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DEPARTMENT OF STATE

BUREAU OF INTELLIGENCE AND RESEARCH

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Research Memorandum INR-17, May 6, 1963

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THROUGH:

The Secretary S/S

FROM : INF

INR - George C. Denney, Jr. J. C. D. L.

SUBJECT:

Probable Consequences of a Chinese Communist Nuclear Detonation

This paper, based on contributions to a Policy Planning Council project, is our most comprehensive effort on this subject to date. It consolidates Far Eastern aspects which have been treated in greater detail in earlier Research Memoranda; in addition it discusses South Asia, the Communist bloc, and certain overall aspects.

ABSTRACT

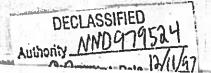
Even as it develops a nuclear capability, Peiping's awareness of its relative weakness, the risks of nuclear retaliation, and the uncertainty of Moscow's support in a showdown will probably make it eschew rash military actions. Moreover Peiping will probably try to avoid courses that would tend to consolidate an opposition front within and among its Asian neighbors. Thus Peiping probably will use its nuclear capability primarily as a political weapon -- to earn respect, to promote neutralism, to encourage revolutionaries. More than ever it will attempt to pose as a peaceful, benevolent and powerful supporter of Afro-Asian aspirations for independence and peace and to portray United States support as the prime danger to both. But Peiping will also make political-military probes when and where it believes there are soft spots in the local situation and in United States firmness and resolve to contain China's power.

The Soviet Union is reluctantly resigned to Peiping's becoming a nuclear power but is concerned that this will strengthen Communist China's challenge to Soviet leadership within the international Communist movement and increase the danger of Soviet involvement in nuclear war. Peiping's position will be strengthened in North Korea and, to a lesser extent, in North Vietnam. Although the North Koreans are unlikely to move militarily against the south as a result, Hanoi might seek to step up the level of its violence in both South Vietnam and Laos. The critical variable in such consideration will be the anticipated United States response.

Taiwan will probably come under heavy psychological and political pressure but an assault on the island is unlikely. Peiping might bring renewed military pressure against the offshore islands but if

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so would probably be careful to avoid actions posing the danger of a United States nuclear strike at the mainland. The decision whether to apply such pressure would be determined by numerous variables including United States-Republic of China relations at the time and internal stability on Taiwan. The morale of the Chinese Nationalists themselves will be shaken by Peiping's development of a nuclear capability and they will seek increased assurances of protection, including nuclear weapons for themselves, from the United States. A corrosion of resistance to mainland appeals for defection is possible but would become serious only in the event of a general confidence in the United States.

The Chinese Communists will hope to increase Japanese fears of the consequences of military ties with the United States and to strengthen neutralist sentiments. Popular reactions may tend to develop along these lines but no sharp shift in political orientation is likely. All political parties will react adversely to a Peiping detonation except the Communists among whom differences may be intensified. Official government sensitivity to crises in the Far East potentially involving United States bases in Japan may grow but no major effort to revise Japanese defense policy or the relationship with the United States is likely. A Chinese nuclear capability in itself is unlikely directly to affect Japanese decisions concerning the establishment of official relations with Communist China.

South Korea will be surprised and discouraged by a Peiping nuclear detonation and will seek renewed assurances of United States defense and possibly nuclear weapons for its armed forces. In general, Korean resiliency may reassert itself and things go on very much as at present. However, in the longer run, if the Koreans come to fear that United States support may be less reliable because of the Chinese nuclear capability, they may consider fundamental foreign policy readjustments which, depending on prevailing conditions, might range from rapprochement with Japan to some kind of settlement with the Communists.

The aligned countries of Southeast Asia -- Thailand, South Vietnam, the Philippines and the Malaysian area -- will probably all seek renewed UN defense assurances and may express greater interest in regional defense arrangements. There will be some increased neutralist sentiment in each country but it is unlikely to be dominant in any unless a major loss of confidence in the United States or a fundamental shift in internal political forces -- particularly in Malaysia and South Vietnam -- occurred.

Little change in the policy of the non-aligned countries of Southeast Asia is likely. Their respect for Peiping's power will be enhanced and they are increasingly likely to support Peiping's participation in the United Nations and other international forums.

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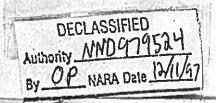
India will probably face Chinese nuclear power with determination to strengthen its military defenses but not to seek a nuclear capability itself. Under Nehru, and probably under his successor, it will seek to adhere to a non-aligned policy. Nehru will expect the United States to protect India with its nuclear umbrella in its own policy interests without the necessity of a formal alliance. However, under threat of Chinese attack, or if military leaders gain increased authority in a post-Nehru government, India might seek both closer military relations with the West and a limited nuclear weapons program. India's attitude toward Pakistan and Kashmir are not likely to be fundamentally affected by a Chinese Communist nuclear capability so long as the threat from the north does not appear imminent.

Pakistan will probably continue to view India as a greater military threat than Communist China. While maintaining its alliance with the United States, it will continue to seek friendly ties with Peiping. So long as India remains a non-nuclear power, Pakistan will probably not press for United States nuclear arms in order not to upset its relations with China. Pakistan's attitude toward the Kashmir dispute, like India's, is unlikely to be fundamentally affected by Peiping's nuclear capability.

In Australia and New Zealand, a Chinese Communist nuclear detonation might help tilt the domestic political balance and bring Labor governments to power which would favor increased contacts (although not necessarily recognition) with Communist China and a "softer" line on nuclear disarmament than Conservative governments. Nevertheless neither country is likely to change its attitude toward defense coordination with the United States and United Kingdom or toward SEATO.

European countries would be disturbed by a Chinese Communist nuclear detonation but their policies would not be affected. However, a sense of increased urgency would be felt for progress in reaching some international agreement on disarmament and arms control.

The impact of a detonation in Africa and Latin American would be minimal.

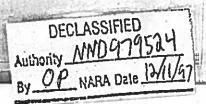


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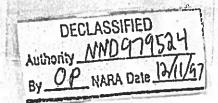
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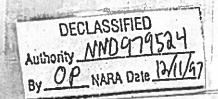
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I. PEIPING'S PROBABLE LINE OF EXPLOITATION

A. General Considerations

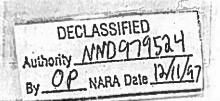
l. Peiping's Use of Force. Peiping sees its ultimate status as an international power with hegemony in Asia as deriving more from its potential leadership of the "world revolutionary movement" than from its geopolitical position as the largest country in Asia. With this viewpoint it discounts the importance of the traditional instruments of power politics such as military might and economic strength. In these areas Peiping is aware of its inferiority relative to the Free World coefficient and will probably remain so even after acquiring a limited regional nuclear capability.

Pursuit of its objective requires the removal of Western and particularly United States power from the immediate area. This is unlikely to be exclusively or even primarily through direct exercise of force, however, lest a confrontation with United States power lead to unacceptable retaliatory risks. Therefore Peiping will put major emphasis on undercutting the United States position by encouraging local opposition to it. Following this, Peiping hopes to subvert the local governments through incitement and covert support of armed insurrection, exploiting racial, linguistic, and socio-economic points of cleavage within and among the newly emergent societies of the Afro-Asian world.

Essential to this program is Peiping's avoidance of actions which would impel these societies to coalesce against it in common defense under United States protection. Peiping can miscalculate in its estimate of societal response, but as a general rule will probably continue consciously to avoid those military actions which for the Afro-Asian community would manifestly cast Communist China in the role of an overt military threat or active aggressor.

This does not mean that Peiping will feel proscribed from the use of conventional force or from employing its nuclear capability in political efforts to impress friends and deter enemies. As shown by its invasion of India, the regime will resort to force when it believes it can successfully pose before the Afro-Asian audience as the threatened or injured party defending its borders and when such action carries a low risk of US military response.

The critical variable in Peiping's resort to force is the risk of United States response. Peiping may feel it can afford some miscalculation of political reactions but not a United States military reaction which might involve nuclear strikes against the Chinese mainland. Nevertheless, the political component is not to be ignored as a constraint on Peiping's use of force. Thus Communist China is not likely to take the initiative in employment of nuclear weapons because of the political damage this would inflict on its aspirations for leadership in the Afro-Asian



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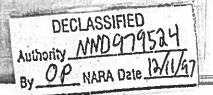
world. Similarly Peiping is likely to be inhibited from indulging in nuclear blackmail and rocket rattling, at least so long as it hopes to extend its influence through exploiting indigenous revolutionary forces as opposed to the conventional means of intimidation and conquest.

2. The Soviet Component. It appears that the Soviet Union has not served as a primary constraint on Peiping's use of force, but that Peiping has acted primarily on its own assessment of the gains and risks in a particular situation, at least since 1958 when Sino-Soviet strategic differences moved to the fore. With the sharpening of these differences, especially in recent months, Peiping has had reason to doubt the reliability of Soviet support in an escalating conflict in which Chinese rather than Soviet interests were primarily involved or were antithetical. Therefore we believe that a more definitive Sino-Soviet break would if anything increase Peiping's caution in the use of force, conventional or nuclear, so long as it had reason to believe that the United States would react.

By the same token a major reconciliation between Moscow and Peiping at some future time might enhance Peiping's willingness to use force by restoring its confidence that escalation would be deterred by Moscow's political-military backup of nuclear blackmail. In such circumstances Moscow for its part might make available to Peiping advanced weapons systems which would improve its defenses if not directly contribute to its offensive capability. For example, once Communist China had acquired a small stockpile of nuclear weapons and begun to develop sophisticated delivery vehicles, the USSR might place anti-missile missiles or other defensive systems in Chinese hands, thereby transferring more of the responsibility for China's security by strengthening Peiping's hand while enhancing the bloc's overall nuclear threat.

Short of this unanticipated contingency, however, Peiping will probably discount in advance its ability to persuade or press Moscow into supporting and defending Chinese Communist military action where a credible threat of United States retaliation is present. The depth of distrust with which present and foreseeable Chinese Communist leaders view Soviet policy and promises is determined in large part from the relations between Moscow and Peiping in the 1958 Taiwan Strait crisis, the 1960 withdrawal of Soviet technicians, and the 1962 crises in Cuba and Sino-Indian affairs. Given this background, Peiping is unlikely to stake its security against US retaliatory action on Moscow's responses with anything less than an explicit and secure exchange of guarantees.

