationship – using a combination of archival research into primary source material, secondary material and interviews with participants – for evidence that the causal variables did indeed lead to the postulated policy outcomes predicted. The examination of each case involves a particular focus on and around crucial events in the nuclear program of the aspirant state so as to understand and test the American policy response against the theory.

Chapter 2: Active Rollback

I argue that the greatest motivation for American policy-makers to act forcefully against a nuclear proliferator exists when the Strategic Liability incurred by the United States as the state weaponizes its nuclear capability is high, and the Commercial Value of the U.S.-Proliferator relationship is weak. I claim that this combination presages and privileges particularly stringent threats and policy actions by the United States against the nuclear aspirant. In this chapter, I analyze those cases which are situated in a High Strategic Liability, Low Commercial Value relationship with the United States. In each of these instances, I interrogate the factual record to test the validity of this causal relationship.

I begin by enumerating the particular attributes of this quadrant, that is, the relationship between the United States and the state in question, across two attributes, (High) Strategic Liability and (Low) Commercial Value. The case that I examine extensively here is Communist China in the 1960s, when it was accelerating its nuclear weapons program. Specifically, I analyze the time period between when China was considering whether to conduct a nuclear test (1963) and when China's nuclear weapon status was recognized internationally in the Nuclear Non-Proliferation Treaty (1968). I choose China because of the complexity of its relationship with the U.S. and the reflection of this complexity on the structure of my independent variables. China was involved in an indirect conflict with the U.S. in Vietnam, wars with other nuclear aspirants such as India, and an uneasy relationship with the USSR. This makes it a 'hard' case against which to test my theory. In my analysis, I show that the combination of high strategic liability and low commercial value led the U.S. to pursue a policy of Active Rollback towards China's nuclear weapons program. I find that in the latter period of the

Johnson administration, the U.S. also pursued a backchannel policy of negotiation and moderation that was at odds with its public posture of Active Rollback towards China's nuclear program. I argue that this duality can be explained by the existence of singular events such as the negotiation of the Non-Proliferation treaty, and further, that these events can be accommodated by my model.

2.1 BACKGROUND – AMERICAN ATTITUDES TOWARDS COMMUNIST CHINA IN THE 1960S

Having inherited a fraught situation across the Taiwan straits and a conflict in Vietnam where China was aiding the North Vietnamese against the American backed Southern government, the Kennedy Administration viewed Communist China warily. Longstanding domestic support for Taiwan[31] meant that there was little incentive and much to lose for President Kennedy by attempting to drastically change the policy of containing China that he inherited from his predecessor, Eisenhower. Indeed, President Kennedy is reported to have referred to a Chinese nuclear test as one of the worst events that could occur under his watch. While there were extensive deliberations within the Kennedy Administration on the use of military force to counter China's nuclear weapons program[32], it was under his successor, Lyndon Johnson, that the U.S. was confronted with an immediate decision on whether to use force to try and prevent a Chinese nuclear test.

During the Kennedy administration and the early part of the Johnson Presidency, the emergence of China's nuclear weapons capability was viewed with great concern due to its attendant implications for U.S. interests in Asia, in particular, the possible

[31] The years preceding the ascent of Kennedy to the Presidency had seen multiple crises in the Taiwan Straits and the passing of a "Formosa Resolution" in Congress authorizing the President to come to Taiwan's aid if China were to attack it. Additionally, scholars have argued that Kennedy's previous criticism of Truman for having "lost China" and his own small margin of victory in the 1961 elections made him very hesitant to stated aim of taking a "new look" towards China (see Lumbers, Michael, "Piercing the Bamboo Curtain", Manchester University Press, 2008, pp. 21-24).

[32] Chang, Gordon, "Friends and Enemies, The United States, China and the Soviet Union 1948-1972", Stanford University Press, 1991, pp. 237-243

constraints a nuclear China could place on American policies in the region. In addition to this primary issue, the U.S. was also greatly disturbed about the signals a nuclear-armed China would send to states such as Taiwan, Japan and India. Complicating the American calculus was the evolving nature of the Sino-Soviet relationship. While the Soviet Union had been China's biggest strategic partner and supplier of nuclear know-how, the early 1960s brought with it the beginnings of a Sino-Soviet split, and the decision by the Chinese government to proceed on its own with a nuclear weapon test. Kennedy in particular viewed the Sino-Soviet split as removing a moderating constraint on the Communists in China, whose bellicose rhetoric on nuclear weapons scared him and his inner circle of advisors[33]. While the Kennedy Administration years are an important prelude to understanding how the U.S. came to grips with China's burgeoning nuclear weapons program, the start of the LBJ era in late 1963 and early 1964 is particularly crucial to my argument, for this was the period when the Chinese were in the process of deciding whether or not to conduct a nuclear weapons test, and the United States was deciding what actions, if any, to take against the Chinese nuclear program.

It would be accurate to say that the U.S.-China relationship at the beginning of the Johnson administration was non-existent. America still recognized the Nationalists in Taiwan as the true Chinese government. China under Mao remained hostile to the United States and the two countries had sparred directly and indirectly over Korea, Taiwan and most recently, Vietnam. American allies such as Japan were wary of Chinese ambitions. India, then still a potential ally whose nuclear program the U.S. hoped to restrict, had been recently caught off-guard and overwhelmed in a conflict with China. Further, the U.S. was embroiled in a war in Vietnam against the Communist North Vietnamese whom

[33] Walt Rostow, Deputy Special Assistant for National Security Affairs to Kennedy is cited as saying that Chinese leaders felt that a nuclear war would be good for them, in Chang, Gordon ibid., p. 239.

the Chinese were siding with. In addition to these factors, while the Sino-Soviet relationship was heading for a split, it was far from clear that the Soviets and the Chinese were ready to look at the United States as the "enemy's enemy".

This is the historical time-period which I examine in detail in the following section. There is now a significant amount of literature on the deliberations inside the Kennedy and Johnson administrations regarding the Chinese nuclear threat and the actions the United States could have taken to deal with this eventuality. However, much of this literature has focused either on the strategic reasons for which the U.S. abstained from attacking China's nuclear facilities either immediately prior to or after China's first nuclear test in 1964, or on the lessons to be learned from American forbearance in this case in the context of the successful adoption of the NPT[34]. In contrast, my focus here will primarily be on how the relationship between the two states affected the set of nuclear policy actions actively considered or operationalized by the United States Government. I examine how the evolving nature of the relationship between the two countries changed the way the U.S. viewed the Chinese nuclear program qualitatively, with determinative implications for U.S. policy towards it. In the next section, I develop an argument to locate China between 1963 and 1968 in one of the four quadrants formed by the combination of my two independent variables - the High Strategic Liability/ Low Commercial Value quadrant - vis-à-vis its significance to the United States. I then test my hypothesis that this 'image' of China as perceived by the American Executive under Lyndon Johnson led to a policy of 'Active Rollback' against the nuclear weapons

[34] Burr, William and Richelson, "Whether to Strangle the Baby in the Cradle" and Gavin, Francis, "Blast from the Past", respectively focus on these subjects. See Burr, William, and Jeffrey T. Richelson. "Whether to "Strangle the Baby in the Cradle": The United States and the Chinese Nuclear Program, 1960-64." *International Security,* Volume 25, No. 3, Winter 2000/01, pp.54-99 and Gavin, Francis J "Blast from the Past: Proliferation Lessons from the 1960s", International Security, Vol. 29, No. 3 (Winter 2004/05): 100-135.

program of China, until there was a qualitative change in the American relationship with China during the Nixon Administration.

In the following section, I examine the state of the relationship between the United States and China in the 1963-68 time-period and assign a 'High' or 'Low' Value to the Strategic Liability and Commercial Value variables based on the empirical record. Next, I attempt to find evidence for my causal hypothesis using both primary archival records from the Johnson administration as well as secondary source material. Successful validation of my hypothesis will lie in finding evidence that the set of policy options seriously considered and implemented against the Chinese nuclear weapons program were formed and bounded by Executive perceptions of High Strategic Liability and Low Commercial Value towards the U.S. – China relationship.

2.2 U.S. PERCEPTIONS AND ATTITUDES TOWARDS 1960S CHINA – HIGH STRATEGIC LIABILITY AND LOW COMMERCIAL VALUE

In the following examination of the independent variables, where appropriate or useful, I separate the period that encompasses the Johnson Administration's interaction with China into two distinct phases, the pre-Chinese nuclear test phase and the post-nuclear test phase. This is because, while not necessarily changing the set of policy actions available to the U.S., the nuclear test as an event had the possibility of changing the strategic calculus of all the parties involved. In particular, I examine my first independent variable, Strategic Liability, separately in each phase.

I operationalize the first of my two independent variables, Strategic Liability, using its four component factors – Local Rivalry, Primary Conflict, Regime Instability and Common Threat perception – based on a qualitative examination of archival material - to assign a qualitative high/low value to each of these, and therefore estimating the overall degree of Strategic Liability. I have defined each of these previously and argued

that if any of the first three components are elevated, that would imply a perception of high strategic liability.

2.3 CODING STRATEGIC LIABILITY IN THE KENNEDY-JOHNSON (PRE-NUCLEAR TEST) TRANSITION PHASE

To address one component of Strategic Liability – Secondary Conflict, defined as the existence of unresolved conflicts between American allies who were potential nuclear weapon powers themselves and the nuclear aspirant - tensions clearly existed between China and American allies such as Taiwan and South Vietnam in the period 1963-1964. Of the two, Taiwan, whose government still claimed represent all of China, was considered more likely to pursue a nuclear weapons program. While not an ally in the strict sense of the term, India was another country that the U.S. deemed to be the one most affected by China's nuclear threat and therefore likely to pursue nuclear weapons[35]. It had recently fought a losing war with China and was confronted with choices of its own for its nuclear technology program. Japan was another American ally which was wary about Chinese designs and that had the potential to go down the nuclear route. Given this geo-political environment, we can clearly see that the 'Secondary Conflict' component in the U.S.-China equation was present and elevated. This characterization remains accurate in the period following the Chinese nuclear test as well, since the new reality of a nuclear China unmolested by the Great Powers could only act as a provocation to other nuclear aspirants that had much to fear from China. The second compositional factor of Strategic Liability, the existence of a Primary or Direct conflict between the U.S. and China, was also arguably present, though once removed, since the

[35] "Problems of Nuclear Proliferation", working paper, Committee on Nuclear Proliferation (Gilpatric Committee), Box 1, Problem 2, Lyndon B. Johnson Presidential Library Archives. While written after the Chinese nuclear test, this paper demonstrates that the U.S. had been significantly worried about India's reaction to the Chinese test during the period leading up to the test as well as after.

U.S. had troops in South Vietnam fighting the Communists who were actively supported by China. The third component of Strategic Liability, Regime Instability, was, at least at the outset of the LBJ Administration, less relevant, since there was minimal risk from the American perspective that the Communist government in China would collapse. (This perception would be challenged later by the onset of the Cultural Revolution in 1966). Finally, a mitigating factor for Strategic Liability, the existence of a Common Threat to both the United States and China, was marginalized since neither the U.S. nor China viewed the only conceivable candidate, the Soviet Union, as one, even though the Sino-Soviet split was well underway[36]. However, this perception would start to change towards the end of the Johnson Administration, and I will argue, played a dominant role in the attitudes of the Nixon and Reagan Administrations towards China's nuclear weapon program.

With two of its three aggravating factors being elevated, one could easily make the argument that the Chinese nuclear program's strategic liability for America was high in 1963 when Lyndon Johnson took over, and continued to remain so until the end of the Johnson Administration. Our other independent variable, Commercial Value, was clearly non-existent since there were no meaningful trade relations between the two states. This lack of any commercial ties obviously did little to alleviate American concerns over China's nuclear program.

The archival record from the LBJ administration supports this characterization of the U.S. – China relationship. At the outset, President Johnson was considerably more

[36] The Johnson Administration clearly viewed the Chinese communists as much more radical than the Soviet ones. This perception was bolstered by the unremittingly hostile public statements emanating from Beijing, even though the Chinese were more conciliatory in the back-channel talks between the two states that were ongoing since the Eisenhower Administration in Warsaw. See Chang, Gordon, "JFK, China and the Bomb" pp. 229-231 for more on American attempts to co-opt the Soviet Union in the campaign against China's bomb.

pragmatic about the need to eventually accommodate China as it gained in power internationally. Inklings of reconciliation with China's nuclear program were evident in discussions among principals in the LBJ Administration[37]. However, the American political environment was still hostile towards the Government in Beijing. Johnson had to deal with the domestic "Taiwan lobby" that wielded considerable influence in America. This group, heavily represented in Congress, was opposed to any initiative that would legitimize the Communist Government in Beijing[38]. This opposition would continue to 'bound' American policy actions vis-à-vis China, especially public initiatives, until the dramatic breakthroughs of the Nixon period.

One of the immediate imponderables for the Johnson administration in the autumn of 1963 was the effect a nuclear China would have on America's primary foreign policy goals in Asia, namely, the spread of Communism and the war in Vietnam. A nuclear armed China could signal to other Asian states that the U.S. would be reluctant to step in militarily in conflicts where there was a risk of Chinese military involvement[39]. Aside from this issue, another major concern for principals in the Johnson Administration that clearly comes through in a reading of archival records of Administration deliberations was the effect of China's nuclear weapons program on countries such as India and Taiwan. The U.S. feared that a Chinese nuclear test would be both a permissive as well as provocative signal to India which could or would be forced to then make an unambiguous decision to steer its own nuclear program in a direction that would lead to

---

[37] A memo from the acting American Consul-General in Hong Kong, calling for greater flexibility in dealing with China in the face of increased European trade and diplomatic relations with China was one such example. Source: National Security File, Country File, China, Box 237, Folder 1, Volume 1, 12/63-9/64, Lyndon B. Johnson Presidential Library Archives.

[38] Secretary of State Dean Rusk, in a memo to the President in February1964 cites continuing pressure from Congress "against recognizing China", ibid.

[39] The ascendancy of China is cited by some scholars as the reason for deepening American involvement in Vietnam. See "Full Circle", Chang, Gordon, ibid. pp. 253.

the development and operationalization of nuclear weapon capabilities. More than any other state, it was India that U.S. officials feared would be directly and immediately provoked by China's nuclear program, and they debated long and hard about the possibility in the time period prior to and following the Chinese nuclear test. Japan's reaction to China's nuclear program as well as the reaction of other 'candidates' for nuclear weapon status such as France and Israel also worried policy-makers in the White House.

Finally, in the case of the United States and China in the early part of the 1960s however, it is clear from deliberations within the Johnson Administration that the U.S. viewed the beginnings of the Sino-Soviet split as an opportunity to use the differences between the Soviet Union and China as a wedge to get the Soviets to support action against China's nuclear weapons program, rather than as an opportunity to cultivate a relationship with China that would build it up as a counter to Soviet influence. What is fascinating about this dynamic is that by the end of the Johnson Administration, American policy makers would essentially do a U-turn and start to try and take advantage of the Sino-Soviet split against the Soviets. [40] Nevertheless, Kennedy's view that the rise of a Communist China at odds with the Soviet Union was a dangerous portent continued to hold sway at the outset of the LBJ Administration as it debated the prospect of a nuclear China. However, there were slow shifts towards a more balanced stance as the degree of mutual animosity between the Chinese and the Soviets became evident towards the end of Johnson's term.

[40] A memo from Alfred Jenkins, "China Watcher" in the State Department, to President Johnson in mid-1967 explicitly argues that the U.S. should present itself to the Chinese as a "reasonable" alternative to the Soviet Union. Source: National Security Files, Country File, China, Box. 241. Vol. 10. 7/67-9/67, Lyndon B. Johnson Presidential Library Archives.

In sum, the one factor that could have mitigated America's strategic liability, a common threat perception, was not present. It is therefore clear from the narrative above that as it debated the American response to an imminent Chinese nuclear test in 1963, the Johnson Administration was greatly concerned by the Strategic Liability it would incur with such an eventuality, with very few redeeming qualities perceived in such an eventuality.

2.4 CODING STRATEGIC LIABILITY IN THE POST-NUCLEAR TEST PHASE

In the period following the Chinese nuclear test in October 1964, while concerns about the immediate threat to American policy prerogatives in Vietnam and Asia ebbed and flowed with the changes in the fortune of the South Vietnamese and American forces, worries about the impact of a nuclear China on other potential nuclear powers such as India only grew. China's support for Pakistan in its 1965 border conflict with India only exacerbated tensions with China and may have been a factor in India's eventual 'peaceful' nuclear test[41] in 1974. This, and the start of Taiwan's own nuclear weapons program in 1968 were key examples of how local rivalries between China and American allies or non-aligned states increased proliferation concerns for the United States. Thus, while the Primary Conflict variable's significance varied in the period between 1965 and 1968, the Secondary Conflict component remained elevated. Finally, the onset of the Chinese Cultural Revolution, which led to mass chaos and dysfunction at all levels of the Chinese government, increased fears in the Johnson White House that the Communist government would collapse. In sum, at least two of the three aggravating

[41] The Gilpatric Committee spent a significant amount of time on the subject of India and how its nuclear program could be curtailed. One of the options considered and rejected was that of providing a security guarantee to India against Chinese aggression, though it is very much unclear whether India would have even accepted such a guarantee, if offered. Source: Committee on Nuclear Proliferation, Box 2, Folder 1, Problem 3, Report #1. Lyndon Johnson Presidential Library Archives.

components of Strategic Liability, namely, Local Rivalry and Regime Instability were elevated, with the third, Primary conflict variable elevated for the major part of Johnson's tenure due to the escalating involvement of both the U.S. and China in the Vietnam War. Thus, the degree of Strategic Liability that the United States continued to incur from a nuclear China remained elevated.

2.5 CODING COMMERCIAL VALUE IN THE U.S.-CHINA RELATIONSHIP, 1963-1968

My second independent variable, Commercial Value, or the degree of Commercial ties between the U.S. and China in this case, was virtually non-existent due to the almost total absence of trade ties between the two states as well as the lack of any indications that either side favored the development of such exchanges. The American trade embargo on China dated back to the Communist takeover of the mainland and the subsequent escalation of hostilities during the Korean War, with the allies coordinating their policies via 'CoCom', the Coordination Committee on Export Control[42]. In fact, the American-led sanctions regime on China was in many ways harsher than the one imposed on the U.S.S.R., with the additional sanctions being known as the China Differential[43]. The Korean armistice and the subsequent relaxation in hostilities led to a widening gap between the United States and its allies, in particular Japan, Canada and the Western European states, who all but abandoned the multilateral trade embargo in pursuit of expanded trade relations with China[44]. While there were anemic attempts to offer food

[42] See Mastanduno, Michael "Trade as a strategic weapon: American and alliance export control policy in the early postwar period", *International Organization* (1988, pp. 121-150) for a discussion of the origins and characteristics of this regime.

[43] See Foot, Rosemary (1995, pp. 51-75) for a discussion on how the Korean war was the impetus for the United States to impose even harsher sanctions on China than on the Soviet Union. By 1958, most American allies had abandoned this policy leaving the United States practically alone in this policy. This lasted essentially till the tail end of the Johnson administration when the President Johnson exempted medical and other humanitarian goods from these sanctions.

[44] See Qing Simei, "The Eisenhower Administration and Changes in Western Embargo Policy Against China, 1954-58', in Cohen and Iriye eds., The Great Powers in East Asia, 1953-1960, Columbia University

aid to the Chinese during the Kennedy and early Johnson administrations, unilateral American sanctions on the Chinese stayed relatively unchanged, especially in the years immediately following the Chinese nuclear test in 1964. While the American hostility to trade with China stayed intact, pressure from the allies ensured that this hostility did not extend to inhibiting their economic interests. Growing American and Chinese involvement in Vietnam reduced any impetus for a relaxation in American trade policy, even as close allies such as the United Kingdom expanded trade ties. While there were some Administration officials who called for a relaxation in the American trade embargo as early as 1964[45], the Johnson administration remained unmoved at that stage. A gradual thaw in trade policy towards China occurred towards the end of President Johnson's term - with the administration permitting the sale of medical supplies. This thaw mirrored a similar opening on the strategic front, where the Administration was beginning to consider the possibility that it could work with the Chinese communists against the U.S.S.R. However, fundamental change in American economic policy towards China would have to wait until the Nixon administration. Therefore, I code the Commercial value variable 'low'.

To summarize, given the positions taken by my two independent variables, my model predicts that the United States would have pursued a consistent policy of 'Active Roll-back' towards China's nuclear policy in the post-test period as well. In the next section, I test this hypothesis against the archival record of policy deliberations available for the period.

Press, 1990. pp. 177-128 for an example of the widening gaps between the allies which continued into the Johnson administration.

[45] A prominent example of a push for liberalization was James Thompson on President Johnson's National Security Staff, who argued in an October 1964 memorandum that the United States needed to abandon a policy of "containment plus moral preachment", which he argued had failed. Despite this, there were no changes on the ground till 1966. See Memorandum from James C. Thompson, October 28, 1964, Foreign Relations of the United States, 1964-1968, Volume XXX, China, Document 63.

2.6 The Evidence – Did High Strategic Liability and Low Commercial Value influence American policy towards China's nuclear program?

I test my hypothesis on the causal effects of my two independent variables on American policy towards China's nuclear weapons program primarily through a qualitative analysis of archival material available at the Lyndon Johnson Presidential Library[46], alongside additional publicly available secondary source material.

This section will attempt to answer two questions

- Did America follow a policy of Active Rollback towards China's nuclear program between 1963 and 1968?
- If it did, was it because of the perception of elevated Strategic Liability and Low Commercial Value? If it did not, what explains the departure from the theory?

I examine the evidence chronologically, starting with the period coinciding with the start of the Johnson administration in 1963 and ending by the Inauguration of Richard Nixon as President in January 1969.

The period under consideration can be divided into two parts. The first is the transition period where Johnson inherited Kennedy's policy towards China, and confronted the immediate question of whether to do anything about China's impending nuclear test, from November 1963 to October 1964 when the nuclear test occurred. The second period is the post-test phase which lasted through the end of the Johnson Administration and approximately coincided with the ratification of the Nuclear Non-Proliferation Treaty that recognized China as a nuclear weapon power. I will show that the United States followed a relatively consistent policy of Active-Rollback both prior to and immediately following the Chinese nuclear test. However, the latter part of the Johnson Administration from 1965 to 1968 - which saw a deepening and (deeply

unpopular) American involvement in Vietnam, a widening Sino-Soviet split, and finally, the crystallization of America's broader nuclear proliferation policy – saw the Johnson Administration adopt an outwardly policy of non-acceptance of China's nuclear program and even occasional belligerence towards it, while discreetly discussing and signaling a more moderate policy of acceptance. I will argue that this seeming inconsistency with my model's predictions is in fact explainable by taking into account unique factors such as the negotiations for the Nuclear Proliferation Treaty that are consistent with the framework of my model.

2.6.1 The Kennedy- Johnson transition and China's nuclear test

Strategic Pressure: The United States under President Kennedy was greatly concerned by the acceleration of China's nuclear program, with Kennedy describing a possible Chinese nuclear test as one of the most important (and implicitly dangerous) events that could happen for American foreign policy in the 1960s.[47] That Kennedy and his advisors were gravely apprehensive about China's nuclear program is attested to by the multiple White House meetings centered on the topic.[48] The key element of Kennedy's strategy (and, as we will see, Johnson's) to curtail China's ambitions of becoming a nuclear weapon power was to use the burgeoning Sino-Soviet split as a way to get the Soviets to cooperate in possible military action against the Chinese.[49] In particular, a perceived sudden Soviet interest in completing a Partial (Nuclear) Test Ban treaty, when China had still not exploded its first nuclear device, was taken by the

[47] This was a recollection of Walt Rostow, cited in Chang, Gordon, "Friends and Enemies, The United States, China and the Soviet Union",1990, pp. 229 (JFK, China and the Bomb)

[48] The topic was a center-piece of White House deliberations early in the Kennedy Administration, with the earliest one on record held on February 11, 1963, where the Soviet Union's attitude towards China's nuclear program was discussed. Source: Chang, Gordon ibid. pp. 229-230.

[49] Kennedy Advisor Averell Harriman is reported to have tentatively broached the subject to Nikita Khrushchev during talks on the Partial Test Ban Treaty, without a promising response. See Foot, Rosemary, "*Practice of Power*", Clarendon Press, 1995, pp. 180.

Americans as an expression of Soviet interest in curbing the Chinese nuclear program. Kennedy's advisors pursued the possibility of joint Soviet-U.S. military strikes against China's nuclear facilities, though without much success.

This was the situation inherited by Lyndon Johnson when he ascended to the Presidency following the assassination of Kennedy in November 1963. Johnson also inherited most of Kennedy's foreign policy staff and, as evidence on record suggests[50], also Kennedy's policy of wooing the Soviet Union to gauge its interest in jointly striking the Chinese. Johnson and his senior advisors including National Security Advisor McGeorge Bundy, Secretary of Defense Robert McNamara and Secretary of State Dean Rusk, all of whom were deeply involved in China Policy under Kennedy, debated military action against China in the weeks leading up to the Chinese nuclear test in September 1964. While overtures continued to be made to the Soviet Union, it was increasingly clear that however much antipathy the Soviet Union under Khrushchev harbored towards the Chinese Communists, taking action against a fellow traveler would have seemed to be a leap too far for the Soviet Union.[51] In fact, the premium placed by Johnson and his advisors on the inadvisability of taking unilateral action against the Chinese nuclear program may have betrayed not just their understanding of the limited success such action against the Chinese might have, but perhaps also a debate within the Johnson Administration about whether America should undertake a more accommodative policy towards China in the long-term[52], a debate which was then still very much in its infancy.

---

[50] Burr and Richelson, ibid. pp. 79 discuss how principals in the Kennedy-Johnson policy establishment such as National Security Advisor McGeorge Bundy continued the preparation of plans to attack China's nuclear facilities even as Johnson was still to take any firm policy positions on the subject.

[51] Khrushchev himself was removed from power by the Soviet Communist Party Politburo, a decision partly attributed to his handling of the Chinese nuclear tests (Chang, Gordon, ibid. pp. 250)

[52] China specialists in the Johnson Administration, such as James Thompson Jr. proposed a 'two-China' policy that would allow the U.S. flexibility in dealing with the mainland Communists (Source: Chang,

Such doubts came to the fore in the months leading up to China's nuclear test in October 1964, as well as in the days and weeks immediately after the test. There were in essence two parallel debates. One was about the merits of taking immediate military action against China, as well as a more fundamental debate over whether or not a nuclear China represented a catastrophic threat for American interests. A prime example of both of these was a set of dueling memos. The first was by Robert Johnson in the State Department's Policy Planning Staff written in April 1964, where he argued[53] in essence that China would treat its nuclear weapon status with more responsibility than some of the statements by its leaders indicated or that some in the Johnson Administration feared.[54] He also argued that a strike against China's nuclear program would only have limited success. In contrast, memos[55] directed by Henry Rowen, Assistant Secretary of Defense and written by George Rathjens[56] from the Arms Control and Disarmament Agency (ACDA) just prior to and immediately following the Chinese nuclear test argued the opposite. Rowen and Rathjens made the case that China's nuclear weapon capability

---

Gordon, ibid. 218). While probably not determinative, they likely 'seeded' the policy initiatives that would come later.

[53]Johnson's memo was an early example of contrarian pressures from lower to mid-tier officials in the Johnson Administration to reconsider the alarmist tone that had come to represent American policy towards China and its nuclear program. Committee on Non-Proliferation, Committee Files, Box 5, Folder 2. State Department Memo, 4/64, Lyndon B. Johnson Presidential Library Archives.

[54]The same Johnson memo, forwarded to the President's Senior Staff by Walt Rostow, was critiqued by National Security Advisor McGeorge Bundy as having "diffused" the problem of China's nuclear weapons, Memorandum of Record, National Defense University, Taylor Papers, Box 25, Chairman's Staff Group, April 1964. Prepared by NSC staff member Colonel William Y. Smith, USA, from FRUS 1964-68, "China".

[55] Titled "China as a Nuclear Power (Some Thoughts Prior to the Chinese Test)", the memo is tentatively attributed to Rowen by researchers from the National Security Archive. In tone, it appears to be a reflection of hawkish Administration officials such as Defense Secretary Robert McNamara and National Security Advisor McGeorge Bundy., Source: National Security Archives' FOIA request to State Department, 10/07/1964

[56] Titled "Destruction of China's Nuclear Weapons Capabilities", Rathjens memo was part of the ACDA's input to the Gilpatric Committee. Source: Committee on Nuclear Proliferation, Box 5, Folder 2, 12/14/1964.

represented such a danger to American foreign policy goals, as well as to the more general cause of non-proliferation, that the U.S. would be justified in taking military action against it. While this internal debate went on, the Administration privately continued to draw up plans to thwart the Chinese nuclear program, by force if necessary. In addition to the approaches to the Soviet Union, plans were drawn up that included using Taiwanese (Republic of China) forces parachuting into and attacking Chinese nuclear facilities, or using American and Soviet bombers to target these locations[57]. Publicly, the Johnson Administration continued warning the Chinese against conducting a nuclear test while not clearly specifying whether there would be any military consequences. Part of the Administration's ambivalence came from the fact that Johnson realized that there were no good military options. Therefore, the Administration's stated policy continued to be one of 'Active' Rollback, as evidenced by the military contingencies evaluated and specifically due to the high degree of Strategic Liability that the U.S. felt it would incur. Rathjens' memo addressed the possibility that a nuclear China would cause other states hostile to China to pursue their own nuclear programs, and for the potential for China itself to pose a threat to the U.S. in the medium to long-term. On the diplomatic side, the United States continued to oppose Chinese admission to the United Nations and refused to recognize the Communist Government, even though other Western states such as France were moving in that direction, a development that rang alarm bells in the White House.[58] The Administration did so even in the face of pleas from the Diplomatic Corps for more flexibility, as we have seen previously.

---

[57] Burr, Richelson, ibid. pp. 72, 81 and Chang, Gordon, ibid., "JKF, China and the Bomb", pp. 145

[58] France's recognition of China in January 1964 was a major blow to America's strategy of presenting a unified front against the Chinese and their nuclear program. See "Telegram from Taipei", National Security File, Country File, China, Box 237, Folder 1, Volume 1, 12/67-964, Lyndon B. Johnson Presidential Library Archives.

Economic Pressure: From the perspective of my second independent variable, Commercial Value, the lack of any financial ties meant that the U.S. could not bring any additional pressure to bear on the Chinese, though it continued to maintain strict controls over the export or sale of goods and services to China. This policy often put it at odds with European allies who were more inclined to develop trade ties with the Chinese[59]. The concern that increasing trade between Europe and China would constrain America's freedom of military action was discussed among White House officials John McLoy and Allen Dulles in the weeks after the Chinese nuclear test when American retaliation still seemed to be a possibility. This concern meant that there was great reluctance to do anything but keep the American trade embargo on China intact[60]. However, China remained a largely insular economy against which the U.S. and the rest of the West had few economic threats to wield. Having overcome a major food crisis in 1962 during the 'Great Leap Forward' at a cost of millions of lives, it was unlikely that the Chinese would modify their nuclear trajectory due to the limited economic pressure that the West could employ. Nevertheless, the main economic weapon in the American arsenal was the total trade embargo which it had maintained since the Korean War. While there were cursory deliberations on humanitarian trade with the Chinese during the Kennedy administration, the official attitude towards the issue continued to be one of hostility, and the fear that any opening would prove advantageous to China and detrimental to American interests in Taiwan and elsewhere. The U.S. continued on this course through 1964-66, even while its European and Asian allies pursued expanded trade relationships with the Communists. The American government offered to sell humanitarian items to China, but only if it

[59] Pressure from allies such as France and Britain, who were increasing trade ties with China is cited by some scholars as exerting a moderating (as well as irritating) influence on the Johnson Administration in this period. See Lumbers, Michael, "Piercing the Bamboo Curtain", 2008, pp. 88-89

[60] Notes of McLoy, Dulles meeting, 12/13/1964, Committee on Nuclear Proliferation, Box 1, Folder 2, Lyndon Johnson Presidential Library Archives.

modified its "hostile" behavior towards American interests. Predictably, this offering was rejected by the Chinese, an outcome expected and anticipated by those on the U.S. side who viewed this as a way of illustrating Chinese intransigence[61]. With tensions high over the Chinese nuclear program, and the absence of any domestic economic lobby for trade with China, there was little motivation to change this policy.

To recapitulate, I had postulated previously that a strategy of Active Roll-back includes the following elements.

- Overt as well as covert military threats or actions, not limited to nuclear infrastructure.
- Coercive financial and economic measures backed by threats of force.
- Diplomatic sanctions including attempts to expel or prevent the aspirant from joining any international institutions.

In the approximately one year period between his ascent to the Presidency and China's nuclear test, the evidence reviewed above clearly shows that covert and overt military actions against Communist China were seriously considered by President Johnson, and specifically because of concerns that it would restrain America in Vietnam and lead to further proliferation by China's neighbors and competitors. For the specific question of whether or not to try and prevent a Chinese nuclear test by military means, a combination of doubts about the effectiveness of military action and the political risks that such unilateral action would entail resulted in the Johnson Administration abjuring military action against China. [62] The administration also continued its strict China trade embargo,

[61] This (uniquely at this stage) American attitude was exemplified by Chester Bowles, Kennedy's Special Representative for Asian affairs, who argued that even minimal humanitarian trade with China should be predicated on Chinese behavior in Taiwan, Korea and other areas. This attitude was unchanged until the last years of the Johnson administration. See Foot, Rosemary (1995, pp. 72-74).

[62] McGeorge Bundy, Memorandum for the Record, 09/15/1964. Bundy specifically says that unilateral action would be "unprovoked" and not favored. He still leaves open the possibility of joint action with the

even though it had limited utility against China. China's membership in the United Nations also continued to be blocked by the United States, which still recognized the Nationalist government in Taiwan as the true Chinese government. In the long-term however, negotiations toward the Nuclear Non-Proliferation Treaty, as well as a host of other factors, such as the stalemate in the Vietnam War, increasing European rapprochement with China and the Sino-Soviet split entered the strategic calculus of the Johnson Administration vis-à-vis the China's nuclear weapon capabilities. I explore this topic in depth in the next section.

2.6.2 Janus Faced? Explaining post-Nuclear American Policy towards the Chinese nuclear program

Following China's nuclear test on October 16, 1964, President Johnson established a Committee on Nuclear Proliferation chaired by Roswell Gilpatric, the recently retired Deputy Secretary of Defense. This Committee (which I shall refer to as the Gilpatric Committee in the following sections) was tasked with formulating a proposal to limit or eliminate the further spread of nuclear weapons. The Johnson Administration's China policy in the months and years following the Chinese nuclear test is also to a large extent the story of the construction of an America policy towards nuclear proliferation. The entrance of a hostile new power into the league of nuclear weapon states forced the United States to examine what its long-term approach to nuclear proliferation should be. In my examination of documents from the Gilpatric Committee's deliberations and those from the National Security Files of the Johnson Administrations, the tensions between the imperative of preventing further proliferation and creating a policy tailored to America's changing relationship with China are evidently clear. I find a

---

Soviets in the future, if that country was "interested", though it is clear from other accounts that the Soviets weren't very keen on the idea. Source: Lyndon Johnson Presidential Library archives via National Security Archive.

widening difference between the status-quo American policy of actively rolling back China's nuclear program and forward looking policy goals of stabilizing the spread of nuclear weapons and dealing with the reality of China's rise in Asia.

The Chinese nuclear test did not result in any significant change in America's public posture as far as the acceptability of China's nuclear weapon status went. Having been unsuccessful in stopping the Chinese test, the Administration tried to minimize its importance publicly, as President Johnson did in his first public comments about the test.[63] However, there was deep disquiet within the Administration and in Congress over this event. The Chinese nuclear test in October 1964 occurred as America's involvement in Vietnam was deepening. One of the key worries for officials in the Johnson Administration was that a nuclear China would be seen by American allies in South Vietnam and around Asia as a deterrent to further American involvement in the region. Operation "Rolling Thunder", the intensified American campaign in early 1965, was in many ways a response to such fears.[64] On the domestic front, the Administration faced pressure from Congress and the media to respond forcefully to the Chinese nuclear test[65]. Within the Administration too, hawkish voices continued to agitate about the dangers of China's nuclear weapons for American interests in Vietnam and held out the possibility of using future Chinese actions, such as a violation of the Partial Test Ban Treaty (of which China was not a signatory) to attack and destroy Chinese nuclear facilities.[66] While

---

[63] Johnson called this a "tragedy" and dismissed the Chinese bomb as a crude weapon. (See Seymour Topping, The New York Times, 10/16/1964).

[64] See Gavin, Francis, "Nuclear Statecraft. History and Strategy in America's Atomic Age", Cornell Studies in Security Affairs, 2012, p.75, for an example of the pressures faced by the Johnson administration to show its commitment to Vietnam and Asia in general following the Chinese nuclear test.

[65] Chang, Gordon, ibid. pp. 228 for an example of pressure from influential conservative commentators such as William Buckley of the 'National Review' to take military action to "liquidate" China's nuclear weapon capability.

