Britain and the EC: How Much Renegotiation? On June 4, Foreign Secretary Callaghan will present to the EC Ministers the most recent version of the UK's demands for "renegotiation" of the terms of its membership in the EC. Recent indications are that Britain will seek not a fundamental renegotiation but rather a reduction in its contribution to the EC budget. The recent changes in the governments of France and the FRG may make compromises somewhat easier to reach, but it seems unlikely that Britain's EC partners will agree to modifications in the Community's basic arrangements. Moreover, there is no evidence that domestic British pressures to maintain a tough negotiating position will decrease. (SECRET/NO FOREIGN DISSEM) 9 pages - Research Study RESS-21

Pakistan's Response to the Indian Nuclear Explosion: Islamabad's response has been directed toward easing domestic concerns, maximizing international restraints on India, and stepping up its efforts to diversify sources of military equipment. Pakistan's ability to reach agreement with India on various outstanding issues is likely to be severely limited for quite some time. Meanwhile, it will be reviewing its strategic military planning and its own nuclear programs in light of the qualitative increase in India's military superiority. What Pakistan decides as a result of this process will be

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strongly influenced by the actions and attitudes of India and the major powers over the next few months. (SECRET/NO FOREIGN DISSEM) Intelligence Note RNAN-22