MEMORANDUM FOR: Interagency Intelligence Working Group on Nuclear Proliferation

FROM: NIO for Nuclear Proliferation

SUBJECT: Monthly Warning Report

1. Attached is the latest result of our recent meeting on items for warning.

2. All readers of this report should be notified that:

   This memorandum is one of a series produced monthly by the National Intelligence Officer for Nuclear Proliferation. Its purpose is to review possible developments in the short-term future that would be damaging to US interests. Obviously many of these developments will not occur in the time-frame or in the manner suggested, or will not occur at all.

3. I will welcome your comments on this report and suggestions for next month's meeting.

   John Despres

Attachment:
1. Taiwan's New Interests in Long-Range and Nuclear Weapons Systems

Since a schedule was recently set for the normalization of US-PRC ties and for the termination of the US-ROC defense treaty, Taiwan has had stronger motives for acquiring independent strategic capabilities, particularly long-range nuclear weapons systems. Without a sufficient stock of fissile material, which Taiwan could probably not obtain within a year unless foreign supplies were acquired, significant new strategic capabilities are very unlikely to materialize before the US-ROC defense treaty terminates. Nevertheless, Taiwan's leaders may still expect US defense commitments to remain effective for at least another year or two, and possibly for as much as five or ten years. So, their new military development efforts seem now to be aimed only at acquiring, within the next several years, options for independent strategic capabilities that could be deployed on short notice.
2. India's Changing Strategic Perceptions

Indian assessments of their international security needs are being affected by various changes in the region. The disintegration of secular civilian authority in Iran, mounting Soviet influence in Afghanistan, Pakistan's maturing nuclear program and chronic political tensions, and new prospects of a stronger China due to US-PRC normalization plans have stimulated official worries in New Delhi. By raising new or aggravating long-standing security concerns, these trends and events seem to have reinforced Indian interests in acquiring fully independent military capabilities. Moreover, the Desai government, the nuclear research establishment, and India's space commission seem to have felt growing pressure in Parliament, from the press, and within the Janata Party itself to accelerate the development of India's nuclear and strategic capabilities.

As long as Desai is in power, a resumption of nuclear explosive testing is virtually out of the question. However, proposals for a visible new commitment to military research on nuclear weapons and long-range delivery systems could receive favorable consideration even by Desai, especially if pessimistic Indian assessments of Pakistan's weapons development efforts begin to alarm military or public opinion leaders. And since those assessments seem to correspond quite closely with Pakistani plans, and do not differ greatly from views that have begun to circulate in European capitals, India's own military research priorities could become an important political issue within the next several months.

A continuation of Mrs. Ghandi's political recovery would exert pressure on Desai to demonstrate that he has not imposed imprudent restraints on India's military research program. Either success or failure in tests of India's satellite-launching rocket, scheduled for the first half of this year, could also provide the occasion for new moves to accelerate India's strategic R&D programs.

3. Pakistani Gas Centrifuge Development and Foreign Supply Acquisition Efforts

The Community continues to be concerned that Pakistan, if it has not already done so, may soon acquire all the essential components for a plant that could ultimately produce the fissile material for several nuclear weapons a year. Indeed, Pakistan may already have succeeded in acquiring the main missing components for a gas centrifuge plant and ancillary facilities that are probably being built to produce highly enriched uranium for weapons, perhaps even by 1982. Still, foreign suppliers, by limiting Pakistan's access to specially suited materials and equipment, could at least marginally complicate Pakistani efforts to complete the plant and to make it fully and efficiently operational. However, Pakistan has probably already acquired all the technology--designs, plans, and technical expertise--that is critical for the eventual operation of this plant.
5. South Africa

Concern over the possibility of renewed activity at the Kalahari test facility has abated in the last month since additional monitoring has yielded no significant new indications.