[66] Committee on Nuclear Proliferation, Box 2, Folder 1, Problem 3, page 2, Packages and Problems, "Chicom capability elimination". Source: Lyndon Johnson Presidential Library.

the hawkish posture adopted by Congress towards China put pressure on Johnson, the absence of significant economic ties between the U.S. and China left the Congress without meaningful tools by which to make its influence felt.

This was the backdrop for the formation of the Gilpatric Committee in late October 1964. Its mission was to recommend an overarching policy for the United States to deal with nuclear proliferation as well as to provide recommendations on dealing with the nuclear programs of individual states such as China. While tasked with coming up with a recommendation for America's counter-proliferation strategy, the Gilpatric committee's brief was not limited to necessarily providing a recommendation on stopping proliferation, but rather, was to also provide options that could include *providing* states such as India with nuclear weapons to balance against China.[67] Several of the committee's deliberations hinted at a more conciliatory stance towards China than the Administration publicly allowed. For example, even though the public posture of the Administration was unyielding in its opposition to China's nuclear weapon status, Committee principals, including long-time Administration insiders such as John McLoy and Allen Dulles, discussed the possibility of a détente with China as a means of bringing it into the emerging non-proliferation framework and prevent further proliferation[68]. Indeed, one of the main concerns of the Committee was that China would use its influence to dissuade other states from signing onto a global non-proliferation treaty.[69] These inklings of an opening went further than the public American policy of having an

[67] Defense Secretary McNamara specifically requested the Gilpatric Committee to reconsider the assumption that its task was to recommend 'non-proliferation' options as opposed to 'counter-proliferation' options that may include enabling allies of the United States to obtain nuclear weapons. Source: Committee on Nuclear Proliferation Box. 6, Folder 8, "Memorandum for the Chairman, by John McLoy.

[68] Notes of McLoy, Dulles meeting, 12/13/1964, Committee on Nuclear Proliferation, Box 1, Folder 2, Lyndon Johnson Presidential Library Archives.

[69] Committee on Nuclear Proliferation, Box 1, Folder 2, Unsigned working paper, Lyndon Johnson Presidential Library.

'Open-Door' to China[70]. Historians have noted that the Committee evaluated at least four different counter-proliferation options ranging from an aggressive policy of rolling back proliferation (using military means against countries like China if necessary) [71], to a policy of proliferating weapons to friendly powers such as India and Israel[72]. The tone and tenor of the Committee's actual deliberations indicate however that an intermediate policy of collaborating with the Soviet Union to develop a global non-proliferation treaty was one that found favor from the beginning of the discussions[73]. This is not to discount the fact that there were still hawkish voices arguing for a punitive response to China, both to prevent it from developing a nuclear weapon capability as well as to send a signal to other potential proliferators. However, these recommendations stayed out of the final report made to President Johnson[74]. When it delivered its recommendations in January 1965, the Gilpatric Committee eventually came to the conclusion that even though China may not initially accede to a Non-Proliferation Treaty, the best course of option it could

[70] Johnson Advisor Roger Hilsman made the famous "Open Door" speech in San Francisco in December 1964, following the Chinese nuclear tests. In practice, the Open Door policy was not much more than a weak attempt to keep open a channel for dialog with China. Hilsman himself argued in an interview that it was an opportunity wasted by President Johnson. Source: National Security Archive. George Washington University.

[71] Final report of the Committee on Nuclear Proliferation, Box 15, Lyndon Johnson Presidential Library Archives

[72] This was Option 1, where the U.S. would essentially cede the anti-communist leadership in Asia to India and allied nations by helping them develop nuclear weapons. See Gavin, Francis, "Blast from the Past", Source: International Security, Vol. 29, No. 3 (Winter, 2004/2005), pp. 100-135

[73] Notwithstanding the fact that the committee religiously developed a number of policy options, including ones that would have encouraged proliferation by friendly powers, the dominant theme of the committee's deliberations was one couched in the idea of discouraging *further* proliferation, even if it meant coopting China. An example is a letter from Chairman Gilpatric to fellow committee members Dean, McLoy and Watson where he argues that "U.S. policy should be to discourage all states from nuclear proliferation. (No) exceptions." Source: Committee on Nuclear Proliferation, Box 1, Folder 2, Document 5a. Lyndon Johnson Presidential Library Archives.

[74] This alludes to the hawkish memo from G.W. Rathjens of the ACDA, cited previously, which did not make it into the final committee report.

recommend was one centered on a global treaty based non-proliferation regime, with the possibility and even necessity of China acquiescing at some point in the future.[75]

It would however take until the end of the Johnson Administration for the White House to come around to that view. Within the circle of Johnson's advisors, China's nuclear weapon capabilities were increasingly seen through the prism of the conflict in Vietnam, as we have seen previously. While suggestions to liberalize ties with China mostly came from career officials, the inner circle of Johnson's advisors still hewed to a hard line. Throughout 1965 and 1966, the relationship with China was therefore still one of high Strategic Liability from an American perspective. The increasing support from the Chinese side for the North Vietnamese was a primary factor, with officials constantly updating plans to attack China and its nuclear facilities to deal with contingencies in Vietnam. Proliferation worries due to the 'China effect' were another factor, with concerns about India, France and even West Germany[76] coming to the fore, as the U.S. sticking to a policy of circumscribing China's ambitions. Administration officials worried that West Germany would see the Chinese nuclear tests (and perceived American reluctance to stop them) as a permissive signal for its own nuclear program. Alongside these factors, Regime instability was another major concern as the Chinese Cultural revolution that started in 1966 threw large parts of the country into chaos and led many to question whether there was anyone on the Chinese side that the Johnson Administration

---

[75] The report is quite explicit about the need for an opening to China. It says that *"(the Committee) believe it will prove difficult over the long term either to halt nuclear proliferation or obtain worldwide peace and stability until China has joined the society of nations and is willing to participate responsibly in arms control measures. In view of the complexity and difficulty of the problem, we recommend that the Government undertake a major high-level reexamination of our policies toward China."* Source: Committee on Nuclear Proliferation, Box 15. Lyndon Johnson Presidential Library.

[76] Discussed as a possibility in a meeting between Gilpatric, McLoy and Dean. Source: Committee on Nuclear Proliferation, Box 1, Folder 2, 12/09/1964. Lyndon Johnson Presidential Library Archives.

could work with[77]. Finally, even as the Sino-Soviet split sharpened, a period of relative détente with the Soviet Union following the Cuban missile crisis of 1962 meant that the Johnson Administration still viewed the gap between the two states as a wedge to use against the Chinese. Throughout the major part of the Johnson Administration, these concerns manifested themselves in the form of public hostility to China's nuclear ambitions, a campaign to deny it admission to international bodies such as the United Nations and restricting trade between it and America's European partners. America also allowed the Nationalist Government of Taiwan to at least entertain ambitions of conducting military operations against the Mainland and its nuclear facilities with American help, even as the U.S. evaded any concrete military actions.[78]

The discussion so far paints a portrait of a relatively uncompromising policy of Active Rollback followed by the Johnson Administration against the Chinese nuclear program due to concerns about Strategic Liability. However, there was another opposing dynamic to this issue which played out primarily in debates within the Administration and led to discreet but intermittent conciliatory signals emanating from the Johnson Administration to China. It may be tempting to brush off these signals as inconsequential based on the public record of hostility and the escalating shadow war between the U.S. and China in Vietnam. In fact, with few exceptions (Goh, 2004), much of the scholarly

[77] Even administration officials who were otherwise in the vanguard of initiatives towards China, such as Alfred Jenkins, "China watcher" in the State Department under Secretary of State Dean Rusk, professed uncertainty about the possibility of reciprocal actions by the Chinese government, given the chaos enveloping it. Source: Jenkins, Alfred "Memorandum for Mr. Rostow", 08/20/1967, National Security File, Country File, "China", Box 241, Lyndon B. Johnson Presidential Library Archives.

[78] Throughout the major part of the Johnson Administration, Republic of Taiwan emissaries would present and discuss detailed plans for attacking Communist targets on the mainland to White House officials. Source: National Security Files, Country Files, China, Boxes 241, 243, multiple Memoranda of meetings between White House officials and Taiwanese government leaders such as Chiang Ching-kuo, son of the Taiwanese leader.

work cited above does just that. However, I believe that this duality is important not for what it did not prevent, but for the fact that this back-channel of moderation may have been the basis for the eventual de jure recognition of China's nuclear weapon status by the U.S. (by virtue of the American ratification of the NPT), the foundation it laid for the Nixon opening to China and ultimately, America's strategic acquiescence with China's nuclear program in the form of the Sino-U.S. nuclear cooperation agreement under President Reagan.

The origins of this dual-natured policy can be traced back to the realization in the Gilpatric Committee that a global non-proliferation agreement could only work with at least the tacit acquiescence of China. An illustration of this dichotomy was the fact that an early internal administration draft of the NPT listed China as a recognized nuclear power even though the same draft was edited to remove any mention of China when it was shared with Soviet delegates.[79] Even as the United States developed military contingency plans to deal with the expanding Chinese involvement in Vietnam, it opened preliminary discussions with Chinese diplomats in Warsaw and worked to delicately convey to General Chiang Kai-Shek's Nationalist government in Taiwan that it was not really interested in doing much more than listening to its plans for invading China.[80] During the throes of the Cultural Revolution, America maintained an 'Open-Door' policy towards China, and started to signal that it could offer a new relationship with the

[79] Discussions regarding the problem of Chinese non-adherence to the NPT appear to accept the nuclear weapon status of China. The tone appears to indicate that if and when China signs the NPT (perhaps on developing more friendly relations with the U.S. Draft NPT document explicitly refers to "People's Republic of China" as a "Nuclear Party". This version was not shown to the USSR. The version shown to the USSR omits mention of China. Source: Committee on Nuclear Proliferation, Box 2, Folder 1, Problem 3, Value and Feasibility of NPT, Report from ACDA. Lyndon Johnson Presidential Library Archives.

[80] The realization finally seems to have dawned on Taiwanese leaders in 1965, even as the Vietnam War expanded that the U.S. was no longer interested in the "overthrow" of the Communists on the mainland. See Taylor, Jay, "*The Generalissimo's Son: Chiang Ching-kuo and the Revolutions in China and Taiwan*", Harvard University Press, 2000, p. 273.

Chinese that could help them deal with an increasingly hostile Soviet Union.[81] Finally, the U.S. accepted China's nuclear weapon status in 1968, even if that was because it was forced into a decision by the imminent signing of the Nuclear Non-Proliferation treaty.

This duality presents an interesting challenge to my model. I predicted that the high degree of Strategic Liability would lead the U.S. to pursue an "Active Rollback" model, and it appears to have done so. However, the parallel but subdued tack of conciliation and a trend towards a "Weak Acceptance" of China's nuclear program needs to be explained, and I will argue that it can be by taking recourse to factors that are already present in my model. American policy towards China's nuclear program evolved during an exceptional period when the global nuclear non-proliferation framework was being negotiated. As such, the signing of the NPT was a singular event that influenced American policy towards China; an achievement for which Johnson was willing to sacrifice even his cherished Multilateral Force Initiative (MLF) that would have given West Germany and France a degree of joint ownership in a western nuclear force[82]. Given that getting the NPT into place would in theory have greatly reduced the Strategic Liability incurred by the United States, I argue that this structural change allowed the U.S. to become more amenable to accepting the Chinese nuclear program than it otherwise would have been. Essentially, the Johnson administration adopted a framework where a world-wide non-proliferation regime required the acceptance of a nuclear China.

---

[81] Memo from Alfred Jenkins, ibid. as well as a State Department memo on policy initiatives to China suggested the liberalization of trade and travel linkages. However, Secretary of State, Dean Rusk, a relative hardliner when it came to relations to China, continued to contradict his more moderate career subordinates by proposing a go-slow approach to China to avoid the appearance of caving to the Communists. Source: National Security File, Country File, China, Box 243, Memos 1 of 2. Vol. XII. Lyndon Johnson Presidential Library.

[82] The Gilpatric Committee came to that conclusion very quickly during its deliberations. See "Tentative thoughts on Nuclear Proliferation", NSF Committee on Nuclear Proliferation, Box 1, Folder 2, Doc. 5a, 12/4/1964. Lyndon Johnson Presidential Library.

This 'framing' of the issue had the added merit of tying China policy to the NPT, a treaty that won wide support in Congress[83]. This contributory effect is consistent with my overall causal framework. Another major factor that started the United States down the road of reconsidering policy towards China was the gradual realization that it could leverage the Sino-Soviet rivalry to eventually draw China closer to it and divide the Communist world. This 'Common Threat perception', which I have argued mitigates the Strategic Liability incurred by the United States, came to work to the advantage of the U.S.-China relationship. Lastly, as the Vietnam imbroglio deepened and the conflict there became increasingly unpopular domestically, there was a realization in the Johnson Administration that Chinese cooperation could help in the search for a solution there, further reducing the 'primary conflict' sub-variable's contribution to Strategic Rivalry.[84] This strategic discourse was bolstered by 'Revisionists'[85] within the Johnson administration who had long argued for increased engagement with China as a way of boosting reformers within the Chinese communist party. This group of officials, sympathetic to China's civilizational traditions and its quest to be recognized as a great power and authentic representative of the Chinese people, had long argued, with little success, for a policy of rapprochement towards the mainland[86]. However, the changing

[83] Ratification of the NPT was approved by the U.S. Senate by an overwhelming 83-15 margin.

[84] A "Long Range Study" conducted by a Johnson appointed committee proposed a plan for a "Partial détente" in relations with China to mitigate the Vietnam conflict. Source: National Security File, Country File, China, Box 245, pp. 95, Lyndon B. Johnson Presidential Library Archives. The U.S. also appears to have come to an understanding with China on certain red lines (to use contemporary terminology) in Vietnam to prevent direct conflict between the two.

[85] See Goh, Evelyn (2005, pp. 56) for an exposition on the role of 'Revisionist' officials such as Ed Rice, the U.S. Consul General in Hong Kong, who argued for a relaxation in America's isolationist policy towards the Chinese leadership so as to bolster the reformers there.

[86] Goh (ibid. 57) argues that the Revisionists were helped by changing public attitudes towards China and Johnson's "toughness" in Vietnam policy, which helped him take a more conciliatory approach towards the Chinese. While these advocates of liberalization appear to have helped move forward the rapprochement process with China, the changes were extremely modest in practice. President Johnson articulated a modified policy of containment in July 1966, with a relaxation in sanctions on medical trade occurring in

geo-strategic circumstances in the latter part of the Johnson administration strengthened their hand.

From an economic perspective, though trade ties between the two states remained practically absent, though there was some liberalization in the trade of essential foodstuff and pharmaceuticals[87]. The widening trade ties between Europe and China led to pressure on America officials to relax trade sanctions against companies that operated in the U.S.[88] The beginnings of an economic thaw had been long advocated by a minority of Johnson administration staffers who viewed it as a means to strengthen reformers in China and move the Chinese away from a uniformly anti-American position. It was also one of the harbingers of future liberalization in ties[89]. Taken together, these disparate elements clearly indicate a Johnson Administration slowly moving to reconcile its policy towards China and its nuclear weapons with changing perceptions of Strategic Liability, in a manner consistent with my model. The unique exigency of needing to complete and ratify the Nuclear Non-Proliferation Treaty forced the Administration to acknowledge China's nuclear weapon status towards the end of the Johnson Administration in 1968. The possibility that the Sino-Soviet split could be leveraged to America's benefit and the

---

April 1967 (Foot, ibid. 74), when the Sino-Soviet split had hardened and the Vietnam War was becoming increasingly unpopular.

[87] Once again, James Thompson on Johnson's NSC Staff was at the forefront of this advocacy, arguing in an August 1966 memorandum for a relaxation in the trade embargo. This time, the administration appeared amenable to the change, with a "Long Range" study by the State and Defense Departments concurrently suggesting similar action. This resulted in Johnson's relaxation of pharmaceutical and medical trade with China. See Memorandum from James Thompson, August 4, 1966, Foreign Relations of the United States, 1964-68, Volume XXX China, Document 173 and Study prepared by the Special State-Defense Study Group, Foreign Relations of the United States, 1964–1968 Volume XXX, China, Document 161.

[88] See Rusk covering letter for State Department's China Policy options memo. Source: National Security File, Country File, China, Box 243, Memos 1 of 2. Vol. XII. Lyndon Johnson Presidential Library Archives.

[89] There were also hints of a split in the bipartisan domestic political coalition that favored a hard line towards China. Prominent Democrats such as Senator William Fulbright expressed opinions which suggested that a thaw in relations with China, if not imminent, was in both countries' best interest. See Lumbers, ibid. pp.76

looming necessity of ending the Vietnam War - which necessitated discussion, if not cooperation with China - provided additional impetus. However, a major change in the U.S.-China relationship would occur only during the Nixon Administration, with the Sino-Soviet border conflict forcing the U.S. to decide where it stood between the two Communist powers. The origins of this change can be traced back to tentative initiatives within the Johnson Administration that, even if they did not result in concrete policy changes during most of Johnson's term, certainly resulted in policy recommendations and discreet initiatives that were at variance with the public posture of the Administration, which was a policy of Active Rollback driven by perceptions of high Strategic Liability.

2.7 CONCLUSION

In summary, my model accurately predicts the nature of the Johnson Administration's policy response to China's nuclear weapons program[90]. The portrait is somewhat more complicated by the fact that in addition to its public posture of Active Rollback against the Chinese nuclear program, the administration followed a parallel track of moderation and compromise in the latter part of its term, tentative and ephemeral though it was. This presents a challenge to my model, but I have argued that this dynamic can be explained by singular events such as the necessity to conclude a nuclear non-

[90] Another example of Active Rollback is the case of South Africa in the dying days of the Apartheid regime. the United States under Presidents Reagan and Bush adopted a policy of 'Active Rollback' towards the South African nuclear program in the late 1980s as it became increasingly clear that the Apartheid government would have to cede power to an African National Congress regime, which was suspected to have Communist sympathies. With harsh economic sanctions already in place due to the South African government's race based discriminatory policies, the administration ratcheted up pressure on the South African government to abandon its nuclear weapons program. The heightened sense of Strategic Liability was as significant factor here, though the pre-existence of severe economic sanctions and the voluntary decision of the South African government to give up its nuclear weapons capability in 1989 makes the detection of a full basket of 'Active Rollback' measures difficult to accurately measure. See van Wyk, Martha S., "Sunset over Atomic Apartheid. United States-South African Nuclear Relations, 1983-91", *Cold War History*, Vol. 10, No. 1, February 2010, pp. 51-79

proliferation agreement. Further, the effects of events such as the signing of the NPT, which led to the United States' grudging concurrence with China's nuclear program and reduced the Strategic Liability incurred by America, are within the scope of my model's causal framework. In the next section, I examine other cases of High Strategic Liability and Low Commercial value to test the validity of my argument.

Chapter 3: Weak Acceptance

I posit that a combination of low Strategic Liability and low Commercial value between the United States and the nuclear aspirant state will lead to the United States adopting a policy of 'Weak Acceptance' or tolerance of the state's nuclear weaponization program. Fundamentally, I will show that the lack of significant strategic liability biases U.S. policy towards tolerating the aspirant's nuclear weapons program, while the absence of significant commercial linkages or 'commercial value' in the bilateral relationship hinders a full-fledged Acquiescence or support of the aspirant's nuclear industry. The end result is a 'Weak Acceptance' of the aspirant's nuclear program, where the U.S. does little in the way of directly or indirectly aiding the aspirant's nuclear ambitions, curbing any nuclear or strategic collaboration with it. Normative American preferences for non-proliferation persist, leading to limited sanctions against the nuclear aspirant. However, the lack of a significant strategic liability will mean that broader strategic and economic actions that could actually deter the state's nuclear weapon goals will remain unimplemented. It would appear that the lack of strategic liability and low commercial value would provide wide leeway to the Administration in choosing policy options. However, the U.S. has latent/baseline preferences for non-proliferation because of the inherent danger of nuclear weapons and the possibility - even in cases where liability is low - for the advent of a new nuclear power to send permissive signals to other states who may be more dangerous proliferators. This would imply that unless there are compelling reasons to embrace the nuclear capabilities of a state, the U.S. will retain a certain level of opposition. On the other hand, while the direct economic costs of imposing economic sanctions may be low in this quadrant, marshalling extensive sanctions can rupture the bilateral relationship with the nuclear aspirant imposes

compliance costs on both the U.S. and perhaps more importantly on U.S. allies that may have more extensive ties with the proliferating state This explains why the U.S. generally sticks with limited sanctions unless its strategic interests are threatened.

In this chapter, I analyze cases of nuclear aspirants whose relationship with the United States fall into the low Strategic Liability/ Low Commercial Ties quadrant. The major case that I test here is of India in 1974 when the United States under Presidents Nixon and Ford grappled with the question of how best to respond to that country's nuclear program and its 'Peaceful Nuclear Explosion' (PNE)[91] on May 18, 1974. Even though evidence indicates that India had intended the nuclear test as a technology demonstrator rather than as the starting point towards full-fledged weaponization, the archival record shows that the administrations of President Nixon and his successor, Gerald Ford, concluded that India had essentially developed and tested a nuclear weapon. I argue that the administrations of both of these Presidents, with essentially the same foreign policy team led by the powerful Henry Kissinger, virtually reconciled themselves to the idea that India would conduct further nuclear tests and become a nuclear weapon power. Importantly, their focus would be on making sure that India would not proliferate its nuclear know-how to other, less friendly powers. This specific difference between what the Indian government intended to do with the nuclear program after the PNE and what the United States concluded would happen is important because it speaks to the distinction between the actual policy intent of the nuclear aspirant and the *intent as perceived* by the United States. Since the scope of this dissertation is on the latter, the

[91] As a supporting or 'shadow' case, I briefly examine China in the same period when it was expanding its nuclear weapon capabilities, because of the parallels it offers to the Indian case from the standpoint of my independent variables - even though the specific circumstances of China were notably different from that of India during the same period.

Indian case is worth addressing and testing in detail. The decision by India twenty-eight years later to conduct nuclear tests and declare itself a nuclear weapons power in May 1998, and the ultimately limited American reaction then, offer parallels that support my argument. In the instance of the Indian PNE in 1974, I will show that the United States reacted mildly, imposing weak and limited sanctions against India. While restricting cooperation with the Indian nuclear program, the United States nevertheless focused on improving ties with India and refrained from taking any broad coercive economic or military measures to try and influence India's nuclear calculus. The Nixon and Ford administrations signaled tacit acceptance of an Indian nuclear weapons capability, even while remonstrating with India about the inadvisability of such an eventuality. I argue that structural conditions in the mid-1970s reduced the strategic liability that would otherwise have induced American administrations to pursue a more aggressive strategy towards India's nuclear program. On the commercial front, ties between the United States and India were extremely abridged, with the Indian economy oriented towards domestic 'self-sufficiency', limiting investment and trade ties between the two states. During this period, India was still a recipient of large amounts of aid from the United States, and deliberations in the U.S. Executive branch on matters related to the Indian economy were primarily centered on aid related programs, rather than on bilateral trade or investment issues. I argue that this lack of strong commercial incentives, or low commercial value, dampened any impetus for the Nixon and Ford administrations to embrace India's nuclear program, directly or indirectly. Instead, I argue, the U.S. policy remained one of 'Weak Acceptance' of India's de facto nuclear weapon capabilities. In this chapter, I first use archival material from the Nixon and Ford administrations to support the location of the U.S.-India relationship in the Low Strategic Liability / Low Commercial Value quadrant. Next, I use these archival sources and secondary material to show that the Executive

pursued policies towards India's nuclear program that were consistent with 'Weak Acceptance', as defined in Chapter 1, and did so for reasons of low strategic liability and commercial value. I will show that America's policy towards India in the crucial years leading up to the nuclear test in 1974 were significantly influenced by the policy preferences of actors in the White House, including President Nixon and his powerful National Security Advisor, later Secretary of State, Henry Kissinger. These preferences were often at odds with those of the bureaucracy and Congress. When the U.S. tilted towards Pakistan in the 1971 war, it was over the objections of the State Department and many members of Congress. Likewise, when India conducted its nuclear test in 1974, Kissinger was instrumental in fashioning a much more moderate response than that envisioned by non-proliferation advocates in the bureaucracy and in Congress. The unusual mid-term transition in administrations in August 1974 as a result of the resignation of President Nixon and his replacement by Gerald Ford meant that Secretary of State Henry Kissinger, trusted advisor to both, dominated American foreign policy towards India's nuclear program, allowing us to treat both administrations as essentially the same entity for the purposes of our analysis. While the majority of my emphasis will be on the American response to India's nuclear program in 1974, I will briefly examine the Clinton administration's response to India's nuclear test in 1998 which, I will argue, proceeded in very similar fashion to the Nixon-Ford administrations' in 1974, and was informed by both the original assessment of the Nixon-Ford administrations and many of the same set of considerations that those administrations took into account.

The following section details the background of the Indian case. Following that, using evidence from deliberations within the Nixon and Ford administrations, I construct the basis for classifying this as a case of low strategic liability and low commercial value.

Next, using evidence from the same sources, I test the validity of my hypothesis that the United States pursued a policy of Weak Acceptance towards the nuclear program of India in the mid-1970s. Finally, I briefly review contemporary evidence from 1998 to show that the U.S. under President Clinton adopted a similar policy of Weak Acceptance when India declared itself a nuclear weapon power, adopting tepid and short-lived sanctions, which were rolled back quickly for the most part as the Administration attempted to convince India to revert to its previous policy of maintaining an *undeclared* nuclear weapon capability.

3.1 BACKGROUND – NIXON, FORD AND INDIA'S NUCLEAR PROGRAM

The years leading up to India's 'Peaceful Nuclear Explosion (PNE)' in 1974 had seen some of the lowest points in the U.S.-India relationship. The 1971 India-Pakistan war which resulted in the creation of Bangladesh saw the U.S. 'tilt' towards Pakistan[92], a strategic maneuver that set back U.S.-India relations for most of the remainder of the Nixon administration. Part of the reason for this tilt was the importance of Pakistan to Nixon's attempts at reconciliation with China, for which Pakistan acted as a back-channel conduit. Though the conflict ended on India's terms, the American intervention in the form of uncritical support of the Pakistani position in international fora and the stationing of an American aircraft carrier off the Bay of Bengal weakened Washington's standing in India, a country which was viewed favorably by a significant portion of the American political elite in spite of its non-aligned status in the cold war. As India moved closer to the Soviet Union in the aftermath of the Bangladesh war, the U.S. set about mending fences with the Indian government led by Prime Minister Indira Gandhi. The relationship

[92] Kux, Dennis "*Estranged Democracies*", National Defense University Press, 1992, pp. 306. The tilt was driven in large part due to the perception by Richard Nixon of the Bangladesh crisis as a theater in the Cold War, whereas India perceived this as a South Asian conflict.

between the two countries was strained by Washington's sale of arms to Pakistan and India's continuing policy of non-alignment, which in practice placed it closer to the Soviet Union than to the United States when it came to conflicts between the two cold war superpowers. However, there was a perception that the Nixon administration had overly strained its ties with a fellow democracy. The American government had been a supporter of India's nuclear energy program, and continued to supply heavy water and fuel for India's research reactors even after India opted not to join the Nuclear Non-Proliferation Treaty, which had come into effect only a few years earlier. On the economic front, India was still dependent on American food aid, which, while greatly reduced from its peak in the 1960s, was still a significant factor in U.S.-India relations at a time when the 'Green revolution' that gave India self-sufficiency in food production had not yet taken place. Trade between the two countries was weak, with India embarking on a path of heavy state involvement in the economy and significantly curtailing foreign investment.

India's nuclear program had a long history going back to before independence from Great Britain. It had developed under the direct supervision of India's first Prime Minister Jawaharlal Nehru and had remained under total civilian control[93]. By 1966, incoming Prime Minister Indira Gandhi had inherited a nuclear program that was relatively well developed, with Indian scientists mastering many of the aspects of the nuclear fuel cycle. Unlike many other nuclear powers that had taken the leap towards weaponizing their nuclear programs, India continued to resist doing so. Further, India's history of non-violent agitation and perceived capacity for moral suasion added a unique

[93] Perkovich, George "*India's Nuclear Bomb*", University of California Press, 1999, pp. 33. India's nuclear program was, from the outset, controlled by the Prime Minister's Office, working directly with the leaders of India's nuclear program, such as its founder, Homi Bhabha.

moral dimension[94] which Indian Prime Ministers felt constrained by as they forswore a nuclear weapons program. Nevertheless, India's progress towards the ability to exercise the 'nuclear option' was something that American Presidents since at least Johnson paid close attention to. At the time the NPT was being negotiated, analysts and principals in the Johnson administration judged India to be the most likely state[95] to cross the nuclear threshold, because of its tense relationship with China and the lack of a security guarantee from either of the superpowers against Chinese aggression. The fact that India rejected the NPT as legitimizing an unfair division between the nuclear haves and have-nots, further led credence to this possibility.

This is the historical background against which I analyze the American response to India's first nuclear test. While there is a significant amount of literature on the long-term evolution of the U.S.' non-proliferation policy following India's PNE, relatively little analysis has been done on the aftermath of the test and the Nixon and Ford administrations' reaction to it, and their rationale for these policies. I focus my study on the strategic and economic aspects of the U.S.-India relationship in the periods prior to and following India's first nuclear test, and their bearing on American policy towards the Indian nuclear program. This analysis is complicated by the fact that the United States underwent an abrupt Presidential transition in the aftermath of India's nuclear test. However, this is mitigated by the fact that the Nixon's foreign policy apparatus led by the formidable Henry Kissinger, transferred over to the Ford administration. I look to

---

[94] Perkovich, George, ibid. pp. 34. India's legacy of non-violent protest dating back to the Independence struggle was a powerful factor, if not always a deciding one, in foreign and defense policy.

[95] "Problems of Nuclear Proliferation", working paper, Committee on Nuclear Proliferation (Gilpatric Committee), Box 1, Problem 2, Lyndon B. Johnson Presidential Library Archives. Also see "National Intelligence Estimate Number 4-2-64, "Prospects for a Proliferation of Nuclear Weapons Over the Next Decade"," October 21, 1964, History and Public Policy Program Digital Archive, CIA Mandatory Review Appeal. Obtained and contributed by William Burr.

evidence primarily from the Nixon and Ford archives, to establish whether (and how much) these Presidents and their advisors considered the Strategic Liability of India's nuclear program, and the Commercial Value of this relationship, as defined in Chapter 1, into account as they framed a response to India's nuclear test. I use this contemporary data to test my hypothesis that these two independent variables provided the causal framework for my posited policy response of 'Weak Acceptance' that was eventually adopted.

3.2 CODING U.S. PERCEPTIONS OF INDIA'S STRATEGIC LIABILITY– 1974

I operationalize the first of my two independent variables, Strategic Liability, by analyzing and coding each of its constituent sub-variables – Primary Conflict, Secondary Conflict, Regime Instability and Common threat perception. I have argued previously that an elevated level of Primary Conflict, Secondary Conflict or Regime Instability will result in a Coding of the Strategic Liability variable as 'High'.

Taking the first, **Primary Conflict** into consideration, the U.S. and India, though not cold-war allies, shared several commonalities that eased ties between the two. Both shared a tradition of democracy, the English language and the experience of British rule. India's non-violent transition from British rule and its (rare) example of a successful transition from colonialism to liberal democracy fascinated the American elite, and the Indian political and economic elites were equally enamored by America's technical advances and its status as the epicenter of intellectual and scientific creativity. Even during the low points of the Bangladesh war there was no serious suggestion that the U.S. would intervene militarily to aid Pakistan[96]. The decision by the Nixon administration to

[96] The closest the two states came to a confrontation was in the dying days of the Indo-Pakistan war over Bangladesh, when the U.S. sent an aircraft carrier to the Bay of Bengal, ostensibly to evacuate American personnel in East Pakistan, but interpreted in India as a threat, which was in line with Nixon and Kissinger's intent. See FRUS, 1969-1976, Volume E-7, Documents on South Asia, 1969-1972, Document

side with Pakistan in that conflict actually highlighted the support India had among the political elite in the U.S. There was a split between the administration on one side and much of Congress and the State Department bureaucracy; the latter two viewing the Indian position much more favorably[97]. I code the Primary Conflict variable as 'Low', to indicate the absence of a direct conflict between the United States and India.

Secondary Conflict – The secondary conflict sub-variable indicates the existence of an ongoing conflict between the nuclear aspirant and other states that had the potential to either develop nuclear weapons of their own or significantly enhance such a capability. At the beginning of 1974, India's primary geostrategic rivalries were with Pakistan and China. Of the two, Pakistan was a major ally of the U.S. and a catalyst in the U.S.-China rapprochement that had started with Kissinger and Nixon's visit to China in 1971. In fact, one of the reasons attributed for Nixon's siding with Pakistan in the 1971 conflict was to preserve the Pakistani back-channel to China.[98] By 1974 however, the relationship with China had matured enough to obviate the need for an intermediary, reducing one incentive to prioritize one state over the other. Further, India and Pakistan had signed the landmark Shimla Accord, which created a framework for bilateral negotiations to solve outstanding issues. While these developments mitigated the potential for an immediate

---

165, where Nixon and Kissinger discuss the plan to send the U.S.S. Enterprise carrier battle group to the Bay of Bengal and encourage the Chinese in parallel to make threatening moves on the border with India – all towards getting India to slow down or stop advancing further into Pakistan.

97 The idea that the State Department Bureaucracy and Congress were much more sympathetic to India than merited was a recurrent theme of Nixon and Kissinger's discussions in 1971. Kissinger and Nixon raged against India and the fact that prominent Democrats such as Senator Edward Kennedy, and even their own Ambassador to India, Kenneth Keating were sympathetic to the Indian cause in the Bangladesh War. See FRUS, 1969-1976, Volume E-7, Documents on South Asia, 1969-1972, Document 150.

98 Pakistani President Yahya Khan was instrumental in facilitating the back-channel communications between the U.S. and China. This was one of the reasons that the U.S. was careful not to criticize Pakistani actions in East Pakistan (Bangladesh) in the run-up to the war with India. See Foreign Relations of the United States, 1969–1976, Volume E–13, Documents on China, 1969–1972, Document 1.

conflagration, which would have made any significant development in India's nuclear capabilities dangerous from Washington's perspective, there still remained the question of whether Pakistan would be provoked by an Indian nuclear test into starting its own. With the benefit of hindsight, it would appear evident that this would have been a major concern for the Nixon and Ford administrations, given Pakistan's security –centric preoccupations with India.[99] However, ex-post evidence from the archival record indicates that to the extent Nixon/Ford advisors were concerned about the impact of India's nuclear test on Pakistan, it tended to be a distant concern.[100] This is understandable when viewed from the standpoint of a contemporary observer. In 1974, Pakistan was a much diminished version of its former self, having lost about half its territory and a majority of its population to the newly created state of Bangladesh, a clear military defeat at the hands of its arch-enemy and facing a long decade of rebuilding. Washington played a major role in this rebuilding as a principal supplier of arms and ammunition to the country. As the principal international supporter of Pakistan, there was also a belief that the United States had the ability to influence a future Pakistani nuclear pursuit.[101] Therefore, one can postulate that for all of these reasons, the U.S. viewed the

---

[99] The American Embassy in Pakistan reported that Pakistan was requesting security guarantees from 'major powers' and a renewal of arms supplies from the U.S., following India's nuclear tests in May 1974. See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 167.

[100] The above mentioned Embassy cables from Pakistan were silent about the possibility that Pakistan might itself start a nuclear weapons program. This attitude was a piece with the assessment of the American strategic community. In a major CIA study on the prospects of further nuclear proliferation where each potential proliferator merited its own section, Pakistan was relegated to secondary status, with its nuclear capabilities deemed 'inferior to India' and 'limited', and a nuclear weapon capability deemed distant. See Special National Intelligence Estimate 4-1-74, "Prospects for Further Proliferation of Nuclear Weapons", August 23, 1074, History and Public Policy Program Digital Archive, Mandatory declassification review request; release by the CIA. Obtained and contributed by William Burr and included in NPIHP Research Update #4, pp. 36.

[101] It was a longstanding American perception that Pakistan's recourse to an Indian nuclear weapons capability would be to turn to the U.S. for psychological, material and political support with the implicit view that the U.S., as a provider of such assistance being in a position to shape the Pakistani reaction. This was the consensus view of the American intelligence community, going back to an Intelligence estimate

risk of India's nuclear test having an aggravating effect on Pakistan as a manageable one, mitigating the Secondary conflict effect.

