



**Director of
Central
Intelligence**

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Key Military Issues in South Asia

National Intelligence Estimate

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*NIE 30-83
17 June 1983*

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KEY MILITARY ISSUES
IN SOUTH ASIA

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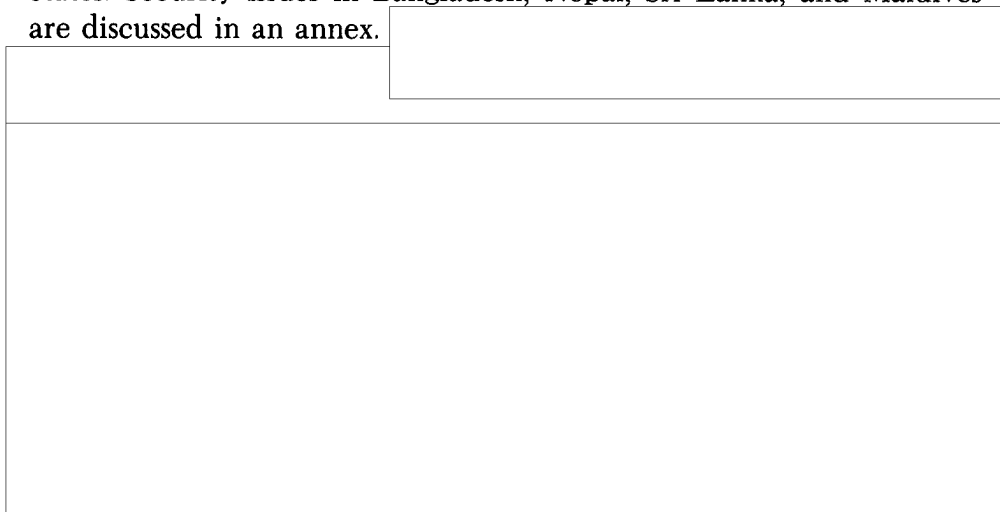
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SCOPE NOTE

This Estimate focuses on two military issues in South Asia¹ that will have an impact on US security interests in the next five years:

- The first, epitomized by the Soviet occupation of Afghanistan, entails Soviet military activities, capabilities, and intentions that affect key countries and US interests.
- The second includes the military issues emanating from the animosity between India and Pakistan, which have had three major military conflicts in the past four decades. Mutual distrust affects India's and Pakistan's defense policies, including nuclear weapons development, their relationship with the United States and the USSR, and prospects for regional stability.

This Estimate addresses these two broad military issues and related subissues, assessing their meaning for the countries involved, for other countries in the region, and the overall implications for the United States. Security issues in Bangladesh, Nepal, Sri Lanka, and Maldives are discussed in an annex.



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¹ For the purposes of this Estimate, South Asia comprises Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, the Republic of Maldives, and Sri Lanka.

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KEY JUDGMENTS

South Asian military issues have traditionally interested US policy-makers only to the extent that a major Pakistani-Indian conflagration could cause serious regional instability and thus create opportunities for increased Soviet and Chinese influence in the area. These concerns were reflected during the several Indian-Pakistani confrontations, the last of which led to the partition of Pakistan. The Soviet invasion of Afghanistan in December 1979 increased US attention to the region dramatically by underscoring the USSR's willingness to project its power into the area.

Moscow's strategy aims at supplanting Western—especially US—and Chinese influence and making the USSR the dominant power. To achieve this goal, the Soviets seek to:

- Consolidate their power in Afghanistan.
- Neutralize Pakistan's opposition to the Soviet presence in Afghanistan.
- Develop an alliance of powers encircling China.
- Encourage regional military and ultimately political dependence on the Soviet Union.
- Exploit regional divisions to gain leverage.

Moscow has mixed success in moving toward these goals. The invasion of Afghanistan increased significantly its military and political leverage, but also strained somewhat its political relationships with the countries of the region.

The Soviets view India as the most important geopolitical actor in South Asia and the arms relationship as their key leverage in New Delhi. Under Indira Gandhi's rule, *Indo-Soviet relations will remain close* despite some Indian efforts to expand military contacts with the West. New Delhi will continue to view Moscow as its most dependable supporter against Pakistan and China and to value its sizable arms relationship with the USSR. To ensure Indian regional dominance, Prime Minister Gandhi is committed to modernization of the Indian armed forces, for which large-scale Soviet military assistance is critical. Over the long run India could grow increasingly concerned about Soviet

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intentions in the region and seek substantially broader ties with the West, but probably would also retain a major military relationship with Moscow, just as the 1977-79 Janata government did.