3. Peiping's Estimate of the United States. Thus the primary deterrent to Peiping's use of its nuclear capability will be the likelihood of effective US counteraction either locally or against vital mainland targets. Mao's admonition to "strategically despise and tactically respect the enemy" has so far operated as a restraint on the Chinese Communist willingness to confront United States force directly, and is



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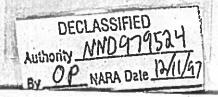
likely to govern Chinese Communist military behavior through the remainder of this decade. It is ritualistically instilled into all levels of military and civilian indoctrination. It has served Chinese Communist armies well in exploiting situations of opportunity without suffering catastrophic reverses, whether in the struggle for victory during the civil war or in military forays outside traditional Chinese territory since winning power in 1949. It conforms with classical Chinese doctrine, with basic Bolshevik belief, and with the circumstances of United States military superiority. Therefore rash adventurism is unlikely to accompany or follow Peiping's acquisition of a nuclear capability, assuming that United States policy is sufficiently clear and consistent that Peiping is not confused about the consequences of employing force.

This does not rule out recurrent testing of United States responses. Although Peiping's paranoia tends to make it interpret all indicators of United States military intentions as preparations for a vast coordinated attack, its confidence in "the inevitable course of history" makes it unduly encouraged that "revolutionary forces" are on the march whenever opposition to United States policies arises. Especially if Peiping sees signs of United States vacillation or ambiguity in its commitments, it can therefore be expected to exploit its newly acquired nuclear threat in conjunction with political and economic moves to probe for areas on its periphery where the United States political or military position might be whittled down. Whether through the protection of proxies, as in Southeast Asia, or the direct threat of force, as in the Taiwan Strait, Peiping is likely from time to time to test the firmness and resolve of United States commitments throughout the area.

B. Application of Peiping's Nuclear Capability Toward Policy Objectives

1. Continuity of Program: Detonation to Delivery. Peiping will probably seek to identify its initial nuclear tests with an operational capability, and to foster impressions of being further ahead in its nuclear program than it is. Therefore we can expect a continuity in its exploitation of the development through much of the remaining decade with no sudden changes at particular points in time.

The major caution against assuming such continuity lies in the contingency that a very successful testing program combines with a relatively smooth production schedule of delivery vehicles. Should such success occur within an environment of rising economic expectations, it might well infuse the leadership with an element of cockiness such as prevailed in Peiping's 1958 approach to domestic and international problems. Under these circumstances, Peiping's policies might veer toward somewhat greater risk-taking. It might accelerate the "revolutionary struggle" in South and Southeast Asia because of the "new turning point in history" marked by Peiping's acquisition of nuclear weapons. Even so its



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willingness to take greater risks would be only relative, and would remain subject to a cool calculation of the probable United States response, the Soviet position, and the risk of coalescing opposition.

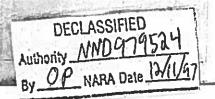
Clearly Peiping's nuclear program is neither the only nor even the most important variable affecting the leadership's self-appraisal and world view. At one extreme, for example, the regime might feel its political and economic circumstances were so depressing that only a dramatic demonstration of power could restore morale at home and discourage enemies abroad. This could impel Peiping to unleash a vigorous overt and covert campaign of psychological warfare aimed at appearing strong while it avoided actions which would reveal its basic vulnerabilities. At the opposite extreme, the regime might feel so encouraged by improvements in its political and economic situation as to undertake stepped-up subversion and insurrection without, however, stressing its nuclear strength in a fashion to belie its overall protestations of "peaceful co-existence."

Moreover Peiping's leadership moves with manifest flexibility from one course to another, depending upon the alternative opportunities of recouping failure with success. From the Bandung blandishments of 1954 to the militant posturing of 1958, Peiping showed a variety of faces to its Asian neighbors.

Thus our description of likely courses of Chinese Communist action against particular targets must be offered as only one projection out of several possibilities, depending upon existing circumstances and Peiping's view of them. Any such description is necessarily limited to the initial phase of Chinese Communist action, subsequent moves depending upon outside responses and the changing context.

2. Actions Aimed at the United States Military Position. Peiping probably recognizes the potential danger of heightened Asian willingness to seek United States protection, if not nuclear weapons, as a reaction to a Chinese Communist nuclear threat. Certainly its public handling of the question to date, especially for Japanese audiences, suggests some awareness on this point. However Peiping's isolation from and ignorance of important sectors of public opinion in these countries may tend to make it underestimate opposition to its growing power and exaggerate its support abroad.

In any case Peiping will try to turn Asian sentiment against United States military bases and the United States military presence in general. By propagandistic proposals for an "atom-free zone" and by descriptions of nuclear war it will try to bolster pacifist views while intensifying fears of involvement in war. It may assert its willingness to forego further development of its nuclear capability provided that the United States nuclear threat to its security is removed from the area. United



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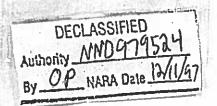
States bases will be portrayed as attracting an attack because of their "aggressive use." In Japan, Peiping's left-wing supporters will be directed to demonstrate against United States bases and for a "peaceful policy toward China."

While Peiping may renew its "peaceful overtures" to Taiwan, it will stress for other Asian audiences the "aggressive threat of the United States-Chiang Kai-shek plotters." By linking the fate of those who tolerate United States bases with tension in the Taiwan Strait, the Chinese Communists will try to exploit fear of involvement in a civil war as leverage for splitting apart United States allies in Asia. Peiping may even offer non-aggression pledges to Thailand, the Philippines, and Japan, as it has with Burma, Afghanistan, and Cambodia, on condition that they renounce "military agreements directed against China."

3. Actions Aimed at Neutrals. Peiping may be expected to utilize its nuclear capability in projecting an image of peaceful power for Asian neutrals. For these audiences the "atom-free zone" proposals may become "peaceful zones," denoting the absence of foreign bases and military alliance systems. The regime will claim the power to protect Asia against "United States imperialism" and assert that "a new turning point in history proves that East Wind prevails over West Wind." This reminder to lesser countries such as Burma and Cambodia will attempt a multiple appeal based on an identification of racial and regional interests as well as exploitation of opportunism and fear.

At the same time, Peiping will support neutral grievances against neighbors allied with the United States, especially if it discounts the prospects of weaning the latter away from the United States. Thus it will encourage Cambodian complaints against South Vietnam and expand its offers of assistance to Phnom Penh. It may not pursue this tactic with respect to Thai-Cambodian relations, however, should it feel hopeful of encouraging Thai neutralist sentiment. Similarly Peiping may exacerbate Indonesian-Malayan relations in hope of building a favorably oriented neutralist state which can be transformed into a Communist satellite at the expense of a Western oriented Malaysia.

In short, we must not assume a single formula to be applied simultaneously to all Asian neutrals by Chinese Communist policy. Moreover, relations with particular neutrals will vary according to unrelated factors, such as the situation of the overseas Chinese, their border relations with China, their internal security prospects, local Communist strength, etc. So far as a general thrust of Chinese Communist policy can be discerned, it will be to avoid panicking neutrals into alliance with the United States and to encourage their acceptance of Chinese Communist "benevolent hegemony" over the so-called Afro-Asian world.

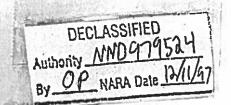


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4. Actions Aimed at Revolutionaries. When and how Peiping moves from support for neutrals to a militant revolutionary line will vary from country to country. The shift may take the form of splitting off separatist groups along racial or linguistic lines, as in India and Burma. It may be to encourage uprisings against "feudal" regimes where covert Communist support of "progressive" movements, as in Nepal, might offer hope of advancing one step further toward an eventual Communist takeover. It may be, as in Indonesia, to spur a strong Communist party to risk armed insurrection if prospects of further advance through peaceful means appear on the wane. Meanwhile Peiping will seek to penetrate and subvert potentially dissident groups throughout the area so as to undermine the stability of non-aligned as well as aligned regimes.

These endeavors will undoubtedly appear more promising to Chinese Communist strategists following acquisition of a nuclear capability. And to the degree that Moscow fails to employ its military power in support of the "world revolution," Peiping may feel the more compelled to prove that it can succeed. However, it will confront exactly the problem which faced Moscow -- how to threaten nuclear retaliation against "United States intervention" in an insurrectionary situation without risking a United States strike on the heartland. As in the early days of Soviet nuclear blackmail, Peiping may experiment with various levels of verbal bluff, but is unlikely to risk exposing the Chinese mainland to United States nuclear strikes for the sake of revolutionaries, Communist or otherwise, elsewhere in Asia.

If United States reaction against Communist moves in Laos or South Vietnam jeopardized the security of North Vietnam, Peiping might feel compelled to engage its forces locally to protect its own defensive interests as well as its claim to leadership over all Communist parties, Asian and otherwise. Even in these circumstances, however, Peiping would not abandon all constraints and invite unlimited escalation. As in Korea, it would probably employ testing periods and limitations on action so as to reduce the risk of United States retaliation against the mainland. However, the uncertainties of such a situation would be very great. However, the uncertainties of such a situation would be very great. Peiping's sense of political requirements and military capabilities may change as a consequence of attaining a nuclear capability. Its actions would also depend on its estimate of United States objectives and of the Soviet willingness to back it up.



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II. THE SOVIET POSITION

A. Implications for Moscow

If it had a choice, the Soviet Union would much prefer that Communist China did not become a nuclear power. Moscow's preference appears to be based on two interrelated considerations.

First, Peiping's acquisition of a nuclear capability -- and even the promise of a nuclear capability inherent in the detonation of a device -- will contribute to the prestige of Moscow's rival for leadership of the international communist movement and for influence throughout the less-developed areas of the world, the more so since it will have been achieved despite Soviet opposition. Even if there is some rapprochement in Sino-Soviet relations, a strong element of rivalry will remain whereby the enhancement of Communist China's claim to great-power status will be unwelcome from the Soviet point of view.

Second, Moscow probably calculates that Chinese acquisition of nuclear weapons will increase the danger of Soviet involvement in nuclear war.

Moscow must realize that in the past Peiping has not been grossly reckless or irrational in using or threatening to use force, and therefore probably does not expect the Chinese deliberately to provoke a nuclear conflict with the United States simply because they come into possession of a very modest nuclear force of their own. Moscow probably believes that Chinese calculations of risk will continue to depend ultimately upon the likelihood of Soviet support in the event of a confrontation with the United States, and that the implied or explicit threat to withhold such support will therefore continue to exert a restraining influence even if Sino-Soviet relations deteriorate further.

Nevertheless, the Soviets almost certainly believe that the Chinese Communists are more prone than they to risk-taking in decisions affecting possible use of nuclear weapons. And they probably foresee the possibility that a Chinese miscalculation might precipitate a confrontation which would require Moscow either to come to Peiping's aid or openly leave an ally in the lurch. In such a dilemma the Soviets would have to choose between assuming unwanted risks and potentially reducing their deterrent to Western actions in eastern Europe. Moreover, the Soviet dilemma would be heightened in situations involving North Korea and North Vietnam, since withholding support would be tantamount to abandoning the smaller Asian communist countries to Peiping's exclusive sphere of influence.