The other major power on which India's nuclear test could have an effect was China. By 1974, Sino-American relations were advanced enough to a point, where even if not an ally, China was viewed by Nixon as a strategic counterweight to the Soviet Union and an important future trade partner. China was also the country with which India had fought a border war in 1962 and maintained frosty relations since. China had come to develop strong ties with Pakistan following that war. China's own nuclear program was, at that stage, significantly more advanced than India's. Having fought a brief border war with the U.S.S.R in 1969, the orientation of China's nuclear forces was towards a Soviet threat, rather than an Indian one, a factor recognized by actors in the Nixon administration[102]. While the United States had explicitly communicated to India that it would not be able to come to its aid in a conflict with China – unlike in the case of the 1962 border conflict – the chances of such a conflict had diminished by 1974. The decision by the Chinese not to intervene on the side of Pakistan, in spite of entreaties by Pakistani President Yahya Khan, solidified the impression that China was not interested in renewed Sino-Indian confrontation. Given this constellation of factors, it was unlikely that an Indian nuclear test would lead to any major repercussion on the Chinese nuclear program – a judgment made by the United States as well. The saliency of the Secondary conflict variable in my framework is that if elevated, it creates the potential for nuclear proliferation in states that are involved in an ongoing conflict with the aspirant, which in

---

prepared in August 1972, when Pakistan was still recovering from the Bangladesh conflict. "Special National Intelligence Estimate 31-72, "Indian Nuclear Developments and their Likely Implications"," August 03, 1972, Foreign Relations of the United States, 1969-1976 Volume E-7, Documents on South Asia, 1969-1972, Document 298, pp. 11.

[102] The U.S. judged that China would "...feel little concern about Indian nuclear developments…" because its margin of superiority over India's capabilities would be overwhelming and its principal concern would be the USSR, not India. Ibid. 11.

turn aggravates the strategic liability of the United States. As the above analysis shows, 'hot' conflicts between India and Pakistan on one hand, and India and China on the other had cooled down, with hints of rapprochement in the former case. I argue that this mitigated the secondary conflict effect, which I code as 'Low' for this case.

Regime Instability: The third component of Strategic Liability is Regime Instability. My model postulates that if the U.S. perceives the regime of the nuclear aspirant to be unstable and at risk of collapse this aggravates its strategic liability because of the perceived risk that the nuclear weapons of the aspirant state fall into the hands of 'bad actors'. In the Indian case however, the fact that the nuclear program was under the complete control[103] of the civilian leadership of a stable democracy, to a level unprecedented in other states, meant that this was not a substantive factor. Even as India was rocked by famine and political unrest through 1974, the possibility that there would be a fundamental change in the integrity of India's nuclear program was considered remote.[104] Therefore, I code Regime instability 'low'.

Common Threat perception: The final component of strategic liability is a 'Common Threat Perception'. In contrast to the previous three components, the existence of a common threat is a mitigating factor in strategic liability, because it creates the basis for the U.S. to leverage the military capabilities of the nuclear aspirant - which would presumably be fortified by the addition of a nuclear element- against the common threat. In the Indian case however, the post-1971 removal of China from the list of American

[103] One of the unique features of India's nuclear explosive program was the limited role of the military. Indeed, the military services were rarely consulted about the usefulness or otherwise of a nuclear weapon capability in the years leading up to the 1974 PNE. See Perkovich, pp. 177. Ibid.

[104] Even while painting a gloomy picture of India's economic and political prospects for the next decade, a CIA analysis of India's long-term prospects released in June 1974 did not posit any scenarios where India's nuclear weapons would present a danger to its neighbors or countries beyond South Asia. See Foreign Relations of the United States, 1969-1976 Volume E-8, Documents on South Asia, 1973-1976, Document 165.

enemies meant that the only plausible common threat disappeared from America's strategic calculus. This was in stark contrast with the situation during the Johnson administration when administration officials contemplated the possibility of aiding the (potential) Indian nuclear weapons program as a hedge against the Chinese one. This reversal meant that that there was no real strategic imperative to actively encourage or even indirectly assist India's nuclear program in 1974. I therefore code the Common threat perception sub-variable 'low'.

In sum, the three main aggravating components of strategic liability – Primary conflict, secondary conflict and regime instability – are all coded 'low', which indicates that the Strategic liability of India's nuclear program to the U.S. in 1974 was 'low'. The common threat perception is low, which meant that even in the absence of significant strategic liability, there was no impetus for the United States to embrace India's nuclear program.

3.3 CODING COMMERCIAL VALUE IN THE U.S.-INDIA RELATIONSHIP- 1974

While united in their form of government, India and the United States in 1974 followed extremely divergent economic strategies. Whereas the U.S. was and continues to be the leading capitalist state in the world, in the 1970s, India was embarking on a program of nationalization that increased the already significant socialist orientation of the economy. Already anemic foreign investment was curtailed as a result and this meant that there was very little in the way of an India trade lobby in the United States[105]. American allies such as Great Britain, whose companies had engaged in business in India

---

105 Kissinger's view was that with India, "…the economics are not so fruitful". This was also the view of other officials in the State Department who were part of the India Joint Commission tasked with improving economic, cultural and scientific ties. See 'Foreign Relations of the United States', 1969–1976. Volume E–8, Documents on South Asia, 1973–1976, Document 186.

during colonial rule, were significantly more invested in an economic relationship with the latter[106]. Starting with the PL-480 program under Lyndon Johnson, the United States had been a major donor of food-aid and other development assistance to India, and this continued under Nixon. Discussions on India related economic policies in the Nixon and Ford administrations centered on the topics of aid and food technology assistance rather than access to markets or export/import policy.[107] There was a modest amount of government to government arms sales to India, which was controversial due to the U.S. insistence on an 'even-handed' approach of simultaneously selling weapons to Pakistan[108]. Consequently, commercial ties between the two states were anemic, with no Indian 'trade lobby' in Congress or elsewhere. This lack of significant commercial ties implies that the Commercial value of the U.S.-India relationship in 1974 can be coded 'low'.

In summary, the U.S.-India relationship at the time of India's nuclear test in 1974 was clearly in the Low Strategic Liability/ Low Commercial Value quadrant. The state most affected by India's nuclear test, Pakistan, was judged too weak to pursue a serious

---

[106] India had a trade surplus with Britain in 1974, and this year also saw India and the European Economic Community (EEC) sign a Commercial Cooperation Agreement with heavy British support. This dramatically expanded trade between India and Europe, with Britain at the vanguard. See "*The European Union and India. Rhetoric or Meaningful Partnership*" Winand, Pascaline et al, Edward Elgar Publications, 2015, pp. 138, 343.

[107] Clear evidence of this can be seen from transcripts of conversations between Indian Ambassadors and the White House in 1974 where the primary economic topics discussed were aid and debt relief, with India expressing the desire to wean itself off aid from the West but still needing a significant amount in the short-term. See Memorandum of conversation between Secretary of State Henry Kissinger and Indian Ambassador T.N. Kaul, for an illustrative example. Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 172.

[108] While India and the U.S. attempted to keep relations on an upward trajectory, the resumption of arms sales to Pakistan in the aftermath of the Indian nuclear tests led to the cancelation of the visit of the Indian Foreign Minister. While India was viewed as the stronger power in South Asia militarily, its sclerotic economy meant that economic repercussions were a non-factor when the U.S. decided to take an 'even-handed' approach between India and Pakistan in the 1970s. 'Even-handedness' is evident in President Ford's memo authorizing the sale of arms to 'Pakistan and India'. See National Security Decision Memorandum 289, March 24, 1975, Gerald Ford Presidential Library, National Security Adviser Files, Presidential Country Files for South Asia, Box 27, Pakistan (5).

nuclear weapon program. There was no immediate danger of proliferation among the most likely candidates with a majority of the potential nuclear proliferators acceding to the NPT or in the process of doing so. These factors and the relatively placid relationship between the U.S. and India at this time meant that the perceived strategic liability for the United States due to India's nuclear program was low. The state directed orientation of India's economy meant that trade ties between the two states were limited resulting in the U.S. perceiving the commercial value of the relationship to be low.

3.4 THE EVIDENCE – DID THE UNITED STATES ADOPT A POLICY OF WEAK ACCEPTANCE TOWARDS INDIA'S NUCLEAR WEAPONS PROGRAM?

The Nixon and Ford administrations' policy towards India's nuclear program is the primary focus of this section. I will seek to answer the following question

- Did the U.S. follow a policy of weak acceptance towards India's nuclear program in the lead up to and in the aftermath of the 'Peaceful Nuclear Test' in 1974

I address the evidence starting with key events in the U.S.-India relationship under President Nixon. The Indian nuclear program was under heavy scrutiny by the United States at least since the time of Lyndon Johnson. A significant portion of the American debate around the finalization and ratification of the NPT was around the impact it would have on India, which had gone from being a staunch votary of international efforts to curb the development of nuclear weapons to a vocal critic of the NPT as a discriminatory device.[109] Johnson administration officials concluded that the lack of a credible security

[109] India's Foreign Minister M.C. Chagla framed India's long-standing position that the NPT should be non-discriminatory and was not acceptable to India in its current form during debates in the Indian Parliament at the time of the NPT's ratification in 1968. See "Rajya Sabha Q&A on the India's Objectives Regarding the Nuclear Non-Proliferation of Nuclear Weapons," May 30, 1967, History and Public Policy Program Digital Archive, Institute for Defence Studies and Analyses (ISDA), Rajya Sabha Q&A Documents. This continued to be India's position following the PNE in 1974.

guarantee to India against Chinese aggression made an Indian nuclear weapons program likely.[110] The fact that no such development occurred in the subsequent years of the Johnson administration allowed the issue to recede somewhat from the strategic discourse.

Significant interest in India's nuclear program among the American strategic and intelligence community picked up again following the India-Pakistan war over Bangladesh (East Pakistan) in December 1971. The war brought about a significant strategic realignment for India through its signing of the Treaty of Friendship and Mutual Cooperation with the Soviet Union, which enjoined the two states to 'consult', when one of them faced aggression.[111] The conflict set the tone of the relationship between the Nixon administration and India. As a leader in the non-aligned movement, India had a mercurial relationship with the United States characterized by clashes in international fora on issues such as the Vietnam war, and cooperation and military support (by the United States) during India's war with China in 1962. India's chief strategic rival at the time, Pakistan, had cast its lot with the United States in the Cold War, and was a member of the SEATO and CENTO military alliances against the Soviet Union. In spite of this, the U.S. had previously adopted an equidistant approach between the two states in prior conflicts. However, the 1971 conflict occurred at a time when the U.S. was approaching a rapprochement with China, and Pakistan was acting as the intermediary inn this effort. (The Indo-Soviet pact was seen by some scholars as a hedge against the de-commitment

[110] An NIE after the first Chinese nuclear test in 1964 concluded that India would be the only state to develop nuclear weapons in the next ten years. See "National Intelligence Estimate Number 4-2-64, "Prospects for a Proliferation of Nuclear Weapons Over the Next Decade"," October 21, 1964, History and Public Policy Program Digital Archive, CIA Mandatory Review Appeal. Obtained and contributed by William Burr.

[111] The treaty said that the two states would consult each other in the event of a crisis and would abstain from supporting a third party state against the other. See Kux, Dennis, pp. 295. Ibid.

of the U.S. to support India in any potential conflict with China[112]). This, and the increased U.S.-Soviet, Sino-Soviet competition for influence in Asia affected the strategic calculus for Nixon[113], who decided to prioritize the political unity of Pakistan over the humanitarian crisis in East Pakistan. A distinct chill descended on relations between India and the U.S. as the Nixon administration sided with Pakistan at the United Nations and cast India as the guilty party in the conflict. While the war ended on India's terms with the creation of Bangladesh, the split with the United States and the continuing tension with China increased the probability (as perceived by the American intelligence community), that India would exercise the nuclear option and conduct nuclear tests as a harbinger of weaponization. As a spate of classified intelligence analyses[114] debated the likelihood of Indian nuclear tests, Kissinger and Nixon appear to have ignored the possibility that India might become the next nuclear weapon power[115]. Remarkably, as

---

[112] Henry Kissinger is reported to have told the Indian ambassador to the United States that the United States would be unable to come to the aid of India in the event of a Chinese intervention in an India-Pakistan conflict, though Kissinger disputed this characterization after the end of the war, saying that this statement was limited to situations where India had initiated a conflict, which given that there was disagreement between India and the U.S as to who had 'initiated' the Bangladesh conflict, was probably not a reassuring clarification. See Foreign Relations of the United States, 1969–1976, Volume E–7, Documents on South Asia, 1969–1972, Document 225 for Kissinger's conversation with Indian Ambassador Jha on this topic.

[113] Nixon and Kissinger perceived the crisis between India and Pakistan over East Pakistan (Bangladesh) as another theater in the Cold War, going as far as discussing the cancelation of Strategic Arms Limitations Talks (SALT) with the Soviet Union if it did not 'restrain' India, even though there was little evidence to suggest that the crisis was instigated by the USSR or that it played a role in restraining India strategically once the conflict broke out. See Foreign Relations of the United States, 1969–1976Volume E–7, Documents on South Asia, 1969–1972, Document 166 for Nixon and Kissinger's discussions on this subject.

[114] Following the Bangladesh war, the U.S. State Department's Intelligence estimate concluded that there was a strong possibility of India going nuclear. This was followed by other reports that speculated about the possibility and timing of an Indian nuclear test. See "State Department Bureau of Intelligence and Research Intelligence Note, 'India to Go Nuclear?' January 14, 1972, History and Public Policy Program Digital Archive, National Archives, Record, Group 59, SN 70-73, Def. 18-8 India. Obtained and contributed by William Burr and included in NPIHP, Research Update #4.

[115] Kissinger requested that Nixon order a National Intelligence Estimate on India's potential nuclear weapon program, but there was no recorded discussion between Kissinger, Nixon or any of their Indian counterparts, See "Henry Kissinger to President Nixon, "Proposed NSSM on the Implications of an Indian Nuclear Test," with cover memorandum from Richard T. Kennedy," July 04, 1972, History and Public

these alleged Indian preparations for a nuclear test were underway in 1972-73, the U.S. set about repairing its ties with India, with Kissinger and Nixon resuming high-level engagements with India and appointing a 'pro-India' liberal Democrat, Daniel Patrick Moynihan to the post of Ambassador to India. Moynihan proved to be a moderating influence on Nixon's India policy, and was at the helm at the American embassy in New Delhi during India's nuclear tests in May 1974. Moynihan was instrumental in resolving the question of Indian debt repayments that had stymied efforts to move relations between the two states beyond a donor-recipient status[116]. Several scholars have argued that the subject of nuclear proliferation was in itself not a significant priority for the Nixon administration, due to which India's nuclear program did not merit much attention.[117] However, the Nixon administration and Secretary of State Henry Kissinger in particular were not blind to the strategic implications of nuclear weapons, having discussed their utility extensively as scholars have shown[118], which implies that if they underplayed India's developing nuclear weapon capability, it was not simply because of indifference to the possibilities of such an eventuality. Concerns within the U.S. State Department that India would test nuclear weapons diminished in 1973 as the two countries worked to resolve major stumbling blocks in their relationship, such as Indian

---

Policy Program, Digital Archive, Nixon Presidential Library, National Security Council Institutional Files, box H-192, NSSM-156. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

116 Nixon's appointment of Senator Moynihan, a fierce critic of American policy towards India during the Bangladesh war, as Ambassador to India in January 1973 could not but have been seen by India as a signal of rapprochement following the tumult of 1971. Moynihan convinced Nixon to settle the question of U.S. owned Indian currency debt repayments on terms that were favorable to India. See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 154.

117 Burr, Aaron, *National Security Archive Electronic Briefing Book No. 367*.

118 Nixon's attitude towards nuclear weapons seems to have been his willingness to treat them like any other 'regular' weapon of war insofar as his willingness to contemplate using them. See Gavin, Francis J, "Nuclear Nixon" in *'Nuclear Statecraft: History and Strategy in America's Atomic Age'*, Cornell University Press, 2012, pp. 116.

repayment of debt to the United States and American arms sales to Pakistan. Despite the early predictions of a nuclear test by India in the aftermath of the 1971 war with Pakistan, the issue had gradually receded from the American intelligence community's view too as relations between the two states gradually warmed. The extent of its unimportance can be gauged by the fact that the nuclear issue was not brought up[119] in a wide ranging meeting in April 1974 - just a month prior to the nuclear test - between the Indian Foreign Minister and Henry Kissinger, who had by then become the Secretary of State in a Nixon administration weakened by the Watergate scandal.

The May 18, 1974 'Peaceful Nuclear Test' or PNE conducted in the Pokhran region of Thar Desert of Rajasthan caught the United States by surprise. Informed about the nuclear test by India, one of the first actions of the U.S. was to convey its understanding that there was no distinguishing a peaceful nuclear test from the test of a nuclear weapon, [120] illustrating that the Nixon administration viewed this as the start of an Indian weapons test program. However, in an intervention from Damascus that set the stage for the subsequent American response to India's nuclear program, Kissinger personally modified the initially strong State Department response to the test, substituting it for a milder version[121]. While other countries such as Canada, which had supplied the

---

119 Conversation between Kissinger and Indian Foreign Minister Swaran Singh on April 15, 1974. See Foreign Relations of the United States, 1969–1976.Volume E–8, Documents on South Asia, 1973–1976, Document 160.

120 This was the response of U.S. Charge d 'affairs in the American Embassy in New Delhi Schneider to Indian Foreign Secretary Kewal Singh when informed of the nuclear test. Telegram 6591- From the Embassy in India to the Department of State and the Embassy in the United Kingdom, May 18, 1974. See Foreign Relations of the United States, 1969–1976. Volume E–8, Documents on South Asia, 1973–1976, Document 161.

[121] See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 162 for Under Secretary of State Rush's order to adopt a low-key response based on Kissinger's intervention

reactor from which the plutonium used in the test was produced, reacted much more harshly to the test, the United States, which also supplied the heavy water used in the very same reactor, restricted its rebuke to more general concerns about the effects of the Indian nuclear test to global non-proliferation efforts. Indeed, in the months following the Indian PNE the United States policy appeared to treat the Indian nuclear weapon program as a fait accompli. In the turmoil that followed the Watergate scandal and Nixon's exit from the White House, Henry Kissinger was the face and power behind both the incoming and outgoing administrations' foreign policy operations. In his meetings with Indian officials following the nuclear tests, he essentially conceded the point that India's nuclear weapon capability could not be undone and that the U.S. was more interested in making sure that further proliferation did not occur[122]. He went so far as to assure Indian officials directly that it would be treated as a nuclear (weapon) power in upcoming negotiations on non-proliferation[123]. In public however, there were no hints that it was prepared to accept an India with nuclear weapons. While the Executive branch adopted a somewhat accommodative policy towards India, there was a furious reaction in the American Congress, with non-proliferation advocates pressing for sanctions against India. One concrete example of this divergence between the Executive and Congress was the 'Long' amendment, which passed Congress and mandated that the U.S. vote against any development aid to India from the World Bank. Ultimately however, the administration (now under President Ford after Nixon's resignation) was able to mitigate

122 Meeting the Indian Foreign Secretary in August 1974 after the Indian nuclear test, the first high level engagement on U.S. soil, Kissinger said that the U.S. would be treating India as a nuclear (weapon) power while discussing nuclear proliferation with other states on a general proliferation policy. He suggested a 'private conversation' to discuss means of preventing further proliferation (by India) to third parties. See 'Foreign Relations of the United States', 1969-1976 Volume E-8, Documents on South Asia, 1973-1976, Document 171.

123 Kissinger specifically said that in his "…discussions with other countries on this, India would be treated as a nuclear power." Ibid.

the effects of this mandate by ensuring that the effects of the American vote at the World Bank remained symbolic rather than substantial[124]. The U.S. attempted to keep relations with India on the mend in other ways, increasing aid assistance to India in the aftermath of the nuclear tests. All of the actions were consistent with an administration that appeared to tacitly accept the Indian nuclear program, regardless of the opposition among many in Congress.

The main sticking point in U.S. India relations following the PNE was a matter directly related to the nuclear test itself, and that was the supply of heavy water to the Tarapur nuclear power plant[125]. While this became a focus and target of non-proliferation activists in the United States, the U.S. continued to ship fuel to the plant, including in the months immediately following the nuclear test, with an agreement that India would only use the output for peaceful purposes. [126] However, the nuclear test would continue to hamper the supply of fuel to Tarapur, with deliveries held up or deferred[127] over disputes

---

124 One way the Ford Administration did this was by abstaining from voting when requests for India came up in the World Bank and IMF. It also did not lobby against India with other voting members. Both of these actions, specifically alluded to by Ford in his conversations with the Indian Foreign Minister, were part of the Administration's policy of soft-pedalling efforts to punish India's nuclear program. See Foreign Relations of the United States, 1969–1976. Volume E–8, Documents on South Asia, 1973–1976, Document 175.

125 When the Indian nuclear test was conducted, the U.S. had denied that the heavy water supplied by it to the plant was used or played a role in any way in the development of the nuclear device that was tested by India in May 1974. American fuel supply to Tarapur continued to be a source of contention throughout the Ford administration and was a campaign issue during the Presidential election, where Jimmy Carter argued that Ford had been too soft on India. There was greater opposition to India's nuclear program from Democrats than Republicans. See Kux, Dennis, ibid.

126 See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 172, for an aide memoire from India agreeing to this stipulation.

127 The question of whether India violated the terms of the India-U.S. agreement by using the processed fuel from Tarapur towards a 'peaceful' nuclear test was at the core of the disagreement. Later, the passage of the NNPA affected a ban on the supply of reactor fuel to states that had not signed the NPT. India protested that this was an illegal and retroactive violation of the India-U.S. agreement for Tarapur. See "Telegram No. 115, Embassy of Hungary in India to the Hungarian Foreign Ministry," May 17, 1978, History and Public Policy Program Digital Archive, Hungarian National Archives (Magyar Országos Levéltár, MOL). XIX-J-1-j India, 1978, 62. Doboz, 60-5, 003496/1978. Obtained and translated for NPIHP by Balazs Szalonta for an account of this argument based on conversation with the Chairman of India's Atomic Energy Commission, Homi Sethna

regarding its eventual use. Indeed, this episode displayed the divergent priorities of the Executive and Congress. The Nixon and Ford administrations viewed the issue of India's nuclear program as a fait accompli[128], and focused instead on repairing the relations damaged by the Bangladesh war. In Congress however, non-proliferation concerns were at the fore, leading to attempts to curtail any assistance to India. The Ford administration was able to resist this pressure in the interim, but fuel supply to Tarapur continued to remain a topic of controversy between the two states. Eventually, the U.S. under President Jimmy Carter would bar the supply of fuel to India in 1978 after the passage of the Nuclear Non-Proliferation Act, or NNPA, which prevented the supply of fuel or other nuclear related materials to states that had not accepted full-scope International Atomic Energy Agency (IAEA) safeguards. However, the U.S. and India were able to formalize an arrangement where France would take over the responsibility of supplying fuel to Tarapur, ensuring its continuing operation. Once again, this demonstrated the limits to American opposition towards to India's nuclear program.

I have postulated previously that when the U.S. is confronted with a nuclear weapon aspirant whose relationship with the United States falls under the Low Strategic Liability/ Low Commercial Ties variable, its policy towards the aspirant's nuclear weapons will devolve into one of 'Weak Acceptance'. The chief characteristics of this policy are an absence of any military coercion of the nuclear aspirant by the United States, and

- Limited Economic sanctions

[128] Kissinger told the visiting Pakistani Foreign Minister that, "We haven't said a great deal about the explosion. I'm strongly allergic to placing the full weight of American prestige against an accomplished fact." Source: Foreign Relations of the United States, 1969–1976Volume E–8, Documents on South Asia, 1973–1976, Document 166

- Non-cooperation with civilian nuclear and dual-use programs in an effort to cap further nuclear weapon development or stockpiles.
- Technology denial, especially in military and nuclear areas.

The evidence above clearly illustrates the existence of actions consistent with such a policy. Following the Indian PNE, the United States Congress passed a law mandating that the U.S. vote against aid programs to India in international organizations such as the World Bank, which was signed into law by President Ford. However, the effects of such a law were muted because the U.S. did not lobby with other states to pursue a similar policy – allowing its negative votes to be overridden. The supply of nuclear fuel to the Indian reactor in Tarapur, while not initially stopped, was disrupted significantly by the United States following of the test. While the Ford administration eventually cleared the sale of arms to India, the decision was primarily symbolic since Pakistan was the intended beneficiary of renewed arms sales (with India being included on the list for balance). The U.S. did not intend to sell sophisticated weaponry to India, again to maintain the balance of forces in South Asia[129]. All of these actions are consistent with a policy of a weak or grudging acceptance of India's nuclear weapon capability, which the U.S. assumed would inevitably lead to the production of nuclear weapons. The actions and sanctions demonstrated an American ambivalence towards India's nuclear program – worth some punitive measures directly affecting the nuclear and strategic efforts of the proliferator but not sufficiently threatening to the degree that actions damaging the wider relationship would be merited.

[129] President Ford's National Security Decision Memorandum specifically alluded to the need to maintain the defensive capabilities of India and Pakistan as justification for arms sales, but given that the sale of arms was primarily intended for Pakistan, this move was seen as an attempt to maintain Pakistan's security position with regard to India.

The reasons for the Indian government putting its nuclear weapons program on hold for several years following the PNE have been debated by several studies, with some of the more persuasive ones arguing that the reasons were primarily domestic, and having relatively little to do with the effects of the sanctions. In fact, scholars have argued that the test itself was a one-off event intended not with any broader strategic or long-term purpose in mind[130], but rather as a technology demonstrator intended to demonstrate India's capabilities and options. My analysis, however, does not attempt to address that question. Rather, my first question attempted to ascertain the nature of the policy the U.S. followed towards India's nuclear program in the PNE. The study above finds that the U.S. reached a grudging acceptance of India's nuclear weapons capability, characterized by limited efforts to curtail or slow future weapons development, while continuing to improve the overall bilateral relationship. The next section will explore the reasons that the U.S. adopted this policy of weak acceptance

3.4.1 The Indian PNE and a Weak American Acceptance – Low Liability and Limited commercial ties

In the previous section, we have seen that the Nixon and Ford administrations, in both internal deliberations as well as in engagements with Indian officials, appeared to accept the inevitability of India's entry into the club of nuclear weapon states, even in the face of protestations by Indian government officials that the nature of the test was 'peaceful' and the intent to develop nuclear weapons absent. Was the policy of weak acceptance due to perceptions of low strategic liability and low commercial value among principals in the Nixon/Ford administrations? This section interrogates the archival record to answer this question, and concludes that consistent with my hypothesis, low

[130] Perkovich, George, p. 177, quotes senior members of the Indian establishment to argue that the PNE was not a 'defense project' and that there were no military considerations attached to it. Ibid.

strategic liability and weak commercial value attributed to the relationship were indeed the primary reasons for the United States under Nixon and Ford adopting a policy of 'Weak Acceptance' of India's nuclear weapon capabilities.

Accounts from within the Nixon administration in the aftermath of the India-Pakistan conflict in 1971 show widespread concern at the bureaucratic level that India would move forward with nuclear weapon testing and development, though there was disagreement over the time-frame over which this would happen.[131] However, conversations between Nixon and Kissinger in the same time period about India barely touched on the nuclear question[132], even as it occupied the minds of several officials in the lower echelons of the administration. While scholars have speculated that a general disregard for the issue of nuclear proliferation may have contributed to this inattention, an important clue lies in a National Intelligence Estimate (NIE) commissioned by Kissinger in 1972 which argued that India's nuclear test in itself would not have a decisive policy impact on any of the other potential nuclear aspirants, which importantly from the report's perspective, did not include Pakistan.[133] Informed by input from several agencies

---

[131] While the American Ambassador to India was of the opinion that India would not test in the near-term, intelligence assessments from the State Department were of the opinion that a near term nuclear test was much more likely due to the strategic realignments of the Bangladesh War and America's rapprochement with China. See Foreign Relations of the United States, 1969–1976,Volume E–7, Documents on South Asia, 1969–1972, Document 211 for the Aerogram from Ambassador Keating and "State Department Bureau of Intelligence and Research Intelligence Note, 'India to Go Nuclear?'," January 14, 1972, History and Public Policy Program Digital Archive, National Archives, Record Group 59, SN 70-73, Def. 18-8 India. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

[132] Under Secretary of State William Nutter suggested in a memorandum to the Secretary of Defense in February 1972 that an Indian nuclear test would set off further proliferation and other far-ranging negative repercussions for the United States but the absence of any expressions of concerns by Kissinger or Nixon in conversations with Indian officials that year indicates that this was not shared by senior White House officials. See Foreign Relations of the United States, 1969–1976 Volume E–7, Documents on South Asia, 1969–1972, Document 222.

[133] Ironically, even as the American intelligence community raised the possibility of an Indian nuclear test due to idiosyncratic reasons specific to India, the very same uniqueness of the Indian situation appeared to be the reason that the Nixon administration was unconcerned about a general proliferation threat due to an Indian nuclear weapon capability. **The NIE summary argued that the strategic significance of India's nuclear test would be 'negligible'.** See "State Department Bureau of Intelligence and Research

and departments within the Nixon administration, the report argued that Pakistan – while provoked by India's nuclear test – was incapable of launching its own nuclear development program in the foreseeable future. This report, and a follow up to the NIE, argued that while China was the principal focus of India's nuclear program its advanced nuclear capabilities compared to India's meant that China would not be greatly alarmed by an Indian nuclear test[134]. This perspective, that essentially argued that India's nuclear program could be viewed in a type of strategic isolation, is in keeping with my hypothesis that the U.S. would perceive a significantly low level or strategic liability from an Indian nuclear program. There is no evidence in the archival record that the NIE analysis led to concerns being expressed by principals in the Nixon administration to their Indian interlocutors. Indeed, there appears to have been recognition by the administration as the tensions over Bangladesh receded, that India had emerged as a strategically important actor in South Asia following the 1971 conflict, and that the U.S. was loathe to cede further influence to the USSR by letting relations with India drift.[135]

This ambivalence towards India's (no longer theoretical) nuclear weapon capability carried over to the aftermath of the Indian nuclear explosion on May 18, 1974. The decision by Kissinger to 'tone down' the strong response to the PNE initially suggested by the State Department was indicative of this attitude.[136] It was also consistent

---

Intelligence Note, 'India to Go Nuclear?' January 14, 1972, History and Public Policy Program Digital Archive, National Archives, Record Group 59, SN 70-73, Def. 18-8 India. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

134 The NIE argued that notwithstanding the China specific focus of India's nuclear program, an Indian nuclear test would **"…**would cause China some concern, but we cannot foresee any major changes in Chinese policies that would ensue from such a development". Ibid.

135 Kissinger told the departing Indian Ambassador in January 1973, a year after the Bangladesh war that the U.S. "….recognize(d) India as a major power in South Asia..." These comments coincided with the appointment of a known India supporter and Democrat, Daniel Moynihan as the U.S. Ambassador in India with a view to improving ties between the two states. See Foreign Relations of the United States, 1969–1976 Volume E–8, Documents on South Asia, 1973–1976, Document 104.

136 Henry Kissinger intervened to remove critical language in the State Department's initial response to the Indian nuclear test. The intensity of the initial language did not match those of the wider intelligence

with the views of strategic analysts within the Nixon administration[137], who argued in a detailed memo in the months following the nuclear test that the two states with ongoing or open conflicts with India and therefore most affected by an Indian nuclear test, China and Pakistan, would, for very different reasons, abstain from destabilizing actions in the region. Undergirding the American approach was the perception of the American strategic community that India existed in 'Strategic Isolation' from other major geo-strategic conflicts[138]. Another factor that moderated the American response was the U.S. recognition of Prime Minister Indira Gandhi's government firm control over the nuclear program in the context of a stable democratic regime, which meant that the set of actors and their intentions were unlikely to change radically.[139] This lack of a strategic threat as perceived by administration officials influenced the decision of the Nixon White House to adopt a policy of passivity towards a potential Indian nuclear arsenal, as evidenced by Kissinger's decision to engage India primarily on the question of how India could help prevent *further* proliferation rather than on India's own nuclear weapon plans, which,

---

community or the White House itself, which tried to assuage the concerns of countries such as Pakistan that a nuclear India would be a threat to them, Ibid. See Foreign Relations of the United States, 1969–1976Volume E–8, Documents on South Asia, 1973–1976, Document 164 for President Ford's conversation with the Pakistani Defense Minister Ahmed where Ford tried to calm Pakistani fears about India's nuclear weapons.

[137] China's nuclear capability was judged far superior to India's and oriented against the USSR, whereas Pakistan was relegated to the category of states that were in no immediate danger of pursuing a serious nuclear program because of its limited capabilities. See "Special National Intelligence Estimate 4-1-74, "Prospects for Further Proliferation of Nuclear Weapons"," August 23, 1974, History and Public Policy Program Digital Archive, Mandatory declassification review request; release by the CIA. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

[138] A major long-range CIA study on India's prospects specifically argued that India's ability to influence geopolitics was limited with it being in an area "…considerably isolated in a strategic sense from the US, Western Europe, and Japan." This sense that the consequences of India's strategic moves would be limited to its immediate neighborhood, and of not much consequence provide further evidence that the Nixon and Ford administrations' perceived little strategic liability from India's actions. See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 165.

[139] While the CIA study on India's long-term prospects painted a dire economic and political picture, and visited several hypothetical scenarios of instability, there was no expression of concern about the fate of India's nuclear program. Ibid.

even in the face of an Indian disavowal of intent, was assumed by the U.S. to be a fait accompli[140].

I have postulated previously that a low degree of strategic liability from an aspirant state's nuclear program mitigates the possibility that the U.S. would strongly oppose such a program. My framework listed three sub-variables that contributed to the perception of strategic liability. I show here in the Indian PNE case that the probability that the aspirant's rivals would be provoked into nuclear arms race was diminished, the stability of the aspirant's regime was high and the aspirant (India) was not in conflict with the U.S. The preceding section shows that each of these variables played their hypothesized role in the formulation by the Nixon-Ford administrations of a policy of weak acceptance of India's nuclear weapon capability.

3.4.2 Economic irrelevance and American ambivalence

The structural considerations recounted in the previous section were but one aspect of the U.S.-Nixon relationship. I have postulated that while the perceived absence of strategic liability was crucial to the Nixon-Ford's acceptance of India's nuclear capability, the absence of strong commercial linkages limited this to an ambivalent or 'weak acceptance' that manifested itself in the form of limited punitive measures against India and a refusal to endorse India's status as a nuclear weapon capable power or support India's civilian nuclear program. In this section, I examine whether the evidence exists to support my claim that weak commercial ties was the causal factor behind this

[140] In his first direct conversation with Indian Prime Minister Indira Gandhi following India's nuclear test, Kissinger conveyed the American view that " …(the U.S.) not interested in recriminations but in how to prevent further proliferation." Kissinger said that he took India's promise not to develop nuclear weapons seriously, but it is clear from this encounter and his previous ones that what he was really after was an assurance that India would not pass on nuclear know-how to other potential proliferators. See Foreign Relations of the United States, 1969–1976 Volume E–8, Documents on South Asia, 1973–1976, Document 179.

ambivalence, and specifically, the reason behind the U.S. not adopting a whole-hearted approval of India's nuclear weapon capabilities..

As discussed previously, the U.S.-India economic relationship during the Nixon and Ford administrations was primarily a donor-recipient one. The United States was a major donor of food-grains and monetary assistance to India starting with the PL-480 program in the 1960s, with this dynamic accounting for the major portion of the bilateral economic relationship. The Bangladesh conflict resulted in a drastic curtailment of the aid flow, and the aftermath of the war saw the two states attempt to slowly revive a relationship that was damaged by the conflict.

The clearest evidence that the lack of a strong economic relationship between the United States and India in the 1970s stymied a stronger or strategic acceptance of India's nuclear ambitions is the diminished role economic considerations played in Nixon-Ford administration policy documents and internal deliberations[141]. The 1972 National Intelligence Estimate commissioned by Kissinger to gauge the strategic implications of Indian nuclear weapons program had no mention of any impact to the American economy from American economic sanctions on India that could result from an Indian nuclear program – with any potential damage limited to an aid shortfall induced risk to the Indian economy itself[142]. The implication of this was that in the absence of extensive trade ties between the two states -trade with India in this time-period accounted for a miniscule portion of overall U.S. trade, with India still more than twenty years away from being

[141] Henry Kissinger articulated this in his characterization of India as one among several underdeveloped countries (albeit the largest one) in his discussions with State Department officials

[142] In line with the primarily aid based relationship that existed between the U.S. and India in the early 1970s, the National Intelligence Estimate forecast a very limited economic impact from the imposition of punitive sanctions by the United States following an Indian nuclear test, and that impact was limited to Western aid programs which the Estimate judged would be tolerated by India. Remarkably, there was no mention of any trade related adverse effects, either to American companies or those of allied states. This speaks to the domestic orientation of India's economy in that period. Ibid.

among the top twenty trading partners of the U.S.[143] – there were no substantial U.S. trade or commercial interests at risk if the U.S. adopted a less than welcoming attitude towards India's nuclear program. This lack of commercial interest meant that structural considerations dominated American engagements with India, with principals within both the Nixon and Ford administrations continuing to argue for a 'balance' between American rapprochements towards India on one hand and relations with China and Pakistan on the other- the former of the two rivals to India starting to open up its markets to American entities, and the latter a bulwark for America against Soviet expansion in Central Asia. Indeed, trade related discussions between the India and the U.S. were omitted from much of the high-level dialogue between the two states, with the U.S. resigned to the prospect of continued Indian resistance to American investment[144]. At around the same time as India successfully tested its nuclear device, American policy-makers were painting a picture of India as a barely functioning anarchy, with an economy always teetering on the edge of collapse. This strengthened the narrative of India as an aid-dependent supplicant, even as the two countries struggled to broaden their relationship beyond aid and residual 'democratic' affinity[145]. The relegation of the

[143] By 2003, when the Indian economy had started its rapid growth and trade between the U.S. and India had grown sharply, India was still only the 24th largest export market and the 18th largest source of imports for the United States. Source: Congressional Research Service report on U.S.-India Trade Relations, 2003.