If the USSR concludes that in order to strengthen its hold over Afghanistan it must reduce Islamabad's support to the Afghan insurgency, Moscow will almost certainly increase pressure on Pakistan. The USSR will seek India's cooperation in weakening Pakistan's resistance to Soviet regional aims but will receive only limited support from New Delhi. India, in particular, would not support any move to dismember Pakistan.

The Soviets have periodically exploited Indian-Pakistani tensions to enhance their standing in New Delhi. Although India and Pakistan are currently pursuing a dialogue aimed at easing tensions, a number of issues could lead to a marked deterioration in relations or even war between India and Pakistan in the next five years. These include:

- Pakistan's determined pursuit of a nuclear weapons capability.
- A continuing territorial dispute over Kashmir.
- Each side's perception that the military modernization of the other indicates hostile intent.

The nuclear issue is the most destabilizing. Senior Pakistani officials believe that the development and deployment of nuclear weapons are essential to counter India's overwhelming conventional superiority and to establish a strategic balance between the two countries. Pakistan continues to work for a nuclear weapons capability despite the threat this poses to the US aid relationship.

We believe that India has not begun a nuclear weapons production effort but has the technical capability to assemble such weapons on short notice. When India would move to develop and field nuclear weapons remains dependent on the evolution of Pakistan's nuclear program and an Indian decision to compete with China's nuclear weapons capability.

Armed conflict between India and Pakistan is unlikely over the next year, but Pakistan's ongoing nuclear weapons program may move into a key stage within the next 12 months, when reprocessing of spent fuel could begin if the political decision is made. India is growing increasingly uneasy about Pakistan's nuclear effort

For the near term, both countries are expected to continue joint diplomatic efforts to reduce tensions.

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If war should break out, India possesses major advantages—strategic depth, large reserves, superior logistics—that would allow it to prevail. Moreover, the Indian armed forces—the fourth largest in the world—benefit from superior equipment and training. Even if Pakistan receives all the arms and equipment sought under the current US arms assistance package, the disparities between India's and Pakistan's military capabilities will grow wider.

Islamabad will continue to harbor doubts about the reliability of US political and military support. The sale of advanced US weapons will be a major yardstick by which Islamabad measures US support for Pakistan's security interests. Pakistan will not grant the United States unrestricted use of military facilities and will remain firmly opposed to association with any US regional defense arrangements.

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DISCUSSION

Soviet Intentions and Military Capabilities in South Asia

Soviet Strategic Objectives and Constraints

1. Moscow's long-term strategy in South Asia aims at supplanting Western—especially US—and Chinese influence and making the USSR the dominant foreign power in the region. In pursuing this objective, the Soviets are working toward the following intermediate regional goals:

- Consolidating their power in Afghanistan in order to strengthen Soviet military capabilities in the area.
- Neutralization of Pakistan's opposition to the Soviet presence in Afghanistan.
- Development of allies in a move to encircle China.
- Cultivation of their role as a major participant in regional affairs.
- Encouragement of regional military, economic, and ultimately political dependence on the Soviet Union.
- Exploitation of regional divisions, notably Indo-Pakistani differences, and domestic political instability to gain greater leverage.

Moscow's strategy has had mixed results thus far. The Soviet presence in Afghanistan increases the Soviet military threat to the area and thus puts pressure on the countries of the region. But the invasion has also had political costs for the Soviets. The United States has been brought back into the region through its renewed security relationship with Pakistan. Soviet relations with Nepal, Bangladesh, and Sri Lanka have cooled. Even the Indo-Soviet relationship has suffered some minor strains.

2. Moscow has actively pursued its interests in the subcontinent since the mid-1950s, focusing primarily on Afghanistan and India. As the Sino-Soviet rift

widened during the late 1950s, Soviet efforts intensified in search of support against China. In Afghanistan, Soviet influence grew steadily during the 1950s and 1960s as Kabul turned to Moscow for most of its military equipment and training after the United States declined to provide such assistance. With the Soviet invasion and installation of Babrak Karmal in 1979, the regime's dependence on the USSR became complete. India has long been courted assiduously, leading to a treaty of friendship and cooperation with that country in 1971. The USSR openly supported India in its 1971 war with Pakistan and played a leading role in the settlement of the 1965 conflict. Outside of Afghanistan, the Kremlin is likely to continue to place its highest priority in South Asia on relations with India, which it clearly views as the dominant regional power and its natural ally against China.