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B. Sino-Soviet Relations

Although Moscow ceased in 1960 to lend any further aid to the Chinese which might be applicable to the development of nuclear weapons, the Soviet Union appears to have little hope of preventing Communist China from eventually becoming a nuclear power. Moscow has no reason to believe that at any time in the near future it can secure Chinese acquiescence in a test ban agreement or adherence to an agreement on the non-dissemination of nuclear weapons. All that either type of agreement could do would be to provide the Soviet Union a talking point in denying the Chinese a renewal of Soviet nuclear aid — a consideration which has ceased to have much meaning in the present state of Sino-Soviet relations. Soviet interest in continuing negotiations on a test-ban or non-transfer agreement appears to be based on other considerations than their potential effect on Communist China, and at the same time Moscow appears to be prepared to pursue its interests in negotiating with the West on these subjects without regard for Chinese disapproval.

Once China has in fact acquired a capability, the result will probably be an additional strain on Sino-Soviet relations as Communist China becomes a more effective rival to the Soviet Union. The possibility of more or less tacit Soviet cooperation with the United States and other Western powers in efforts to contain Communist China in Southeast Asia will grow. But even if an open split in the international Communist movement should occur at that time or earlier, it is unlikely that Moscow would wish to conclude any form of open alliance with the West against an at least nominally allied communist regime.

III. ASIAN COMMUNIST POSITIONS

A. North Korea

1. Relations with Peiping and Moscow. A Chinese Communist nuclear capability would strengthen North Korean willingness to take its chances with Peiping. For Pyongyang, Peiping's combination of massive conventional power abutting Korean borders and its limited nuclear capability would seem adequate deterrence against South Korean attacks. Moreover, it would provide added proof that the "East Wind prevailed over West Wind" as an appeal for the "peaceful reunification of the Korean people" under Pyongyang's sway.

This does not mean that North Korea would initiate a break with the Soviet Union. On the contrary, it would continue to exploit the advantages of ties with Moscow so long as the latter permitted it do so despite its alignment with Peiping in continued Sino-Soviet strife. The nuclear development would, however, provide a firmer foundation for Chinese Communist mutual assistance guarantees. Should a decisive choice be forced on the North Korean leadership under these circumstances, it would probably choose Peiping over Moscow.

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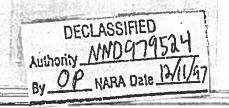
2. North Korean Policies. Pyongyang may increase its fulminations against "United States imperialism" and its appeals for unity with Seoul, but it is unlikely to resort to military action so long as United States forces remain in South Korea. It will share with Peiping a sober estimate of the actual balance of power in the Far East through expressing the contrary in public propaganda.

Pyongyang is unlikely to develop an independent nuclear weapons capability. While it has at least one nuclear reactor and nuclear physics laboratory, provided under the Soviet-North Korean peaceful uses of atomic energy agreement of September 8, 1958, the few North Koreans who have participated in the Dubna Joint Institute for Nuclear Research in the USSR lack sufficient technological and material support to promote a meaningful nuclear program. The strain such a program would place on North Korean resources would probably appear intolerable to the leadership when placed against the gains as well as against higher priority objectives of economic development. Moreover, it is unlikely that Peiping would be anxious, even if it were able, to help Pyongyang in this direction.

B. North Vietnam

1. Relations with Peiping and Moscow. While a Chinese Communist nuclear capability would tend to strengthen Peiping's influence in Hanoi, it would add to the complexities of Hanoi's position without necessarily inclining it decisively toward either Peiping or Moscow. Hanoi's position is different in important respects from that of Pyongyang. Apart from questions of leadership bias, Hanoi needs both Soviet and Chinese support more, probably, than does Pyongyang. This is true because Hanoi is and for the indefinite future prospectively will continue to be engaged in actively supporting powerful insurgent movements in the relatively favorable environment of Laos and South Vietnam, and will be doing so in part as a proxy of Moscow and Peiping, both of which are also involved in international accords on these areas. Hanoi faces the livelier possibility of a threat to its own security from a possible United States action triggered by developments in the insurgent areas. In diplomatic, logistic, and ultimate security terms, therefore, Hanoi's involvement in expansive insurgency impels it to try to straddle the Sino-Soviet rift. Even if Hanoi came to conclude that Peiping could offer more support in pursuing its insurgent efforts, Hanoi would still seek to retain the option of Soviet support in safeguarding its own security.

Another consideration is that North Vietnam apparently fears more than does North Korea the possibility of Han Chinese domination -- perhaps partly for historical reasons, partly for geographic.



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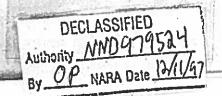
Ostensibly Peiping's development of nuclear capability would strengthen its influence in Hanoi, since it would be in a better position than before to extend the umbrella of Chinese power over both Hanoi-supported insurgency and Hanoi itself. On the other hand Hanoi would have to ask itself how much Soviet logistic and diplomatic support would it cost to lean toward Peiping and Chinese militancy? How good would the Chinese umbrella be unless covered by the Soviet umbrella? How much could the Soviet Union be counted upon in a crisis not directly involving vital Soviet interests?

It would appear that Hanoi faces a continuum of tortuous calculations of all the relevant factors: the status of Sino-Soviet relations, the respective leverages of Peiping and Moscow, the opportunities and obstacles confronting the effort in Laos and South Vietnam, and above all the degree of risk it can safely afford. Thus Hanoi's prospective position, though influenced toward Peiping by reason of its nuclear capability, will probably remain largely an independent variable.

2. North Vietnamese Policies. Thus the Soviet component is likely to remain an important factor in Hanoi's thinking. Even if the tie with Moscow should break, the North Vietnamese leadership would probably not move rashly lest its isolated dependence on Communist China prove insufficient to deter a United States response. While Peiping ultimately saved Pyongyang from extinction, it did so only after the near-total destruction of North Korea. Therefore Hanoi is unlikely to alter its basic policy vis-a-vis Laos and South Vietnam simply because of a limited Chinese Communist nuclear capability.

At the same time Hanoi will seek to identify Peiping's new strength with its own power in appealing to Saigon sentiment for reunification and neutralization. Assuming that neither side has turned the corner toward decisive victory in the South, this appeal will be designed less to intimidate than to offer an escape for dispirited sectors of the Saigon government and public. Hanoi will not slacken its insurgent effort in the South but it will probably try to avoid exaggerating the nuclear backup threat, much less dictate an ultimatum which might impel the United States to escalate its response.

For Hanoi's clients in Iaos, however, the situation may appear more promising if, by this time, partition is wearing thin and resumed military action seems hopeful of attaining power and territory otherwise denied the Pathet Iao. Here the multiple influences of Peiping, Hanoi, and perhaps Moscow must be assessed in a manner impossible at the time of this writing. In general, however, it seems more likely that Hanoi will be under pressure from the Pathet Iao to sanction or support greater violence. As elsewhere, the critical variable will be the estimates of all concerned on the likelihood and form of a United States response.



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IV. REPUBLIC OF CHINA

A. Chinese Communist Strategy

1. General. Among the situations confronting Peiping, the Taiwan situation may seem the one calling most urgently and most promisingly for Peiping's attention.

The main thrust of Peiping's effort will be to undermine morale on Taiwan, especially among the mainlander elements, to paralyze the Government of the Republic of China, to induce defections, and to speed the day of communist takeover. Presumably Peiping will intensify its appeals for a "peaceful resolution" of the civil war. It will argue the hopelessness of retaking the mainland in the face of Chinese Communist nuclear weapons. It will point to the increasing disparity of military power between Communist and Nationalist China. It will attempt to sow doubt that the United States would back Taiwan effectively should conflict arise, arguing in effect that Washington would not accept the risks to its military and political interests elsewhere in the Far East for the sake of Chinese Nationalist interests. Without direct threat of military takeover or the explicit use of "nuclear blackmail," Peiping may attempt on the one hand to imply the destruction it could wreak on Taiwan and on the other to evoke admiration for the achievements of the bretheren in the homeland.

Peiping may accompany this overt program with covert efforts to subvert Chinese Nationalist officials. Rumors of negotiations between the two Chinas may be spread in Hong Kong to undermine confidence in the Republic of China both at home and abroad and to increase the receptivity of audiences on Taiwan to mainland propaganda keyed to this theme. Any actual Nationalist defections would be publicized as the harbinger of things to come. Any evidence of Taiwanese independence movement activity in Japan or elsewhere might be exploited as a "United States plot" to cut its losses with the Chiang regime while retaining a "puppet rule" on the island.

2. The Offshore Islands. In view of the Taiwan Strait crises of 1954 and 1958, it might seem that Peiping would certainly move to take the offshore islands. That it will in fact do so, however, is not necessarily more likely after Peiping has developed a nuclear capability and may be even less likely.

First, Peiping's object is not simply the military seizure of the offshore islands. If this alone were accomplished it would hold for Peiping the danger of increasing international acceptance of a two-China situation -- Peiping would probably expect many nations to consider that a major provocation and danger point had been removed, and that the situation could therefore stabilize with 100 miles of the Taiwan Strait

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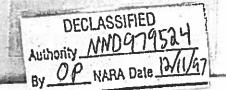
separating the two Chinas. Rather Peiping's purpose in a future crisis, as in the previous crises, would be to test the strength of the United States commitment with the objective of demoralizing the Republic of China, breaking its alliance with the United States, and bringing Taiwan under communist control.

Second, Peiping would have to be confident that it could manage the crisis so as to avoid the danger of nuclear strikes on the homeland. This would be true both if Peiping relied primarily on conventional weapons with the threat of nuclear blows in the background, or in the weapons with the threat of nuclear blows in the background, or in the much less likely eventuality that it envisaged a direct nuclear threat to the offshores.

As a third -- but far less compelling factor -- Peiping would weigh the risk to its political objectives elsewhere in the Afro-Asian world if, as a nuclear power, it initiated a new Taiwan Strait crisis even if it claimed to be acting in legitimate self-defense in what remains essentially a civil war.

If the foregoing factors militate against a nuclear-supported move to seize the offshores they do not preclude Peiping's again testing the Taiwan Strait situation by initiating military pressures of blockade and bombardment to see how far its confrontation with the United States bombardment to see how far its confrontation with the United States bombardment to see how far its confrontation with the United States bombardment to see how far its confrontation with the United States bombardment as afely and profitably pursued, while holding open the avenue to could be safely and profitably pursued, while holding open the avenue to disengagement as it did on the two previous occasions. In such an event disengagement as it did on the two previous occasions. In such an event peiping's nuclear capability would play a background role of political and peiping's nuclear capability would play a background role of political and peiping it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly in a military manner psychological pressure since to employ it overtly manner profital pressure since to employ it overtly manner psychological pressure since to employ it ove

Whether Peiping would even undertake such a new test would depend on a number of variables, chief of which would be Peiping's estimate of United States intentions and of the relations between Taipei and Washington. In addition, Peiping would assess morale on Taiwan, especially among the mainlander elements who would be the chief target of the propaganda campaign linked with renewed Taiwan Strait tensions. For example, propitious circumstances from Peiping's point of view would be depressed economic conditions on Taiwan, tense mainlander-Taiwanese relations, growing strains between Taipei and Washington, and serious doubt prevailing among United States allies -- if not within the United States itself -- concerning the wisdom of defending Republic of China interests on Quemoy and Matsu at the risk of nuclear warfare. Were Chiang's successors in a state of internal strife or the leadership unstable, Peiping might be even more disposed to renew pressure on the offshore islands, hoping thereby to precipitate a prolonged hassle with the United States which might break the unstable leadership apart and result in significant defections.