[144] Deputy Secretary of State Alfred Atherton summarized the American position succinctly during a discussion between American members of the U.S.-India Joint Commission and Henry Kissinger when he said that "The Indians have been objecting to foreign investment for a long time", in the context of general resignation towards the prospect of significant trade ties between the two states. Education and culture were the areas of promise with aid still the central component of economic ties between India and the U.S. See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 186.

[145] The idea that for two states that shared strong democratic traditions, relations were much more antagonistic than should have been the case was recognized by Principals in both India and the U.S. such as Henry Kissinger and Indian Ambassador Jha. This shared tradition of democracy may not have qualitatively affected disputes such as the one over Bangladesh and India's nuclear program, but was frequently cited by Principals both in the Administration and Congress as a reason for caution and moderation when estrangement was at its peak. See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 104

economic aspect of the relationship to irrelevance also meant that the possibility of pursuing commercial opportunities presented by India's purported desire to expand nuclear power production went untested. In one instance that demonstrates this dynamic, when the Indian Prime Minister Indira Gandhi broached the subject to the American Ambassador, Daniel P. Moynihan in a conversation following the nuclear test, there was no attempt by the Administration to follow-up, either to discuss the potential for American investment in civilian nuclear power plants in India, or even the energy sector in general[146]. As noted earlier, the main remaining link between the United States and India's nuclear program- the agreement to supply uranium that would fuel the Tarapur reactor- eventually fell victim to Congressional and bureaucratic opposition. This stood in contrast to the consideration American officials were giving to China and its own nuclear program at roughly the same time, as China gradually began to open up its economy. Taken together, it is clear that the absence of a commercial motive, ordinarily a significant part of bilateral discourse between states, limited the discourse between India and the United States. The decision by the Ford administration to resume arms sales to Pakistan in the aftermath of the Indian nuclear test, and Kissinger's admonitions to his envoys to ensure that China's strategic concerns were taken into consideration for even modest American assistance to India[147], typified the administration's attitude that the

[146] This was the first conversation between Prime Minister Gandhi and Ambassador Moynihan following the nuclear tests. Indira Gandhi specifically cited energy as a compelling reason for India's nuclear test but neither Moynihan in this conversation nor any other American interlocutor took up this opening to try and make progress either on nuclear or economic matters. This contrasts with the discussions thirty years later where nuclear energy provided the justification for the India-U.S. nuclear agreement. The difference was the change in American perceptions towards India's economic potential, going from a supplicant state in the 1970s to that of a major economic powerhouse. See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 168.

[147] In his conversation with Ambassador designate to India William Saxbe, Kissinger instructed Saxbe to refrain from promoting better Sino-Indian ties at the expense of making China nervous, the implication being that the U.S. should not try and get China to be overly accommodative towards India if that meant the Chinese would start to worry about an American bias or tilt towards India. See Foreign Relations of the United States, 1969–1976, Volume E–8, Documents on South Asia, 1973–1976, Document 187.

strategic ambitions of an underdeveloped country like India did not merit more than a grudging acceptance.

The divergent priorities of the Executive and Congress were displayed in sharp relief during debates over international aid to India and the continuing supply of fuel to India's Tarapur nuclear reactor, which was the source of material for the Pokhran tests. While the lack of strategic liability reduced the imperative for the Nixon and Ford administrations to try and curtail fuel supply following the tests, the lack of a strong 'India lobby' in Congress meant that traditional advocates of non-proliferation in the bureaucracy and Congress[148] were able to influence the debate over this issue leading to attempts at curtailing nuclear cooperation with India. However, the successful efforts of the Ford administration in reducing the impact of actions to block international aid and to continue fuel supply (intermittent though it was) to Tarapur shows the importance of the Executive in shaping foreign policy debates and outcomes. Likewise, the decision by Henry Kissinger to countermand the strong protests planned by the State Department against the Indian nuclear tests in favor of a less critical response brings the ability of the Executive to decisively frame foreign policy issues into strong relief. In this instance, absent strong domestic counter-pressures, the Nixon and Ford administrations were able to chart a middle-path that balanced non-proliferation objectives against its perception of low strategic liability from India's nuclear program.

In summary, the evidence from the Nixon-Ford administrations clearly indicates that the U.S. adopted an ambivalent attitude towards India's nuclear program, both in the run-up to and in the aftermath of the 'Peaceful Nuclear Explosion' of May 18, 1974. Influenced by a lack of strategic liability, the United States under Presidents Nixon and

[148] The Long amendment that attempted to shut off International development assistance to India was an example of this narrative at work.

Ford essentially accepted India's nuclear test and the eventual likelihood of India's developing a full-fledged nuclear weapons program. With a donor-recipient dynamic dominating the U.S.-India relationship during this period, the lack of strong commercial ties between the two states meant that this remained a grudging acceptance, with attempts to stymie further development in India's nuclear capabilities by denying it access to fuel for its nuclear reactor and restrict access to sophisticated armaments but preserving and building broader economic and strategic ties that improved the overall relationship.

3.5 POST-SCRIPT: POKHRAN-II, THE CLINTON ADMINISTRATION AND AMERICAN AMBIVALENCE

The ambiguous construct of India's nuclear weapons program was spectacularly demolished on May 11, 1998 when a series of nuclear tests were conducted in the Pokhran region of the Thar Desert, the site of the original nuclear tests in 1974. These tests were completed under the leadership of Prime Minister A.B. Vajpayee who belonged to the Bharathiya Janata Party (BJP), a party which had pledged to 'exercise' the nuclear option. Nevertheless, the tests and India's subsequent declaration of nuclear weapon status was greeted with shock and anger in the Clinton administration. Unlike the Nixon administration's low key response the United States reacted furiously to this set of tests and imposed sanctions on India shortly afterwards, sanctions that were triggered by laws enacted by the U.S. Congress after India's original nuclear tests in 1974[149]. However, the sanctions with the potential to inflict the most damage on the Indian economy were soon relaxed, and the United States settled into a grudging acceptance of the new status quo. In this section, I briefly examine this chapter of the India-U.S. nuclear

[149] The so-called 'Glenn amendment' mandated American sanctions against 'non-nuclear' (as defined by the NPT) states that conducted nuclear tests even if they had not signed the NPT. This led to the imposition of sanctions on India in defense and military financing but also, importantly in the areas of export-import bank loan guarantees financing World Bank funding. See Talbott, Strobe "*Engaging India: Diplomacy, Democracy and the Bomb*", Brookings University Press, 2004, loc. 654.

relationship and argue that the ultimate similarities between this episode and American policy in 1974 reinforces the notion that the United States had converged on a policy of 'Weak Acceptance' of India's nuclear weapon capabilities.

3.6 Strategic Liability and Commercial Value in the U.S.-India relationship, 1998

By 1998, the end of the cold war had seen India and the U.S. draw closer following the collapse of India's traditional ally, the Soviet Union. India's economic liberalization had been underway for a few years with its Information Technology industry starting to develop links with its American counterparts. India was viewed as a country with promising economic potential, but still accounting for a relatively minor portion of U.S. international trade. American policy towards India at this time was dominated by concerns around tensions between India and Pakistan over Kashmir, which had acquired dangerous overtones in 1990 when the two states were widely perceived to have come close to open and by some accounts, nuclear, conflict. Both India and Pakistan were widely assumed by then to have undeclared nuclear munitions, with the U.S. tacitly accepting this reality and trying to maintain this ambiguity about the two countries' nuclear programs[150].

The imposition of sanctions by the U.S. following the Indian nuclear tests in May 1998, as required by law, and their almost immediate relaxation 1998 (of those sanctions that had the most import) in November soon after,[151] serves to clarify an important point.

---

[150] American intelligence estimates from 1982 discuss India's "desire to maintain and improve its nuclear weapons options…" which underlines the fact that the U.S. perceived India to have a nuclear weapon capability. Likewise, American attempts to thwart an Indian nuclear test in 1995 also betray the fact that the U.S. knew about India's nuclear weapons program. See Central Intelligence Agency, Directorate of Intelligence, 'India's Nuclear Procurement Strategy: Implications for the United States', December, 1982, History and Public Policy Program Digital Archive, CREST, National Archives. Obtained and contributed by William Burr and included in NPIHP, Research Update #11.

[151] Some of the sanctions that had the most impact, including the Export-Import Bank, were relaxed in October 1998, just three months after their imposition and before they had any tangible impact. The U.S.

America under Presidents Nixon and Ford has essentially accepted that India was a nuclear weapon capable state, and indeed that it would deploy nuclear weapons. While the American Congress responded to India's nuclear tests with sanctions on nuclear cooperation with states like India that were non-NPT signatories, broader trade and economic ties remained undisturbed. India observed a self-imposed moratorium on inducting nuclear weapons through the 1980s, but continued to develop nuclear weapon technology without encountering significant resistance from the United States. While the United States officially maintained a policy of non-recognition of India's nuclear weapon status, accounts by officials within the Clinton administration clearly indicate that the U.S. had reached a de facto acceptance of such a status, attempting primarily to 'cap' such a capability rather than actually eliminating it. The fairly prompt reversal of the most punitive sanctions before the start of a meaningful dialog process between the two states confirms this understanding. While the Clinton administration had to respond initially with sanctions against India due to Congressional mandates, the ones with the most salience were quietly withdrawn just three months after their imposition. Indeed, even though the public rhetoric of the United States following India's nuclear weapon declaration was to 'cap, reduce and roll-back', private discussions between India and the U.S. centered on getting India to sign the Comprehensive Test Ban Treaty (CTBT) and the Fissile Material Cutoff Treaty (FMCT) and capping its arsenal of nuclear weapons. There was a tacit understanding that eliminating India's nuclear weapons program was not a feasible or practical option, based on both the knowledge and acceptance of India's nuclear capabilities going back to 1974.[152] This was not a new formulation. Indeed, the

---

also released the hold on World Bank loans to power projects in India in early1999, further diluting any remaining impact. Talbott, Strobe, ibid. Loc. 1617, 1670.

[152] While the American government publicly said that its goal was to 'cap, rollback and eliminate' India's nuclear weapon capabilities, negotiations between Deputy Secretary of State Strobe Talbott, and the Chairman of India's Planning Commission, Jaswant Singh, Talbott made it clear that America's real goal

Clinton Administration's principal complaint with India was not that it had developed nuclear weapon technology or even that it had actually weaponized it; it was that India had conducted a nuclear test and declared itself a nuclear power, an unwelcome precedent that other potential proliferators may find useful. Notwithstanding these concerns, by 1998, most states that the U.S. perceived to be proliferation threats had either acceded to the NPT or, as in the case of Pakistan and Israel, become de facto nuclear weapon powers whose nuclear capabilities were an open secret. Even though the declaration by India, followed by Pakistan, that it was a nuclear weapon state posed the aforementioned problems for the U.S., it posed little strategic liability since India's major antagonists and the states most concerned by its nuclear capabilities, Pakistan and China, themselves possessed nuclear weapons. Pakistan had developed its own nuclear weapons program the 1980s during the time when it was a major strategic partner of the United States in the Cold War, when India already had an advanced (though undisclosed) nuclear weaponization capability. There is no evidence to indicate that United States entertained a stronger push against India's nuclear program in the 1980s in reaction to the likelihood of an arms race with a Pakistan that, for the first time, appeared to be realistically capable of developing a nuclear weapon. Given that we have evidence that demonstrates America's de facto acceptance of India's nuclear capabilities over the previous decade, this is unsurprising, especially considering the lack of a 'break-out' action by India such as another nuclear test, and the fact that India's nuclear program was well established and deeply rooted. A more realistic option would have been to try and prevent Pakistan from

---

was to get India to sign the Comprehensive Test Ban Treaty and cap its arsenal of nuclear weapons. There was no serious effort to get India to eliminate its nuclear weapon capabilities or even its war-head stocks. In fact, Henry Kissinger suggested that the U.S. go further and recognize India as a nuclear power in exchange for it signing the NPT. See Talbott, Strobe, ibid. Loc. 689

developing its own nuclear weapon capabilities, but strategic priorities interfered[153], preventing the United States from pursuing an activist policy in the Pakistani case. The immediate threat following an Indian nuclear test was the danger that Pakistan would follow suit, and it did on May 28, 1998 just over two weeks following India's tests, reliving the pressure on India. Other factors helped, such as the 'special' status of India as a state that never acceded to the NPT which meant that it could not be easily cited as a precedent by other states such as Iran or North Korea who were suspected to be pursuing their own nuclear weapon programs. In a sense, India was in the same 'strategic isolation' for the Clinton administration that it existed in for the Nixon and Ford administrations in the 1970s[154], and the imposition of weak sanctions on India and the U.S. reluctant acceptance of India's nuclear weapon status was a recognition of that fact.

---

[153] Pakistan's nuclear weapon program mirrors (and lags) India's in many ways. Contrary to American estimates in 1974, Pakistan was able to kick-start its nuclear weapons development in the years following the Bangladesh war, by many intelligence estimates with Chinese assistance. The fact that India already had a nuclear weapons program, and the presence of a common threat faced by Pakistan and the United States in the form of the Soviet Union's invasion of Afghanistan reduced the strategic liability of the United States, leading to the same ambivalent policy of weak acceptance by the United States towards Pakistan's nuclear program as in the Indian case, with the result that by the end of the Cold War, both India and Pakistan had a widely acknowledged but unannounced nuclear weapon capability. At the time when Pakistan's nuclear weapons program was most vulnerable – the mid to late 1980s – the reduction in strategic liability and the increased common threat of the USSR played a role in thwarting any serious consideration of strong coercive action to block the Pakistanis. See "Bureau of Intelligence and Research, US Department of State, 'Pakistan: Security Planning and the Nuclear Option,' Report 83-AR," 1983, History and Public Policy Program Digital Archive, Department of State FOIA release, copy courtesy of Jeffrey Richelson. Obtained and contributed by William Burr and included in NPIHP Research Update #6 for a "recognition" by the United States of Pakistan's perceived security dilemmas. The United States' options to curtail Pakistan's nuclear capabilities were themselves circumscribed by the need to co-opt Pakistan in the struggle against the Soviet Union in Afghanistan, as Secretary of State George Schulz acknowledged in a memorandum to President Reagan. See "Secretary of State George Shultz to President Reagan, 'How Do We Make Use of the Zia Visit to Protect Our Strategic Interests in the Face of Pakistan's Nuclear Weapons Activities'," November 26, 1982, History and Public Policy Program Digital Archive, CIA Records Search Tool [CREST]. Obtained and contributed by William Burr and included in NPIHP Research Update #6.

[154] The U.S. perceived the most tangible impact from an Indian nuclear test to be a matching one by Pakistan and possibly an arms race between the two. This was balanced by the fact that Pakistan conducted a nuclear test almost immediately following the Indian one, reducing any pressure on India and by the fact that Pakistan had already developed a sizeable arsenal of nuclear weapons.

Commercial ties between India and the U.S. were much more extensive in 1998 than in 1974. India's Information Technology industry had emerged as an important provider of services to American companies, and several American multinationals had entered the Indian market following the gradual opening up of the Indian economy to foreign investment in the early 1990s. However, the Clinton Administration still perceived much of India's economic potential *to be in the future*[155], as President Clinton put it in his conversation with his advisors. While India's economy was growing, it was not yet, as the administration perceived it, in the same category as states such as China, South Korea or the European powers from the standpoint of importance to American trade and commercial interests. It was still a substantial recipient of aid from international organizations[156] and in need of foreign investment for critical infrastructure development. Also, unlike in the case of allied states such as South Korea, whose success as a capitalist economy was vital in itself to American interests in the 1970s and 80s due to the example it set during the cold war, there was no such compelling American interest here that elevated India's Commercial Value. As a result, while the lack of strategic liability allowed America to weakly accept an Indian nuclear program and relax those sanctions that affected American commercial interests, the lack of significant commercial ties meant that the U.S. could afford to continue selective sanctions against India's nuclear and strategic industries with little incentive to relent or fear retaliation towards its trade

[155] Clinton believed that the U.S.-India relationship had potential as the Indian economy started to liberalize, but the implication was that there was still some way to go before that became a reality. Talbott, Strobe, ibid. Loc. 726

[156] Pakistan, which was also under U.S. sanctions, was adjudged by the Clinton administration to be in such bad economic straits that the U.S. relaxed World Bank and IMF sanctions on it, while the restrictions on India continued through 1998. Even though India's economy was much stronger, the World Bank funding holds blocked important projects leading to friction between the two states. See Dugger, Celia, "India's Testing Issue", *The New York Times*, December 5, 1998.

interests[157], in effect trying to restrain India's nuclear weapon program even while pursuing improved economic ties. Given the lack of significant commercial ties, the U.S. would have been hard pressed to find effective ways to impose wide-spread economic sanctions on India. Further, lacking the strategic incentives to do so, it is unlikely that the Ford administration would have been willing to incur compliance costs and risk angering allies such as Britain who would be affected by commercial sanctions that would affect wider international trade with India. Indeed, there is no evidence to suggest that the administration considered that possibility.

As the section above shows, the U.S. adopted a formal stance of opposing India's nuclear weapons program while imposing only selective sanctions on nuclear and strategic interests. In negotiations with Indian interlocutors the U.S. pressed for a cap on India's nuclear arsenal rather than a rollback or abrogation of India's nuclear arms. This was consistent with a policy of weak acceptance that was induced by a combination of low strategic liability and weak commercial value. This policy both paralleled and was predicated by the Nixon/Ford administration's policy towards India's original nuclear test in 1974 and was similar to the American reaction to the nuclear programs of both China and Pakistan at specific points in time[158].

---

[157] Defense and dual-use technology exports continued to remain sanctioned until the Bush administration eliminated them. See George W. Bush: "Memorandum on Waiver of Nuclear-Related Sanctions on India and Pakistan," September 22, 2001. Posted online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=73551.

[158] American attitudes towards the Chinese nuclear program during the Nixon administration paralleled those towards the Indian one. The ratification of the Nuclear (non) Proliferation Treaty (NPT) in 1968 by the United States constituted a de jure acceptance of China as a nuclear weapons state. However, from a strategic standpoint, China was still viewed as a rival that was aiding the enemy - North Vietnam - in the intractable Vietnam conflict. Its nuclear program was viewed as a grave danger to the interests of the United States according to numerous classified studies from the U.S. intelligence community. However, the realization by Nixon that he would need Chinese help to extricate the United States from Vietnam softened this image of China. Moreover, the hardening of the Sino-Soviet split and the border conflict between the two states provided an opportunity for the U.S. under President Nixon to open a pathway to the normalization of relations with China and the cultivation of this relationship as a counterweight to Soviet power in the East. This change in the American strategic calculus mitigated the Strategic Liability of a

3.7 CONCLUSION

The U.S. followed an ambivalent policy towards India's nuclear program from the late 1960s and following India's 'Peaceful Nuclear Explosion' or PNE in 1974. Even though India formally declared itself a nuclear weapon power in 1998 after conducting a second round of nuclear tests, the analysis in this chapter clearly demonstrates that the U.S. under Presidents Nixon and Ford had essentially accepted that India would retain a nuclear weapon capability. While the U.S. pursued targeted sanctions on India's nuclear and strategic industries, these were neither intended to nor did they rollback India's developing nuclear weapon capabilities. Rather, they were the product of an ambivalent approach that combined a resigned acceptance of India's nuclear weapon capabilities with an effort to restrain and slow down those capabilities as much as possible without

---

Chinese nuclear weapons program for the United States. At the same time, the absence of any significant economic ties between the U.S. and China dampened any impetus for a greater embrace of China's nuclear program. By 1974, Sino-Soviet enmity had hardened and the U.S. and China had normalized relations to such an extent as to let the U.S. entertain the possibility of assisting China's civilian nuclear energy program, though formal movement on such a policy would have to wait until the Reagan administration. In essence, American policy towards China's nuclear weapons settled into a weak acceptance, with the U.S. not pursuing any active measures to dissuade China from developing nuclear weapons, while at the same time refraining from selling any civilian nuclear technology or fuel that could indirectly or directly aid in the development of Chinese nuclear capabilities. See Foreign Relations of the United States, 1969–1976, Volume XVIII, China, 1973–1976, Document 83 for the National Security Decision Memorandum (NSDM) that authorizes a communication to the People's Republic of China expressing interest in negotiating an agreement to sell lightly enriched uranium and light water reactors to China under IAEA or U.S. safeguards. This was based on expressions of interest by American companies who wanted to pursue such sales with China. However, there is no evidence that indicates any progress on this topic beyond this memo. See Foreign Relations of the United States, 1969–1976 Volume XVIII, China, 1973–1976, Document 79 for Kissinger's memorandum to Nixon recommending such a decision following an Undersecretaries' study on the matter. Kissinger expresses his opinion in a footnote to the memo that there was reason to think that China would not be amenable to the sort of safeguards that Washington wanted implemented. Indeed, the 1985 agreement concluded by President Reagan and the Chinese government settled on a verbal set of assurances from the Chinese government that it would not re-export nuclear material sold to it from the U.S. The lack of IAEA or U.S. safeguards in this agreement showed how far the U.S. would come in strategically acquiescing with China's nuclear weapon capabilities in the 1980s, during a period of major expansion in trade between the two states. In the early 1970s under President Nixon however, the U.S. policy towards China's nuclear weapon capabilities was much more ambivalent as the foregoing discussion shows.

disrupting the wider relationship. This policy was a product of the perception that India and its nuclear capabilities did not pose much strategic liability to the U.S. due to the relative uniqueness and isolation of India's geostrategic conflicts. The absence of significant commercial ties between the two states meant that weak acceptance was the farthest that the U.S. would go in recognition of India's nuclear status. Latent American preferences for non-proliferation prevented a more enthusiastic embrace of India's nuclear weapon capabilities. While the lack of significant economic ties between the two states would have afforded the administration latitude in imposing economic sanctions, this would have come at the cost of improving Indo-U.S. ties that had ruptured following the Bangladesh war. It could have also led to difficulties with American allies such as Britain that had significantly stronger economic interests with India for historical reasons.

Attention to India's conduct of nuclear tests and Washington's subsequent imposition of sanctions in 1998 has obscured the fact that the United States' under Nixon and Ford had accepted the eventuality of India's nuclear weapons. This recognition portended the quick relaxation of punitive American sanctions in 1998 and the relapse to a policy of weak acceptance until India and the U.S. signed a landmark nuclear cooperation agreement in 2005. This agreement, signed during a period of unprecedented economic expansion in India, resulted in the U.S. recognizing India's nuclear weapon status outside the NPT and agreeing to cooperate with its civilian nuclear weapon program.

Chapter 4: Soft Rollback

In this chapter, I examine the quadrant of my framework that is a combination of heightened strategic liability and high commercial value. I posit that a perception of high strategic liability and high commercial value on the part of the United States towards an aspiring nuclear weapon state will lead to the American government adopting a policy of 'Soft-Rollback' towards the aspirant's nuclear weapons program. Increased strategic liability will lead to the U.S. applying a significant amount of pressure to stop the state in question from developing nuclear weapon technology. On the other hand, the fact that the United States highly values the economic relationship with the state will inhibit it from severe military or economic sanctions that may damage the economic relationship between the two states and by implication, hurt American commercial interests. Instead, I hypothesize that the U.S. will use more subtle measures intended to hinder and rollback the nuclear weapon program of the proliferator. I posit that such measures will include the denial of security guarantees (when such arrangements exist) or threats to do so, threats to end security alliances, and covert actions to block the aspirant's access to nuclear and strategic technology. I argue that this combination of measures, which I term Soft Rollback, shares important similarities and differences with one of Active Rollback, the most punitive American strategy towards an aspiring nuclear weapon state. Both of these strategies are outcomes of a situation where the U.S. perceives a high degree of strategic liability from the progress of the aspirant's nuclear weapons program. However, the presence of a valued economic relationship between the U.S. and the aspirant will lead to a moderation in tactics in this 'quadrant'. This particular configuration of the two independent variables in my framework will lead to the United States pursuing its opposition to the proliferator's nuclear program covertly and with a significant emphasis

on discretion so as to not damage the vital economic relationship. I will show that the U.S. pursues a nuanced strategy of covert and indirect threats to end alliances, block military partnerships and behind the scenes attempts to preclude access to nuclear and strategic military technology, all while maintaining a 'normal' bilateral relationship on the surface. This tack allows the U.S. to help the proliferator 'save face', compartmentalize its nuclear interdiction efforts, and prevent the disagreement from potentially damaging economic interests.

The major case I examine in this chapter is that of South Korea in the 1970s when that state attempted to pursue an indigenous nuclear weapon capability. South Korea, or the Republic of Korea (ROK) as it is officially known, and the United States forged a military alliance born out of the 1950 Korean War, which led to the effective partition of the Korean peninsula into a Communist North supported by China and a right-wing dictatorship in the South backed by the United States. The cease-fire following the Korean War resulted in the establishment of a strong American military presence on the peninsula along the De-militarized zone (DMZ), which became the de facto border between the two Koreas. The American military presence was meant to deter a North Korean ground invasion which, given the proximity of the South Korean capital, Seoul to the DMZ, presented an existential threat to the South Korean state. The presence of thousands of American personnel on the Korean peninsula gave the American government significant leverage over the South Korean regime's foreign policy, but also presented challenges in the form of recurring tensions with the North Korean government and with China, the principal supporter of the Northern communists.

On the economic front, South Korea went from being a war ravaged, economically impoverished state to an economic powerhouse, with this transition gaining momentum in the early 1970s. This was the period when the U.S.-R.O.K. trade

relationship blossomed, with trade issues coming to the forefront of the bilateral relationship. The economic renaissance of South Korea coincided with an authoritarian turn of its political system under President Park Chung-Hee. Confronted with this reality, the success of a capitalist economic system in the South emerged as a major strategic goal and distinguishing factor for the United States, faced as it was by the Communist systems across the DMZ. It was in this period that South Korea attempted to orient its nuclear technology program towards weaponization. Arguably a response to the Nixon doctrine that envisioned American allies taking a greater role in their national security affairs, the potential acquisition of nuclear weapons by South Korea engendered the possibility that Japan, South Korea's pre-World War II colonizer, antagonist, and another state under America's 'security umbrella', would interpret this as a dangerous development as well as a signal of the United States' reduced security commitment to Asia. It also added to the risk of Chinese involvement, including a nuclear response, in any future conflagration on the Korean peninsula. I will show that the risk of nuclear proliferation in states such as Japan, and the addition of a nuclear dimension to the Chinese support for North Korea, increased the Security Liability of a South Korean nuclear program for the United States, inducing it to strongly oppose its push to develop nuclear weapon capability. I will show that the threat was perceived to be sufficiently high for the United States to threaten to withdraw American troops from the Peninsula, effectively ending the American security guarantee against an attack from the North. Under President Ford, the United States worked hard to scuttle South Korean plans to procure nuclear technology and equipment from France and threatened to block the sale of non-nuclear military material such as missiles and delivery systems to the Park regime. However, the presence of strong commercial relations and a highly valued commercial relationship between the two states constrained the United States from pursuing policies

that overtly coerced the South Korean government or caused broad economic damage to the South Korean economy. The commercial value of South Korea, whose economy had seen spectacular growth in the years leading up to the nuclear crisis in 1975, was perceived to be extremely important by the Ford administration and its base in Congress. Even while adopting a hawkish strategy towards the Korean nuclear program itself, the United States abjured any sanctions against the South Korean economy, whose export-fueled growth depended on access to the American economy. American pressure on South Korea, both direct and indirect, was covert and calculated to minimize embarrassment to the Park government, whose government retained a strong influence in Washington via a network of lobbyists and support among members of Congress. While ultimately successful in rolling back South Korea's nuclear weapon push, this American policy is notable for its restrained and limited focus, which I label 'Soft' Rollback.

In the next section, I examine the background behind the South Korean case and the events leading up to an American determination that South Korea was moving forward with a nuclear weapons program in 1975. Next, I use archival data from the Nixon-Ford administrations and secondary sources to situate the South Korean relationship with the United States in the 'High Strategic Liability/High Commercial Value' quadrant. As I have discussed previously, the Ford administration retained much of the same cast of foreign policy I then show that the United States reaction to the perceived South Korean nuclear weapons initiative was consistent with what I have defined previously as 'Soft Rollback'. Finally, I use the evidence from the archival material to show that this policy of Soft Rollback was adopted due to the Ford administration's perception of the South Korean relationship to be one of high strategic liability and high commercial value, which is consistent with the policy posited by my framework.

4.1 BACKGROUND – THE UNITED STATES, SOUTH KOREA AND THE NUCLEAR BREAKOUT

The United States had been South Korea's chief military and economic benefactor in the decades following the Korean War, which ended with a truce in 1953. American economic and military aid was instrumental in the rebuilding of the South Korean state, which had been left crippled in the aftermath of the war. South Korea's defense was dependent to a large extent on American troops deployed near the Demilitarized Zone (DMZ) on the border between the North and the South and the massive American military assistance to the South Korean army. American military aid was coupled with significant economic assistance that went towards developing a capitalist economy in South Korea. By the early 1970s, the South Korean economy had enjoyed several years of spectacular growth under President Park Chung-Hee who had come to power in 1961 following a military coup that overthrew a civilian government. The export-led industrialization initiated by Park's government coincided with significant political repression, resulting in a dichotomy that left the American government in the uncomfortable position of praising the South Korea's economic success as a rebuff to the Communist model in the North (and in China), even while criticizing its political record. While President Nixon's administration was a strong supporter of the Park regime, the political record of the Park regime came in for heavy criticism in the American Congress.[159] These developments coincided with the announcement of the 'Nixon

[159] The opposition to the Park regime's action was stronger in the Democratic Party, which controlled both Houses of the U.S. Congress during the period the South Korean nuclear question reached a critical stage. An example of the Congressional opposition to Park's suppression of the opposition was a vote by the Senate Foreign Relations Committee to slash military aid to South Korea in response to what it termed "increasingly repressive measures..", See The New York Times, Sept. 6, 1974.
In contrast, President Nixon had told the visiting South Korean Prime Minister that "(he would not) lecture you like some do on your internal affairs. Some people here were disturbed but that's your decision…" Source: Foreign Relations of the United States, 1969–1976 Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 230.

Doctrine' that envisioned American allies in Asia becoming more self-sufficient in matters of security. Introduced in the context of a declining appetite in the United States for further involvement in the Vietnam conflict, the Doctrine was nevertheless interpreted in Seoul as a signal that the United States was willing to, at the very least, significantly cut down its military deployment in South Korea, leaving the South to fend for itself in any future conflict with the North.[160] The South Korean government's unease was further exacerbated by the Nixon administration's move towards normalizing relations with China, North Korea's principal supporter and a South Korean antagonist.

South Korea's worries about the developing security situation in the early 1970s contrasted with increasing confidence in its economic prospects. Barring a short period of instability following the 1974 Middle-East oil crisis which caused supply shortages and contributed to a Balance of Payments issue, the South Korean economy enjoyed growth rates in excess of 10% consistently during the latter part of Park's rule. During this time, the economic relationship between the United States and South Korea went from being a Donor-recipient one to an equal trading relationship, with its attendant share of trade disputes over market access (for South Korean goods to the U.S. economy) and American complaints over bottlenecks to investment by the South Korean bureaucracy. American economic aid to the R.O.K. gradually started to taper off in the early 1970s, though the United States continued to be a source of significant support. Military aid in particular was robust, in the form of credits and loans for the purchase of American equipment by

[160] These concerns began to be expressed directly by senior officials in the Park administration such as the R.O.K. Foreign Minister Kim Yong-Sik while discussing President Nixon's trip to China with U.S. Secretary of State Rogers. Source: Foreign Relations of the United States, 1969–1976 Volume XIX, Part 1, Korea, 1969–1972, Document 109. See also Foreign Relations of the United States, 1969–1976 Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 267. This State Department telegram dated April 18, 1975 – which was the same time-frame that the R.O.K. was accelerating efforts to procure nuclear reprocessing technology from France – which attests to the shock in the Park regime at the capitulation of South Vietnam to the Communist North following the American withdrawal from Vietnam.

the South Korean military. From a South Korean standpoint, access to the American economy, especially for its textile exports, was critical. The United States was the R.O.K.'s largest export market throughout the 1970s, while to the United States, South Korea represented a successful American effort to nurture a capitalist, if not democratic, economy whose success validated American political and economic aid and opened up vast opportunities for U.S. companies to invest in[161].

South Korean efforts to develop indigenous nuclear capabilities date back to the 1960s, with American investment played a major role in the construction of the first nuclear power reactors in the early 1970s. Even though South Korea was not party to the Nuclear (non) Proliferation Treaty (NPT), it had accepted International Atomic Energy Agency (IAEA) safeguards against the diversion of spent fuel towards nuclear weapons. As late as 1974, and despite the Indian Peaceful Nuclear Explosion (PNE) of 1971 that exploited a perceived loophole in these safeguards, American intelligence analysts were generally sanguine about the prospects of a South Korean nuclear weapon capability given its lack of plutonium extraction capabilities[162]. The situation changed by 1975 following reports of South Korean efforts to procure advanced nuclear reprocessing

---

161 The U.S. government used its diplomatic channels to advance trade interests in South Korea, sending government funded trade missions to scout business opportunities and putting pressure on the Park administration to open up the Korean market to American exports. The centrality of American commercial and financial interests was underlined in internal Nixon administration deliberations that cited the inviolability of American economic interests as a key condition of any talks on Korean reunification. Source: Foreign Relations of the United States, 1969–1976Volume XIX, Part 1, Korea, 1969–1972, Document 170, Airgram from the Embassy in Korea to the Department of State.

162 South Korea found scant mention in a major American study on states that were at any serious risk of advancing nuclear weapon development programs. Any chances that the R.O.K. would contemplate such a course were discounted, with Seoul finding mention last among "Other countries" that had some civilian nuclear programs. Source: "Special National Intelligence Estimate 4-1-74, 'Prospects for Further Proliferation of Nuclear Weapons'," August 23, 1974, History and Public Policy Program Digital Archive, Mandatory declassification review request; release by the CIA. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

technology from France amid signs that the Nixon administration was wavering on its security commitments to the Park government. American rapprochement with Communist China and the withdrawal of American troops from Vietnam aggravated this dynamic, with the United States perceiving the South Korean proliferation efforts to be a response to the possibility of an American withdrawal. The Park regime's authoritarian nature and its disregard of American calls to moderate its domestic political policies further contributed to the perception that the R.O.K. would proceed with a nuclear weapons program despite public disavowals, moves to ratify the NPT, and U.S. objections[163]. This is the background against which I explore the American reaction to the South Korean nuclear weapons program. While much scholarly attention has been paid to the more recent (and successful) North Korean nuclear weapons program, there has been relatively little focus on the earlier South Korean program and, as I will show, the intense American efforts to stop the nuclear weapons program of a close strategic ally and valued economic partner. These efforts contrasted with an ambiguous American acceptance of the nuclear weapon capabilities of states such as India that were not allied with the United States nor as economically advanced as the Koreans. In the following section, I analyze and situate the two independent variables in my framework, Strategic Liability and Commercial Value, vis-à-vis the United States perception of South Korea. Next, I examine the policy adopted by the Nixon-Ford administrations towards South Korea's nuclear weapon program, and show that the approach adopted by the United

[163] A U.S. Embassy (in Seoul) cable calls the Park regime hypocritical, arguing that it moved to ratify the NPT to throw the American government off its trail even as it accelerated its nuclear weapons program. Source: "US Department of State Cable, ROK Plans to Develop Nuclear Weapons and Missiles," March 12,
1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea - State Department Telegrams, to SecState - NODIS (4). Obtained by Charles Kraus.

States corresponded to a policy of 'Soft Rollback' as defined previously. Finally, I examine the archival record to provide evidence for my argument that this policy of Soft Rollback was adopted by the United States due to perceptions of high Strategic Liability and high commercial value.

4.2 Coding Strategic Liability and Commercial Value in the U.S. – R.O.K. relationship -1974-76

I code the first of my two independent variables, Strategic Liability, based on the values of the four constituent sub-variables, Primary conflict, Secondary conflict, Regime stability, and Common Threat perception. I have argued in my introductory chapter that an elevated level of Primary Conflict, Secondary Conflict or Regime Instability will result in a coding of the Strategic Liability variable as 'High'.

Primary Conflict: The U.S. and South Korea enjoyed a close security relationship since the Korean war of the 1950s. With the United States shouldering a significant portion of the burden to protect South Korea's borders, either through its own troop deployments or through its military aid to the R.O.K., the primary conflict variable, which indicates the presence of a direct conflict between the U.S. and the proliferating state, is clearly low.

