

enhancing a small state's naval force capability. In the case of the nuclear-powered submarine lease, however, there are more complex issues to consider.

Nuclear-powered submarines require supplies of nuclear fuel and, more importantly, a means by which to treat and dispose of the spent fuel. India clearly has problems in meeting the requirements of its nuclear energy industry from indigenous sources and has experienced particular shortfalls in heavy-water production.⁴⁵ A leasing arrangement with Moscow would alleviate any problems India might have in fuelling its submarine.

Of more significance, it has been suggested that the Soviet Union may have been concerned about possible Indian diversions of the spent fuel for use in its nuclear weapons programme and that by leasing the submarine Moscow gains some reassurance that it will not contribute to nuclear proliferation in South Asia.⁴⁶ In fact, the significance of the nuclear-submarine leasing more probably lies in the naval competition between the United States and the Soviet Union in the Indian Ocean. That a nuclear-powered submarine also meets India's requirements with respect to its perception of a threat from China is possibly a happy coincidence.⁴⁷

Although the Indian Ocean is obviously a lesser concern to Soviet strategists than is the Pacific, it is an area where the Soviet Union has the potential to make wide-ranging and considerable political mileage, and important strategic gains, at relatively little cost. Despite the heightened attention brought about by the current crisis with Iraq, the Indian Ocean remains

⁴⁵ See: Manchanda, Rita, "Heavy-water Drought," *Far Eastern Economic Review*, 31 August 1989, pp. 18-19. Reports that the Ceausescu regime in Romania improperly diverted Norwegian heavy water to India in 1986 confirm that India's nuclear programme relies on outside help, see: *India Abroad*, May 4, 1990.

⁴⁶ See: "Indian Navy In The 1980s," *Spotlight On Regional Affairs*, Vol. VII, No. 12. December 1988. Islamabad: Institute of Regional Studies, pp. 13-14.

⁴⁷ The Soviet Union may be re-thinking its nuclear transfer policy. A recent article in *Izvestia* sharply criticized India's refusal to sign the Nuclear Non-Proliferation Treaty -- the first indication that Moscow might be concerned about New Delhi's nuclear ambitions. *India Abroad*, May 11, 1990.