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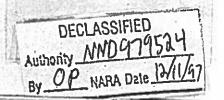
B. Republic of China Reaction

Chinese Communist detonation of a nuclear device would probably produce a sense of shock and setback in Taiwan even though the leadership had discounted the event in advance and taken steps to offset its impact. The initial effect would subside with the realization that Peiping's material power had not been immediately increased, and the time lag between the detonation and development of a nuclear capability would give the Republic of China opportunity and stimulus both to adjust to the changed psychological environment and to try to minimize the effects on its position. Taipei would redouble its efforts to maintain its international identity and to offset the tendency to accept the existence of two Chinas. In this connection, it might renew its interest in organizing a league of East Asian anti-communist governments.

Taipei is likely to fear that Peiping's attainment of a nuclear capability would cause the United States to conclude that there was no further possibility for a successful Chinese Nationalist attack on the mainland, and that consequently the United States would increasingly move to restrict preparations and activities to this end. The Republic of China for its part would also tend to feel that time was running out in terms of Peiping's prospective further development of its nuclear capability. Therefore it would increase pressure for as much United States support as possible. Taipei might continue or even increase independent small—scale efforts at subversion and sabotage on the mainland, but would be unlikely to undertake large-scale landings unless it believed United States support would be forthcoming.

The Republic of China would almost certainly seek renewed United States guarantees for the defense of Taiwan, although it would probably feel relatively secure from nuclear attack because it would expect Peiping to be inhibited by fear of United States reaction and by doubt about Soviet support in the case of war with the United States. Taipei might also argue that the threat of nuclear attack now required American commitments to defend the offshore islands and to use nuclear weapons in the event of a nuclear attack. In any case the Republic of China would probably press at least for shared nuclear weapons, if not its own nuclear counterforce. Taipei would also want the United States to increase the tempo and force of its public statements of support for the Republic of China as a deterrent signal to Peiping.

If, as time goes on, Peiping shows technological progress and economic improvement, some mainlanders on Taiwan might become sufficiently disheartened by Taiwan's prospects and tempted by Peiping's tenders to seek an accommodation with Peiping. A Chinese Communist nuclear capability would not in itself trigger defections, but in conjunction with other indicators



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of mainland viability might accentuate the seeming hopelessness of the raison d'etre of the Republic of China. If, in addition, there is a background of growing divergence with the United States on such questions as activities against the mainland, improvement of Nationalist military capabilities, and perhaps defense of the offshore islands, resistence to mainland blandishments might be corroded.

There is no group among those standing as heirs apparent to Chiang Kai-shek which poses an obvious danger in this regard. So long as the United States remains obligated to defend Taiwan, economic prosperity and political stability continue on the island, and a crisis of confidence in relations with the United States is averted, the danger of defection will remain latent. Isolated instances of defection would be relatively unimportant to Taiwan's security and general orientation so long as they occurred in an overall context of the status quo which has prevailed over the past decade. In a different setting, perhaps combining an unsettled succession crisis after the passing of present KMT leadership with prolonged Chinese Communist political-military pressures in the Taiwan Strait, the problem of morale and defection could become more serious.

In such a situation, the reaction of the Republic of China will be vitally affected by the nature of United States support. A drift toward accommodation with Peiping is neither inevitable nor irreversible should it appear. In fact, it is highly unlikely given Peiping's seeming inability to pursue a consistently successful program at home, much less a credible "reunification" gambit toward Taiwan.

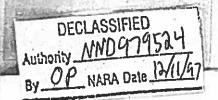
V. JAPAN

A. Peiping's Posture and Tactics

1. General. Given Japan's importance as a bastion of United States power and as a potential counterweight in its own right, Peiping will place a very high value on exploiting its new nuclear capability to make progress toward the solution of the "Japanese problem". Some fresh approaches to Japan are indicated, but given an inevitable uncertainty as to the Japanese reception, Peiping's efforts will probably continue to be largely of the semi-official variety involving the Japanese Government only indirectly.

Communist China's primary aim will continue to be the undermining of the United States position and influence in Eastern Asia. The approaches may be varied and flexible but will all seek essentially to exploit Japan's existing fears -- primarily fear of involvement in hostilities, secondarily Japan's fear that it may find itself economically isolated. At the same time Peiping will seek to avoid creating fears of its own intentions which might spur the Japanese into closer defensive alignment with the United States or even into a Japanese nuclear weapons program.

The Chinese Communists will from the first seek acceptance as a nuclear power in dealings with Japan. A propaganda and publicity campaign to inflate Peiping's supposed military capabilities and to induce among the



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Japanese people an uncritical acceptance of these claims may ensue. Quite probably Peiping will follow sharply divergent tactics, showing caution and restraint in its dealings with the Japanese Government while seeking to induce a "wave of the future" attitude among the public. The plan would be to develop public pressures which would force changes in Japanese Government policies that probably could not be achieved by direct means.

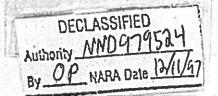
The Chinese will hope that even if these tactics should not be entirely successful the effect will be to strengthen existing elements favoring neutralism and accommodation with Peiping. It will be hoped that, at a minimum, this sort of pressure will limit the effectiveness of the United States bases in Japan and contribute to an atmosphere of friction.

2. The Dangers of Commitment. Peiping will emphasize the dangers which Japan courts in its continued association with the United States, arguing: (1) The Chinese nuclear detonations prove that the United States can no longer threaten unilateral nuclear warfare in the Far East. As a result, China is the stronger by virtue of her conventional forces.

(2) Japan is adopting a quasi-belligerent position by granting base rights to the United States. (3) The removal of United States military bases and forces would eliminate the threat of nuclear war. The prospect of "negotiated" political settlements and of an Asian nuclear-free zone will be held out as additional inducement to the Japanese to accept Peiping's self-portrayal as a peaceful power seeking only the defense of its legitimate interests against aggressive American imperialism.

If the Chinese are sufficiently perceptive and imaginative they may single out Okinawa for particular attention. By picturing United States military installations there, including nuclear weapons, as not only the main source of the danger of nuclear war in the Far East, but also as potential targets whose existence puts the Ryukyuan population in grave danger, Peiping might seek to intensify pressures in Japan and in Okinawa for demilitarization of the islands and the restoration of Japanese sovereignty.

3. The Lure of Common Interests. The Chinese Communists may seek to use their nuclear developments as added evidence of China's economic potential and accordingly to underscore the importance to Japan of trade with the mainland. It will be suggested that closer economic relations with mainland China are a desirable hedge against economic isolation among the advanced Western countries. Apart from the common interest of trade, Peiping can be expected to dwell heavily on the common interest in peace, in eliminating foreign domination and influence, and in promoting the general welfare of the Afro-Asian peoples. It may particularly emphasize its proposal of an atom-free zone in Asia in an effort to appeal both to Japanese pacificism and to fears of a recrudescence of militarism.



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B. Probable Japanese Reactions

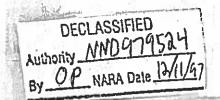
1. General. The Japanese Government and the more knowledgeable sectors of the public are aware that Peiping may explode a nuclear device at any time. The detonation will not come as a complete shock. The circumstances of the cold war, the status of international negotiations for nuclear disarmament, and the internal political balance prevailing at the time of the explosion will, however, condition the Japanese response. In general, the more exacerbated and tense the circumstances of the cold war, the more tentative, cautious and hedging is apt to be the Japanese response. If general negotiations for nuclear disarmement and a test ban are proceeding favorably, or if a de facto suspension of nuclear tests is in effect at the moment of the Chinese explosion, the official and popular reaction in Japan would probably be positive, unusually uniform, and strongly opposed to the Chinese action.

In any case the initial shock period is likely to be fairly short. Public discussion of the possibility that the Chinese would soon explode a nuclear device has aroused much interest but no hysteria. The leaders of the press and other public media have been following more responsible and less emotional tactics over the past two years. The Japanese public, too, is apt to react more calmly; recent Soviet and United States nuclear testing have somewhat deflated the feverish attention with which such developments were once followed.

While the initial reaction is therefore not likely to be panicky, it is certain to be one of apprehension, disapproval and disquiet. The primary influence of a Communist Chinese nuclear detonation will be political and psychological rather than military. Apart from the almost automatic popular opposition to nuclear testing, the prospect that a United States-Chinese nuclear clash could occur will reinforce existing apprehensions and will certainly increase the public appeal of proposals for a negotiated settlement of Far Eastern political problems or the establishment of a nuclear-free zone in Asia.

2. The Political Reaction. The political scene will probably witness a consolidation of existing positions rather than sharp shifts in orientation. The immediate response to a detonation will be one of disapproval on the part of all political parties save the Communist. The detonation may further differences within the Japanese Communist Party, especially if the Soviet Union's position is reserved or critical. But the event will probably strengthen the party's pro-Peiping orientation and will presumably echo the Peiping line even if its service as an apologist for Communist as opposed to Western nuclear testing further isolates it.

In somewhat the same way, the detonation will add to the differences in the non-communist left between the more extreme and the more moderate elements. In this case, however, it will tend to strengthen the hand of



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the leadership of the Socialist Party and Sohyo, its supporting labor federation, who have been gradually moving away from past policies of virtually automatic support of Communist China and of pro-communist foreign policy causes. It could also contribute to closer collaboration between the Socialist Party and the more responsible socialist elements now represented by the Deomocratic Socialist Party.

The essential question for the non-communist left will be how best to exploit the new development to the disadvantage of the government. On this question all elements will probably agree on intensifying the campaign for disengagement from the United States and for a neutralist foreign policy. The organized political left thus can be expected to bring renewed vigor to its advocacy of international agreements, in which Peiping would participate, to ban nuclear tests and weapons, to bring about general disarmament, and to secure a denuclearized Pacific zone. It may also raise the specter of the unforeseeable escalation of even small conflicts, with direct risk for Japan because of its alliance with the United States and the military bases this affords.