Secondary Conflict: I shall show that the existence of latent conflicts between South Korea and its neighbors was a significant source of concern to the United States, with the possibility that a South Korean nuclear weapon capability would engender further nuclear proliferation in the region and rekindle conflicts between the R.O.K. and its neighbors. South Korea emerged from World War II and the Korean War significantly dependent on the United States for its security needs. The United States enjoyed a singular relationship with South Korea, having led the United Nations forces in pushing

back the Northern Communists in the Korean War. The stationing of thousands of American troops on the Korean peninsula effectively put the United States in the middle of any major conflict that involved the South.

The end of World War II saw the defeat of Japan, the state that had colonized and ruled the Korean peninsula for much of the early twentieth century. The Cold War saw both Japan and South Korea, allies of the United States against the Soviet Union and China, come under the United States' nuclear umbrella in exchange for the agreement that neither would develop an indigenous nuclear weapon capability[164]. Japan and South Korea started normalizing their relations in 1965, but relations between the two states were punctuated by tensions, including over the Park regime's authoritarian turn and the kidnapping of a South Korean dissident from Tokyo, ostensibly by the Park regime[165]. Japan was also considered technologically advanced enough that the American intelligence community took the prospect of a Japanese nuclear program seriously. In a National Intelligence Estimate conducted in 1974 following the Indian nuclear tests, opinion was split about Japanese intentions. However, senior Intelligence officials arguing that – Japanese predilections towards nuclear proliferation aside – the country would seriously consider a nuclear weapon option in the near future, especially if the American nuclear umbrella showed signs of fraying[166]. An independent South Korean nuclear weapon capability would be seen as a repudiation of faith by the R.O.K in the

---

164 This was an explicit guarantee that was discussed and understood as such by the various parties involved, including Japan, the R.O.K., the U.S. and China. See "Operation War Shift: Position Paper, Second (Revised) Edition," 1971, History and Public Policy Program Digital Archive, Central Connecticut State University Library, 951.9 O546. Obtained by Brandon Gauthier.

165 The U.S. Embassy expressed an opinion that this was "thuggery" on the part of the Park regime. See Foreign Relations of the United States, 1969–1976 Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 244.

166 While there was dissent within the Intelligence community, key officials from the Naval and Army intelligence wings were of the opinion that there was a strong chance that Japan would exercise a nuclear option to retain its influence in the region, "Prospects for Nuclear Proliferation" p. 32. This was prior to the evidence of South Korean attempts to build a nuclear weapon, which would only exacerbate the situation.

American umbrella and consequently put pressure on the Japanese to follow in the same path[167]. The tentative state of ties between South Korea and Japan added to American anxieties, since a powerful nuclear-armed South Korea would imply superiority over the Japanese in some respects.

The other major consequence of a South Korean nuclear weapon capability was the impact on China and North Korea. The gradual normalization of U.S.-China relations during the Nixon administration resulted in angst within the Park administration, which worried that the United States would be less inclined to aid the South Koreans in any conflict with the North that involved Chinese involvement[168]. On its part, China viewed the R.O.K. with suspicion, arguing that with the United States that the Ford administration needed to 'control' the South, even as the Chinese reined in the North[169]. All of this clearly indicates the tangled nature of American security interests in East Asia in the early 1970s, even as the Ford administration confronted intelligence estimates that the Park government had decided to move forward with nuclear weapon development. In this climate, it is clear that a South Korean nuclear weapon - essentially a statement of independence from the American umbrella - would clearly provoke the Chinese even more. Senior officials in the Ford administration argued that an R.O.K. nuclear weapon

---

[167] When this evidence came to light, the State Department was quick to raise an alarm about the negative effect such news would have on Japan. Source: "US Department of State Cable, ROK Plans to Develop Nuclear Weapons and Missiles," March 04,1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea – State Department Telegrams, to SecState - NODIS (3). Obtained by Charles Kraus.

[168] In fact, in one of its presentations to the Nixon administration, the Park regime actually argued that the Chinese would prefer that the U.S. maintain an armed presence in the R.O.K. as a force for stability, since an alternative could be renewed Japanese involvement. Source: Foreign Relations of the United States, 1969–1976. Volume XIX, Part 1, Korea, 1969–1972, Document 106

[169] The Chinese were quite explicit in this regard, asking President Ford to "*..keep any eye on Park Chung-Hee..*" because it was the U.S. that still had troops on the Korean peninsula, not China. Source: Memorandum of conversation between Vice-Premier Teng and President Ford, Foreign Relations of the United States, 1969–1976, Volume XVIII, China, 1973–1976, Document 137.

would anger the Chinese government. Their concern was that this development would provoke it into introducing nuclear weapons in a conflict between the two Koreas, a catastrophic development in any circumstance but even more so given the presence of American troops on the peninsula[170].

As the preceding section shows, the security situation on the Korean peninsula was a matter of vital interest to both Japan and China, both of which would be affected by any qualitative change in the South's military capabilities. This linkage was keenly understood by Ford administration officials who worried about the prospects of a rupture in the American nuclear umbrella as well as the tension between South Korea and the Chinese supported North Korean regime. The Secondary Conflict sub-variable indicates American perceptions of the risk of security crises and increased proliferation following the aspirant's acquisition of a nuclear weapon capability. Clearly, senior officials in the Ford administration believed that the risk of knock-on effects was greatly elevated, which allows us to code its value as 'high'.

Regime Instability: The Park regime came to power in South Korea following a military coup that overthrew a short-lived civilian government. Its ruthless policies towards the domestic opposition and suppression of dissent was matched by an ambitious policy of industrialization that led to unprecedented economic expansion. While elements in the American government, especially members of the Democratic Party in the Congress, were extremely critical of the Park regime's authoritarian actions, its economic success allowed it to gain support in other quarters, especially in the Ford administration

[170] A State Department memorandum signaling concerns about South Korea's nuclear weapons program argued that China (and even the Soviet Union) may be tempted to support the North Koreans with nuclear weapons in the event of a conflict between the two Koreas. Source: "US Department of State Cable, ROK Plans to Develop Nuclear Weapons and Missiles," March 04, 1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea – State Department Telegrams, to SecState - NODIS (3). Obtained by Charles Kraus.

and its Republican base in Congress[171]. The suppression of domestic dissent and the proliferation of economic growth also implied that there was little question about the stability of the Park regime, or at least, the institutions of the South Korean state. Consequently, the chances that the South Korean nuclear program would fall into 'rogue' hands was low. This allows us to code the Regime Instability sub-variable 'low'.

Common Threat Perception: This sub-variable indicates the presence of a common threat facing the United States and the nuclear aspirant. Even after the reconciliation between China and the United States following President Nixon's visit to Beijing in 1971, South Korea remained a bulwark in the American struggle against Communism in the Cold War. The Kim Il-Sung led Communist government presented an extreme example of the threat that the United States perceived from Communist ideology, and the continuing Soviet threat were examples of the common threat facing the two states. In fact, the need to thwart communist advances was cited repeatedly by both the Nixon and Ford administrations in their arguments against Congressional attempts to curtail military aid to the Park regime following its crackdown on the opposition[172]. Nevertheless, the existence of these common threats was not a sufficient

---

[171] While Nixon/Ford administration officials defended South Korea regularly in Congressional hearings and praised South Korea's economic transformation, South Korea also had many supporters in Congress, many of whom were lobbied extensively by South Korea in the run-up to votes on military aid to the R.O.K. Several Republican members of Congress (and some Democrats) were tangled in a lobbying scandal that led to the arrest of several Americans of Korean origin. See "*Kissinger defends U.S. aid to Seoul*", The New York Times, July 25, 1974. Also see "*Lobbying by Koreans apparently paid off*", ibid. December 25, 1976.

[172] One of the reasons administration officials such as Kissinger gave in defending American support to the Park regime was that it was the 'realist' thing to do. In pushing back against Congressional attempts to cut aid to the R.O.K., Henry Kissinger argued that the United States did not have the leverage to get the Park regime to moderate its ways. The interesting issue is of course that the U.S. did have leverage, it was that it would rather use it in instances where its national security interests were threatened, such as when the Park government tried to accelerate a nuclear weapon development program. See Memorandum of conversation between Kissinger and Philip Habib, Assistant Secretary of State for East Asia and Pacific Affairs. Foreign Relations of the United States, 1969–1976 Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 269.

condition to acquiescence with or even turn a blind eye towards the South Korean nuclear program. I have postulated previously that the presence of a common threat acts as an enabling function to American acquiescence (with the aspirant's nuclear program), when other factors are conducive (namely the other components of strategic liability) and high commercial value. However, when that is not the case, an elevated common threat perception will have no effect, as I will show in the following section.

The preceding analysis indicates that among the main determinative components of strategic liability, the Secondary conflict variable is elevated. As argued earlier, the elevation of any one of these factors is a necessary and sufficient condition for increased strategic liability. Clearly, the perception in the Ford administration that the acquisition of a nuclear weapon capability by the South Korean government would set off a chain of proliferation and conflict in East Asia is the clearest indication that the R.O.K. nuclear weapons program presented a high degree of strategic liability to the United States. Therefore, I code the Strategic liability variable 'high'.

4.3 Coding Commercial Value in the U.S. – South Korea relationship 1974-76

The commercial value variable is the second independent variable in my framework and represents the value of the proliferating state's economic relationship with the United States to the Executive. In the case of South Korea, the United States was vested in the entrenchment of a capitalist economic system and its success to a significant degree. While the period between the end of the Korean War and the early 1960s saw the consolidation of military led right-wing governments and economic stagnation, South Korea experienced spectacular economic growth starting in the mid-1960s with a policy of export oriented industrialization under Park Chung-Hee. This policy was encouraged by the successive U.S. administrations, with targeted economic aid and technical

support[173]. The United States also became the R.O.K.'s largest export market, to which a significant share of Korean textile and electronics exports were directed. The early 1970s also saw a crucial change in the economic relationship between the two states, from an unequal trade partnership - where aid from the United States to South Korea predominated -to a more equal relationship. For the first time, significant American investment started flowing into South Korea[174]. Recognizing the attractiveness of the South Korean market, companies from American started pushing for access to the R.O.K, with the United States government unafraid to use the strategic leverage it possessed (in the form of both military aid as well as the presence of American troops) to prod the reluctant Park regime into creating a more hospitable environment for American investment[175]. That the trade relationship between the two states was important enough that American officials were willing to do so underscored the importance that the South Korean economy had attained in a relatively short period of time.

---

[173] By 1970, the South Korean economy had grown at a pace of more than 11% for seven years, a development characterized by National Security Advisor Henry Kissinger as 'spectacular' in a note to President Nixon, who nevertheless recommended focused (but diminishing) economic aid to Seoul. By 1972, economic assistance to Seoul had dwindled significantly. Source: Foreign Relations of the United States, 1969–1976.Volume XIX, Part 1, Korea, 1969–1972, Document 50.

[174] Economists who have studied trade between the two states have argued that the period following 1972 is when economic ties between the two countries became truly bilateral and symmetric, with the last vestiges of the donor-recipient relationship ending. The period between 1972-76 saw prominent American companies such as Corning Glass starting joint investment projects in Korea, and the first Korean ventures startup in the U.S. Another qualitative change was the active involvement of American government officials in smoothening the way for American companies to invest in Korea. Source: "Incentives and Restraints: Government Regulation of Direct Investment between Korea and the United States, Cho, Dong Sung, in "*From Patron to Partner, The Development of U.S-Korean Business and Trade Relations*", pp. 49, 50. LexingtonBooks, 1984, pp. 49-50

[175] An official in the United States Embassy in Seoul told a New York Times reporter that U.S. security commitments were implicit in the pressure being applied on the Park government to "discriminate in favor of the United States and against Japan" in trade, with the unspoken assumption that if Park wanted to keep U.S. troops in South Korea, he needed to show preferential (or at least liberal) treatment to American commercial investments. Source: See "*U.S. Gaining in South Korean export drive*", The New York Times, July 5, 1973.

The Korean economic miracle was the only bright spot in the American relationship with the Park regime, which, at the start of the Ford administration, came under sustained attack from (primarily Democratic members of) Congress - fatigued by the highly unpopular American involvement in the Vietnam conflict - over its human rights record and lack of tolerance for dissent at home. One of the chief pieces of contention between the Republican led Executive branch and Congress was military aid to South Korea. Facing sustained pressure to curtail both military aid and sales of military hardware to the Park regime, Secretary of State Henry Kissinger, who dominated the foreign policy operations of both Nixon and Ford, defended the United States' continued assistance to the Park regime on strategic grounds, arguing that South Korea was a crucial firewall against further Communist expansion[176]. An important factor that worked in favor of the administration's position was the importance of the arms sales to South Korea to the American defense industry. The R.O.K. had emerged as one of the largest importers of American made armaments, with American supplied credit facilitating much of the trade. This was an important consideration, as well as an advantage that was used by the both the Nixon and Ford administrations to fend off any efforts to curtail American aid and credit to the South Korean military[177]. The South Korean government was further aided in Washington by the presence of a strong pro-R.O.K. lobby, which retained extensive influence in both the Democratic and Republican parties, but more so

[176] Kissinger argued that South Korea's strategic position was "very crucial to Japan" and that the United States agreed with the government of Japan's assessment. Ibid. July 25, 1974, NYT

[177] The military credit program was sacrosanct to both the administration and lawmakers. Even in the midst of a fierce debate on the Park regime's authoritarian actions that saw the Senate Foreign Relations Committee voting to cut military aid to South Korea, Congress left untouched a program that let the R.O.K. purchase weapons from American manufacturers on favorable credit terms. Likewise, prior to the nuclear crisis becoming a significant concern for the White House, the administration forcefully pushed for South Korea to purchase warplanes and other sought after arms from American manufacturers rather than countries such as France or Britain. Source: Minutes of Secretary of State's Staff Meeting, January 6, 1975, Foreign Relations of the United States, 1969–1976, Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 261.

on the Republican side. The importance of the trade relationship with South Korea is further emphasized by the remarkable fact that even in the midst of the clamor to sanction military assistance to the Park regime for its suppression of the opposition, there was virtually no move in Congress or on the part of the Administration to take any action that would imperil the broader South Korean economy. With the United States continuing to be the largest export market for South Korea, accounting for close to 40% of its exports in 1975, any move to take punitive actions in this area would cripple the South's economy[178]. However, both Congress and the Ford administration privileged the economic success that the R.O.K. enjoyed under Park above these considerations. In a stopover in Seoul at the height of Congressional protests against the human rights situation in South Korea, President Ford highlighted[179] it as a successful example of American efforts to spread capitalism, and signed an agreement with President Park where the two states agreed that the R.O.K. government would continue and accelerate economic policies that had contributed to its becoming the next major Asian economic powerhouse after Japan. From a purely economic standpoint, a major focus of the American government was ensuring that American companies had access to the South Korean market. Even as the R.O.K. government tenaciously lobbied to exempt Korean textile companies from anti-dumping duties (primarily targeted Japanese firms that were perceived to be dumping products into the U.S.), President Park confronted lobbying by American industrialists and government officials who wanted him to remove extensive

---

[178] See "Country Destination of Korean exports" Table 7-5 , The New Competitors: Industrial Strategies of Taiwan and Korea, *Competing Economies: America, Europe and the Pacific Rim,* Congress of the United States, Office of Technology Assessment, 1991, p. 303.

[179]Ford highlighted the 'Korean miracle of material progress" and his admiration for "the rapid and sustained economic progress" of South Korea. Noticeably silent on the main topic of contention back in the United States – the lack of space afforded to the Korean opposition – the joint communique between Ford and Park instead played up the economic ties between the two states. Source: Department of State *Bulletin*, Vol. LXXI, No. 1852, December 23, pp. 878. Gerald Ford Presidential Library Online archives.

import barriers that had been enacted to safeguard Korean manufacturers.[180]. That American political discourse had moved on from preoccupation with aiding the South to celebrating its economy and negotiating access to it was a testament to the see change in how the Ford administration valued its economic relationship with the R.O.K. Indeed, faced with the collapse of South Vietnam and the lack of a functioning democratic system in the R.O.K., the economic success story was the one major achievement that the Ford administration could point to in its battle against communism in East Asia. This allowed the Ford administration to reinforce established policy in the Korean peninsula as well as reap the domestic advantages wrought by its commercial success. For all of these reasons that were enumerated above, one can code the 'Commercial Value' variable as 'high'. A combination of the burgeoning trade relationship with the booming South Korean economy and the prospects it engendered, as well as the credibility that this success generated at the domestic and international level for the Ford administration's support for free market economies – especially in a case where the contrast was expressed in such stark terms on the North Korean side – contributed to this perception and boosted the Commercial value of the relationship on the American side.

Summarizing the preceding analysis, we see that the United States-South Korean relationship in the mid- 1970s was governed by American perceptions of high strategic liability and high commercial value. In the following section, I examine archival evidence

---

[180] The Korean government's position had consistently been that access to American markets, especially for its textile sector, was a matter of "life and death". This position was articulated as early as 1971 by Korean Prime Minister Kim, to National Security Advisor Kissinger. As seen previously, the American market was still the largest one for Korean exports as late as 1975. Source: Letter from Kim to Kissinger. Foreign Relations of the United States, 1969–1976 Volume XIX, Part 1, Korea, 1969–1972, Document 112.

The question of Korean barriers to American investment consistently came up in conversations between American and Korean officials. See Foreign Relations of the United States, 1969–1976 Volume XIX, Part 1, Korea, 1969–1972, Document 111 for an early example of this dynamic. As seen earlier, the American embassy was not hesitant to play the strategic card to advance American commercial interests in later years, especially when the weakening of the American security guarantee became a possibility.

to determine whether this constellation of factors led to the adoption of a policy of 'Soft rollback' by the Ford administration towards the Park regime's attempts to develop nuclear weapons, as my theory predicts.

4.4 THE EVIDENCE - DID THE UNITED STATES ADOPT A POLICY OF 'SOFT ROLLBACK' IN RESPONSE TO THE SOUTH KOREAN NUCLEAR WEAPON PROGRAM

This section answers the following questions

- Did the United States under President Ford pursue a policy of 'Soft Rollback' towards the South Korea nuclear program?
- Did this policy flow from the perception of high strategic liability and high commercial value?

The United States was caught by surprise when confronted with evidence in late 1974 that the Park administration was planning to use sought after nuclear fuel reprocessing technology to advance a nuclear weapon capability. As noted earlier, major U.S. intelligence assessment of the prospects for nuclear proliferation following the Indian nuclear test in May 1974 discounted the possibility of a South Korean nuclear weapons program and relegated discussion on the country to an afterthought. This situation changed dramatically by December 1974, when confidential intelligence sources indicated to the American embassy in Seoul that the Park government had made a decision to pursue nuclear weapons[181]. By February 1975, an intra-agency intelligence

[181] The intelligence reports were sufficiently worrying that (now) Secretary of State Henry Kissinger asked for a classified assessment so the U.S. could verify the authenticity of the report. Source: "US Department of State Cable, ROK Plans to Develop Nuclear Weapons and Missiles," December 11, 1974, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea – State Department Telegrams, to SecState - NODIS (2). Obtained by Charles Kraus (Wilson Center).

task force released a National Security Memorandum that agreed with this assessment and came out with the first set of policies to deal with this development[182]. Acting under the leadership of Secretary of State Kissinger, the task force decided to pursue a policy of technology denial, inhibiting South Korean access to nuclear technology from the United States and persuading other states to stop the transfer of such technology to the Park government[183]. Additionally, the Ford administration resolved to block the sale of other sensitive technology such as missile systems and other sophisticated defense equipment – even if not directly connected to a nuclear weapons program – to send a 'signal' to the South Koreans that the United States had discovered their intent to develop nuclear weapons.

Technology Denial and Disruption: A major concern for the United States was the R.O.K.'s plans to purchase nuclear fuel reprocessing technology from France. The United States pursued a multi-pronged strategy to prevent the R.O.K. from obtaining this capability, viewed by Ford administration officials as a stepping stone to nuclear weapon capability. In multiple meetings, American officials worked to persuade the French government not to proceed with the sale[184]. On the financial side, senior officials from

[182] This initial National Security Memorandum focused primarily on inhibiting South Korean access to nuclear, dual use and strategic technology, as well as pressurizing the Park government to ratify the NPT. Source: "US National Security Council Memorandum, ROK Weapons Plans," March 03, 1975, History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 9, Korea (4). Obtained by Charles Kraus (Wilson Center).

[183] With these actions, the emphasis was on indirectly signaling to the South Korean government that the U.S. was aware of its plans. There was not yet a plan to directly confront it. Ibid 6(a) pp. 4.

[184] The United States approached both the French and the Canadians (who were also in the process of selling a CANDU nuclear reactor) to the R.O.K. The record indicates that both of these states agreed to cooperate with the United States with Canada in particular coordinating closely with the U.S. government and following up with the Park regime. The Korean response to Canada was that the reprocessing plant was needed to reprocess American supplied spent nuclear fuel, which was in contradiction with the American stand that it would not approve any such reprocessing, the fear being that it would be used to produce weapons grade plutonium. Canada now threatened to cancel the sale of the CANDU reactor if it was not satisfied by the Korean plan. Source: "US Department of State Cable, ROKG/Canadian Negotiations on

the Ford administration worked with Congress to slow down proceedings to approve Export-Import (Ex-IM) bank credits to South Korea for the purchase of American made nuclear reactors[185]. Pressure was also applied directly on the Park administration, with the American ambassador to South Korea and several American officials visiting Seoul reinforcing the message that the procurement of reprocessing technology would setback relations between the two states and exacerbate tensions between South Korea and its neighbors[186].

Strategic pressure: The American military presence on the Korean peninsula was one of the United States' greatest points of leverage with the Park administration. The stationing of the U.S. army behind the demilitarized zone (DMZ) that marked the de facto border between the North and the South was perceived by the South Korean government and others as being the biggest deterrent against another invasion by Communist forces from the North. In fact, the threat of an American withdrawal from South Korea, similar to what had occurred contemporarily in South Vietnam, was one of the motivating factors

---

Nuclear Energy," July 08, 1975, History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 9, Korea (9). Obtained by Charles Kraus.

185 The administration predicted serious difficulties for the Ex-IM bank proposal in Congress and in any case, recommended that the plan to submit to for approval be delayed until "clarifications" were obtained from the Park government regarding its reprocessing plans. Ibid. 2

186 The highest level (albeit indirect) approach came when American Defense Secretary Schlesinger met President Park and warned him that the U.S. attached the highest importance to South Korean adherence to the NPT, and by implication to resist plans to reprocess fuel in violation of (the American interpretation) of reprocessing safeguards. The U.S. Defense Secretary also pointedly told Park that it would be the Americans' responsibility to hold the line against the Soviet and Chinese threat and that any Korean attempt to disregard the NPT would have deleterious consequences among its neighbors and for support in the U.S. This came in the context of Park's statement to a reporter that Korea would exercise a nuclear option if the U.S. security umbrella were withdrawn. Park was forced to disavow that statement in his conversation with Schlesinger. It did not appear that the U.S. took this at face value, for it accelerated attempts to deny the sale of reprocessing equipment to Korea. Source: "Memoranda of Conversations between James R. Schlesinger and Park Chung Hee and Suh Jyongchul," August 26, 1975, History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 9,Korea (11). Obtained by Charles Kraus.

for the Park's push to develop an indigenous nuclear weapon capability. However, the fact that Park continued attempts to purchase nuclear reprocessing equipment from France signals that this explanation was at best, partial. While Park was indeed concerned about the short-term robustness of the American nuclear guarantee, one way to read his efforts is as an attempt to obtain strategic independence for his government[187]. Senior officials from the Ford administration advocated a stronger and more 'direct' approach to prevent the Korean nuclear weapon program starting in early 1975. Proponents of this approach included the American Ambassador to South Korea, Richard Sneider. What such an approach would entail was a topic of extreme secrecy, with much of the archival material still classified. However, there is clear evidence that the United States pressurized the Park administration using one of the most potent tools available at its disposal – the presence of American troops on the Korean peninsula. Declassified memoranda on the subject between the State Department and Ford White House officials show that the Park regime was cautioned that the strategic relationship between the two states was in danger if the R.O.K.'s nuclear program continued, a clear signal that American security commitments were at risk[188]. At the same time, American officials continued to reassure the Park regime that the U.S. was committed to protecting South

[187] State Department officials were somewhat cognizant of this fact, arguing that a South Korean nuclear weapon program was partly an attempt by Park to reduce his dependence on America, militarily. Source: "US National Security Council Memorandum, ROK Weapons Plans," March 03, 1975, History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 9, Korea (4). Obtained by Charles Kraus.

[188] Ambassador Sneider conveyed to Vice-Premier Nam that further Korean efforts to purchase reprocessing technology would lead to "very adverse" implications for the relationship between the two states. He followed this up with a message that the broad political and security relationship between the two states would be affected, with negative consequences for American security support to Korea, a direct link to the American troops stationed near the DMZ. This was the American trump card, since Park could not afford to lose the American security guarantee. Source: "US Department of State Cable, ROK Nuclear Reprocessing," December 10, 1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea - State Department Telegrams, to SecState - NODIS (8). Obtained by Charles Kraus.

Korea against any attack from the North, and maintaining its military presence, as long as its warnings on the nuclear issue were heeded. On this crucial aspect of the American strategy to thwart Park's nuclear ambitions, there was no public comment by American officials. When the Ford administration was finally able to persuade the French government to refuse the sale of nuclear reprocessing technology to the Park government, Ford administration officials were particularly careful to frame this as a decision by the South Korean government to abandon attempts to purchase this technology. Such tactics were consistent with the administration's imperative to allow Park to 'save face'[189], while stopping him from pursuing an indigenous nuclear weapon capability. This tactic however was belied by the reality that the American government was threatening the R.O.K. with severe consequences, a fact attested to by news reports quoting Korean officials to the effect that the cancelation of the French nuclear reprocessing equipment purchase was a direct consequence of American pressure bordering on threats[190].

Absence of economic pressure: One of the remarkable features of the American campaign against the Korean nuclear program was the absence of economic pressure. While we have seen that the U.S. threatened the South with a military aid cut-off and restrictions on the sales of arms and armaments, the archival record does not show any evidence indicating American attempts to threaten trade or economic actions beyond the military sector. South Korea was certainly vulnerable to American pressure in this area, with textile and electronic exports to the United States accounting for a significant

[189] Sneider advocated a discreet approach that conveyed a tough message to President Park, while avoiding public threats that would cause a "*humiliating loss of face and prestige*" for the latter. Source: "US Department of State Cable, ROK Nuclear Reprocessing," January 05, 1976, History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 12, Korea - State Department Telegrams, to SecState - NODIS (10). Obtained by Charles Kraus.

[190] See "*Seoul officials say strong American pressure forced cancelation of plans to purchase a French nuclear plant*", The New York Times, February 1, 1976.

portion of that country's export oriented economy. After a period of sustained and spectacular growth, the Korean economy was under strain following the 1974 Oil shock, when Middle-Eastern states curtailed oil exports to the West (and to Western allies). Protectionist pressures on the Ford administration – primarily directed at the rising Japanese exports to the United States – were already beginning to inflict collateral damage on the much smaller Korean export segment, an issue that was repeatedly raised by visiting South Korean officials to Washington (and heard with sympathy)[191]. In such a situation, any attempts to curtail access to the lucrative American market would certainly have appeared extremely threatening to the Park regime. The absence of such pressure highlights the fact that the Ford administration privileged the economic relationship with South Korea and the success of the capitalist experiment there. Whether it was attempts by the Ford administration to sanction South Korean nuclear and military technology to prevent the spread of nuclear weapons or attempts in Congress to force the Park administration to reduce the suppression of dissent, economic sanctions on the R.O.K. clearly appeared to be off-limits. The sacrosanct status of the Korean economic relationship across issues rebuts a potential counter-argument for the omission of economic measures in the Ford administration's response - that it was a tactical choice. In this narrative, considering that one of the Park regime's primary reasons for developing a

[191] President Park was particularly forthcoming about South Korea's economic troubles in the context of the 1974 Arab oil embargo in his conversations with President Ford with Ford promising to work with the former to mitigate the problems being faced by the R.O.K. Source: Memorandum of Conversation, November 22, 1974, Foreign Relations of the United States, 1969–1976 Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 258.
Even as the Ford administration moved to curtail the sale of missile technology to the R.O.K. in the context of the nuclear reprocessing issue, there was little discussion on other broader punitive economic measures such as targeting South Korean textile and electronic imports. All of this occurred in the context of furious American lobbying to enhance American access to the South Korean market. See "Us Department of State Memorandum, Sale of Rocket Propulsion Technology to South Korea, "February 04, 1975, History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 9,Korea (3). Obtained by Charles Kraus.

nuclear weapon capability was the lack of faith in the American nuclear and conventional military umbrella, this perception engendered a reactive response that targeted the strategic pressure points of the Park regime. As we have shown earlier, American policy-makers abjured economic sanctions in other disputes with South Korea as well, diminishing the salience of this argument.

I have argued that a policy of soft-rollback includes strategic pressure in the form of threats to deny military assistance, covert (and discreet) technology denial and disruption activities, attempts to deny the aspirant the benefits obtained from membership of international institutions, and crucially, the absence of economic pressure. As we have seen in the preceding discussion, the United States pursued a determined policy of rolling back the South Korean government's nuclear weapon capability. However, the tools used in this strategy were deliberately crafted to avoid any damage to the R.O.K.'s successful and growing capitalist economy and its ties with the United States market. While the Ford administration pressurized the South Koreans using its military deployment on the peninsula as leverage, the pressure was discreet, applied over a year-long period in such a way as to avoid embarrassment to the Park government. There was no evidence of economic sanctions, but there were clearly attempts to deny South Korea access to nuclear and strategic technology. While the U.S. did not threaten South Korea's membership of international institutions, the Ford administration attempted to preclude the technology cooperation that the R.O.K. would obtain from its accession to the NPT, by lobbying France and Canada to stop nuclear cooperation with the Park regime. Together, these tactics were substantially consistent with a policy of soft rollback as enunciated earlier. The motivation for such a policy can be ascertained from the discussions within the Ford administration following the determination that the South

Korean government was set on a course that would lead to the development of a nuclear weapon capability. Early deliberations on the prospect of a South Korean nuclear weapon program highlighted the risk that Japan would view this as a repudiation of faith by the R.O.K. in the American nuclear umbrella, prompting it to follow down the same path. A State Department analysis that concluded that South Korea was pursuing its own nuclear weapons program - beginning with the procurement of reprocessing capabilities - also concluded that Japan would be directly and negatively affected by this development[192]. As discussed previously, Japan's continued presence under the American nuclear umbrella was no longer a forgone conclusion in the minds of some members of the Ford administration. The State Department analysis noted that a nuclear South Korea would present, at minimum, an urgent impetus to Japan to consider its own nuclear weapon status. Another potential concern for the United States was the reaction of China. China considered South Korea a disruptive state that needed to be 'controlled' by the United States. Indeed, as the archival record previously reviewed demonstrates, that Ford administration was extremely concerned about the knock-on effect of the R.O.K. nuclear program on China. American officials were extremely concerned by the possibility that the advent of a South Korean nuclear arsenal would ignite latent conflict in the region or lead to further nuclear proliferation due to the security dynamics at work between South Korea and its neighbors. The reasons for this linkage are evident from a perusal of the discussions between the Ford administration and Chinese officials at the time the U.S. was secretly resisting the Park government's nuclear weapon push. 'Managing' South Korean behavior was a topic of repeated conversations between the U.S. and China

[192] Ford's National Security Council explicitly called a South Korean nuclear weapon capability a tipping point as far as Japan's nuclear direction went. Any such eventuality would, in this opinion, push Japan to develop its own nuclear weapons, which it was technically capable of doing. Source: National Security Council Memorandum from John Froebe to Henry Kissinger for propagation to other Departments. July 11, 1975. Ford Presidential Library Archives.

during both the Nixon and Ford administrations, with the American side repeatedly stressing that they would not tolerate any aggression against the South, while stressing that it would do its best to make sure Chinese security concerns were assuaged. Even as relations between United States and China started to normalize, the potential for South Korea to take unilateral steps in the areas of defense was a threatening prospect for the Chinese, who repeatedly expressed the opinion that the Park regime was responsible for continued "provocations and attacks" on the peninsula, while the North Korean government was trying to advance peaceful reunification[193]. Clearly, the elevated strategic liability perceived by Ford administration officials between the R.O.K.'s nuclear weapon program and the negative effects it would have on Japan and China demonstrates informed the strong American efforts to roll it back.

While the perception of high strategic liability explains the American determination to roll back South Korea's nuclear weapon program, we have seen that U.S. efforts were significantly circumscribed. While efforts to deny access to not just reprocessing material but also non-nuclear related strategic armaments such as missiles are consistent with the elevated strategic liability perceived by the U.S., the limits placed by the U.S. on its response, such as the significant absence of threats to sanction Korean commercial interests, clearly need further explanation. The United States valued the success of the South Korean economy and the burgeoning trade relationship between the two states, a fact underlined by the absence of any serious attempts by opponents of the

[193] Well into the "normalization" phase of Sino-American relations, the Chinese government referred to President Park of South Korea as a provocateur who had aggressive designs on the North, while the U.S. was careful to say that it was responsible for restraining the South as long as China kept the North Koreans in check. A representative example can be found in the conversation between Secretary of State Kissinger and Ambassador Huang of the Chinese liaison office in Washington on May 9, 1975. There is no evidence to suggest that the Korean nuclear program was discussed, which is understandable given American concerns about Chinese reaction at that time while it was still working to stop the Park government. Source: Foreign Relations of the United States, 1969–1976, Volume XVIII, China, 1973–1976, Document 109.

Park regime in Congress, much less the Ford administration, to threaten action against the R.O.K.'s economy in the hope of pushing it in a more democratic direction[194]. Even as the President Ford's advisors debated measures to curb the South Korean nuclear program, they were deeply involved in discussions to further open up the Korean market to American manufacturers. As described earlier, one of the highlights of President Ford's visit to Korea was a joint communique that privileged the economic relationship of both countries. The record also shows that while Secretary of State Henry Kissinger defended (and was defensive about) the continued American military support to a regime that many in Congress considered repressive and unworthy of such assistance, there was no such ambiguity about the economic aspect of the relationship. American trade ties with South Korea enjoyed unqualified and public support from the top echelons of the Ford administration, and even from Congress. Apart from the purely economic benefits this growing relationship promised, it also offered the one tangible and credible success that the Executive Branch could show for its efforts in the Korean peninsula. Given this narrative, it is clear why the United States eschewed economic threats in its campaign against President Park's nuclear weapon program, even as it brandished the threat of a military withdrawal and worked to stifle South Korean access to nuclear technology and missile delivery systems. While the administration fought a covert battle to dissuade the Park administration from developing nuclear weapons using its strategic ties as a bargaining chip, domestically it used the same strategic ties and the economic success of the R.O.K to frame the question of U.S.-Korean relations as one that afforded the United

[194] This was a time of economic malaise in the United States, with high inflation being one of the primary problems. Cheap Korean imports were important to the Korean economy and the American one. Contemporary evidence of this dynamic can be found in newspaper reports of the time that praised Korean imports for keeping the price of consumer durables down. See "Park's shining Korean Camelot", The New York Times, January 8, 1975.

States a strategic and economic advantage in the Cold War. In that it was successful in using Congressional reluctance to tie the hands of the Executive on foreign policy matters to win support for its policies[195].

4.5 CONCLUSION

I have previously argued that when the United States faces a nuclear aspirant that presents a high degree of strategic liability but is in a bilateral relationship that can be characterized as having high commercial value to America, it will pursue a policy of 'Soft Rollback'. This is characterized by military and strategic pressures short of the threat of actual conflict or the threat of action, sustained efforts to deny the nuclear aspirant access to military and civilian nuclear technology; but lacking any significant economic sanctions or the curtailment of financial assistance. I distinguish this set of measures, which I have termed 'Soft Rollback', from the basket of tactics adopted as part of an 'Active Rollback' strategy where the United States pursues coercive military and economic pressure when it perceives high strategic liability and low commercial value. In the South Korean case, I have shown that the United States pursued a circumscribed policy towards the South Korean government's nuclear weapons program, threatening to end military cooperation and blocking financing and the sale of military equipment. This, while advocating continued economic cooperation and trade with a country whose economic success was valued by the Ford administration, both for its intrinsic value as a credible example of America's endeavors to advance capitalism during the Cold War,

[195] The Ford administration was ultimately successful in beating back efforts in Congress to cut military aid to the R.O.K. crucially, even that limited effort would not have entailed any economic sanctions against the Park regime. This was not the case with other countries. For example, Congress tried to impose trade sanctions on the Soviet Union in opposition to its immigration policies, an effort it was more successful in. Kissinger actually argued that Congress was interfering in the day to day foreign affairs functions of the Administration, a charge Congress was sensitive to. See "Kissinger asks Congress not to limit his flexibility", The New York Times, January 8, 1975.

and for the commercial opportunities it engendered. The archival record shows that the American government weighed the perceived negative effects of a South Korean nuclear weapon on Japan and China before deciding to pursue an aggressive approach towards the Park regime's efforts. President Ford and his advisors worked hard to grow the U.S.-R.O.K. trade relationship even while abjuring the suggestion of economic sanctions as a means to slow the latter's nuclear progress[196]. Importantly, this discussion also shows that the intent of the nuclear aspirant is only one (and not necessarily the most important) among several factors that the United States considers in evaluating a response to the former's nuclear program. In the R.O.K.'s case the fact that South Korea intended a nuclear weapon as a measure of strategic independence and not a threat to the U.S. or its neighbors was of little comfort to the U.S. and can only partially explain the liability perceived by the latter, which arguably was most concerned about the impact of this development on China and North Korea. In this case, the strategic intentions of the R.O.K. offered some insight into its vulnerabilities, the discussion here shows that the set of options that the U.S. exercises (or threatens to exercise) against the proliferator are typically bounded by the perception of strategic liability and commercial value.