Military Instruments Supporting Soviet Policy

3. The USSR will seek to foster closer links with South Asia through political ties, trade and economic aid, and a military presence and programs in the region. Military activities have taken three distinct forms: first, the direct employment of some 100,000 Soviet troops in Afghanistan; second, Moscow's large-scale arms program with India; and third, the deployments of the Soviet Navy's Indian Ocean Squadron, which has been operating in the region since 1968. Over the next five years, these military efforts will remain among Moscow's most important policy instruments for advancing its goals in the region. The Soviet Indian Ocean Squadron, which averages some 20 ships since early 1983, will be used for political impact through port visits and show-the-flag demonstrations. (See figure 1 and table 1.) The USSR will continue to press New Delhi for access to Indian naval facilities, but these efforts are expected to remain unsuccessful. The Soviets did successfully conclude a ship repair contract with Sri Lanka last year, but entree to naval facilities in South Asia is unlikely over the next several years.

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Pakistan has replaced Afghanistan as the buffer state against the expansion of a Soviet military presence to India's border has introduced another cautionary note. Finally, with the obvious exception of Afghanistan, countries in the region remain generally dependent on the West for much-needed economic assistance and advanced technology.

5. The invasion of Afghanistan marked a major shift in Soviet policy. For the first time since World War II, Soviet ground troops were used in offensive operations outside the Warsaw Pact. The USSR demonstrated strong confidence in its ability to project military power, particularly along its periphery, and confirmed a clear willingness to use military forces abroad.

6. The Soviets see firm control over Afghanistan as a step toward a dominant presence and influence in the region at large. To date, the immediate aim of achieving political stability has eluded the Soviets because of almost universal opposition within Afghanistan to Moscow's presence and the Communist regime.

7. Over the next several years, Soviet anti-insurgent measures are expected to meet with only limited success. (See figure [] 3.) The Kremlin probably will concentrate on trying to develop large, loyal political and military cadres to ensure the successful entrenchment of Soviet power in Afghanistan, but we do not rule out a significant increase in its military presence.

8. On the diplomatic front, Moscow will almost certainly continue to claim an interest in a political settlement to confound and weaken the opposition, but is not expected to make any meaningful concessions.

Pakistan's Stance

9. Pakistan's leaders believe that the Soviet occupation of Afghanistan has permanently altered their country's strategic environment, raising the prospects of a combined attack by their traditional enemy—India—from the east and by Soviet forces on their western border. Islamabad sees its options ranging from accommodation to a major upgrading of the country's defenses through a closer relationship with the United States and continued strong ties with China. For now, Pakistan has rejected the road to accommodation for geopolitical as well as ideological reasons and profits from increased aid and political support from the United States.

4. Moscow still faces significant constraints in pursuing its regional objectives. One is Soviet recognition of the danger of a Western reaction to Soviet military moves that threaten vital Western interests. The USSR would try to avoid actions that it believed would risk a direct military confrontation with the United States. Widespread opposition to Communism, especially among conservative Islamic groups in the region, is another important constraint. Furthermore, Soviet efforts to subdue Afghanistan, coupled with covert and overt efforts to influence local governments, fuel distrust of Moscow's intentions. The USSR will remain especially wary of pushing India too hard, risking the loss of New Delhi's support. Indian realization that