The Liberal Democratic Party -- now and for the foreseeable future the governing party -- will strongly denounce the initial Chinese detonation. But the event will also contribute to differences within the party since it will inevitably focus attention -- even without help from the Socialist opposition -- on the question what modifications if any should be made in Japan's defense and China policies. These are among the politically most sensitive issues, and on them the government and Liberal-Democratic Party have often found it difficult to reach internal agreement. This is attributable not only to the intra-party diversity of opinion -- which runs all the way from strong support of the United States alliance and open advocacy of nuclear armament for Japan to support for at least much closer economic relationships with Peiping and Moscow -- but also to the dynamics of the intra-party struggle for influence and hence for succession to the Prime Ministership. The sum total of these considerations militates against any marked or rapid alteration of government policy.

3. The Defense Issue. The Chinese nuclear detonation will focus public attention on Japan's defense posture and stimulate discussion of problems that the Japanese have generally preferred to ignore -- most importantly, what to do about Japan's defenses against and counters to nuclear attack. Powerful elements on the right wing of the Liberal Democratic Party would use the event to seek support for strengthening Japanese military capabilities. These elements might initially press for arming Japan's defense forces with dual capability weapons and would be prepared to allow the United States to introduce defensive nuclear weapons into Japan. It appears unlikely, however, that they could rally much support for this program in the short term.

Preponderant conservative opinion will probably believe that the United States alliance continues to provide maximum security at minimum cost, and without entailing unacceptable risks; that the threat

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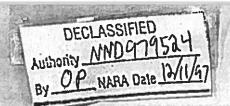
to Japan was not markedly increased; and that there was no pressing incentive to increase Japan's defense efforts, especially in view of the political complications of an attempt to do so.

It is possible that the Chinese detonation, or more specifically the efforts of Peiping and the Japanese political left to stimulate public concern over United States bases in Japan, will prompt the government to seek to increase its controls over United States use of these bases. The government would probably be even more sensitive than it is already to military staging through Japanese territory for operations which are not considered of prime importance to Japanese interests. In case of a new considered of prime importance to Japanese interests. In case of a new to take the Japanese Government not only would be likely to take the Japanese for a negotiated settlement but also might seek some sort of assurances which it could use publicly to offset charges that Japanese of assurances which it could use publicly to offset charges that Japanese bases were being used directly for operations against the mainland. Depending upon the nature of the crisis in the Strait and upon the Japanese domestic upon the nature of the crisis in the Strait and upon the Japanese domestic political situation, the Government might also give something less than the full protection of which it is capable against organized left-wing hare assment of the United States bases in Japan.

While the Chinese nuclear detonation is not likely in the short term to be regarded as a challenge which demands a new Japanese response such as a nuclear deterrent or an Asian anti-communist alliance, by the latter sixties Japan may adopt a somewhat more self-assertive posture. The Japanese self Defense Forces are likely to continue to gain in public esteem and secure support for an expanded defense program. Continued nuclear proliferation, and particularly the public displays of might which Peiping may be expected to stage once its nuclear delivery systems are developed, may be expected to stage once its nuclear delivery systems are developed, may convince many reluctant Japanese that they should take practical protective measures. Others may come to view a nuclear capability as a requisite for any advanced nation.

This does not mean that Japan can be expected to embark on an intensive nuclear armament program, for while conservative leaders inclined toward a strong line may head the government from time to time, the prevailing tendency will be to continue the "low posture" tactics of avoiding a head-on clash will be to continue the "low posture" tactics of avoiding a head-on clash with the left. However, as 1970 approaches a climate may develop in which the public could be brought to accept some sort of arrangements in which the United States and Japan collaborated in nuclear defensive measures, as for example the installation of defensive missiles armed with nuclear warheads, or joint training programs through which the Japanese armed forces could be familiarized with United States nuclear weapons. It might be possible to familiarized with United States nuclear weapons of Japanese crews conduct such training programs through the participation of Japanese crews in the operation of United States Polaris submarines in Far Eastern waters.

Arguments for and against a nuclear program would take place against the backdrop of a more fundamental debate regarding the United States alliance which is expected to build up as 1970 -- the earliest time at which either signatory is authorized to propose revisions of termination of the present



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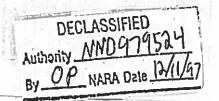
security treaty -- becomes imminent. At this point public concern over the Chinese nuclear power is likely to become merely another factor in a general debate on Japan's defense posture, the utility of alliance versus disengagement and neutralism, and consideration of what strategy will best serve Japan's interests in world affairs.

4. The China Issue. As with the defense issue, in the short term the Chinese nuclear detonation will probably tend to consolidate Japan's political parties in their respective positions on the issue of policy toward ical parties in their respective positions on the issue of policy toward China. To the extent that the event enhances respect for the Peiping regime and belief that it must be embraced in international agreements governing and belief that it must be embraced in international agreements of general nuclear weapons and tests, there will probably be a strengthening of general sentiment that recognition or at least official contact would be desirable.

The Socialist opposition would seek to use this sentiment to further its neutrality and disengagement campaign. But because the Chinese nuclear capability will prospectively arouse a general public antipathy, and because the Socialists themselves are increasingly seeing the political necessity to the Socialists themselves from their identification with communist causes, they disengage themselves from their identification with communist causes, they may pitch their case for relations primarily on grounds of "realistic" may pitch their case for relations primarily on grounds of "realistic" Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest, with undertones of regret and even criticism for Japanese self-interest for the property of the property of the p

For the government and the Liberal-Democratic Party, the Chinese nuclear detonation may make it somewhat easier to temporize further on any change in its relatively ambiguous and vague China policy which is any characterized by an unwillingness to come into official relations together characterized by an unwillingness to come into official relations remained with a desire to promote more extensive and lucrative economic relations. With a desire to argue effectively that Peiping's intentions remained It should be able to argue effectively that Peiping's intentions remained to be seen, that a softening in Japan's position alone would not help, to be seen, that a softening in Japan's position alone would not help, that the China question was more than ever an international question. At that the China question was more than ever an international question the same time Japan's leaders would predictably seek close consultation with United States, United Kingdom and other Western leaders both to evaluate the event and to consider policy responses.

In the longer range, broad economic and political factors will weigh far more heavily in determining the evolution of Japan's China policy than does the development of Peiping's nuclear capability alone. The predominant emphasis in Japan's foreign policy is economic, and while economic factors emphasis in Japan's foreign policy is economic, and while economic factors emphasis in Japan's foreign policy is economic, and while economic factors will reinforce a Western and particularly United States alignment for the will reinforce a Western and particularly United States alignment for the foreseeable future, they will also operate to open the Chinas trade door wider foreseeable future, they will always be the question of the Chinese terms and if possible. There will always be the question of Chinese trade away from of overall advantage, but communist reorientation of Chinese trade away from of overall advantage, but communist reorientation with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading opportunities the Soviet Union and Japanese dissatisfaction with the trading



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will be additive rather than alternative. And even if Peiping tarnishes its image in the eyes of many nuclearphobe Japanese, China will continue to occupy a special emotional niche in the Japanese psyche. Therefore so long as Peiping avoids overt and direct threats to Japan's security, its move into the nuclear ranks will not necessarily adversely affect its interests in Japan and could help them a good deal.

VI REPUBLIC OF KOREA

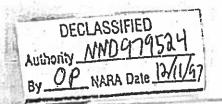
A. Communist Posture and Tactics

If the present close ties between the Chinese Communist and the North Korean regimes continue through the time of the Chinese nuclear detonation, the North Koreans will quite possibly take the lead in a major psychological offensive designed to move South Korea toward non-alignment and thereby to undercut the United States position there. North Korean propaganda has characteristically been strident and hectoring, but in this case more sophisticated tactics seem likely. The obvious threat will be softened by persuasive arguments focussed on the educated elite of South Korea and particularly on the student group. The majority of university students are too young to share the common bitterness against the communists which was a most striking result of the Korean War. In the comparatively free exchange of opinion which characterized the Chang Myon regime, many students seemed greatly interested in promoting the unification of Korea. This interest was less apparent but still evident among the leaders of the socialist parties, some newspapermen and other elements of the intelligentia.

Assuming a continued ban on communication between South Korea and communist countries, strict police controls, and the absence of leftist social, cultural and political groups which often provide conduits for propaganda, the communist campaign seems likely to be restricted largely to radio broadcasts. These will, however, have a relatively large audience whose interest will reflect the generally high level of education and the concern stemming from Korea's exposed position vis a vis mainland China.

In communist propaganda the military aspects of the Chinese accomplishment will be indicated although direct threats of action against South Korea will be avoided. The North Koreans will depict a situation in which the ability of the United States to protect South Korea has been erased. They will claim that Chinese nuclear power cancels out the American nuclear deterrent and tilts the military balance of East Asia in favor of China. Thus they will argue that a compromise settlement with North Korea is not only necessary but also the sooner done, the better the possible terms. In this context Pyongyang will demand the withdrawal of United States forces from Korea on the basis that they block the "peaceful unification" of the Korean people and entail needless risks of involving Koreans in a nuclear holocaust.

In addition to these tactics of intimidation the communists are likely to:
(1) claim that this great scientific achievement was possible only because of
the superiority of the "socialist" economy; (2) emphasize that this victory is an
the superiority of the "socialist" economy; the Chinese but also other
Asian accomplishment which promises to raise not only the Chinese but also other



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Asian people to a level of technical parity with the western powers; and (3) that communist purposes are entirely peaceful and defensive.

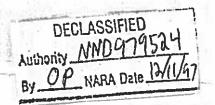
B. Reactions in Korea

The South Korean public would be surprised and discouraged by a Chinese nuclear detonation and these attitudes are likely to extend to the higher level of the government. South Korea is not psychologically prepared for a Chinese nuclear explosion and the effect is likely to be disproportionately a Chinese nuclear explosion and the effect is likely to be disproportionately a Chinese nuclear explosion and the effect is likely to be disproportionately a Chinese nuclear explosion and the effect is likely to be disproportionately a Chinese nuclear explosion and the effect is likely to be disproportionately and limit hostile propaganda have to a great extent prevented the dissemination of any general knowledge of the communist bloc. Paradoxically communist achievements, such as Sputnik, seem to make a greater impression under these circumstances than such notable failures as the commune program, agricultural production, etc.

The South Koreans will understandably believe themselves directly and immediately concerned by any development which might reduce United States influence or improve the Communist position in Asia: they are dependent upon the United States to a great degree for economic and military support, and they have been able to secure only a measure of international recognition. Therefore in the immediate aftermath of the Chinese nuclear test the Republic of Korea leaders may be expected to seek additional United States support, possibly asking for a public reaffirmation of United States backing as a possibly asking for a public, and perhaps demanding that their armed forces means of reassuring the public, and perhaps demanding that their armed forces be equipped with dual purpose or tactical nuclear weapons. This demand for atomic weapons would be an opening bargaining position, however, and the Republic of Korea leaders might be happy to settle for an arrangement under which the United States would retain control of the nuclear warheads.

In the longer run South Korean resiliency is likely to assert itself. The South Koreans have been exposed to the full impact of a modern but non-nuclear war and have developed a considerable understanding of the factors which influence military decisions. They are likely to conclude that the Chinese will not use nuclear weapons in Korea.

