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Department of State

TELEGRAM

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TO SECSTATE WASHDC 8894

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NOFORN/LIMDIS

SUBJ: INDIAN NUCLEAR INTENTIONS ON SOUTH ASIA SITUATION

REF: STATE 040378 AND 0338431 AND OTTAWA 0391.

1. OTTAWA REFTEL ADDRESSED ITSELF TO SPECIFIC REQUEST CONTAINED IN STATE 033843 AND NOT TO MORE GENERAL ISSUES RAISED BY FIRST DEPT REFTEL. IN CONTEXT OF WIDER INTEREST FOLLOWING SUPPLEMENTARY INFORMATION MAY BE USEFUL:

(A) RE VALUE GRAY'S VIEWS ON INDIAN SITUATION, IT IS IMPORTANT TO KEEP IN MIND THAT ALTHOUGH GRAY HAS CLOSE RELATIONSHIPS WITH INFLUENTIAL INDIANS HE IS NOT ALWAYS THE BEST JUDGE OF PEOPLE ON A PERSONAL BASIS, ESPECIALLY WHEN TECHNICAL PROFICIENCY IS COMBINED WITH GUILE, GRAY'S OUTspoken FRANKNESS CAN IN FACT OFTEN COVER HIS OWN LACK OF CONFIDENCE IN THESE MATTERS. HE COULD IN SCIATT'S OPINION BE EASILY MISLED BY SETHNA BOTH OF WHOM SCIATT HAS KNOWN FOR OVER TEN YEARS. IN SHORT, NO EVALUATION WOULD BE COMPLETE WITHOUT GRAY'S VIEWS BUT NONE SHOULD BE CONSIDERED COMPLETE IF HIS VIEWS ALONE CONSTITUTED ITS MAJOR BASIS.

(B) PROBABLY THE BEST SINGLE SOURCE OF INFORMATION WITHIN GOVT ON THE PRECISE TECHNICAL CAPABILITY OF INDIANS IS CONTROL BOARD EXPERTS (AECB) WHO HAVE ACCESS TO LARGEST
AMOUNT OF INFORMATION ON INDIAN CAPABILITIES FROM ALL GOC SOURCES. FURTHER AEGB GROUP HAS WITHIN IT SEASONED FORMER INTELLIGENCE HANDS WHO ARE COMPETENT AND SKILLED IN SIFTING TECHNICAL INFORMATION FOR ITS IMPLICATIONS.

(C: ANOTHER INVALUABLE SOURCE OF INFORMATION ON INDIAN CAPABILITIES IS TO BE FOUND IN THE CANADIAN ENGINEERS WHO HAVE WORKED IN INDIA ON THEIR PROGRAMS FOR PERIODS OF A YEAR OR MORE. BOTH AEGB AND SCIATT HAVE FOUND THAT EVEN THOUGH LACKING FORMAL WEAPONS EXPERIENCE THESE PEOPLE ARE MORE OFTEN THAN NOT ENOUGH AWARE OF THE PRINCIPLES OF WEAPONRY TO BE VALUABLE AND RELIABLE OBSERVERS.

2. BASED ON EXTENSIVE CONVERSATIONS WITH GRAY AND SOURCES IN CATEGORIES (B) AND (C) ABOVE, IT IS SCIATT'S PERSONAL VIEW, SHARED BY AEGB, THAT TECHNICAL FACTORS WOULD EXERT ALMOST NO LIMITING EFFECT IF INDIA SHOULD OPT FOR A PNE PROGRAM OR EVEN A WEAPON. IT FOLLOWS THAT SUCH LIMITS AS MAY EXIST ARE PROBABLY LARGELY POLITICAL IN NATURE. THE COSTS STARTING FROM INDIA'S PRESENT TECHNOLOGICAL BASE WOULD CERTAINLY NOT BE PROHIBITIVE, HOWEVER MUCH THEY MIGHT IMPINGE ON DEVELOPMENT OBJECTIVES.)

IN RESPONSE TO STATE 040378, PARA 5, THEREFORE, IT WOULD APPEAR THAT ANY ACTION WHICH WOULD ALLEVIATE PRESSURES ON INDIA WILL TEND TO MINIMIZE THE LIKELIHOOD OF INDIA "GOING NUCLEAR" WHILE ANY INCREASE IN PRESSURE WILL INCREASE THAT LIKELIHOOD. THIS VIEW IS SHARED IN EXTERNAL AT LEAST UP TO WARDROP LEVEL. AS REQUESTED, THE EMBASSY WILL KEEP THIS SUBJECT UNDER ACTIVE OBSERVATION AND PROMPTLY REPORT ANY NEW DEVELOPMENTS OR GOC THOUGHTS.

GP-1
SMITH