This substantially supports my case that the strategy adopted by the American government under President Ford towards the South Korean nuclear weapons program was shaped by the perception of high strategic liability and high commercial value, leading to the basket of measures that together constituted a policy of 'Soft Rollback',

[196] Another example of Soft Rollback would be France in the late 1950s and 60s when the U.S. under President Eisenhower was confronted with the possibility that a French nuclear capability would alarm the Soviet Union, destabilize NATO and potentially jump-start a West German nuclear weapons effort. The administration pursued tactics in this case that included efforts to deny technology to France, warn it about the loss of American protection even while abjuring any economic sanctions. In this case however, the French government called the American bluff. See Baum, Keith W., "Two's Company, Three's a Crowd: The Eisenhower Administration, France, and Nuclear Weapons", *Presidential Studies Quarterly*, Vol. 20, No. 2, Spring 1990, pp. 315-328

which in this case was successful in halting the proliferation of nuclear weapons into the Korean peninsula.

Chapter 5: Strategic Acquiescence

In this chapter, I examine the United States response to nuclear aspirants who present a combination of low strategic liability and high commercial value from the standpoint of the United States. I posit that this combination of independent variables will lead to the adoption of a policy of Strategic Acquiescence by the American government towards the state that is acquiring or advancing its nuclear weapons program. The lack of strategic liability will relax the constraints on the American government that would typically have forced it to adopt an adversarial approach to the nuclear program of the state in question. This will allow not just tacit but de jure acceptance of the legitimacy of the aspirant's military and civilian nuclear programs. Additionally, I propose that the elevated commercial value of the relationship will mean active participation of the United States in nuclear facilitation and trade with the aspiring state's nuclear energy sector. Insofar as the United States retains a latent interest in its nuclear weapon superiority and in non-proliferation, I do not expect that this acquiescence extends to trade or assistance in nuclear armaments directly. The significance of the commercial value variable is that it counteracts opposition to nuclear trade that may otherwise arise from traditional non-proliferation advocates and engenders trade linkages between the nuclear aspirant and the United States. These create incentives for the American Executive to legitimize the nuclear status of the former and reduce the threshold for the Executive's acceptance of (further) non-proliferation commitments made by the aspirant. In this chapter, I will show how this specific combination of low strategic liability and high commercial value will lead to a permissive nuclear policy by the United States, where it actively promotes the sale of civilian nuclear know-how, equipment and fuel to the state in question, leaving the latter free to pursue a military nuclear program unconstrained by American sanctions.

This strategic acquiescence with the nuclear goals of the partner state is the most liberal of the four different policy actions that my model postulates.

The major case I examine in this chapter is that of China in the early to mid-1980s when President Ronald Reagan of the United States confronted the prospects of a China whose nuclear program had grown to an unprecedented level of sophistication. This, even as the United States and China had developed close strategic and economic relations, building on the opening during the Nixon administration more than a decade earlier. While still a Communist state, China had grown estranged from the Soviet Union to a point where the United States now viewed the Chinese as essentially a partner in the Cold War. The relationship between the two Communist giants never recovered from the Sino-Soviet split of the early 1960s and the border conflict in 1969. American relations with the Soviet Union were particularly fraught in this period, as the Reagan administration fought proxy battles with the USSR in areas such as Afghanistan, and adopted a tough public posture against what President Reagan described as the 'evil Empire'[197]. The Chinese enjoyed reasonably warm relationships with Western European allies of the United States, many of which had preceded the United States in normalizing relations with the Chinese. Trade and commerce between the rapidly industrializing Chinese economy and a stagnant American one was one of the top priorities of both President Reagan and previous administrations. The Chinese economy had registered strong growth following the end of the Cultural Revolution and the program of economic liberalization that started in the 1978 under Deng Xiaoping, and the United States was eager to take advantage of the economic opportunities that this afforded.

---

[197] Reagan first made this statement in March 1981 after he had taken office as President of the United States and provoked angry backlash from Russia. See "*Gromyko rejects Reagan arms plan*", New York Times, April 3, 1983.

In the following sections, I will show that the United States perceived low strategic liability from the Chinese nuclear program and a high degree of commercial value from this relationship. Structural conditions at this time, such as the presence of a significant common threat in the form of the Soviet Union and the low probability that American nuclear cooperation with an already nuclear capable China would qualitatively influence the Soviet or Indian nuclear programs, contributed to the lack of perceived strategic liability. The potential of greatly expanded trade and commerce with China further engendered nuclear cooperation. This combination allowed the American government under President Reagan to pursue an agreement for the sale of nuclear reactors and material to China's civilian nuclear sector, with no restrictions on China's ability to further develop its military focused nuclear program. Below, I first examine the strategic and economic background of the American-Chinese relationship during the Reagan administration. Next, I examine archival evidence from this period to understand how the United States perceived the strategic liability arising out of China's nuclear program. Using contemporary data and records from the Reagan administration, I present an argument to mark the Chinese economic relationship as one having high commercial value for the Reagan administration. Finally, I examine the archival evidence to understand the nature of the policies adopted by the U.S. towards the Chinese program, and whether these policies were affected by the American perception of strategic liability and commercial value. In addition to the Chinese case under Reagan, I also briefly examine the American engagement with India during 2004-2006 when India emerged as a significant economic partner and potential strategic ally of the United States. This occurred at a time when India had embarked on a program of modernization and growth in both its civilian and military nuclear capabilities. The United States was in a position where it had to make a choice between its previous policy of weak acceptance of India's

nuclear weapon capabilities and a more full-throated embrace of the reality. I will argue that, much as it did in the Chinese case, it chose the latter leading to an unprecedented nuclear cooperation agreement with the Indian government that recognized India as a nuclear weapons power outside the framework of the NPT.

5.1 BACKGROUND

The signing of the Sino-American nuclear cooperation agreement between the U.S. and China in 1984 and its subsequent ratification was the culmination of efforts that began in the first year of the Reagan administration. Its most proximate cause was the decision by the United States to become a player in the rush to feed China's burgeoning demands, of which nuclear power was a key component, with the Chinese planning to build up to ten nuclear plants by the year 2000[198]. However, this decision needs to be seen against the backdrop of the U.S.-China relationship in the Cold War and the larger U.S.-China trade relationship.

During the Nixon-Ford and Carter administrations, the United States began to view China as a key element in its strategy to contain the Soviet Union. Indeed, the Chinese government was opposed to the Soviet backed Communist government in Afghanistan, one of the latest flashpoints in the Cold War; China is purported to have assisted the Americans in training the Mujahedeen fighters who were fighting to overthrow the Afghan communists[199]. While many in the Reagan administration viewed China as a natural partner in the Cold War against the Soviet Union, strategic cooperation between the two countries became more viable only after tensions with China over

---

[198] See Tan, Qinshang, "U.S. Nuclear Technology Transfer to China", in *The Making of U.S. China Policy, From Normalization to the Post-Cold War era*, Lynne Riener Publications, 1992, p. 118.

[199] See Snetkov, Agalya and Stephen Artis, Introduction in "*Regional Dimensions to Security: The other side of Afghanistan"* Palgrave MacMillan, 2013, pp. 34.

Taiwan early in the Reagan administration had dissipated. While the Soviet Union and China began to take tentative steps towards reconciliation in 1982, the United States embarked on an aggressive approach towards the U.S.S.R., supporting right-wing movements and governments around the world in their struggles against their Soviet backed left-wing opponents. The Reagan administrator saw China as a valuable partner, if not an ally, in the struggle against the Soviets. In China's own neighborhood, tensions with China following the 1962 border war between the two and subsequent tensions over Pakistan gradually started a process of easing. Crucially, India had not followed through on American expectations that it would weaponize its nuclear weapon capabilities following the nuclear test of 1974. It had instead chosen to slowly refine its technology, even as China built up its nuclear arsenal. To the extent that American concerns existed with China's nuclear policies, they were around the proliferation of nuclear technology to states such as Pakistan, a Chinese (and American) ally which was suspected of developing its own nuclear weapons program with Chinese assistance. This was a contested issue, with senior officials within the Reagan administration doubting the credibility of intelligence that pointed in this direction, even as some in Congress raised concerns[200].

On the economic front, the Chinese program of economic liberalization that began in 1978 had opened up vast opportunities for Western companies to pursue. While American allies in Western Europe had well established trade links with China, the United States raced to catch up following the normalization of ties in the 1970s. By the

[200] Initial concerns about China's support for Pakistan's nuclear weapons program arose at the end of the Carter administration. A 1983 National Intelligence Estimate said that China would probably not reduce its low-key technical support in the foreseeable future. Source: "Special National Intelligence Estimate, SNIE 13/32-83, 'Chinese Policy and Practices Regarding Sensitive Nuclear Transfers'," January 20, 1983, History and Public Policy Program Digital Archive, Obtained and contributed by William Burr and included in NPIHP Research Update #11.

time the Reagan administration had come to power, American exports to China constituted a small but growing share of overall American exports and importantly, were projected to grow significantly in the future. This perception was reflected in the American decision to upgrade China to the same status as its European partners for the purposes of trade in high technology items[201]. Even as China's nuclear weapons program achieved self-sufficiency by the late 1970s, and the Chinese nuclear deterrent coalesced into a force of warheads that the American government deemed sufficiently advanced as to deter China, its growing economy and its thirst for energy led to significant foreign investment in China's energy sector. Nuclear energy in particular was an area where European companies competed to fulfil Chinese needs, while American companies had to watch from the sidelines due to existing American restrictions on nuclear trade with states that had not signed on to the Nuclear (non) Proliferation Treaty.

As the preceding discussion shows, the United States perceived China to be a strategic asset in the Cold War against the Soviet Union. At the same time, the gradual warming of relations between the USSR and China and the already formidable Chinese nuclear weapon arsenal would imply that there was little threat of further proliferation if American engagement legitimized the Chinese nuclear program and bolstered its civilian nuclear capabilities. Further, the economic opportunities afforded by the liberalization of the nuclear energy sector of the Chinese economy and the growing trade and investment relations between the two states elevated the value of their commercial relationship. In the next section, I analyze archival material from the Reagan era to show that the administration's perception of strategic liability in the Chinese case was low based on the

[201] Early in his term, President Reagan decided to liberalize export controls on dual-use technology to China, setting the stage for significantly expanded trade between the two states in the area of high technology. The memo also removed China from the list of embargoed countries for military trade, allowing for a case by case decision as in the case of other friendly countries. Source: National Security Memorandum, June 6, 1981, Digital National Security Archive.

factors described above. Next, I evaluate the Commercial Value variable and show that it was 'high' based on the administration's perception of the Chinese economy's potential for growth and the opportunities it engendered. Finally, I will attempt to find evidence for my hypothesis that these two factors played a decisive role in the advancement of an American policy of strategic acquiescence towards the Chinese nuclear program. This culminated in a deal that opened up the Chinese market to American nuclear power companies and offered China access to American technology and fuel, even as it continued unhindered in its nuclear weapon program.

5.2 Evaluating Strategic Liability – America and the Chinese nuclear program, 1981-86

In this section, I estimate the position of the strategic liability variable. As elucidated in earlier sections, this variable's value is a function of its four constituent variables, Primary conflict, Secondary Conflict, Regime Stability and Common Threat Perception. As I have argued previously, the elevation of any one of the first three is a sufficient condition for strategic liability to be high. The last one, Common threat perception, has a functional impact only when strategic liability is already low, further relaxing strategic liability and allowing a more permissive policy to be adopted by the United States.

Primary Conflict: I start with this first sub-variable, which describes the existence of direct military conflicts between the United States and the nuclear aspirant, and therefore the possibility that a qualitative improvement in the latter's nuclear capabilities would damage the U.S.' standing in such conflicts. In the Chinese case, conflicts in Vietnam, Taiwan and South Korea were historical flashpoints where the United States and China had clashed, either directly, or through their proxies. In addition, American defense commitments to Taiwan and South Korea made it likely that the U.S.

would have to intervene militarily in any conflict that threatened these two allies. With China maintaining its right to forcibly reincorporate Taiwan, the chances of a military escalation that ensnared the United States and brought it into direct conflict with the Chinese was high throughout the 1970s and the first years of the Reagan administration. One of the crises that beset U.S.-China relations at the beginning of the Reagan administration was the sale of American weapons to Taiwan. Uncertainty over American plans to sell fighter planes and other advanced technology to Taiwan, - treated by China as a renegade province - and China's bellicosity towards the Taiwanese government dominated the strategic discourse between the two states. The possibility of a U.S.-China clash over the Taiwan question receded in late 1982 following an agreement by the U.S. to cap its sales of weapons to Taiwan. In turn, China agreed to use peaceful means to deal with the question of Taiwanese reunification with the mainland[202].

The other theater where there was a potential for a direct clash between the U.S. and China was South Korea, where a significant number of American troops were stationed as a buffer against an invasion from the Chinese supported North Korean Communists. When President Reagan took office in 1981, South Korea and China lacked formal diplomatic ties and shared mutual suspicions about each other's goals in the region[203]. As we have seen in a previous chapter, the normalization of relations between the U.S. and China during the 1970s had raised concerns in South Korea that the United States' security commitment to the former would be weakened. This fear had receded by

[202] This was known as the August 17 communique (issued jointly on August 17, 1983). It allowed both sides to claim that their position would be respected, allowing them to move beyond the irritant of American arms sales to Taiwan. Source: Public Papers of the Presidents of the United States, Ronald Reagan:1982, Best Books On, pp. 1053-1054.

[203] Even while generally agreeing on major strategic issues around the world, the U.S. and China differed in their perception of the South Korean government, as Secretary of State Alexander Haig acknowledged in a speech to his Chinese counterparts in 1981, the first visit by a U.S. Secretary of State to China since the establishment of full diplomatic ties. Source: Opening presentation, Strategic Overview, June 1981, Digital National Security Archive

the time Reagan came to office as the U.S. reiterated its resolve to keep American forces on the peninsula, though it left open the theoretical possibility that the U.S. and China could stumble into a clash over the Koreas. By 1983, even that small possibility diminished as China and South Korea expanded unofficial contact and indirect trade relations between the two grew in volume. While the 1970s had seen disagreement between the U.S. and China over the American military deployment in South Korea, the issue largely faded from their strategic discourse, and American intelligence analysts judged that the China would stay reconciled to the presence of American troops on the peninsula as a stabilizing force[204].

The gradual dissipation of the potential for direct U.S.-China conflict in Asia also meant that the expanding Chinese nuclear weapon capability and a corresponding increase in its civilian nuclear projects presented a smaller threat to the United States than it had done in the 1960s. By the time the Reagan administration had started engaging China in the early 1980s, much of China's focus was on countering the Soviet threat, a fact officials in the administration were keen to leverage for strategic purposes[205]. Given this dynamic, we can code the Primary Conflict variable, which is a measure of the threat of conflict between the U.S. and China, low.

Secondary Conflict – The secondary conflict sub-variable measures the potential for an expanding Chinese nuclear capability to cause further proliferation or military conflict in the region around it. If this potential were to be high, it would exacerbate American perceptions of risk from a Chinese nuclear advance.

---

[204] See China's Perception of External Threat, U.S. Defense Intelligence Agency, November 1984, p.4, Obtained from Digital National Security Archive.

[205] See 'Visit to China', Memorandum to Secretary of State, January 27, 1983, Digital National Security Archive.

By the early 1980s, China had begun a gradual process of rapprochement with the Soviet Union, with which it had an antagonistic relationship for almost twenty years following the Sino-Soviet 'split' and the first Chinese nuclear explosion in 1964. Since the Sino-Soviet border conflict in 1969, much of the Chinese nuclear weapons program through the 1970s was aimed at establishing a credible nuclear deterrent against the U.S.S.R. By 1984, American Defense Intelligence Agency analysts were estimating that China had built close to 165 nuclear warheads, much smaller than the Soviet arsenal, but sufficient – according to the DIA - to protect Chinese interests. The United States perceived that China would not try to match the Soviet nuclear stockpile, but would cap it at the current level, even though it had the capacity to build more[206]. The U.S.S.R. meanwhile, was attempting to improve relations with the Chinese and had essentially reconciled itself to China as an established nuclear power. Given this, it is logical to presume that any Chinese attempts to upgrade its civilian nuclear technology and gain access to fuel and other nuclear know-how would not be taken as a significant threat by Moscow, at least to the American analysts who had produced this analysis.

The other major power that had the potential to be affected by the burgeoning Chinese nuclear capability was India. Having fought a war with China in 1962 and conducted its own nuclear tests in 1974, India's relations with China remained frosty, with the latter developing a close strategic relationship with Pakistan, India's rival and long-time adversary. However, India had defied American estimates that it would go on to develop a full-fledged nuclear weapons program. Instead, the late 1970s and early 1980s saw India quietly refining its nuclear technology without any moves to develop

[206] See Intelligence Appraisal: China Nuclear Missile Strategy, March 13, 1981, Defense Intelligence Agency, Obtained from Digital National Security Archive.

warheads or weapon delivery systems[207], even as China leapt further ahead in both civilian and military nuclear arenas. Further, the early 1980s saw links between the two countries gradually start to thaw, with the resumption of high-level official visits. Given that India appeared to accept the overwhelming Chinese dominance in the nuclear arena at this stage, it was unlikely that further Chinese gains in the field would have a qualitative impact on India's nuclear weapon plans[208]. This conclusion was arrived at by American officials as well, who forecasted that India would continue this gradual process of improving its nuclear capabilities.

Besides the Soviet Union and India, smaller states such as Japan and South Korea had historically fraught relations with China and were considered sufficiently advanced in nuclear technology that the impact of any Chinese advancement in the nuclear arena on them would need to be assessed carefully. The scars of Japanese occupation during World War II had left a bitter legacy of mistrust in China, and diplomatic relations between the two had been reestablished only in 1973. South Korea and China were on opposite sides during the war that led to the creation of a Communist North Korea and a military led south. With no formal diplomatic ties between them, China and the R.O.K. were yet to move beyond the legacy of the Korean War. Both Japan and South Korea had lived under the American 'nuclear umbrella' following the end of World War II and their transformation into American allies. Japan's experience as the only country to suffer a nuclear attack put it in a unique position; its government and polity had maintained a

---

[207] The Central Intelligence Agency (CIA) reported that India continued to refine its technology and look to import required material and know-how when possible. There was no mention of a plan to weaponize warheads or conduct any other 'threshold crossing' activity. "Central Intelligence Agency, Directorate of Intelligence, 'India's Nuclear Procurement Strategy: Implications for the United States'," December, 1982, History and Public Policy Program Digital Archive, CREST, National Archives. Obtained and contributed by William Burr and included in NPIHP Research Update #11.

[208] Defense Intelligence Agency officials predicted that China would accelerate attempts to wean away India from Soviet influence to reduce the latter's influence in Asia. Ibid. 3

consistent policy of opposition to nuclear weapons and their proliferation. It was also a signatory to the Nuclear (non) Proliferation Treaty (NPT) as a non-nuclear weapon state. From an American perspective, the greatest threat of a Japanese nuclear weapon program was not during the Reagan administration, but rather in the early 1970s, when the Chinese nuclear program gathered pace and reports emerged of a South Korean nuclear weapons program. Given that Japan did not follow in the footsteps of the Chinese and the South Koreans in the 1970s, it was unlikely that it would view the Chinese bid to gain legitimacy for its nuclear project with great alarm, a perception shared by the United States[209]. In the case of South Korea, its nuclear weapons project had been successfully stalled by the United States in 1975-76, when the U.S. under President Ford pressurized the R.O.K.'s government into abandoning plans to purchase reprocessing equipment from France. While South Korea had not completely given up ambitions to develop nuclear weapon capabilities[210], the possibility had receded significantly. Moreover, South Korean concerns over an American withdrawal of its security umbrella, one of the motivations for the former's nuclear weapon push, had also been assuaged, as seen in previous chapters. Finally, given the already vast gulf that separated the Chinese and South Korean nuclear capabilities, the Chinese bid to bolster its nuclear program would have made little material difference to South Korean defense strategy. Indeed, South Korea does not

[209] In fact, the Americans were sufficiently confident that Sino-Japanese ties at the time were mutually non-threatening that the visiting Secretary of State, Alexander Haig recommended an increased Japanese self-defense capability as a positive development in the region, allowing it to deter Soviet expansionism. Ibid.16

[210] The South Koreans were advancing their technical capabilities to develop nuclear weapons even though they had abandoned a plan to move towards producing weapons grade plutonium. See "Report, Embassy of Hungary in North Korea to the Hungarian Foreign Ministry," May 22, 1979, History and Public Policy Program Digital Archive, MOL, XIX-J-1-j Dél-Korea, 1979, 81. doboz, 82-5, 003675/1979. Obtained and translated for NKIDP by Balazs Szalontai. Obtained from Wilson Center Digital Archives.

appear to have figured significantly in American discussions on the Chinese nuclear program during the Reagan era.

The preceding discussion indicates that the knock-on effects of a bolstered Chinese nuclear capability in the form of international support to its civilian nuclear program and the legitimacy that it consequently bestowed on its nuclear arsenal were not perceived to be significant by the United States. China's strategic competitors were in various stages of rapprochement with it, and further, were not in a position that would force them to view the Chinese advance as an impetus for a reevaluation of their own nuclear plans. Given these reasons, I code the Secondary conflict variable low.

Regime Instability: This sub-variable estimates the possibility that the government of the nuclear aspirant will become sufficiently weak or unwilling to comply with its own laws or commitments that its nuclear weapon know-how will fall into the hands of rogue regimes or groups through acts of omission or commission. I have posited that if the United States perceives this possibility to be high, it then increases America's strategic liability from the nuclear program of the aspirant state.

The possibility of further nuclear weapon proliferation was perhaps the most controversial aspect of the United States' dialog with China during the Reagan administration. While not a signatory to the NPT or (until its accession to it in 1984) the IAEA during the first Reagan administration, China nevertheless made a public commitment to avoid proliferating nuclear weapons technology to third party states or groups[211]. However, the beginning of the Reagan administration had brought with it possible evidence that its sought after strategic partner was secretly proliferating nuclear

[211] In a visit to Washington in January 1985, Chinese Premier Zhao said " ..we do not engage in nuclear proliferation ourselves, nor do we help other countries develop nuclear weapons", a pledge used by the Reagan administration to vouch for China's reliability. Source: Chin, Benjamin M., An Analysis of the U.S.-China Nuclear Cooperation Agreement, Maryland Journal of Law, Volume 10, Issue 2, Article 7, 1986, pp. 326-327.

weapons technology to states such as Pakistan. At least in the beginning of President Reagan's first term, these concerns were of sufficient credibility that the American Secretary of State at that time Alexander Haig, brought up this concern directly with his Chinese counterpart[212]. However, the Reagan administration's public posture on the issue of China's support to Pakistan was different. Throughout 1983 and 1984, even as press reports of Chinese collaboration with a purported Pakistani nuclear weapons program continued to emerge, it appears to be the case that the Reagan administration did not believe that whatever evidence there existed to support the claim that China was helping Pakistan's nuclear program was credible[213]. There was also another aspect to the issue of China's support for Pakistan. While the U.S. claimed that any Pakistani nuclear program was a great concern because of the possibility of an arms race with India, an even more important and possibly overwhelming factor affected America's attitude towards that state. This was the stated American imperative to strengthen Pakistan so it could act as the staging ground for the American supported forces that fought the Soviet backed Communist Afghan government. Indeed, making Pakistan 'strong' was, according to senior members of the Reagan administration, its top goal for South Asia, an objective that the U.S. shared with the Chinese on more than one occasion[214]. Given this, it is probable that there was little incentive for the American government to probe very deeply into China's interactions with Pakistan.

---

[212] The initial references were oblique, with visiting Secretary of State Haig telling his Chinese counterparts that a Pakistani nuclear test would be dangerous. Source: Secretary's talking points" U.S. China Relations, June 4. 1981, pp. 4-5. Obtained from Digital National Security Archives.

[213] See Tan, Qingshan, ibid. 138. Tan points to sources who believed that the U.S. discounted this intelligence because the original source (Britain) itself was skeptical about these reports.

[214] Pakistan was touted as a key strategic partner where American and Chinese efforts to bolster Pakistan against Soviet aggression to its west (in Afghanistan) were paying off. Pakistan was also China's largest arms client and a key state in its strategy to counter Soviet influence, goals which were similar to that of the United States. See "China's Perception of External Threat" ibid. 3-4.

With the Reagan administration discounting any evidence that China was covertly supplying nuclear material to third party states, the Regime instability variable can be coded low. This is not without controversy, for there was a significant outcry within Congress and the Press about Pakistan's nuclear program and China's alleged support. However, the Reagan administration was able to overrule such objections. It gave little importance publicly to the allegations that popped up. The administration also pointed to public and confidential statements from Chinese officials that vouched for China's 'innocence'. Given that the intelligence community operated under the Executive branch, the weight assigned by White House officials to various pieces of evidence was important to Congress, as it sifted through often conflicting evidence. In this case, the perception that China was not a proliferator of nuclear technology appears to have won the day, within and eventually outside the Executive branch[215]. Therefore, I code the Regime Instability variable low.

Common threat perception: I have argued previously that the presence of a common threat further reduces an already depressed perception of Strategic liability and allows the United States to be more amenable to cooperation or acquiescence with the nuclear program of an aspirant state. In the preceding discussion I have presented evidence that components of strategic liability such as the Primary conflict, Secondary conflict and Regime stability variable are low, therefore making the Common threat perception variable a potentially decisive actor, if it were elevated. Here, I shall show that

[215] The Reagan administration used verbal Chinese assurances such as these and other classified ones that came out of negotiations with the Chinese government on the U.S.-China nuclear deal to claim that China had provided sufficient assurances against non-proliferation. This ran counter to the expectations of many in Congress who saw this as an inappropriate departure from formal safeguards that other states had agreed to. This was the key area of contention between the Administration and Congress in the run-up to the ratification of the nuclear deal. The administration was able to win approval for the deal by agreeing to a need for Presidential certification that China was not engaged in nuclear proliferation. See Tan, Qingshan ibid. pp. 122.

the United States perceived that it and China faced a significant common threat in the form of the Soviet Union. Indeed, even as a newly confident China was pursuing a gradual policy of rapprochement with the U.S.S.R., the United States was moving steadily to co-opt China as a partner in the Cold War. China stood to play a key role in furthering President Reagan's aggressive approach towards Moscow's policies in Afghanistan and other areas around the world.

As argued previously, a (and perhaps the) major irritant in strategic cooperation between the United States and China early in the Reagan administration was the question of American arms sales to Taiwan and the possibility of a forceful attempt by China to retake Taiwan. The resolution of this issue (at least for the medium term) meant that a key obstacle to cooperation between the U.S. and China was removed. American officials viewed China as a key force in limiting the advance of Soviet military power in Asia, an objective that they believed was shared by the top Chinese leadership. However, there was also an appreciation on the American side of the possibility that China would attempt to distance itself from the U.S. because of its wariness about American ambitions in Asia[216]. Nevertheless, American officials were keen to reiterate a message of cooperation against the Soviet Union in meetings with the Chinese. In one of his first meetings with Chinese leader Deng Xiaoping, the new American Secretary of State, George Shultz was tasked with reminding the Chinese leadership about the danger of the Soviet threat and the necessity to fight it in areas such as Afghanistan[217]. The eagerness of the United States to enlist Chinese collaboration against the Soviet Union was to be a continuing

[216] American intelligence analysts argued that China was wary about the long term utility and reliability of the American security guarantees and presence in Asia and its deterrent effect on the U.S.S.R. It was also wary about being too closely associated with the U.S. for fear of losing the ability to chart its own course as a leader of the Third World. Source: "China's external threat perception", Defense Intelligence Agency (DIA) ibid. pp. 1.

[217] See "Your meeting with Deng Xiaoping", Secret Briefing Memorandum, January 26, 1983. Obtained from Digital National Security Archives.

theme throughout this period, with the U.S. making the strengthening of China's ability to fend off 'Soviet aggression' a key policy objective. In a National Security Decision Directive on the eve of his visit to China in 1984, President Reagan made this point explicitly, calling for "*expanding U.S.-P.R.C. cooperation against the common threat posed by the U.S.S.R.*"[218] Clearly, the U.S. government believed at the highest level that it and China faced a compelling threat in the form of the Soviet Union that necessitated strategic cooperation. I therefore code the Common threat perception variable 'high'.

In this section, I have shown that the Primary conflict variable can be coded low based on the understanding reached by both sides on the one contested issue, the status of Taiwan. Similarly, I show the Secondary conflict variable to be low based on the fact that the propensity of Japan and South Korea - two state that were engaged in a conflict with China, and the ones with the technical nuclear capability - to start or escalate their own nuclear weapon program was diminished during this period. More ambiguously, I show that the U.S. discounted contested evidence on China's culpability in the covert Pakistani nuclear program and determined that the Chinese government's non-proliferation commitments could be trusted. This leads to the Regime Instability variable being coded low. In sum, all of the sub-variables that could elevate the Strategic Liability variable were low during this period, leading us to conclude that America's strategic liability from a Chinese nuclear program was low. Further, the presence of an elevated Common threat perception meant that the U.S. had an incentive to further discount any concerns with the Chinese nuclear program, increasing the likelihood that it would support it. In the next section, I examine the second independent variable, Commercial Value.

---

[218] See Reagan's National Security Decision Directive issued on January 9, 1984 attesting to this goal. Obtained from Digital National Security Archives.

5.3 EXAMINING AMERICAN PERCEPTIONS OF COMMERCIAL VALUE IN THE U.S.-CHINA RELATIONSHIP

By the time President Reagan's term in office was underway, the United States and China enjoyed a trading relationship unlike any that existed between the U.S. and a Communist state. In 1980 China was America's twenty fourth largest trading partner and the U.S. was China's third. By 1983, China had become the United States' sixteenth largest trading partner, and the U.S. China's second largest[219]. This rapid increase in prominence of the U.S.-China trade relationship during the first Reagan administration illustrates the fact that China was growing in economic as well as strategic importance. In this section, I will show that the Reagan administration perceived the commercial value of this relationship to be high. The significance of a high commercial value in the presence of low strategic liability is that it creates incentives for the United States to legitimize civilian nuclear trade with the aspirant state. The absence of strategic liability here mitigates concerns that the establishment of these trading linkages will free the latter to devote more of its resources towards military nuclear programs, and allow the cross-pollination of capabilities between military and civilian sectors.

Economic links between the U.S. and China resumed in 1973 following the visit of President Nixon to China and gathered steam following the establishment of full diplomatic ties between the two countries. By the advent of President Reagan's administration, commercial links between the two states were becoming a major focus area for the United States, with a push by senior members of Reagan's cabinet to remove restrictions on trade with China. In their early engagements with China, American officials such as Secretary of State Alexander Haig reiterated the message to senior

[219] See Yue Chia, Siow and Bifan Cheng, Trade Flows between China and ASEAN, "*ASEAN-China Economic Relations: Developments in ASEAN and China*", p. 223 and Zhou, Shijian "China-U.S. economic relations: accords and discords", February 27, 2012, China.org.cn. Also see Briefing memorandum, "Your meeting with Deng Xiaoping", ibid. 5

Chinese leaders, highlighting the Reagan administration's decision to liberalize trade to China[220]. This decision was pushed by the Commerce Department, keen to remove the remaining restrictions on trade with China that still existed, a vestige of the time when China was an ally of the Soviet Union. It was accompanied by Reagan's successful veto of legislation that would have curbed Chinese imports, a measure that required significant support from his fellow Republicans in Congress, many of whom had to be convinced to sustain the veto based on the promise of greater market access to China[221]. Reagan's liberalization of export controls on goods and technology meant for China was a further signal of America's eagerness to take advantage of the growing Chinese appetite for goods and services from the West. American efforts to make sure the economic relationship with China realized the potential that the Reagan administration believed existed took on greater momentum in the run up to the visit by the Chinese Premier to Washington D.C., in January 1984 and President Reagan's return visit later in the year. In a National Security Decision Directive (NSDM), Reagan reaffirmed his commitment to conclude bilateral investment and tax treaties, saying that the U.S. wanted to further build on the already *"substantial trade benefits the two countries (had) derived.."* from their ties. This optimism was accompanied by angst over China's adherence to licensing rights of American manufacturers, and China's perceived unwillingness to abide by the terms of

[220] Haig conveyed to his Chinese counterparts that the U.S. "had a strong interest in the successful modernization of China's economy" and that the U.S. was liberalizing export controls towards "increasing the level of U.S. technology transfer to China" as a next step. Source: 'Secretary's Talking Points', ibid. 2

[221] See 'Message from Commerce Secretary Baldridge on U.S.-P.R.C. Joint Commission on Trade and Commerce, Confidential Cable, June 16, 1981, pp. 1. Digital National Security Archive. Initiatives such as the Joint Commission were key fora where the push for trade liberalization occurred, with Administration officials such as Baldridge pushing Reagan to make this happen. Reagan's Republican Party was more amenable than the Democrats who were in control of Congress at this time. The latter attempted to impose curbs on textile imports which would affect China in particular, which resulted in a Presidential veto. Increasing American exports to China was part of the reason such curbs were seen as being harmful by many in his party. See "Textile Curbs win in Senate", The New York Times, November 14, 1985 and "House Sustains Veto of Textile Import Curbs." In *CQ Almanac 1986*, 42nd ed., 347-48. Washington, DC: Congressional Quarterly, 1987.

a bilateral agreement to purchase grain from American producers – all of which were important to the Reagan administration's domestic support coalition[222]. American interests in commercial ties extended to the military sector, and figured significantly in deliberations within the Reagan administration. The U.S. was keen on selling arms and munitions, as well as sensitive civilian technology to China. Building up China's military capabilities was one of America's goals, but the lucrativeness of the Chinese arms import sector was a major factor[223].

As the preceding discussion shows, economic ties with China were of great significance to the Reagan administration, which had liberalized technology and export control rules governing trade with China to a degree that was unprecedented for American ties with a Communist state. The economic aspect of America's relationship with China was as much a part of Reagan administration deliberations as was the strategic aspect. China's expanding economy, and importantly, the potential that it represented, was valued by the Reagan White House. Consequently, I code the 'Commercial Value' variable, which represents the United States' perception of the importance of the nuclear aspirant's economy and its ties with the American economy, 'high'.

I have shown above that the U.S.-China relationship during the Reagan administration was governed by an American perception of low strategic liability and high commercial value. I have argued previously that this combination leads to the United States adopting a policy of strategic acquiescence towards the nuclear program of

---

[222] See "National Security Decision Directive" dated January 9, 1984. Obtained from Digital National Security Archive.

[223] See Briefing Memorandum", Meeting with Deng Xiaoping ibid. 5. While the U.S. approved sales presentations to China for a wide variety of conventional armaments and aircraft, actual sales were not finalized.

the state in question. In the next section, I examine archival evidence for support of this postulation.

5.4 The Evidence – Did the United States adopt a policy of Strategic Acquiescence towards China's nuclear program

I seek to answer two primary questions in this section

- Did the United States follow a policy of strategic acquiescence, as defined earlier, towards the nuclear program of China?
- If it did, was it because of the perception of low strategic liability and high commercial value from the standpoint of the Reagan administration?