However they may fear that the development of the Chinese capabilities over a number of years will reduce the United States freedom of action in the Far East. Consequently, the Republic of Korea leaders may be tempted to take steps, independently of the United States, to protect their own interests. Thus, while no immediate crisis is likely, very fundamental changes may be set in motion. These changes would probably not include serious consideration of either an attack on or an early settlement with the North Korean regime. Depending upon the internal situation of mainland China at that time, the Depending upon the Soviets and the Chinese Communists, and the United States relations between the Soviets and the Chinese Communists, and the United States position, the Koreans could consider rapprochement with Japan, promote the concept of a United States-backed alliance of anti-communist Asian nations, concept of a United States-backed alliance of anti-communists — or study the possibility of an eventual settlement with the Communists — or study the possibility of an eventual settlement with the Communists — survival.



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SOUTHEAST ASIA VII.

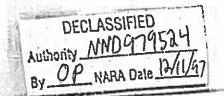
General Chinese Communist Strategy

Peiping undoubtedly sees Southeast Asia as its number one avenue of opportunity for advancing its influence through subversion and insurrection. Its exploitation of its new nuclear capability is likely therefore to be even more subtle in this area than in those so far discussed.

Seen from Peiping, the area is rife with intra-regional disputes which can be exacerbated at almost no cost or risk. By isolating its targets for pressure one from another, Peiping can hope to play on these divisions to preclude regional cooperation under Western aegis. Then as opportunity permits, it can aid and abet local Communist insurrections or "national liberation struggles," with more hope of success against the isolated regime and less risk of response by outside powers.

The range and flexibility of possible Chinese Communist tactics within this overall expansionist strategy is noteworthy. Peiping can advance armed revolution but propose a cease-fire or neutralization should its gains appear jeopardized by further action. Nor is a United States ally necessarily beyond the pale for Chinese Communist blandishments as opposed to threats. Overseas Chinese communities may support local communist parties or be held in reserve as isolated enclaves of Peiping's power, impervious to outside view and seemingly compliant with local authority. Bilateral diplomacy may further the divide-and-rule strategy or it may be supplemented by periodic calls for Afro-Asian conference wherein Peiping can play the role of compromiser as well as leader.

With this array of means at its disposal, the Chinese Communist leadership will probably employ its nuclear capability selectively and perhaps deftly as compared with the early years of Soviet rocket rattling. The goal will not merely be the gross intimidation of particular regimes. That exists already throughout much of Southeast Asia as a consequence of China's preponderant superiority of conventional military power. Rather it will be the orientation of these regimes (Burma, Cambodia, and Indonesia in the first instance) toward Peiping and against "imperialism and its stooges" through emphasis on increased Chinese Communist protective -- not destructive -- capabilities. Lines will not be drawn hard and firm since membership in this protective association will be open to Thailand, Malaya and the Philippines should they so desire. Nothing so formal as an alliance is likely to be proposed, nor is Peiping necessarily going to insist on renunciation of SEATO. present relations with Pakistan illustrate the elasticity with which the Chinese Communist regime can woo United States allies while warring with the non-aligned.



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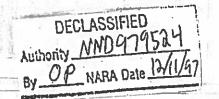
Should this strategy reduce Western, and especially United States, access to the area, Peiping may then hope to convince local separatist and insurrectionary groups that they will be immune from "imperialist intervention" if they strike at their ruling elites. But the transition from political maneuver to armed action will pose particularly acute problems for Peiping. On the one hand, it must exploit its nuclear capability to deter other regimes, within as well as out of the area, from assisting the beleaguered government. On the other hand, it must preserve an appearance of benevolent non-involvement in the uprising lest its latent threat become manifest and congeal the region, if not the Afro-Asian world, against Communist China. And in any case it must move so as to avoid serious risk of United States counteraction against mainland China.

In this context, from the Western viewpoint, Communist China's nuclear capability will remain secondary in importance compared with the vulnerability of Southeast Asian societies to subversion and insurrection and the lack of cohesion of the area as a whole. Infiltration and guerrilla war will remain Peiping's chief instrument of aggression. Separatism, disaffection, and frustration will remain its chief avenues of opportunity. Its goal is domination of the area by political, not military conquest; through satellites, not annexation.

To achieve the political and psychological impact it desires, Peiping may be expected to accompany its nuclear detonation with heavy propaganda emphasis on its peaceful intentions and the defensive nature of its nuclear capability. It will stress its scientific and technological prowess and attempt to promote an exaggerated image of the potential for peaceful uses of its nuclear power. Thus it will endeavor to enhance respect for itself, while leaving it to Asian imaginations to draw the proper conclusions as to the potential military significance of its new nuclear capability. As elsewhere it is likely to eschew a threatening tone in order to avoid alienating Southeast Asian audiences or moving them closer to the West. In this connection it may place new emphasis on proposals for zoning Asia against nuclear weapons, foreign bases, and military alliance systems.

Aligned Countries

1. General Considerations. Among the aligned countries of Southeast Asia informed reactions to a Chinese Communist nuclear capability will focus on two problems: (1) for each country, the effect of this capability on the present and potential threat to its own security; and (2) its effect on the stance of the opposing power blocs in the cold war, and on the prospects for general hostilities.



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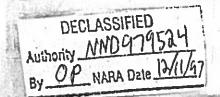
The aligned countries of the mainland recognize that the Chinese Communist military capability is already overwhelming in terms of their own unaided defensive strength. They will therefore continue to regard their effective defense in the event of major hostilities as completely dependent on the United States. Although equally recognizing this dependence the insular countries, especially the Philippines, will regard the Chinese Communist military threat as having come close to their own territories and as perhaps indicating the need for a review of defense planning and arrangements.

2. Thailand. The Thai leadership will not regard a Chinese nuclear capability in itself as basically altering already overwhelming Chinese Communist military power vis-a-vis Thailand. Their concern for their own security accordingly will lead them to look for reassurance that the United States' commitment to the defense of Thailand remains firm. United States of the degree to which they can count on the United States will depend very importantly upon the degree to which they regard United States policy in Laos, South Vietnam, and elsewhere in Southeast Asia as indicating that the United States retains the will and capacity to resist Communist aggression in all its forms.

At the same time they are likely to seek more specific reassurances in the form of United States commitments for increased military aid. They might also revive proposals for a bilateral defense agreement or call for strengthening SEATO along NATO-like lines. To the extent, however, that the Thai are basically confident of the validity and effectiveness of their defense arrangements with the United States, they are unlikely to push proposals for reorganizing SEATO or openly abandoning it.

Even within the context of a continuing pro-West orientation, a developing Chinese Communist nuclear capability might induce Thailand to seek closer relations with the USSR as a hedge against growing Chinese Communist power, especially if Sino-Soviet relations continue at their present level of deteriorate further. Only a major loss of confidence in the United States, however, would lead to a Thai shift toward neutralism.

3. South Vietnam. Reactions within the government and among the elite to a Chinese nuclear capability will be shaped by three inter-related factors: the status of the war in Vietnam; presumed effects on North Vietnamese policy; and presumed effects on the United States commitment. Vietnamese policy; and presumed effects on the United States commitment. Of there has been no major alteration in South Vietnam's favor and Chinese Communist enhanced power is reflected or seems likely to be reflected in overt North Vietnamese intervention or expanded support to the Viet Cong, some weakening of morale and increase in neutralist sentiments is likely, not only among the non-governmental elite but also within government ranks. Although with Diem in power a major change in South Vietnam's orientation is unlikely, he can be expected to press for a greater United States commitment to the defence of Vietnam, including probably a formal

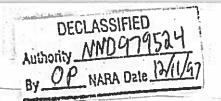


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bilateral defense agreement. Any apparent unwillingness of the United States under these circumstances to underscore its commitment to South Vietnam would increase the prospect of an anti-Diem coup.

- 4. The Philippines. Philippine political leaders, although recognizing the gap between a nuclear detonation and the development of a weapons system, will nevertheless regard the detonation as symbolic of the continuously decreasing protection offered them by their insular position. The Philippine Government therefore -- unless its confidence in United States intentions has been severely shaken by other developments -- will see the detonation as signalling the need for expanded mutual security arrangements with the United States. Philippine military leaders may press for a complete review of the Military Assistance Program to reshape it for the new threat. They will certainly press for more "modern" weapons and for iron-clad United States assurances of immediate action in response to an attack on the Philippines. Local neutralists, who constitute a small but extremely vocal group, will undoubtedly exploit the detonation to support their arguments for non-alignment. If the detonation occurs while Macapagal and the Liberals are in power, however, neutralist pressures will intensify Philippine Government efforts to secure additional defense commitments from the United States rather than prompt it to consider a shift in government policy.
- 5. The Malaysian Area. The Chinese Communist detonation will tend to reinforce rather than undermine the Malayan sense of dependence upon the West for effective defense. The Malay ruling elite, already pushed to a closer reliance on the British because of Indonesian hostility, might consider entering SEATO, a move it has contemplated for some time. Among the Chinese population, especially in Singapore, and to a lesser extent in Malaya and Sarawak, the detonation will however undoubtedly arouse a feeling of pride and identification with China as past Chinese Communist successes have tended to do. The leftist-influenced segment of the Chinese population might take a more militant posture against the Malay leadership.

As Peiping moves into the capability stage of its nuclear program, Malaysia may seek to promote a firmer association of Asian states so as to offset the two-sided pressure from mainland Communist strength and from Indonesian nationalist forces. Whether this effort could surmount intraregional rivalries would depend upon factors beyond our view at this time, such as the post-Sarit situation in Thailand, the eventual course of Philippine attitudes, and the trend of nationalist and Communist Party relations in Indonesia. One thing seems certain, however: to the extent that Malaysia fails to attain sufficient viability to fend off its neighbors and to maintain internal stability, Peiping's nuclear potential will tend to enhance the disruptive capability of the overseas Chinese population and particularly its pro-Communist element.



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C. Non-Aligned Countries

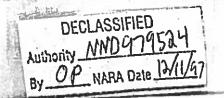
1. General Non-alignment Considerations. Given the relative acceptability of non-alignment for Peiping's immediate and short-range objectives, particular members of this group are unlikely to receive special attention from Peiping at least insofar as is predictably relevant to this inquiry. Therefore they are discussed as a group.

These countries have deliberately chosen non-alignment as seeming to offer weak, unstable, and newly-independent states the best available protection against what they would regard as helpless involvement in a world power struggle. Already conscious of the great disparity between their power and that of Communist China, they would not regard this disparity as qualitatively changed by Peiping's development of a nuclear capability. As this capability affects the great power confrontation in the area, moreover, it would most likely be seen as reinforcing the arguments for non-alignment rather than otherwise.

