



DEPARTMENT OF STATE

Washington, D.C. 20520

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29 January 1972

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MEMORANDUM FOR MR. HENRY A. KISSINGER  
THE WHITE HOUSE

Subject: Indian Position on Narcotics Control

The Indian position on narcotics control has acquired crucial importance for the success of our efforts to improve the international narcotics control apparatus. Of most immediate concern is the probably negative position that India, as the world's largest licit opium producer and exporter, is preparing to take with regard to our proposed amendment of the Single Convention on Narcotic Drugs in March. There are available to us some promising short-term and long-term approaches to India looking toward moderation of the Indian position, but the outlook for their success is complicated by the current state of our bilateral relations. In view of the critical importance of our efforts in the international narcotics control field, we believe this problem of the Indian position merits the most careful high level attention.

Most recent contacts with the Indian officials responsible for the preparation of the Indian position for the Single Convention Amendments Conference indicate that India is preparing a negative position on our proposals in the interest of protecting its licit opium industry from what it considers undue interference from international control organizations. Because of its commanding position on the supply side, India has considerable leverage over major consuming states such as Japan and the UK, whose support for a negative position on the amendments could very likely be obtained by an Indian threat to withhold sales. As the USSR and its satellites are also opposed to our proposal, the Indian position is pivotal and we fear that an adverse Indian stand could undermine the success of the March Conference. Our strategy for this Conference

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has been based on the need for a large consensus of the 80 signatories rather than a simple majority, as a small majority in favor may weaken the impact of the 1961 Single Convention by demonstrating that the signatories to the Convention now have less concern with the narcotics problem than they had originally.

However, our recent contacts with the Indians have also suggested the outline of a possible long-term solution for the Indians' opium problem which, if prompt preliminary steps could be taken, would remove the concerns which underlie the negative position they are preparing for the March Conference. These contacts indicate that the Indians would be receptive to a comprehensive plan for ending opium production under certain conditions. As Indian cultivators are not eager to plant poppies because of high production costs and as Indian officials see the development of synthetic substitutes as only a few years away, there is little reason for them to continue opium production except for the foreign exchange earnings. Thus the price of negotiating a growing ban in India is likely to be limited to replacement of the annual foreign exchange loss which we estimate at \$5-10 million per year. The term of such a subsidy could be shortened by a technical assistance program oriented toward the development of synthetic substitutes for opium by the Indian pharmaceutical industry, which could be accomplished both by subsidizing Indian research on opiate substitutes and by sharing with India the results of our own research.

We believe the Indians might be willing to consider a ban on opium growing within a feasible time frame provided they could count on international assistance and support. A ban would be more easily enforceable in India than in most other opium producing countries because of Indian administrative experience with an enforcement system. A ban by India would have numerous advantages, most prominent of which would be the exemplary effect on other opium-producing nations and the removal of a large potential source of illicit opium from the world market.

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The current state of Indo-US bilateral relations would make it extremely difficult for us to negotiate bilaterally a ban on opium cultivation based on a US input of financial and technical assistance. Our aid program to India is in abeyance, with a large part of last year's pipeline still under suspension, and no consideration being given to resumption of development lending. Indian officials, meanwhile, have been expressing both publicly and privately their misgivings about US aid, and it would be particularly difficult for the GOI to deal in domestic political terms with an aid offer so clearly conditioned on Indian performance. Furthermore, Indian resentment at what they consider the unjustified suspension of part of the aid pipeline during the war might undermine their confidence in the validity of any multi-year aid proposal from the US.

We propose to explore possibilities for dealing with the problem outlined above in the context of the Inter-agency Working Group operating under the Cabinet Committee for International Narcotics Control. Embassy New Delhi has recently submitted a Narcotics Control Action Plan for India. Subject to the determinations to be made with respect to US policy toward India, program proposals could be developed for approval.

This memorandum is being sent to you at this stage primarily for information purposes pending further review of this problem.

*David Panay / for*

Theodore L. Eliot, Jr.  
Executive Secretary

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