American attitudes towards the Chinese nuclear program, both civilian and nuclear, had gone from alarm to a grudging acceptance between the Johnson and Carter administrations. As discussed in Chapter 2, President Johnson actively considered attacking Chinese nuclear facilities, going so far as to approach the Soviet Union to see if it was amenable to joint action. The hardening of the Sino-Soviet split and the rapprochement initiated by President Nixon's trip to China saw the United States and the former become, if not allies, "non-allied friendly states" that had a loose collaboration against the Soviet Union in the 1970s. By the time President Reagan came to office, China had firmly established itself as an opponent of the Soviet Union and a partner with the United States in areas such as Afghanistan, South-east Asia and Pakistan. The American intelligence community's perceptions of China's nuclear program and its intent were evident in a 1981 memorandum where it was judged that the Soviet Union was the primary target of these nuclear capabilities[224], and that too as a defensive measure. While there is evidence that the United States still conducted routine planning for a nuclear war

[224] See "China Nuclear Missile Strategy", March 13, 1981, Secret Intelligence Appraisal, Defense Intelligence Agency, p. 2. Obtained from Digital National Security Archive.

scenario with China, the planners involved conceded[225] that contemporary circumstances made such an eventuality unlikely. Rather, the United States appeared predisposed to boosting China's nuclear capabilities. In January 1984, President Reagan issued a directive to his administration to make all necessary efforts to conclude a civilian nuclear cooperation agreement that would allow the sale of nuclear reactors, fuel and associated technology to China. This was preceded by several years of discussions between the two states, with Reagan's first Secretary of State, Alexander Haig, broaching the subject in 1981 while visiting China. While China had opened up its nuclear power sector to overseas investment in 1979, American suppliers were precluded by the Nuclear Non-Proliferation Act (NNPA) from entering into any agreement with states that were not signatories to the Nuclear (non) Proliferation Treaty (NPT), a legal requirement that was a reaction to India's 1974 nuclear test. However, the Reagan administration was willing to conclude an agreement with China that overrode this mandate, with the only requirement being that China agree to prevent the proliferation of this technology to other states[226].

The United States and China initialed an agreement to cooperate in the field of nuclear energy during President Reagan's 1984 visit to China, followed by a formal signing in July 1985. Heralded as an unprecedented agreement that would allow American companies to sell nuclear technology to China, the agreement did not require

[225] See "U.S. Nuclear Weapons Policy Toward China: 1985-1995", Report, February 10, 1981, Defense Nuclear Agency, p. 4. Obtained from Digital National Security Archive. The authors said that the study was being done because one could not rule out the possibility that China would "once again" become antagonistic toward the United States.

[226] Reagan said that he wanted to conclude an agreement of cooperation on peaceful uses of nuclear energy. They key requirement according to Reagan was a "clear statement" from the Chinese Premier that China would not assist other countries in developing nuclear weapons and agreement on U.S. consent and visitation rights NSDD. Ibid. pp.5

that China accede to the NPT, a treaty that the Chinese claimed was discriminatory[227]. The Reagan administration made major concessions to China, by not even requiring a formal declaration that the latter would refrain from proliferating nuclear technology in contravention of the global non-proliferation regime. Rather, it settled for what it said were private (classified) assurances from the Chinese leadership that they would behave responsibly with respect to nuclear technology, and statements by Chinese leaders that China was not engaged in proliferation. The Reagan administration also gave up the right to formally approve the reprocessing of spent fuel from American nuclear reactors sold to China as part of the agreement, instead agreeing to use "diplomatic channels" to 'favorably' discuss such requests from China[228]. The agreement required an amendment in American law due to the exceptions it made for China, in particular its non-adherence to the NPT. Facing stiff opposition from Congress, in particular from Democrats who pointed to leaked intelligence estimates of Chinese involvement in Pakistan's nuclear weapons program, the Reagan administration had to delay submitting the agreement to Congress for approval. In hearings before Congress, the administration played up the commercial aspect of the nuclear deal, with companies testifying about the importance of the deal for their businesses to remain viable[229]. Reagan ultimately succeeded in winning Congressional assent by agreeing to condition the agreement's operative clauses on a certification from the President that China was not engaged in nuclear proliferation, giving the President the authority to override these requirements on national security

[227] In his visit to Washington following the issuance of the confidential NSDD by Reagan, Chinese Premier Zhao said that China would not assist other countries in developing nuclear weapons even though the main international agreement that legalized such a prohibition, the NPT, was one the Chinese found discriminatory and unacceptable. See Chin, Benjamin ibid. 326.

[228] The United States got 'discussion rights' instead of consent rights, no visitation rights to Chinese nuclear facilities, and finally, no written commitment to abide by U.S. non-proliferation rules. See Chin, Benjamin, ibid. pp. 335-338.

[229] There was a significant amount of lobbying by the administration, the energy department and the nuclear industry to get Congress to pass the cooperation agreement bill. See Tan, Qingshan, ibid. 129-132.

grounds[230]. In sum, the nuclear agreement represented a significant strategic success for China in its quest to gain acceptance as a responsible nuclear power. American strategic acquiescence with China's nuclear program was now visibly demonstrated by this nuclear agreement, which would allow China to augment its nuclear energy needs with American technology while being able to devote resources towards its strategic nuclear sector.

I have argued that a policy of strategic acquiescence will go beyond a de jure acceptance of the nuclear aspirant's weapons status. It will result in the following actions.

- A willingness by the American government to make country specific exceptions to non-proliferation regimes.
- Broad American cooperation with that state's civilian nuclear sector.
- Cessation of any significant efforts to curtail its development or deployment of nuclear weapons.

The United States accepted China's nuclear weapon status as early as 1968 when the NPT was ratified. However, true acceptance and cooperation with China's strategic ambitions, including its desire to boost its civilian nuclear infrastructure, occurred after the Reagan administration came to power in 1981. As the discussion above indicates, the United States passed laws allowing for trade in nuclear material with China, with

[230] In spite of these conditions, the fact remained that Congress essentially let the agreement go through without any concessions from China. The history of U.S. certifications of other countries' nuclear weapons programs has shown that American Presidents have wide leeway in interpreting any given act or set of actions of a particular country as contributing to proliferation. As an example, even though American intelligence was signaling that Pakistan was developing a nuclear weapon in the 1980s, the Reagan administration was able to find a way to technically certify that the former did not possess a 'nuclear device'. See "Arms Control and Disarmament Agency, Memorandum from Kenneth Adelman for the President, 'Certification on Pakistan'," November 21, 1987, History and Public Policy Program Digital Archive, Department of State mandatory declassification review release. Obtained and contributed by William Burr for NPIHP Research Update No. 24.

minimum concessions from the Chinese side. This was complemented by efforts to boost China's defensive capabilities against the Soviet Union, and the absence of any American efforts to block China's development or deployment of nuclear weapons. Together, this represents a policy of strategic acquiescence with China's nuclear program, as predicted by my model.

I have established previously that President Reagan's administration followed a policy of strategic acquiescence towards China's nuclear program. Next, I examine the causal logic behind these actions. Public and private statements by Reagan administration officials were in alignment with the perception that China was a collaborator, if not an ally, against the Soviet Union. President Reagan's national security directive on the eve of his visit to China in 1984 called for his administration to pursue policies that would boost strategic cooperation with China and strengthen its ability to ward off Soviet influence in Asia, and this message was central to the talking points used in dialog with China. In talks with the Chinese leadership, senior Reagan administration officials such as Secretary of State Schultz reinforced the same message, warning the former about Soviet aggression in its neighborhood and stressing America's readiness to help China combat it. While there was some concern within the American intelligence community that China would attempt to pursue a more equidistant foreign policy with respect to the U.S. and the Soviet Union, Reagan was convinced[231] that China and the U.S. shared a common threat in the Soviet Union, which therefore engendered a need for the American government to strengthen China's defensive military capabilities. As seen previously, American intelligence analysts concurred with the assessment that China's conventional

[231] Reagan tied strategic and economic arguments together in his directive to liberalize the sale of nuclear technology to China. He argued that bolstering China's infrastructure capabilities was crucial to both America's economic and strategic interests in the Cold War, and the nuclear deal was a critical part of boosting China's energy infrastructure. See National Security Decision Directive, ibid. 5

and nuclear forces were primarily oriented towards countering a Soviet threat. There also appeared to be little concern that boosting China's civilian nuclear industry would free up resources that could then be used to further its military sector, including the development of nuclear warheads that had started to become the mainstay of China's nuclear strike force. Rather, President Reagan directed his administration to boost China's defensive military capabilities, investing in both its civilian and military infrastructure projects to counteract perceived Soviet expansionism in Asia. This clearly demonstrates the effect of the common threat that the Reagan White House perceived to exist.

Commercial interest in increased trade with China, including the export of nuclear reactors was high. Corporate leaders lobbied both overtly[232] and covertly, putting intense pressure on the Reagan administration to liberalize trade with China. Even before the nuclear deal with China was signed, Reagan approved orders relaxing export controls to allow the sale of previously restricted items including dual use technology that found application in civilian and military areas[233]. This commercial impetus was at work in the negotiations between the U.S. and China as China stuck to its stand of not agreeing to mandatory U.S. consent rights for reprocessing or language specifying China's obligations towards non-proliferation in the final agreement. As noted earlier, the Reagan administration made concessions at every stage of the negotiations to advance the deal to the final step. From the outset, the record of discussions within the Reagan White House indicates that the U.S. was willing to make significant amendments in domestic

[232] A particularly prominent example of the pressure on the Reagan administration was a meeting between Secretary of State George Shulz and American business leaders with interests in China, where he was grilled on the American government's delay in approving the sale of nuclear equipment to China as well as other export controller items. Shulz responded by criticizing the business community for not giving the Reagan administration time to work on eliminating these barriers. See "Shulz snaps at U.S. Business leaders in Peking", February 3, 1983, The New York Times

[233] This pressure resulted in Reagan listing China as a non-embargoed state, the same category as other friendly countries such as Japan, which allowed the sale of dual use technology to China. See Presidential Decision Memorandum, June 6, 1981. Obtained from Digital National Security Archive.

legislation to win trade deals with China in the energy sector, as seen from Reagan's National Security Directives. In hearings before Congress during the ratification process of the agreement, both the administration and industry representatives expressed strong support for liberalizing nuclear trade with China because of its potential economic benefits, in spite of the perceived non-proliferation related deficiencies that existed in the deal. Importantly, the Reagan administration framed the nuclear deal as important not just to the nuclear industry, but to the overall vitality of the U.S.-China trade relationship. Rather than play the role of one among several actors in a bureaucratic negotiation process, the administration occupied a central role in framing and driving its favored outcome through the domestic ratification process. Even as it defended its position that the nuclear deal contained sufficient (if weaker than desired) safeguards, the administration touted the economic benefits of the nuclear deal to counter the arguments of the non-proliferation advocates in Congress[234].

5.5 CONCLUSION

As the preceding discussion shows, the Reagan administration used two key parameters in gauging the criticality of the nuclear cooperation agreement with China – the importance of building up the infrastructure capability of a key friendly state and partner against a common foe, the Soviet Union, and the economic boost such as deal would give to an important trade relationship. There is little evidence to show that the U.S. was concerned about the enhanced nuclear capabilities of China threatening it in any

[234] Key members of the Senate such as Alan Cranston, a Democrat, were opposed to the nuclear deal on non-proliferation grounds. Others such as John Glenn viewed it as 'salvageable'. It was to the members of the Congress in the middle who wavered between non-proliferation objectives and the trade advantages of the deal that the Reagan administration made its pitch. Groups such as the National Council for U.S.-China Trade were deployed to make an argument that this nuclear deal was beneficial to the U.S.-China trade relationship and therefore to the overall American economy. See Chin, Benjamin, ibid. 322 and Tan, Qingshan, ibid. 141.

way. Rather, American intelligence analysis and the Reagan administration perceived the Chinese strategic nuclear weapons program as a hedge against Soviet threats. Additionally, American intelligence perceived the threat of an actual nuclear exchange between China and the Soviets to be low. This made an enhanced Chinese nuclear capability attractive because of its limited liability. The key roadblock in both the Reagan administration's discussions with China as well as in the subsequent deliberations in the American Congress was China's perceived support for covert nuclear weapon programs in countries such as Pakistan. The Reagan administration appears to have discounted the evidence that did exist[235], casting it as doubtful, and was able to overcome Congressional objections, partly using the economic logic of the agreement as a weapon. Therefore, the behavior of the Reagan administration correlates with my argument that low strategic liability and high commercial value motivate American Presidents to pursue a policy of what I have termed strategic acquiescence with the nuclear program of an aspirant state. The crucial issue on which the U.S.-China nuclear deal hinged was the question on whether China was covertly supporting the nuclear weapons programs of other states such as Pakistan. I have argued previously that high regime instability can create increased strategic liability for the United States. That implies the existence of a credible threat of further nuclear proliferation to rogue states or groups due to the unwillingness or inability of the aspirant state's government to enforce non-proliferation norms. The case of Pakistan is unique in that it also happened to be an indispensable partner of the United States in the Cold War, and as I have argued previously, one whose nuclear program the

[235] To the end, the administration continued to deny the allegations of Congressional critics that it had withheld evidence regarding the alleged proliferation of nuclear technology by China to states such as Pakistan. The State Department directly refuted the allegations of critics such as Senator Alan Cranston, saying that Richard T. Kennedy, the State Department official who was in charge of negotiating the agreement with China, had provided all available evidence and the Administration's analysis of its validity. See "Cranston assails U.S.-China Accord", The New York Times, October 22, 1985.

U.S. was willing to accept grudgingly. Given that Pakistan at this time was far removed from being considered a 'rogue state', the American willingness to discount evidence of China's support for Pakistan's nuclear program appears to have been influenced to a limited extent by this dynamic[236]. Ultimately however, intrinsic problems in the credibility of the intelligence reports on Sino-Pakistani nuclear cooperation appear to have limited their impact on strategic liability. Therefore, the perceived overall lack of strategic stability, combined with the presence of a common threat perception and high commercial value, clearly influenced the strategic acquiescence of the Reagan administration with China's nuclear program.

The history of Sino-American nuclear cooperation in the years following the passage of the nuclear deal is testament to the fact that changing strategic and economic circumstances can force re-evaluations. Towards the end of the Reagan administration, renewed concerns about proliferation by the Chinese and perhaps most importantly, the absence of any Chinese initiative to purchase American nuclear equipment, stalled further cooperation. The end of the Cold War and the Tiananmen Square incident changed the calculus for the United States, removing the common threat factor (the U.S.S.R.). It was only during the Clinton agreement that the agreement saw forward progress in the form

---

[236] The Reagan administration's focus in the course of responding to the leaked information regarding China's support for Pakistan's nuclear program was on damage control to save the nuclear deal. This dilemma is evident in an earlier memorandum from Secretary of State Shulz to President Reagan, where he warned that American attempts to curb the Pakistani nuclear program were hindered by the need to maintain the strategic relationship that was crucial to the Cold War against the Soviet Union. Source: "Secretary of State George Shultz to President Reagan, 'How Do We Make Use of the Zia Visit to Protect Our Strategic Interests in the Face of Pakistan's Nuclear Weapons Activities'," November 26, 1982, History and Public Policy Program Digital Archive, CIA Records Search Tool [CREST]. Obtained and contributed by William Burr and included in NPIHP Research Update #6.

of a Presidential certification that China was not proliferating nuclear technology[237]. While this delay could be characterized as a hiatus rather than an abrogation of policy, even the latter sort of response would be consistent with my framework, since it can adapt to any alteration in American perceptions of strategic liability or commercial value, which can lead to a reconsideration of policy. In the Chinese case, one could argue that the delay in the agreement's implementation was due to the elimination of the Soviet threat, which in turn reduced the impetus for the American government to move quickly on the nuclear front, especially given broader economic sanctions imposed in the wake of Tiananmen Square. The impermanence of strategic and commercial factors can best be illustrated by recent American policy actions. In many ways, the Sino-American nuclear agreement and the constellation of factors that influenced it mirror the India-U.S. nuclear agreement reached during the George W. Bush administration[238]. Ironically, China was

---

[237] See Kan, Shirley and Mark Holt, "U.S.-China Nuclear Cooperation Agreement", *Congressional Research Service*, September 6, 2007.

[238] I have argued in Chapter 3 that the United States had 'weakly' accepted India's nuclear weapons capability going back to the latter's 'peaceful nuclear explosion' in 1974, an argument buttressed by the anemic attempts in 1998 to constrain India's nuclear weapons program, which were also abandoned towards the end of the Clinton administration. In this section, I briefly examine the Indian case during the George W. Bush administration and argue that a similar constellation of factors, low strategic liability, common threat perception (the common threat was ironically China) and high commercial value led to America's de jure recognition of India's nuclear weapons status and support for its civilian nuclear energy program. The signing of the U.S.-India Civil Nuclear Cooperation agreement was the capstone of this policy of strategic acquiescence.

George W. Bush's first early months in office were marked by rising tensions with China as China extended the reach of its naval and air forces in the South China Sea, engaging in tense encounters with American naval units that had traditionally enjoyed unfettered access to the area. With the decline of Russia, it had become evident to American policy makers that China would be America's next great strategic and economic rival. In Asia, the only other state that matched China in terms of sheer population numbers and arguably, military abilities, was India. India had fought a border war with China and viewed it warily, citing China's military might as the chief strategic rationale for its own nuclear weapons program. U.S.-China tensions were temporarily dwarfed by the September 11, 2001 terrorist attacks on the United States, which saw the Bush administration and the United States re-engage significantly with South Asia. While the Bush administration relied on India's traditional rival, Pakistan, to advance its war against terror in Afghanistan, this engagement also saw the U.S. draw close to India, with both states now perceiving a common threat from terrorism. This constellation of a common Chinese threat and terrorism emanating in the Afghan-Pakistan borderland was cited by American officials as a rationale for closer American-Indian

the ‘Common Threat’ that provided inducements for the Bush administration to strategically acquiesce with India’s nuclear weapons program and confer de jure legitimacy on it.

---

strategic cooperation. The fact that both China and Pakistan, India’s regional rivals, had advanced nuclear weapons programs reduced the possibility that recognition of India’s nuclear capabilities would lead to a qualitatively difference in either country’s nuclear trajectory, depressing the Bush administration’s strategic liability.

By time George W. Bush had come to office, India’s economy had started achieving consistently high growth rates, drawing comparisons in American political and economic circles with China. While India had opened up its economy to foreign investment in 1991, it was only at the turn of the twenty-first century that the reforms had matured to a point where sustained foreign investment and trade became evident as India’s economic growth exceeded its previously perennial rate of 5%. The field of Information Technology in particular was a major source of bi-directional trade between the two countries. In the run-up to President Bush’s visit to India in 2005, the commercial prospects of the U.S.-India relationship were repeatedly highlighted by senior members of the Bush administration in both public statements and Congressional hearings. Clearly, the Bush administration viewed the commercial value of the Indian relationship as ‘high’.

When the U.S.-India nuclear deal was signed by President Bush and Prime Minister Manmohan Singh of India, it elicited similar reactions from non-proliferation advocates as did the U.S.-China deal. In many ways, the two agreements were similar. While the China deal made exceptions for Chinese non-adherence to the NPT and the typical American reprocessing requirements, the Indian deal created an exception by recognizing India as a nuclear weapons state outside the framework of the NPT and exempted Indian military nuclear facilities from IAEA inspection requirements. As with the Chinese deal, economic arguments were used by the Bush administration to counter non-proliferation advocates in Congress, while arguing that the U.S. and India shared common strategic and geopolitical interests. The Bush administration effectively reframed the nuclear question as one of strategic cooperation and economic salience, away from arguments that focused on non-proliferation. In this way, the U.S.-India nuclear deal mirrored the agreement that came to define the U.S.-China strategic relationship a generation earlier.

See Testimony of Secretary of State Condoleezza Rice before the Senate Foreign Relations Committee, April 5, 2006, Congressional Record, Government Printing Office Website. Secretary Rice and Under-Secretary of State Burns framed the U.S.-India nuclear deal as a significant strategic and economic breakthrough in their relationship. Positive framing such as this allowed the administration to turn the focus away from nuclear proliferation related issues associated with the deal.

See Frankel, Francine R. "The Breakout of China-India Strategic Rivalry in Asia and the Indian Ocean” *Journal of International Affairs* 64, no. 2 (2011), pp. 1-17. Frankel articulates the strategic calculations behind the Bush administration’s push to develop strategic ties with India.

Chapter 6: Conclusion

In the preceding chapters, I have presented a two-level framework to explain the varying American response to nuclear proliferation around the world. I have introduced two independent variables, Strategic Liability and Commercial Value, which are the primary causal factors involved in shaping the response of the United States, and specifically the Executive Branch, to the efforts of nuclear aspirant states as they attempt to obtain or significantly enhance their nuclear weapon capabilities.

6.1 A SUMMARY OF EXPECTED AND OBSERVED OUTCOMES

This work posited four distinct policy outcomes based on the configuration of the two independent variables, Strategic liability and Commercial value. I analyzed one major case for each combination of the two independent variables. Each substantive chapter contains an exposition of the data that allows us to situate the case in the specific quadrant and the evidence for the validity of my hypothesis that this configuration led to the expected policy outcome. Table 1 below summarizes this in terms of expected and observed outcomes. The first case to be considered was China in the 1960s during the Lyndon Johnson administration. The archival material clearly indicated that the Johnson administration perceived a high degree of strategic liability from China's nuclear test in the context of virtually non-existent commercial ties between the two states (low commercial value). Further, there was ample evidence from the archival material that Johnson pursued a policy of coercive military threats and maintained a policy of strict economic sanctions against the communist regime prior to and in the immediate aftermath of the nuclear test. These findings are consistent with a policy of 'Active Rollback' which is in line my framework's predictions. While the evidence is unambiguous in this period, there was a nuanced change towards accommodation in the

latter part of the Johnson administration (1967-68), where evidence indicates that the administration made conciliatory gestures towards the Chinese and their nuclear weapons capabilities, even as Strategic liability remained elevated and commercial value stayed diminished. I have argued that this seeming nuanced departure from my model's predictions in the latter part of the Johnson era can be explained with reference to the unique exigencies presented by the need to ratify the Nuclear (non) Proliferation treat (NPT), and the perception by the Johnson administration that it could take advantage of the hardening Sino-Soviet split by drawing the Chinese closer. The ratification of the NPT offered the chance that the U.S. could further its global non-proliferation objectivities even though it came at a price (accepting a Chinese nuclear weapon status). In a sense, these factors diminished strategic liability, consistent with my predictive framework.

The next case to be considered was that of India in the 1970s during the Nixon-Ford administrations. There was sufficient justification to place the U.S.-India relationship in this period in the Low Strategic liability, Low commercial value quadrant. Archival evidence from this era indicates that the U.S. grudgingly accepted the Indian nuclear weapons program, even as it imposed anemic sanctions that – while hindering India's development of nuclear weapon capabilities – did little to coerce it into rolling back these capabilities. A noteworthy observation that needed further elaboration was the American behavior when India conducted a second nuclear test and officially declared itself a nuclear weapons state in 1998. The United States' imposition of seemingly stringent sanctions immediately following this test would appear to indicate a shift away from a policy of weak acceptance. However, the evidence analyzed clearly showed that most of the punitive measures were removed within a few short months, before they had any real impact on India. Indeed, the record of deliberations from within the Clinton

administration indicated that the United States settled quickly back into a policy of 'Weak Acceptance' once the dust had settled on India's nuclear tests, validating the notion that this was (and had been) American policy.

The third major case to be analyzed was South Korea's nuclear weapons program during the Ford administration. This attempt by the Park regime in the R.O.K. occurred in the context of high strategic liability and high commercial value from the American standpoint, as the material from this period established. While the United States was determined to stop South Korea's nuclear development, the evidence indicates that it did so using heavily circumscribed tactics substantially consistent with the predicted outcome of 'Soft Rollback'. The U.S. used the threat of eliminating its security guarantee to coerce the Park government into stopping its nuclear pursuits. From an international institutional standpoint, even though the South Korean government had signed the NPT, the U.S. sought to deny or delay the former's access to nuclear reprocessing technology from France and Canada. Crucially, it avoided any economic sanctions or the threat of such a possibility.

The final case was that of nuclear armed China during the Reagan administration when it stood at the threshold of a massive expansion of its military and civilian nuclear technology. The evidence indicates that the Reagan administration followed a policy of strategic acquiescence with the Chinese nuclear program, beating back Congressional opposition to pass a landmark nuclear cooperation agreement with the Chinese government. The U.S. concluded the agreement in spite of China's reluctance to sign on to formal American safeguards on non-proliferation and inspections due to strategic and economic imperatives. This is consistent with the framework's prediction of 'Active Rollback'. The fact that a similar agreement was signed several years later between the U.S. and India, where China was now the 'Common threat' that elicited American

acquiescence with India's nuclear program, while consistent with my framework, is an irony that speaks to the impermanence of strategic factors in geopolitics.

Strategic Liability	**Commercial Value**	**Major case**	**Predicted Policy outcomes**	**Actual Policy Outcomes**
High	Low	China, 1964-68 during the Lyndon Johnson administration	Active Rollback - Coercive Military threats or actions on nuclear and military infrastructure - Economic sanctions backed by threats of force - Diplomatic actions to prevent access to International institutions	Consistent with Active Rollback prior to and in the immediate aftermath of the nuclear test (1964-66). Conciliatory signals towards China's nuclear weapons capability in the context of the NPT (1967-68)
Low	Low	India, 1970s during the Nixon-Ford administrations and a 'post-script' in 1998 when India conducted a second nuclear test in 1998	Weak Acceptance - Non-cooperation with civilian nuclear and dual-use programs in an effort to cap further nuclear weapon development or stockpiles. - Technology denial, especially in military and nuclear areas. - Limited Economic sanctions	Consistent with Weak Acceptance (1974). Sanctions imposed by Clinton administration in 1998 almost immediately revoked or weakened, reverting to 'Weak acceptance'.

Table 1: Summary of variables alongside expected and observed outcomes

Strategic Liability	Commercial Value	Major case	Predicted Policy outcomes	Actual Policy Outcomes
High	High	South Korea, 1970s, during the Ford administration	Soft Rollback - Degradation in the strategic alliance relationship (if the aspirant is engaged in one with the U.S.). - Covert technology disruption activities. - Suspension or denial of cooperation in nuclear or dual-use civilian technology - Threats and actions to expel or suspend the nuclear aspirant from international institutions or preclude benefits from such membership. - A long 'gestational' period of threats before actual action, with the U.S. applying quiet or covert pressure initially.	Substantially consistent with Soft Rollback. -Threats to eliminate security guarantee. -Denial of military and nuclear technology -Diplomatic attempts to deny access to benefits from NPT (such as nuclear technology from France and Canada) -Absence of economic pressure
Low	High	China, 1980-86 during the Reagan administration	Strategic Acquiescence - Cooperation with the aspirant's Civilian nuclear program - No sanctions on dual-use technology - Attempts to block any other states or international institutions from imposing negative sanctions on the nuclear aspirant's due to its nuclear weapons program.	Consistent with Strategic Acquiescence -Treaty to conduct nuclear commerce passed by U.S. Congress -Agreement completed outside framework of NPT, and overrode objections that the U.S. was allowing its economic and strategic interests to trump international institutional frameworks such as the NPT.

Table 1, cont.

6.2 SITUATING THE THEORY IN NON-PROLIFERATION LITERATURE

The Structural context: An important goal of this effort is to attempt an explanation of why the United States pursues varying approaches to the problem of

nuclear proliferation around the world. I have argued previously that Realist theories are fundamentally under-determining or silent insofar as explaining this variation. While works such as Waltz (1981) have argued that nuclear proliferation may have been effective in preventing or reducing the frequency of wars, and have used this argument prescriptively (Waltz, 2012), it is clear even in these works that such calculations did not factor into the deliberations of American policymakers. In essence, Realism does not explain why the United States has accepted or acquiesced with the nuclear programs of certain states, - hostile ones such as communist China in the 1960s and a non-aligned India in the 1970s, - while attempting to dissuade others, such as South Korea, a close ally, in the 1980s. My theory does have an important role for structural factors in determining American preferences vis-à-vis a nuclear aspirant's proliferation attempts, and the nature of policies that these preferences engender. My first independent variable, Strategic Liability, signifies the perception of risk that the American Executive faces while confronted with the possibility of nuclear proliferation. Strategic Liability is measured by four constituent variables – Primary Conflict, Secondary Conflict, Regime Instability and Common Threat perception. This composition allows us to accurately capture the various factors that contribute to the Executive's perception of risk. While the Primary Conflict variable estimates the probability that the United States and the nuclear aspirant will engage in a nuclear conflict, the Secondary Conflict variable measures the impact of a state's nuclear weapons program on other states in the region, particularly its adversaries. This distinction allows us to model both 'traditional' scenarios where the United States is faced with an adversary who is on the threshold of obtaining nuclear weapons capabilities, as well as other ones in which allies may be pursuing nuclear weapons projects. I have used this approach to examine scenarios such as with China's nuclear test in 1964 when the U.S. was engaged in a proxy battle with that country in

Vietnam - a case of high strategic liability where the U.S. feared that China would deploy its nuclear weapons against the U.S. Another case where strategic liability was elevated for the United States even though it did not perceive a direct threat was South Korea's nuclear weapons push in 1975. Here, it was the perception that a South Korean nuclear program would lead to a Chinese nuclear response and jump-start a Japanese proliferation effort that elevated the Ford administration's strategic liability.

Strategic Liability is also informed by Regime Instability, which measures the inability or unwillingness of the proliferating state's government to secure its nuclear weapons and know-how from rogue groups or regimes. I have shown that this was a key point of contention in the United States when the Reagan administration debated the completion of a civil nuclear agreement with China. Finally, another constituent component, 'Common threat perception', plays a role in making collaboration with the nuclear aspirant especially attractive when the other components of strategic liability are diminished.

A feature of this framework is that it does not assume that the United States seeks to equally deter all states in their pursuit of nuclear weapons or weapon technology. Here, it departs from other works based on Bargaining theory or deterrence (Powell, 2003) that have focused on situations where states have pursued nuclear weapons capabilities in the context of an antagonistic relationship with a status-quo state. The puzzle there is primarily whether or not such actions lead to a preventive war or actually prevent it (Debs, Monteiro 2014). In contrast, I have posited that there are several situations where the procurement of nuclear weapons technology by an aspirant state, even when viewed askance by the U.S., does not lead to the consideration of a military option, let alone the exercise of one. The South Korean case is one such instance. Furthermore, my framework comprehends situations where the U.S. appears to view the nuclear weapon programs of

certain countries benignly (India, 1974) or embraces it (China, 1985). Therefore, distinct from the literature quoted above, the question I seek to ask is not whether the introduction of a nuclear component in a crisis dyad will lead to preventive war. Rather, I seek to find the source of American preferences towards deterrence or accommodation, neither of which I view as binary choices - as the four policy options I enumerate and examine clearly indicate.

The domestic political-economy context: My thesis argues that strategic liability alone does not determine the American response to proliferation. I have introduced a second independent variable, which I term Commercial Value. Commercial Value represents the American's Executive's perception of the importance of the nuclear aspirant's economy and its linkages to the American one. I have shown that the causal effects of this variable were at work when the Nixon and Ford administrations grappled with President Park's attempts to obtain nuclear reprocessing equipment from France. The significant investments made by successive American administrations in developing South Korea's capitalist market economy, and the benefits that this effort had begun to accrue for American trade interests greatly elevated the commercial value of South Korea in the eyes of President Ford and his senior advisors. This dynamic was also at work when the Reagan administration faced pressure from American manufacturers and exporters who pushed the Administration to liberalize the export of strategic and dual- use technology to China. The economic arguments put forward by White House officials and the marshalling of economic interests in support of the deal speaks to the salience of the commercial value variable. These cases help to distinguish my framework from 'Domestic' or 'Innenpolitik' based approaches towards nuclear proliferation, such as those using Bureaucratic politics based models to explain the Reagan administration's strategic acquiescence with China's nuclear program (Tan, 1992). The bureaucratic

politics argument is that the interaction between domestic political actors shaped the final policy outcome. While the evidence clearly indicates that the Reagan administration had to *navigate* Congressional opposition and politics to the nuclear deal - primarily non-proliferation advocates who used evidence from the administration's own intelligence apparatus to try and block the deal – the final outcome and the very fact of its passage clearly shows that the Administration prevailed, and played a central role in the process. Other bureaucratic politics based approaches have attempted to explain short-term tactical aspects, such as the fact that the United States has not yet taken military action against Iran's nuclear program (Oren, 2012). What distinguishes my framework from such approaches is that it seeks to understand the factors that influence and orient the general direction of American policy towards these aspirants. It seeks to explain U.S. preferences for (strong or weak) opposition and (strong or weak) accommodation. Therefore, while the framework predicts that the American government will actively consider coercive military action and even threaten it in cases of high strategic liability and low commercial value, whether or not such a tactic is actually employed will depend on tactical considerations, such as the probability of success.

The necessity of a two-level scheme: I have shown that neither of my two independent variables is sufficient by itself to determine American non-proliferation policy. While a few studies have broadly explored American commercial co-operation with the nuclear programs of aspiring nuclear states (Fuhrman, 2012), they have discounted any economic incentives that may have contributed to this phenomenon, or focused primarily on 'aid' programs such as 'Atoms for Peace' that had an inherently strategic component to them. However, I have shown that commercial interests were very much at play when the United States considered nuclear cooperation with developing nuclear powers, and economic considerations mattered even when it did not. To take the

case of China in 1964 and South Korea in 1975, American strategic liability was significantly elevated in both instances. However, the lack of significant (or any) commercial ties between the United States and China in the former case allowed the Johnson administration to threaten and strongly consider military action against the Chinese government. My examination of the archival record uncovered evidence that senior members of the Johnson administration were in favor of pre-emptive military action against China, and even approached the U.S.S.R. to see if it was amenable to joint action to accomplish that goal. While doubts about the effectiveness of a military response ultimately forced President Johnson to abandon these plans, the serious consideration of such measures validates my prediction of an American policy of 'Active Rollback'. In the South Korean case, an elevated perception of strategic liability – this time due to an elevation in the secondary conflict variable, or knock-on effect of the Park regime's covert nuclear push – led to a policy of 'Soft Rollback', where the Ford administration used the threat of taking away South Korea's security "guarantee" – the stationing of American forces on the Korean peninsula – to coerce Park into abandoning his nuclear pursuits. Importantly, there was no attempt to use economic sanctions as a tool to coerce the South Korean government, even though this was one of its greatest vulnerabilities. This finding is in alignment with my model's prediction that the perception of high commercial value – which I show to exist in the Korean case – plays a crucial role in 'softening' the United States' attempts to roll back the nuclear proliferation efforts of an aspirant state.

One of the more interesting cases that I explored was the case of the Indian 'Peaceful Nuclear Test' in 1974. Here, the lack of both strategic liability and commercial value were instrumental in determining the final policy outcome. While most analysts have argued that the U.S. reconciled itself with an India capable of nuclear weapons in

the early 2000s, I show that the Ford administration, and especially the larger than life Secretary of State, Henry Kissinger, was inclined to live with India's newly demonstrated nuclear capabilities in 1974 and even assumed that the latter would weaponize its nuclear material quickly. This was in large part due to the lack of significant strategic liability, as perceived by the Ford administration. The fact that China had already acquired a vastly superior nuclear capability contributed to this judgment, as did the perception that a greatly weakened Pakistan would not be in a position to follow suit (a perception later events disproved). Additionally, the fact that much of the rest of the world had signed on to the newly ratified Nuclear (non) Proliferation Treaty (NPT) diminished the probability that other states would follow India's path, thereby reducing the strategic implications of an Indian advance. I have also shown that the lack of significant commercial linkages between the United States and India reduced the impetus for a wider embrace of India's strategic capabilities, keeping the United States' acceptance of India's nuclear capabilities 'weak'.

My final substantive chapter focused on the most liberal options that American policy-makers have available to them; the one I term Strategic Acquiescence. The China-U.S. civil nuclear cooperation agreement represented a major example of this dynamic, where the lack of significant strategic liability and the existence of a common threat in the form of the Soviet Union greatly diminished the Chinese nuclear program's strategic liability to the United States. This was the case even though the Chinese government had not signed on to the NPT, a crucial requirement for American cooperation with the nuclear programs of other states. Additionally, the booming Chinese economy presented a great temptation to the Reagan administration, which utilized the domestic support (and pressure) this engendered to push a civil nuclear agreement with China through a reluctant Congress. This policy represented the epitome of Strategic acquiescence as the

administration made significant concessions to the Chinese by not requiring stringent visitation and consent rights for the nuclear equipment and fuel that it sold to China.

The Executive's role: My theory privileges the Executive as the American entity that is most influenced by this combination of independent variables and is in a position to make policy decisions pursuant to this influence. The phenomenon of rapid policy change due to issue reframing by domestic actors has been previously explored in Public Policy literature on domestic policy areas (Baumgartner and Jones, 1993). Here, I showed how the Executive used its privileged position to reframe a non-proliferation issue into one of strategic and economic interest. The examples of the Chinese nuclear agreement and the United States' weak acceptance of India's nuclear capabilities offer especially compelling examples of this predominance. In the Chinese case, the Reagan administration was able to selectively highlight intelligence data and confidential Chinese assurances of responsible nuclear policy to push through the nuclear deal through a Congress that was greatly concerned by reports of Chinese support for Pakistan's nuclear program. The administration also channeled industry support for its policy actions to 'frame' the nuclear deal question as one of significant economic importance. The juxtaposition of these 'hard' economic interests against more diffuse concerns about non-proliferation allowed the administration to win the day on the nuclear deal. The importance of the Executive was also on display in the Indian case in 1974. While many in Congress saw the Indian nuclear test as a breach of Indian assurances to the United States, the Ford administration chose to discount this view. When Congress passed bills to force the Administration to oppose international aid to India, the Ford administration chose to selectively interpret this mandate, choosing to abstain, rather than vote against India in bodies such as the International Monetary Fund (IMF), and lobbying other states to vote for the aid packages. This dynamic illustrates the importance of the Executive's

prerogatives over Congress', especially when effective action against a proliferator requires close coordination with other international allies. The administration's flexibility in interpreting foreign policy mandates – a feature that Congress is reluctant to constrain given the need to quickly adapt to changing international circumstances, especially in the area of national security – is further magnified in matters requiring coordination with other states.