The detonation will certainly enhance respect for Peiping's power. It may also enhance concern over Peiping's ultimate intentions and thus lead the non-aligned leadership to adopt a more benign view, at least privately, toward the Western presence in Asia. But even if this is so, the non-aligned leadership would probably consider any marked modification of their policies in favor of the West unnecessary if not counterproductive. The residue of anti-colonialist sentiment, the Markist tinge of thought, and the embarrassment of softening long-standing neutralist positions would bias them against any such modification. Moreover, they would find rationale for hewing to the neutralist line in the thought that the non-aligned get most of the benefits of protection and support from the major powers that the small aligned countries do anyway.

While the non-aligned countries are therefore unlikely to make any shift in orientation because of Peiping's nuclear detonation, they may be expected to press harder for Communist China's admission to the United Nations and other international councils. They will probably be prepared to support Peiping's demand for Taiwan if this were to be its prerequisite for accepting United Nations membership. They may actively promulgate their own, or Peiping's, proposals for an Asian nuclear-free zone. They may also renew demands for an immediate cessation of nuclear testing and for an international disarmament agreement in which Peiping would participate.

The neutrals might advance these demands in forums where the United States is not present, such as a Bandung conference or other Afro-Asian gatherings. They might thus expand the support for such positions among countries normally remote from Peiping's direct influence. If at the same time there were a gradual increase in the number of countries recognizing Communist China, the cumulative pressure to bring it into the United Nations might be difficult to counter. Given the pretensions of individuals such as Sihanouk and Sukarno to leadership of the Afro-Asian world, this possibility cannot be dismissed out of hand.



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VIII. SOUTH ASIA

A. Peiping's General Strategy

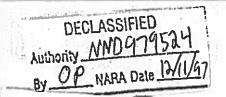
In South Asia Peiping's ultimate goal is to turn the sub-continent into a satellite empire under the influence but not the administration of Communist China. Its expansionist ambitions south of the Himalayas look first to detaching Nepal, Sikkim and Bhutan from India's influence by playing on anti-Indian sentiments and exploiting racial and economic tensions. Toward Pakistan Peiping's strategy is to promote its discontent with the West, its conflict with India, and its willingness to do business with Communist China. Beyond this Peiping may eventually hope to promote "national liberation struggles" and the development of indigenous revolutionary forces for seizing power throughout the area.

Given this general strategy, here as elsewhere Peiping will probably seek to use its nuclear detonation to promote respect and undermine opposition without assuming a threatening mien that might be counterproductive. In much the same vein as elsewhere, Peiping will emphasize its peaceful purposes and defensive posture, its "socialist" triumph, and its new capability to deal with any threats which may be brought against it. It is unlikely to offer non-aggression pledges to India or Pakistan without a quid pro quo (such as a border settlement with India, or Pakistan's leaving SEATO), but may well make vague allusions to the desirability of an Asian "atom free" or "peace" zone.

B. India

l. General Reaction. For years many of India's leaders have privately recognized the implicit threat posed by a unified, militarily powerful China. So long as India's national interests were not directly threatened by China, however, Prime Minister Nehru sought to establish a basis of friendship with his great neighbors, and his conciliatory approach conditioned public opinion in large measure.

Following the Chinese Communist repression of Tibet and the flight of the Dalai Lama to India in 1959, the Indian public learned something of the Chinese moves into territory claimed by India as part of Ladakh, but it was the border conflict which erupted in late 1962 that brought home to the Indian public the threat posed by Communist China. If the Chinese Communists had detonated a nuclear device prior to the border conflict, Indian public reaction to the detonation might well have been apathetic. This is no longer the case: despite a perceptible "return to normalcy" since the cessation of hostilities on the border, the Indian public continues to regard Communist China as a prime threat. It would, therefore, presumably view a Chinese nuclear detonation with



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concern. Judging from the precedent of India's reaction to Chinese Communist aggression in late 1962, this concern would probably take the form of increased displays of national determination and unity rather than panic.

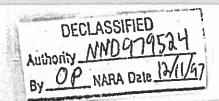
2. Nehru's Policies. Prime Minister Nehru, like other well informed Indians, is aware of the possibility of Communist China's early detonation of a nuclear device. As late as December 1962 he spoke publicly of this possibility, conceding that Peiping might with great effort have a nuclear test but observing that it is another thing to have a nuclear force. He also observed: "Although we are not going to make nuclear bombs, in nuclear science we are much more advanced than China."

In the event, Nehru would try to play down the significance of a Chinese nuclear detonation. Nehru would probably believe, and he might seek explicit assurances, that he could rely on United States' nuclear power to deter the Chinese. The ready response to India's requests for help after the Chinese Communist incursions in October-November 1962 has no doubt strengthened Indian belief that the United States would not permit Communist China to dominate India by nuclear force or the threat of nuclear force. Nehru would probably calculate that, even in the event that Communist China achieved a substantial nuclear weapons capability, a nuclear stalemate would prevail in Asia.

Thus Nehru would continue to see an increase in India's conventional military strength as essential to India's security. It is improbable that he would undertake the massive diversion of resources from India's economic development which a serious attempt to make India a nuclear power would require. On the other hand he might be unable to ignore totally demands from the public and from the Indian military that India respond with a nuclear weapons program of its own. A modest and relatively inexpensive weapons program intended primarily as a prop to India's prestige and to meet political pressures at home would therefore be a possibility.

Nehru probably would be as determined as ever to retain a posture of non-alignment for India. He would expect that the United States, in its own security interests, would shelter India under its nuclear umbrella, and would not exact any quid pro quo for this in the form of an alliance. He would continue to find good relations with the Soviet Union highly useful, no matter how its relations with Communist China may develop.

India's concern to promote nuclear controls or disarmament would become even more urgent than at present. It would no doubt continue to seek to bring Communist China into the United Nations and other international forums where pressures could be brought to bear to curb Chinese nuclear power.



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No very dramatic changes in Indian regional and Asian policies would be likely to occur following a Chinese nuclear detonation. Because of the heightened public awareness of the disparity between Indian and Chinese power, the government might find it politically feasible to adopt a somewhat more conciliatory posture in its border dispute with China. On the other hand, India would become even more concerned than at present that China might supplant India as the dominant influence in the northern border states. The Nehru government's policy, instituted last November, of preventing Nepalese anti-regime forces from operating from Indian soil would be reinforced since it would be clearer operating from Indian influence in Nepal was no longer sufficiently dominant to permit risk of antagonizing the current Nepalese regime. Growing doubts in Nepal and the other border states as to the efficacy of Indian protection would be further strengthened.

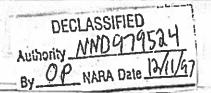
Assuming that initially, at least, Chinese delivery capabilities would be confined to aircraft and that Indian leaders would be aware of this fact, their already great desire for Western assistance to create an effective air defense would be further increased. They would not be satisfied with the development of a modern ground environment into which Western fighter aircraft could be introduced in times of danger, but would feel an even greater need than now for a defense system of their own which could respond on very short notice to a threat of nuclear attack. Thus the leverage of the United States and the United Kingdom with respect to the Indian position on the Kashmir issue might be increased to some extent. The Indians might be prepared to offer somewhat more generous concessions to Pakistan if they felt that Western aid would be favorably affected thereby. Aside from this factor, India would be influenced mainly by its assessment of the contribution which Pakistan could make to the sub-continent's defense. Thus, should Western assistance in creating a defense against nuclear attack be offered within the context of a coordinated air defense system for the sub-continent, the inducement to the Indians to reach a rapprochement with Pakistan might be substantially increased.

As at present, India's prime concern in Asia would remain with the sub-continent. Its understanding of the danger of Chinese expansionism is already high and would not be increased by the exploding of a nuclear device by the Chinese. Indian parochialism and unwillingness to adopt postures which might alienate the non-aligned countries would continue to limit India's role in containing the Chinese Communists in Southeast Asia.

3. Post-Nehru Implications. The nature of the government which will succeed that of Nehru cannot be foreseen with any certainty. It is conceivable that Nehru might be shelved as a result of some disaster, such as new military reverses at the hands of the Chinese. In that event the general outlines of India's foreign policy might undergo fundamental

I/ This inducement might be diminished if the USSR supplies SAMs to India, as seems to be a distinct possibility, or as the Chinese require a missile capability.

SECRET/NO FOREIGN DISSEM



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changes. Its response to the development of a Chinese nuclear capability would probably be to seek a de facto alliance with the United States and open reliance on the United States' nuclear deterrent.

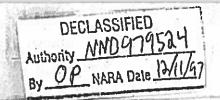
In the more likely event that Nehru passes from the scene because of infirmity or death, there is little reason to believe that the new government would differ greatly from the present one either in its general foreign policy posture or its reaction to a nuclear threat from Communist China. In the absence of Nehru's towering influence there would be some difference in style and emphasis. It is probable that the new government would be content to play a somewhat lesser role on the world stage than Nehru has sought, and would confine its interest more completely to domestic affairs and matters directly affecting India's security. Whatever the pro-Western predilections of Nehru's successors, however, it is unlikely that, when faced with the responsibility for India's foreign affairs which Nehru has borne almost alone for 15 years, their solutions to India's foreign policy problems will be greatly different from Nehru's.

It is possible that the military point of view might carry more weight in the government which follows Nehru. This would almost certainly be the case should Nehru quit under fire. In any event, the prospects for a substantial increase in the size and cost of the armed forces and the probable greater influence, in the absence of Nehru, of younger men intent on rectifying what they regard as past mistakes in defense policy may well provide the military with greater influence. Should this develop, the possibility would increase that India would attempt to counter a Chinese nuclear capability with an effective weapons program of its own.

In the face of an incipient or actual Chinese nuclear capability, a new government might be somewhat less intransigent than Nehru has been on the Kashmir dispute with Pakistan. A number of his colleagues, and public opinion generally, appear to be somewhat more flexible than he is on this issue. However, a tough line toward Pakistan is probably good politics in India as long as the threat from Communist China does not appear to be too imminent. In the intensified scramble for power and influence which would follow Nehru's demise great political difficulties might be encountered in pushing a compromise settlement through the Cabinet and Parliament and in getting the acquiescence of the Kashmir government.

C. Pakistan

A basic assumption of Pakistan's national security policy is that India is a greater and certainly a more imminent threat to Pakistan than Communist China. Until and unless there is prospect of an acceptable settlement of the Kashmir issue, Pakistan's view of the danger from India will be reinforced. In its security interests, Pakistan could be expected to follow a policy of duality in its approaches to the United States and



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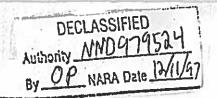
Communist China. On the one hand, in order to sustain some sort of military balance with India on the sub-continent, Pakistan would hope to maintain its alliance with the United States to insure the continued supply of military hardware. On the other hand, Pakistan would continue to pursue a policy of accommodation towards Communist China.

