

Canada will propose early discussions with India on future relations between our two countries, including, in particular, a discussion on the implications of this latest development for India's economic priorities. Canada is conscious of the very large costs involved in the normal development of nuclear energy for peaceful purposes and we have an appreciation of the substantial additional resources, material, managerial and technical, which must be devoted to the development of explosive devices. Canada does not intend to share the burden of relieving such costs. As a result, the Canadian Government is not prepared at this time to agree to any rollover of India's commercial debt to Canada, which is largely related to India's nuclear energy programme. The Canadian Government, however, does not plan to interrupt its continuing programme of food and agricultural aid to the sub-continent although it will be reviewing other elements in the aid programme in consultation with the Indian authorities.

I am informing the Indian High Commissioner of the steps outlined above.

With regard to the broad international implication of India's nuclear explosion, Cabinet has directed that officials enter into immediate consultations with a number of other governments, including those which have been involved in India's nuclear development programme, signatories to the nuclear Non-Proliferation Treaty and other members of the International Atomic Energy Agency.