Comprehending proliferation's intent and impact: Another important feature of this framework is its accommodation of the fact that the intent of the nuclear proliferator is only one aspect among several that is under the consideration of the American executive in the process of fashioning a foreign policy response. In instances such as the Indian nuclear test in 1974, the Ford administration misread the test as an indication of India's resolve to quickly develop nuclear weapons. However, what mattered most was President Ford's perception of the impact of the program, which ultimately led him to a grudging acceptance of the Indian capability. In the case of China's push to modernize its civilian nuclear and military programs, the United States was cognizant of the fact that China was moving towards a more equidistant relationship relative to the U.S.S.R. and the U.S. (and therefore somewhat away from close coordination with the U.S.). It nevertheless chose to strengthen, not weaken its strategic cooperation and nuclear trade with China, perceiving this to be useful for economic and strategic reasons. I have also shown in the South Korean case that the United States was primarily influenced by the impact of the R.O.K.'s nuclear weapons capability on China, North Korea and Japan. When nuclear weapons were introduced into a pre-existing conflict situation, such as in the Chinese case in 1964, the U.S. was concerned that the Chinese intended to wield it as a weapon against American interests. Indeed, bellicose statements from Chinese leaders explicitly pointed to that possibility. Regardless, my

model posits that American perceptions would have been along similar lines due to the elevation of the 'Primary conflict' variable, whether or not such statements had been made.

In summary, this framework seeks to explain the widely diverging set of policy choices that the United States has made towards nuclear proliferation around the world. While not discounting the fact that the U.S. has 'latent' non-proliferation preferences, it does not treat such preferences as immutable. Rather, I have shown here that the United States, and in particular the Executive branch, is influenced by strategic considerations of liability as well as 'domestic' considerations of commercial value in deciding what course to adopt towards an aspiring or developing nuclear weapon power. In doing so, I have shown the Executive to have a privileged position in deciding the course of such policy, in some instances over the active opposition of other branches of government. I have shown that the primary strategic factor that influences American action is the 'impact' of the proliferant's actions, and not necessarily its intent in acquiring nuclear weapons, which in some cases may pose no direct military threat to the United States or its allies.

6.3 Contemporary Relevance and Policy Implications

While this framework has primarily analyzed historical cases of American response to proliferation, it has significant relevance to contemporary cases as well. One of the most important foreign policy questions facing the United States today is the question of Iran's nuclear program and the Obama administration's attempts to come up with a policy response. While this is still an evolving issue, one can already perceive the elements that make this an acute problem for the United States. Commercial ties between the two states were already greatly diminished following the 1979 Revolution in Iran that

deposed the Shah of Iran, an American ally. In the strategic domain, Iran has battled the United States indirectly in the Middle-East in areas such as Lebanon and has been accused of harming American interests overseas. Further, the prospect of an Iranian nuclear weapons capability has greatly alarmed the Israeli government as well as American allies in the Middle-East such as Saudi Arabia, which are perceived by American governments to be ready and capable of conducting pre-emptive action against the developing Iranian nuclear capability (Israel) or starting their own nuclear proliferation efforts (Saudi Arabia). There is also great alarm that an Iranian nuclear capability could fall into the hands of non-state actors who may be willing to use it against the West. All of these factors point to a significant elevation in the Primary and Secondary conflict variables as well as Regime instability, alongside a low Commercial value. While the rise of sectarian violence in the Middle East has afforded opportunities for U.S.-Iran cooperation in places such as Iraq and Syria, this factor alone is proving to be too weak to change the American strategic perceptions. American threats to attack Iranian nuclear facilities, actual reported cyber-warfare against the Iranian nuclear program, and stringent economic sanctions against Iran with the cooperation of American allies are all aspects of an American policy of 'Active Rollback', which is what my model predicts in such a scenario.

I have expounded previously how my framework privileges the role of the Executive in nuclear policy-making. However, as the case of China under Reagan clearly shows, even with the Congressional tradition of deference to the Executive on foreign policy, Executive agreements with nuclear aspirants are vulnerable to challenges from domestic actors such as the American Congress. This is especially the case when domestic concerns about the durability of non-proliferation assurances are deemed insufficient, for whatever reason. While the historical record indicates that the Executive

has generally prevailed in the final outcome, it has had to expend significant political energy, marshalling domestic actors and interests to overcome hurdles along the way. Such hurdles can be expected to be even more onerous when it comes to negotiations and outcomes that lack domestic votaries. In this scenario, a distinguishing and relevant feature is the formal multilateral auspices under which modern nuclear negotiations, such as the one with Iran, occur. As coordinated commercial sanctions and other economic tools become increasingly important as non-proliferation 'weapons' in the globalized post-Cold War world, such frameworks have become the 'cost of doing business' for the American Executive, who loses some of its leverage due to the need to carry along other participants. However, the presence of other state actors can serve a useful role in buffering the Administration from domestic attempts to veto or unilaterally renegotiate a bargain. Since the costs of rejecting a multilateral bargain are unpredictable and potentially costly, such a framework raises the threshold for domestic opponents of these agreements.

Another point worth considering when examining the historical record of American non-proliferation attempts is that with the notable exception of Iraq, the United States has rarely taken recourse to armed action against a (suspected) nuclear weapon aspirant. Even in a case such as China, whose leaders' bellicose rhetoric in the run-up to the nuclear test in 1964 frightened American policy-makers sufficiently for them to contemplate preventive strikes, a restrained policy secured a global non-proliferation framework that has had remarkable (but not perfect) results. The United States has often misread the *intent* of a nuclear aspirant, but in the final analysis, its policy-makers have typically made conservative judgements on the *impact* of nuclear weapon programs in deciding which approach to follow.

In conclusion, I expect this model to apply to other powerful states that grapple with nuclear proliferation. For example, I envision extending this framework to China's support for Pakistan's nuclear industry, and in general, the approach China takes to nuclear programs around the world as its strategic reach increases. Beyond the issue of nuclear proliferation, I believe this model can be extended to study issues such as alliance formation, where the liabilities and commercial considerations evaluated by great powers play similar roles in decision making. It is my hope that this work and its future iterations will contribute to the understanding of the powerful forces that shape the destinies of nation states.

References

Adelman, Kenneth "Arms Control and Disarmament Agency, Memorandum from Kenneth Adelman for the President, 'Certification on Pakistan'," November 21, 1987, History and Public Policy Program Digital Archive, Department of State mandatory declassification review release. Obtained and contributed by William Burr for NPIHP Research Update No. 24.

Allison, Graham*, "Essence of Decision"*, Harper Collins; 1st edition (1972).

Baldrige Jr., Malcom "Message from Commerce Secretary Baldrige on U.S.-P.R.C. Joint Commission on Trade and Commerce" Confidential Cable, June 16, 1981, p.1. Digital National Security Archive.

Baum, Keith W., "Two's Company, Three's a Crowd: The Eisenhower Administration, France, and Nuclear Weapons", *Presidential Studies Quarterly*, Vol. 20, No. 2, (Spring 1990): 315-328.

Baumgartner, Frank, and Bryan Jones, "*Agendas and Instability in American Politics*", University of Chicago Press (1993).

Burr, William, and Jeffrey T. Richelson. "Whether to "Strangle the Baby in the Cradle": The United States and the Chinese Nuclear Program, 1960-64." *International Security,* Volume 25, no. 3 (Winter 2000/01): 54-99.

Burr, Aaron, National Security Archive Electronic Briefing Book No. 367**.**

Bundy, McGeorge, Memorandum of Record, National Defense University, Taylor Papers, Box 25, Chairman's Staff Group, April 1964. Prepared by NSC staff member Colonel William Y. Smith, USA, from Foreign Relations of the United States. 1964-68, "China".

Bundy, McGeorge, Memorandum for the Record, 09/15/1964, Lyndon Johnson Presidential Library archives via National Security Archives.

Bush, George W "Memorandum on Waiver of Nuclear-Related Sanctions on India and Pakistan," September 22, 2001. Posted online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=73551.

Central Intelligence Agency, Directorate of Intelligence, "India's Nuclear Procurement Strategy: Implications for the United States", December, 1982, History and Public

Policy Program Digital Archive, CREST, National Archives. Obtained and contributed by William Burr and included in NPIHP, Research Update #11.

Central Intelligence Agency, Directorate of Intelligence, "India's Nuclear Procurement Strategy: Implications for the United States" December, 1982, History and Public Policy Program Digital Archive, CREST, National Archives. Obtained and contributed by William Burr and included in NPIHP Research Update #11.

Chagla, M.C. "Rajya Sabha Q&A on the India's Objectives Regarding the Nuclear Non-Proliferation of Nuclear Weapons," May 30, 1967, History and Public Policy Program Digital Archive, Institute for Defence Studies and Analyses (ISDA), Rajya Sabha Q&A Documents.

Chang, Gordon, "*Friends and Enemies, The United States, China and the Soviet Union 1948-1972*", Stanford University Press (1991): 237-243.

Chin, Benjamin M "An Analysis of the U.S.-China Nuclear Cooperation Agreement" *Maryland Journal of Law*, Volume 10, Issue 2, Article 7 (1986): 326-327.

Cho, Dong Sung, in "*From Patron to Partner, The Development of U.S-Korean Business and Trade Relations*" ed. Moskowitz, LexingtonBooks (1984): 49-50

Committee on Nuclear Proliferation (Gilpatric Committee), "Problems of Nuclear Proliferation", working paper, Box 1, Problem 2, Lyndon B. Johnson Presidential Library Archives.

Committee on Nuclear Proliferation, Box 2, Folder 1, Problem 3, Report #1, Lyndon Johnson Presidential Library Archives.

Committee on Non-Proliferation, Committee Files, Box 5, Folder 2. State Department Memo, 4/64, Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation, Notes of McLoy, Dulles meeting, 12/13/1964, Box 1, Folder 2, Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation, Box 2, Folder 1, Problem 3, page 2, Packages and Problems, "Chicom capability elimination", Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation Box. 6, Folder 8, "Memorandum for the Chairman, by John McLoy, Lyndon B. Johnson Presidential Library Archives.

Committee on Nuclear Proliferation Box. 6, Folder 8, "Memorandum for the Chairman, by John McLoy, Lyndon B. Johnson Presidential Library Archives.

Committee on Nuclear Proliferation, "Final Report", Box 15, Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation, "Letter from Chairman Gilpatric" Box 1, Folder 2, Document 5a. Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation, "Minutes of Gilpatric, McLoy, Dean meeting" Box 1, Folder 2, 12/09/1964. Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation, Box 2, Folder 1, Problem 3, Value and Feasibility of NPT, Report from ACDA. Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation "Tentative thoughts on Nuclear Proliferation" Box 1, Folder 2, Doc. 5a, 12/4/1964. Lyndon Johnson Presidential Library Archives.

Committee on Nuclear Proliferation "Problems of Nuclear Proliferation", working paper, Box 1, Problem 2, Lyndon B. Johnson Presidential Library Archives.

Congress of the United States, Office of Technology Assessment "*Competing Economies: America, Europe and the Pacific Rim"* (1991): 303.

Congressional Research Service "*Report on U.S.-India Trade Relations* (2003).

Congressional Quarterly "House Sustains Veto of Textile Import Curbs." *CQ Almanac,* 42nd ed. (1986): 347-48. Washington, DC: Congressional Quarterly, 1987.

Copelovitch, Mark, "Master or Servant? Common Agency and the Political Economy of IMF Lending", *International Studies Quarterly,* 54(1) (2010):49-77.

Debs, Alexandre and Nino Monteiro "Known Unknowns: Power Shifts, Uncertainty and War" *International Organization*, Volume 68, Issue 01 (January 2014): 1-31.

Defense Department, "Operation War Shift: Position Paper, Second (Revised) Edition," 1971, History and Public Policy Program Digital Archive, Central Connecticut State University Library, 951.9 O546. Obtained by Brandon Gauthier.

Defense Intelligence Agency "China's Perception of External Threat" (November 1984): p.4 Obtained from Digital National Security Archive.

Defense Intelligence Agency "Intelligence Appraisal: China Nuclear Missile Strategy" March 13, 1981, Obtained from Digital National Security Archive.

Defense Intelligence Agency "China Nuclear Missile Strategy", March 13, 1981, Secret Intelligence Appraisal, p. 2. Obtained from Digital National Security Archive.

Defense Nuclear Agency, "U.S. Nuclear Weapons Policy Toward China: 1985-1995", Report, February 10, 1981, p. 4. Obtained from Digital National Security Archive.

Dittmeier, Christopher R "Proliferation, preemption and intervention in the nuclearization of second-tier states" *Journal of Theoretical Politics*, 25(4) (2013): 492-525.

Dugger, Celia, "India's Testing Issue", *The New York Times*, December 5, 1998.

Embassy of Hungary in India to the Hungarian Foreign Ministry "Telegram No. 115, May 17, 1978" History and Public Policy Program Digital Archive, Hungarian National Archives (Magyar Országos Levéltár, MOL). XIX-J-1-j India, 1978, 62. Doboz, 60-5, 003496/1978. Obtained and translated for NPIHP by Balazs Szalonta

Foot, Rosemary, "*Practice of Power*", Clarendon Press (1995)

Foreign Relations of the United States, 1964-1968, Volume XXX, China, Document 63, "Memorandum from James C. Thompson", October 28, 1964.
Foreign Relations of the United States, 1964-68, "Memorandum from James Thompson" Volume XXX China, Document 173, August 4, 1966.

Foreign Relations of the United States, 1964–1968 "Study prepared by the Special State-Defense Study Group" Volume XXX, China, Document 161, June 1966.

Foreign Relations of the United States (FRUS), 1969-1976, "Transcript of Nixon, Kissinger and Haldeman conversation" November 7, 1971. Volume E-7, Documents on South Asia, 1969-1972, Document 150.

Foreign Relations of the United States, 1969–1976, "Memorandum from Richard Schneider, NSC" Volume E–13, Documents on China, 1969–1972, Document 1, January 25, 1969

Foreign Relations of the United States, 1969–1976 "Telegram from the Embassy in Pakistan" Volume E–8, Documents on South Asia, 1973–1976, Document 167.

Foreign Relations of the United States 1969-1976, "Special National Intelligence Estimate 31-72, "Indian Nuclear Developments and their Likely Implications","

August 03, 1972, Volume E-7, Documents on South Asia, 1969-1972, Document 298, p. 11.

Foreign Relations of the United States, 1969-1976 "Research Study OPR-5 prepared by the Central Intelligence Agency" Volume E-8, Documents on South Asia, 1973-1976, Document 165.

'Foreign Relations of the United States', 1969–1976 "Memorandum of Conversation between Kissinger and the Chairs of the U.S-India Joint Commission" Volume E–8, Documents on South Asia, 1973–1976, Document 186.

Foreign Relations of the United States, 1969–1976, "Memorandum of Conversation between Kissinger and Kaul" Volume E–8, Documents on South Asia, 1973–1976, Document 172.

Foreign Relations of the United States, 1969–1976, "Memorandum of Kissinger, Jha conversation" Volume E–7, Documents on South Asia, 1969–1972, Document 225.

Foreign Relations of the United States, 1969–1976 "Memorandum of Nixon, Kissinger conversation" Volume E–7, Documents on South Asia, 1969–1972, Document 166.

Foreign Relations of the United States, 1969–1976, "Memorandum of Moynihan, Nixon conversation" Volume E–8, Documents on South Asia, 1973–1976, Document 154.

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation between Kissinger and Indian Foreign Minister Singh" Volume E–8, Documents on South Asia, 1973–1976, Document 160.

Foreign Relations of the United States, 1969–1976 "Telegram from Charge d' affairs Schneider" Volume E–8, Documents on South Asia, 1973–1976, Document 161.

Foreign Relations of the United States, 1969–1976, "Rusk Memorandum on Indian Nuclear Test" Volume E–8, Documents on South Asia, 1973–1976, Document 162.

'Foreign Relations of the United States', 1969-1976 "Memorandum of conversation between Kissinger and the Indian Foreign Secretary" Volume E-8, Documents on South Asia, 1973-1976, Document 171.

Foreign Relations of the United States, 1969–1976, "Memorandum of conversation, Ford and Indian Foreign Minister" Volume E–8, Documents on South Asia, 1973–1976, Document 175.

Foreign Relations of the United States, 1969–1976 "Aide Memoire on Indian nuclear program" Volume E–8, Documents on South Asia, 1973–1976, Document 172.

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation between Kissinger and the Pakistani Foreign Minister" Volume E–8, Documents on South Asia, 1973–1976, Document 166.

Foreign Relations of the United States, 1969–1976 "Aerogram from Ambassador Keating" Volume E–7, Documents on South Asia, 1969–1972, Document 211.

Foreign Relations of the United States, 1969–1976 "Memorandum from Under-Secretary of State Nutter to Secretary of Defense" Volume E–7, Documents on South Asia, 1969–1972, Document 222.

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation between Kissinger and the Indian ambassador" Volume E–8, Documents on South Asia, 1973–1976, Document 104.

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation between Ford and Pakistani Defense Minister Ahmed" Volume E–8, Documents on South Asia, 1973–1976, Document 164.

Foreign Relations of the United States, 1969–1976 "Long-range study on India's prospects" Volume E–8, Documents on South Asia, 1973–1976, Document 165.

Foreign Relations of the United States, 1969–1976 " Memorandum of conversation between Kissinger and Indian Prime Minister Indira Gandhi" Volume E–8, Documents on South Asia, 1973–1976, Document 179.

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation between Kissinger and the members of the I.S.-India Joint Commission" Volume E–8, Documents on South Asia, 1973–1976, Document 186.

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation between Kissinger and Indian Ambassador Jha" Volume E–8, Documents on South Asia, 1973–1976, Document 104.

Foreign Relations of the United States, 1969–1976 “Memorandum of conversation between Ambassador Moynihan and Indian Prime Minister Indira Gandhi” Volume E–8, Documents on South Asia, 1973–1976, Document 168.

Foreign Relations of the United States, 1969–1976 “Memorandum of conversation between Kissinger and Ambassador-Designate Saxbe” Volume E–8, Documents on South Asia, 1973–1976, Document 187.

Foreign Relations of the United States, 1969–1976, “National Security Decision Memorandum” Volume XVIII, China, 1973–1976, Document 83.

Foreign Relations of the United States, 1969–1976 “Memorandum from Kissinger to Nixon” Volume XVIII, China, 1973–1976, Document 79.

Foreign Relations of the United States, 1969–1976 “ Memorandum of conversation between Nixon and South Korean Prime Minister” Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 230.

Foreign Relations of the United States, 1969–1976 “State Department Telegram” Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 267.

Foreign Relations of the United States, 1969–1976 “Memorandum of conversation between Secretary of State Rogers and South Korean Foreign Minister Kim” Volume XIX, Part 1, Korea, 1969–1972, Document 109.

Foreign Relations of the United States, 1969–1976 “Airgram from the Embassy in Korea to the Department of State” Volume XIX, Part 1, Korea, 1969–1972, Document 170.

Foreign Relations of the United States, 1969–1976 “Cable from the U.S. Embassy in South Korea” Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 244.

Foreign Relations of the United States, 1969–1976 “Memorandum of conversation between Vice-Premier Teng and President Ford” Volume XVIII, China, 1973–1976, Document 137.

Foreign Relations of the United States, 1969–1976 “Memorandum of conversation between Kissinger and Philip Habib, Assistant Secretary of State for East Asia and Pacific Affairs” Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 269.

Foreign Relations of the United States, 1969–1976 "Minutes of Secretary of State's Staff Meeting, January 6, 1975" Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 261.

Foreign Relations of the United States, 1969–197 "Note from Kissinger to Nixon" Volume XIX, Part 1, Korea, 1969–1972, Document 50.

Foreign Relations of the United States, 1969–1976 "Letter from Kim to Kissinger" Volume XIX, Part 1, Korea, 1969–1972, Document 112.

Foreign Relations of the United States, 1969–1976 "Memorandum of Conversation between Presidents Ford and Park, November 22, 1974" Volume E–12, Documents on East and Southeast Asia, 1973–1976, Document 258.

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation" Volume XIX, Part 1, Korea, 1969–1972, Document 111.

Frieden, Jeff, "Sectoral Conflict and Foreign Economic Policy", *International Organization*, (Winter 1998).

Foreign Relations of the United States, 1969–1976 "Memorandum of conversation between Kissinger and Chinese Ambassador Huang, May 9, 1975" Volume XVIII, China, 1973–1976, Document 109.

Frankel, Francine R. "The Breakout of China-India Strategic Rivalry in Asia and the Indian Ocean" *Journal of International Affairs* 64, no. 2 (2011): 1-17.

Froebe, John "National Security Council Memorandum to Secretary of State Kissinger, July 11, 1975", Ford Presidential Library Archives.

Fuhrmann, Matthew "*Atomic Assistance: How "Atoms for Peace" Programs Cause Nuclear Insecurity*", Cornell Studies in Security Affairs (2012): 109.

Fuhrman, Matthew and Sarah Kreps "Targeting Nuclear Programs in War and Peace: A Quantitative Empirical Analysis: 1941-2000", *the Journal of Conflict Resolution*, Vol. 54, No. 6, December 2010, pp. 831-859.

Gavin, Francis, "Blasts from the Past: Proliferation Lessons from the 1960s", *International Security*, Vol. 29, No. 3 (Winter 2004/2005): 100-135.

Gavin, Francis, "Politics, History and the Ivory Tower – Policy Gap in the Nuclear Proliferation Debate", *Journal of Strategic Studies*, 35:4 (August 2012): 573-600.

Gavin, Francis, "*Nuclear Statecraft. History and Strategy in America's Atomic Age*", Cornell Studies in Security Affairs, 2012, p.75

Gartzke, Erik, "The Capitalist Peace", *American Journal of Political Science*, Vol. 51, 2007, pp. 166-191.

Goh, Evelyn, "*Constructing the U.S. Rapprochement with China, 1961-1974: From 'Red Menace' to 'Tacit Ally'*" Columbia University Press (2004)

Government Printing Office "Testimony of Secretary of State Condoleezza Rice before the Senate Foreign Relations Committee" April 5, 2006, Congressional Record, Government Printing Office Website.

Gwertzman, Bernard, "Military Aid Cut for South Korea, *The New York Times*, September 6, 1974.

Haig, Alexander "Opening presentation, Strategic Overview, June 1981" Digital National Security Archive

Hilsman, Roger, "Open Door Speech in San Francisco", National Security Archive, George Washington University.

Hungarian Embassy in Pyongyang "Report, Embassy of Hungary in North Korea to the Hungarian Foreign Ministry," May 22, 1979, History and Public Policy Program Digital Archive, MOL, XIX-J-1-j Dél-Korea, 1979, 81. doboz, 82-5, 003675/1979. Obtained and translated for NKIDP by Balazs Szalontai. Obtained from Wilson Center Digital Archives.

Jenkins, Alfred "Memorandum for Mr. Rostow", 08/20/1967, National Security File, Country File, "China", Box 241, Lyndon B. Johnson Presidential Library Archives.

Jervis, Robert, "*The Logic of Images in International Relations*", Princeton University Press, Princeton (1970).

Kan, Shirley and Mark Holt, "U.S.-China Nuclear Cooperation Agreement", *Congressional Research Service*, September 6, 2007.

Kissinger, Henry "Henry Kissinger to President Nixon, "Proposed NSSM on the Implications of an Indian Nuclear Test," with cover memorandum from Richard

T. Kennedy," July 04, 1972, History and Public Policy Program, Digital Archive, Nixon Presidential Library, National Security Council Institutional Files, box H-192, NSSM-156. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

Kissinger, Henry, "Kissinger Defends U.S. Aid to Seoul" *The New York Times*, July 25, 1974.

Kux, Dennis "*Estranged Democracies*", National Defense University Press (1992): 306.

Mastanduno, Michael "Trade as a strategic weapon: American and alliance export control policy in the early postwar period", *International Organization* (1988): 121-150

McDonald, Patrick, "The Purse Strings of Peace", *American Journal of Political Science*, Vol. 51. No.3 (2007): 569-582

McDonald, Patrick, "*The Invisible Hand of Peace. Capitalism, the War Machine, and International Relations Theory*", Cambridge University Press, Cambridge (2009).

Jo, Dong-Joon, and Erik Gartzke, "Determinants of Nuclear Weapons Proliferation", *Journal of Conflict Resolution*, Vol. 51, No. 1 (February 2007): 167-194.

Lewis, David E, "*The Politics of Presidential Appointments: Political Control and Bureaucratic Performance"* Princeton University Press, Princeton (2008).

Lumbers, Michael, "*Piercing the Bamboo Curtain*", Manchester University Press (2008): 21-24

Mearsheimer, John, "The False Promise of International Institutions", *International Security*, Vol. 19, No. 3 (Winter 1994): 5-49.

Mearsheimer, John, *"The Tragedy of Great Power Politics", W*.W. Norton and Company (2003).

Mistry, Dinshaw, "Diplomacy, Domestic Politics and the U.S.-India Nuclear Agreement", *Asian Survey* (October 2006): 683.

National Intelligence Estimate Number 4-2-64, "Prospects for a Proliferation of Nuclear Weapons Over the Next Decade"," October 21, 1964, History and Public Policy Program Digital Archive, CIA Mandatory Review Appeal. Obtained and contributed by William Burr.

National Intelligence Estimate (Special) 4-1-74, “Prospects for Further Proliferation of Nuclear Weapons”, August 23, 1074, History and Public Policy Program Digital Archive, Mandatory declassification review request; release by the CIA. Obtained and contributed by William Burr and included in NPIHP Research Update #4, pp. 36.

National Intelligence Estimate Number 4-2-64, “Prospects for a Proliferation of Nuclear Weapons Over the Next Decade”,” October 21, 1964, History and Public Policy Program Digital Archive, CIA Mandatory Review Appeal. Obtained and contributed by William Burr.

National Intelligence Estimate (Special) 4-1-74, "Prospects for Further Proliferation of Nuclear Weapons",” August 23, 1974, History and Public Policy Program Digital Archive, Mandatory declassification review request; release by the CIA. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

National Intelligence Estimate (Special), SNIE 13/32-83, “Chinese Policy and Practices Regarding Sensitive Nuclear Transfers',” January 20, 1983, History and Public Policy Program Digital Archive, Obtained and contributed by William Burr and included in NPIHP Research Update #11.

National Intelligence Estimate (Special) 4-1-74, 'Prospects for Further Proliferation of Nuclear Weapons',” August 23, 1974, History and Public Policy Program Digital Archive, Mandatory declassification review request; release by the CIA. Obtained and contributed by William Burr and included in NPIHP Research Update #4.

National Security Adviser Presidential Country Files for East Asia and the Pacific, “US National Security Council Memorandum, ROK Weapons Plans,” March 03, 1975, Box 9, Korea (4). History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, Obtained by Charles Kraus (Wilson Center).

National Security Adviser Presidential Country Files for East Asia and the Pacific “Memoranda of Conversations between James R. Schlesinger and Park Chung Hee and Suh Jyongchul,” August 26, 1975, Box 9, Korea (11). History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, Obtained by Charles Kraus.

National Security Adviser Presidential Country Files for East Asia and the Pacific “US National Security Council Memorandum, ROK Weapons Plans,” March 03, 1975, Box 9, Korea (4). History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, Obtained by Charles Kraus.

National Security File, Country File, China, Box 237, Folder 1, Volume 1, 12/63-9/64, Lyndon B. Johnson Presidential Library Archives.

National Security File, Country File, China, Box. 241. Vol. 10. 7/67-9/67, Lyndon B. Johnson Presidential Library Archives.

National Security File, Country File "Telegram from Taipei", China, Box 237, Folder 1, Volume 1, 12/67-964, Lyndon B. Johnson Presidential Library Archives.

National Security File, "Long Range Study" Country File, China, Box 245, pp. 95, Lyndon B. Johnson Presidential Library Archives.

New York Times "Kissinger defends U.S. aid to Seoul" July 25, 1974.

New York Times "Lobbying by Koreans apparently paid off" July 25, 1974.

New York Times "U.S. Gaining in South Korean export drive" July 5, 1973.

New York Times, "Seoul officials say strong American pressure forced cancelation of plans to purchase a French nuclear plant", February 1, 1976.

New York Times, "Park's shining Korean Camelot" January 8, 1975.

New York Times "Kissinger asks Congress not to limit his flexibility" January 8, 1975.

New York Times "Gromyko rejects Reagan arms plan" April 3, 1983.

New York Times "Textile Curbs win in Senate", November 14, 1985.

New York Times "Shulz snaps at U.S. Business leaders in Peking", February 3, 1983.

New York Times "Cranston assails U.S.-China Accord", October 22, 1985.

Oren, Ido, "Why has the United States not bombed Iran? The Domestic Politics of America's response to Iran's nuclear program", *Cambridge Review of International Affairs*, 24:4 (2011): 659-684.

Perkovich, George "*India's Nuclear Bomb*", University of California Press (1999): 33.

President, National Security Decision Memorandum 289, March 24, 1975, Gerald Ford Presidential Library, National Security Adviser Files, Presidential Country Files for South Asia, Box 27, Pakistan (5).

Putnam, Robert D. “Diplomacy and Domestic Politics: The Logic of Two-Level Games”, *International Organization*, Vol. 42, No. 3 (Summer 1998): 427 – 460.

Qing Simei, “The Eisenhower Administration and Changes in Western Embargo Policy Against China, 1954-58’, in Warren I. Cohen and Akira Iriye eds., *The Great Powers in East Asia, 1953-1960*, Columbia University Press (1990): 177-128

Rathjens, George, “Destruction of China’s Nuclear Weapons Capabilities” Committee on Nuclear Proliferation, Box 5, Folder 2, 12/14/1964, Lyndon B. Johnson Presidential Library.

Rowan, Henry, "China as a Nuclear Power (Some Thoughts Prior to the Chinese Test)" National Security Archives’ FOIA request to State Department, 10/07/1964. This memorandum is attributed to Rowan.

Reagan, Ronald “National Security Memorandum” June 6, 1981, Digital National Security Archive.

Reagan, Ronald “National Security Decision Memorandum” January 9, 1984, Digital National Security Archive.

Ronald Reagan, “*Public Papers of the Presidents of the United States*” Best Books On (1982): 1053-1054

Rusk, Dean, “Memorandum”, National Security File, Country File, China, Box 243, Memos 1 of 2. Vol. XII. Lyndon Johnson Presidential Library.

Rusk, Dean “Rusk Covering Memo” National Security File, Country File, China, Box 243, Memos 1 of 2. Vol. XII. Lyndon Johnson Presidential Library Archives.

Sagan, Scott D., and Kenneth N. Waltz, “The *Spread of Nuclear Weapons: An Enduring debate*” W.W. Norton (2012).

Sagan, Scott D., “The Perils of Proliferation: Organization Theory, Deterrence Theory, and the Spread of Nuclear Weapons”, *International Security*, Vol. 18, No. 4 (Spring, 1994): 66-107.

Schelling, Thomas, “*The Diplomacy of Violence*”, Yale University Press (1966).

Schweller, Randall, “The Problem of International Order Revisited. A Review Essay”, *International Security*, Vol. 16, No. 1 (Summer 2001): 161-186.

Shulz, George "Secretary of State George Schultz to President Reagan, 'How Do We Make Use of the Zia Visit to Protect Our Strategic Interests in the Face of Pakistan's Nuclear Weapons Activities'," November 26, 1982, History and Public Policy Program Digital Archive, CIA Records Search Tool [CREST]. Obtained and contributed by William Burr and included in NPIHP Research Update #6.

Snetkov, Agalya and Stephen Artis, "*Regional Dimensions to Security: The other side of Afghanistan"* Palgrave MacMillan (2013): p.34

State Department Bureau of Intelligence and Research Intelligence Note, 'India to Go Nuclear?' January 14, 1972, History and Public Policy Program Digital Archive, National Archives, Record, Group 59, SN 70-73, Def. 18-8 India. Obtained and contributed by William Burr and included in NPIHP, Research Update #4.

State Department, Cable "ROK Plans to Develop Nuclear Weapons and Missiles" March 12,1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea – State Department Telegrams, to SecState - NODIS (4). Obtained by Charles Kraus.

State Department, Cable "ROK Plans to Develop Nuclear Weapons and Missiles," March 04,1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea – State Department Telegrams, to SecState - NODIS (3). Obtained by Charles Kraus.

State Department, Cable "ROK Plans to Develop Nuclear Weapons and Missiles," March 04, 1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea – State Department Telegrams, to SecState - NODIS (3). Obtained by Charles Kraus.

State Department, Cable "ROK Plans to Develop Nuclear Weapons and Missiles," December 11, 1974, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea – State Department Telegrams, to SecState - NODIS (2). Obtained by Charles Kraus (Wilson Center).

State Department, *Bulletin*, Vol. LXXI, No. 1852, December 23, p.878. Gerald Ford Presidential Library Online archives.

State Department, Cable "ROKG/Canadian Negotiations on Nuclear Energy," July 08, 1975, History and Public Policy Program Digital Archive, Gerald R. Ford

Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 9, Korea (9). Obtained by Charles Kraus.

State Department, Cable "ROK Nuclear Reprocessing," December 10, 1975, History and Public Policy Program Digital Archive, Gerald Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 11, Korea - State Department Telegrams, to SecState - NODIS (8). Obtained by Charles Kraus.

State Department, Cable "ROK Nuclear Reprocessing," January 05, 1976, History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 12, Korea - State Department Telegrams,to SecState - NODIS (10). Obtained by Charles Kraus.

State Department, Memorandum "Sale of Rocket Propulsion Technology to South Korea, February 04, 1975" History and Public Policy Program Digital Archive, Gerald R. Ford Presidential Library, National Security Adviser Presidential Country Files for East Asia and the Pacific, Box 9,Korea (3). Obtained by Charles Kraus.

State Department "'Visit to China', Memorandum to Secretary of State" January 27, 1983, Digital National Security Archive.

State Department, Memorandum "Secretary's talking points, U.S. China Relations" (June 4, 1981): 4-5. Obtained from Digital National Security Archives.

State Department, Secret Briefing Memorandum "Your meeting with Deng Xiaoping" January 26, 1983. Obtained from Digital National Security Archive.

Stone, Randall W, "The Political Economy of IMF Lending in Africa", *American Political Science Review*, 98:4, (November 2004): (577-591).

Talbott, Strobe "*Engaging India: Diplomacy, Democracy and the Bomb*", Brookings University Press, (2004): loc. 654.

Tan, Qingshan, "U.S.-China Nuclear Cooperation Agreement: China's Non-Proliferation Policy", Asian Survey, Vol. 29, No. 9 (September 1989): 870-882.

Tan, Qinshang, "U.S. Nuclear Technology Transfer to China", *The Making of U.S. China Policy, From Normalization to the Post-Cold War era*, Lynne Riener Publications (1992): p.118.

Taylor, Jay, "*The Generalissimo's Son: Chiang Ching-kuo and the Revolutions in China and Taiwan*", Harvard University Press (2000): 273.

Topping, Seymour, The New York Times, October 16, 1964.

Trubowitz, Peter, "*Politics and Strategy*", Princeton University Press (2011).

van Wyk, Martha S., "Sunset over Atomic Apartheid. United States-South African Nuclear Relations, 1983-91", *Cold War History*, Vol. 10, No. 1 (February 2010): 51-79.

van Wyk, Martha S., "Ally or Critic? The United States' response to South African Nuclear Development, 1949-1980", *Cold War History*, Vol. 7, No. 2 (May 2007): 195-225.

Waltz, Kenneth, "The Proliferation of Nuclear Weapons – Why more may be better", *The Adelphi Papers*, Vol. 21, Issue 171 (1981).

Waltz, Kenneth, "*Theory of International Politics*", Waveland Print Inc. (2005).

Winand, Pascaline et. al. "*The European Union and India. Rhetoric or Meaningful Partnership*" Edward Elgar Publications (2015):138, 343.

Wolford, Scott et al. "Information, Commitment and War" *The Journal of Conflict Resolution*, Vol. 55, No. 4 (August 2011): 556-579.

Yue Chia, Siow and Bifan Cheng, Trade Flows between China and ASEAN, "*ASEAN China Economic Relations: Developments in ASEAN and China*". ISEAS (1989): 223.

Zhou, Shijian "China-U.S. economic relations: accords and discords", February 27, 2012, China.org.cn.

Vita

Sarat Krishnan is a resident of Round Rock, TX, U.S.A. Born in Calicut, India, he holds Bachelors and Masters Degrees in Electrical and Communications Engineering, as well as Masters Degrees in Industrial Engineering and in Government. His primary area of interest is the intersection of International Relations and Public Policy.

Email: sarat_krishnan(AT)utexas.edu

This dissertation was typed by Sarat Krishnan.