China's detonation of a nuclear device would probably not result in any significant changes in this Pakistani policy. While it would regard its formal alliance as assuring United States protection against any nuclear threat from Communist China, Pakistan, like India, would probably calculate that United States protection was available to the aligned and the non-aligned alike. Therefore Pakistan's regard for CENTO and SEATO is unlikely to be increased by clear indications that Communist China was in process of becoming a nuclear power.

As long as India remains without a nuclear capability Pakistan is unlikely to seek direct nuclear sharing with the United States, since it would fear that such an arrangement would damage its relations with Communist China. On the other hand, should India develop the capability to explode a nuclear device, Pakistan would demand United States assistance to further the development of its own nuclear capabilities.

The subject of United States use of tactical nuclear weapons in the CENTO area, including Pakistan, has been discussed by Pakistan in the CENTO forum. In bilateral discussions with the United States Pakistan has suggested that its army be furnished under the United States Military Assistance Program with artillery capable of firing nuclear shells; that its troops be trained in the use of this artillery; and finally, that formal military planning for possible use of United States nuclear weapons in certain contingencies be initiated. No final decisions have been taken on any of Pakistan's suggestions.

The explosion of a nuclear device by Communist China would have an ambivalent effect on Pakistani attitudes with respect to the Kashmir dispute with India. On the one hand, the increased threat from the north which such an event would signal would tend to act as an inducement to Pakistan to settle the dispute as a prerequisite to the development with India of a coordinated air defense of the sub-continent. On the other hand, the Pakistanis would reckon that this new Chinese threat was directed more at India than at Pakistan; they would therefore feel that their position in the dispute had been strengthened and they might be inclined to stiffen their terms for a settlement. Moreover, in the face of what they would regard as a great increase in Chinese power, the Pakistanis might wish even more than at present to curry favor with Communist China. On balance, it is doubtful whether the explosion of a nuclear device by the Chinese would have a significantly favorable effect overall on Pakistani attitudes with regard to the dispute.



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D. Ceylon and Nepal

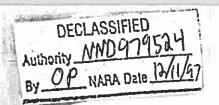
Neither Nepal nor Ceylon would be expected to make major revisions in foreign policy in reaction to a Chinese Communist nuclear detonation. The Nepalese would probably regard a Chinese nuclear detonation as indicative of a significant shift of the balance of power in Asia, and some diminution of Indian and Western influence in Katmandu might follow. It is unlikely, however, that the Government of Nepal would deviate markedly from its basic policy of striving to maintain an ostensibly neutral stance as between India and China. The Government of Nepal would probably put even more emphasis on its current tactic of maintaining a smiling diplomatic face toward Communist China, but would be unlikely to seek materially closer relations with Peiping simply because the latter had achieved a nuclear detonation.

While the Ceylonese would not be pleased to learn of a Chinese Communist nuclear detonation, they would probably quickly reassure themselves that they are in no particular danger in view of their consistently good relations with Communist China. In any case, their basic attitude toward Peiping would not be likely to undergo any material change. However, for reasons of discretion, the Ceylonese might become less disposed to make public demonstrations of their friendly ties with India.

IX. AUSTRALIA AND NEW ZEALAND

The military and political alignment of Australia and New Zealand with the United States and the United Kingdom may be taken as firmly established. This has been formalized in the Commonwealth, in ANZUS, and in SEATO, accepted by the major political parties and leaders of both countries. Cooperation and coordination of defense activities within the framework of these ties may be expected to increase regardless of a nuclear detonation by Communist China.

Nevertheless, there is a strong and apparently growing distaste for nuclear testing, particularly in New Zealand (and its close associate, the new state of Western Samoa), but also to some extent in Australia. The United States tests on Johnston Island were visible and helped to underscore the fact that the nuclear age is approaching their corner of the world. French plans to conduct some kind of test, possibly nuclear, on an island, Mangareva, in French Polynesia, some 1600 miles northeast of New Zealand, are likewise ruffling public attitudes in the subject. A large body of public opinion appears to be negative on nuclear testing by anyone and somewhat open to proposals for a nuclear-free area for the southern hemisphere. One effect of a Chinese Communist nuclear detonation will probably be to reinforce these general views.



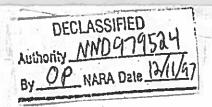
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At the same time, in both Australia and New Zealand public awareness of a direct security interest in Southeast Asian developments, and of Chinese and Soviet efforts to expand their influence there, has continued to develop. This awareness will presumably grow further during the rest of the decade and make it possible for the governments of these countries to have a more informed and alert public support for policies they may adopt to cope with the Communist threat. However, commerce with Communist China, especially in Australian wheat, will presumably be a sufficiently important factor to support continuing relations, at least economic, with Communist China. Against this background, Chinese development of a nuclear capability may generally enhance concern about the expansion of Communist influence but also possibly to support further steps toward regular contacts with Communist China.

While out of power, both the Australian and New Zealand Labor parties have made a particular point of an anti-nuclear policy and have generally criticized the conservatives' policies of full collaboration with the United States and the United Kingdom in military and political containment of Communist China. While in power, however, New Zealand's Labor Party did nothing to change these commitments. In the most recent Australian general election, the Australian Labor Party dropped from its platform a plank calling for the recognition of Communist China. The Australian Labor Party, moreover, is seriously divided between a left and right wing. While the left wing is subject to considerable Communist pressure, in the recent past the right wing has apparently gained the ascendency and the general trend of labor politics has been toward the right.

In Australia the conservative Liberal-Country Party coalition has a working majority of only one in the House of Representatives, and given the fact that conservatives have been in power some 14 years, a change to a Labor government is a distinct possibility. A Chinese nuclear detonation would undoubtedly become a campaign issue in Labor's effort to unseat the conservatives. The Labor Party would probably argue that it could represent the Australian interests better than the conservatives in stopping nuclear proliferation and testing. The impact of such an argument, however, remains in doubt. Such a detonation would make increasingly clear Australia's interdependence with the Western nuclear powers for her own self defense. In New Zealand, particularly if a Chinese detonation should occur during the 1963 Federal election campaign, it could play a similar role in Labor's efforts to turn the National Party out of office.

In the event of a Labor victory in either country, while close ties with the United States and the United Kingdom would be maintained, the new Labor governments would probably follow a Chinese nuclear detonation with increased pressures to develop international nuclear control and disarmament agreements including Communist China. They might be more disposed to explore the possibilities of a nuclear-free zone covering Australia and New Zealand, and might consider expanding contacts with Communist China even if not going so far as diplomatic recognition.



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In sum, a Chinese nuclear detonation might help tilt the balance for Labor against the conservatives, and Labor governments might consider a softer line than they would otherwise on nuclear issues and on questions of relations with Communist China. At the same time they would continue to support measures for their own defense and the security and stability of the surrounding area. In the latter connection, however, a Labor government might face a dilemma over specific questions of military collaboration with the United States. For example, it might regard United States military installations as a strategic danger and yet consider them essential to their parochial defense needs. (Similarly, an increased Chinese threat could lead a new government, either Labor or conservative, to consider accepting United States nuclear weapons or developing its own nuclear arsenal at the same period in which it was seeking international controls over nuclear arms.) It seems unlikely that Labor governments in either country would flag in support of SEATO so long as they believe SEATO is performing a useful function in checking Communist expansion. On the other hand, they may show more interest in encouraging supplemental organizations such as the Association of Southeast Asia if these show practical and constructive potential.

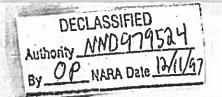
X. ELSEWHERE

A Chinese Communist nuclear detonation would probably cause dismay, but not surprise, among most informed governments in Western Europe, Latin America and the Near East and Africa. This dismay would in many cases be as much over the fact of nuclear proliferation itself as over the fact that Red China was the country involved.

A. Western Europe

Within Western Europe, it appears unlikely that any country would significantly change its present stance on nuclear weapons. France would view a Chinese detonation as a further justification of its decision to develop its own independent nuclear striking force. Smaller nations of Europe would probably see the detonation as being of little immediate concern to them, except to the extent that it furthers proliferation, but as a serious problem for the United States.

Sweden, whose decision on developing her own capability will depend in part on the outlook for effective disarmament agreements, might look upon a Chinese detonation as an important factor in favor of going ahead with her own program, since it would be a large step toward still further proliferation. A Chinese detonation would probably create in most countries a still greater sense of urgency to achieve progress toward disarmament and arms control agreements, accompanied by increased pessimism as to the prospects for such agreement.



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There appears little likelihood of changed positions on other international affairs. France and Germany both would view it as a development which might widen the breach between Communist China and the Soviet Union and nudge the Soviets toward reapprochement with the West. European opinion currently favoring the admission of Communist China to the United Nations would use the detonation as further justification for admission; opposing opinion would probably continue to oppose.

A Chinese detonation as such would probably have little impact on European willingness to use military force, if necessary, in the Far East and South and Southeast Asia. Only the United Kingdom and France have such a capability to any significant extent at this time -- and both are reluctant to use it. France has used no force in the area since 1954. The United Kingdom, except for the provision of military forces to Thailand in the 1962 Laotian crisis, has used force only in incidents directly involving Commonwealth countries -- the anti-terrorist campaign in Malaya and the revolt in Brunei. In similar cases in the future, and others like the Sino-Indian controversy, where Commonwealth interests are at stake, the United Kingdom would probably continue prepared to intervene as it considers necessary. Over the longer period, when Communist China has developed a delivery capability as well as a nuclear weapon, it is impossible to predict with accuracy the willingness of European countries to take military action in the Far East and South and Southeast Asia. European countries with interests in the areas would probably become increasingly reluctant to act there militarily without support from the United States, and would in all likelihood rely increasingly on the United States to take the lead in protecting and advancing western interests in the area.

B. Latin American Reactions

The impact within Latin America would probably be similar to that in Europe -- no significant policy changes, but reenforcement of present trends. Brazil, already striving to obtain a nuclear-free zone for the hemisphere, might be expected to increase its efforts in this direction and Mexico, among others, might be expected to back the Brazilian scheme more strongly. For the rest, the development of a Chinese nuclear capability would have the primary effect of enhancing Chinese Communist stature, especially within the communist parties, without significantly influencing government attitudes.

In the special case of Cuba, the immediate impact would be to strengthen the hands of the activists within the party. Until China comes into a position where it can provide a replacement for both the military and economic assistance now obtained from Moscow, however, it would not shift the Cuban government's alignment from the Soviet Union to Communist China.

C. The Near East and Africa

There seems little likelihood of significant political impact resulting from a Chinese detonation in any of these countries. China is far away and exercises only limited influence. The Soviet Union plays the larger role.

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Monetheless, as all these countries are on record opposing nuclear tests, particularly in the Sahara where they might have a domestic effect, it is probable that they would call once again for an international test ban, with Communist China then included as a participant.



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