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U.S. Mission to NATO
June 5, 1974

EX-101

ASSESSMENT OF INDIAN NUCLEAR TEST

1. BACKGROUND

A. Indian Motivation:

[REDACTED]

B1, A5

Some Indians have argued, however, that possession of even rudimentary weapons and a delivery system would provide a deterrent against China and reduce Indian dependence on the Soviet Union. The timing of the test may also have been keyed to boost sagging Indian morale in the face of increasing domestic economic problems and political discontent. Most Indians probably favored the test, but might view the cost of acquiring a weapons and delivery system less enthusiastically.

B. Estimated Cost of Test:

[REDACTED]

B1, A5

India has a well-developed peaceful atomic program. (The Indian FY 1974 nuclear budget is about \$130 million, with total expenditures to date more than \$1 billion.) With relatively little extra expense, India could undertake the necessary work for a continuing nuclear test program. India's GNP is currently about \$65 billion, and its defense budget about \$2.6 billion. Expenditures to test additional nuclear devices and even to proceed with a modest weapons program could be absorbed without substantial impact on India's development program. Effort to develop sophisticated weapons and delivery system, however, would place a severe drain on Indian resources.

[REDACTED]

B1, A5

Although "Cirus" is not safeguarded, India's agreements with Canada (and also the U.S.) specified that materials supplied would be used for peaceful purposes only. India, however, did not accept subsequent U.S. and Canadian interpretations that explosions of any sort could not be considered peaceful.

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REVIEWED BY	RH3	DATE	7/1/77
<input type="checkbox"/> HARRIS	<input type="checkbox"/> ENGLISH		
<input checked="" type="checkbox"/> WOODRUFF	<input checked="" type="checkbox"/> DICKINSON		
<input type="checkbox"/> BERRY	<input type="checkbox"/> NEWBERRY		
FOR INFO ON A COUNTRY: B1			

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2. REACTIONS TO THE TEST

A. South Asia: Regionally, the impact has been hardest on Pakistan.

[REDACTED] Pakistani fears of India have intensified, and immediate prospects for normalization in South Asia are likely to receive a setback. Pakistan has already indicated that it will not attend a June 10 meeting to work out travel and transportation agreements with India.

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B. USSR: The Soviets share our concern about proliferation. They lobbied hard, though unsuccessfully, to get India to sign the NPT. At this point, they are wary of damaging their loose ties with India and have refrained from any public comment. Soviet news accounts have stressed the "peaceful" character of the test. With regard to the question posed by the Netherlands on May 28, we have no information that the Soviets were informed in advance of the test or assisted the Indians directly in carrying it out. Indo-Soviet cooperation in the nuclear field has been limited (far less than Canadian or U.S. programs), and we believe that the Soviets will be even more cautious in the future in sharing nuclear explosive technology with India. In recent years the Soviets have supplied only 45 tons of heavy water (valued at \$4 million), a large computer, and some laboratory equipment.

C. China: Peking has downplayed the Indian test, making no official comment. Given Peking's views on the NPT and the Limited Test Ban Treaty, the Chinese will most likely not take the lead in opposing the Indian test. Peking probably calculates that the Indian program will not alter the balance of power or threaten China for a number of years, and therefore is unlikely to alter its own defense priorities. Despite indications before the test that it might move rather soon toward more normal relations with New Delhi, Peking will take account of the test's effect on Indo-Pakistani relations; China would not want to get out ahead of Pakistan on relations with India.

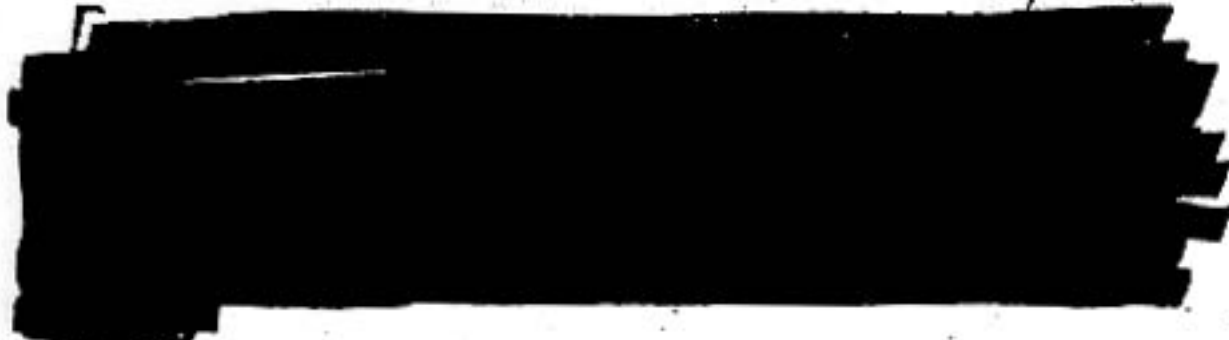
D. Near-Nuclears: The Japanese Government, opposition parties and media have all reacted very negatively to the test and strongly condemned India. The reaction of other near-nuclears has been muted, including that of Argentina, which has signed an agreement with India for cooperation in the nuclear field. By itself, the Indian test is not likely to be decisive for other near-nuclear powers. The Indian example, however, could make it easier for others to follow suit, claiming they too are following the route of "peaceful" accession to nuclear power status.

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E. U.S.: The U.S. position is that we continue to oppose nuclear proliferation because of the adverse impact it has on global stability. We are currently continuing our assessment of the implications of the Indian test.

3. SECURITY OF INFORMATION AND MATERIALS



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