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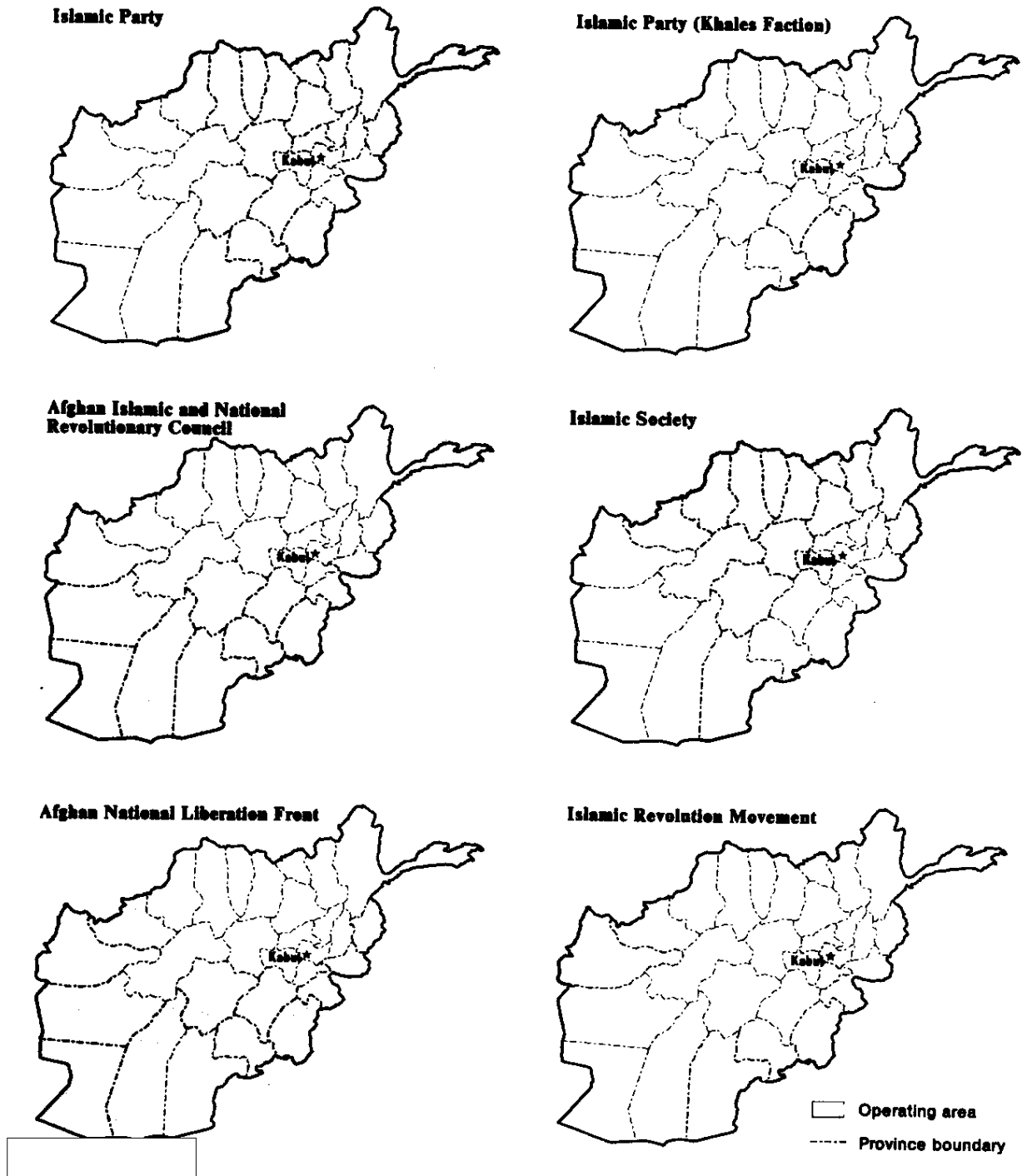
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Figure 3
Afghanistan: Operating Areas of Major Exile Groups



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10. Although neither President Zia nor we see any immediate threat of a Soviet invasion of Pakistan, Pakistan's leaders believe that this possibility would loom large over the long run if the Soviets consolidated their control over Afghanistan. If the USSR concludes that in order to strengthen its hold over Afghanistan it must reduce Islamabad's support to the Afghan insurgency, it will increase pressure in Pakistan. The current concern for Pakistan remains Soviet "active measures" such as efforts to destabilize the frontier regions of North-West Frontier Province and Baluchistan and Moscow's support of the anti-Zia terrorist group, Al Zulfiqar.

11. Islamabad would like to ease its strained relations with Moscow. Given the power and proximity of the USSR, Pakistan realizes that to ignore the Soviets or seriously provoke them would threaten the nation's survival. The Zia government will keep its channels open to the Kremlin, accept Soviet economic assistance, and emphasize areas of common agreements. These efforts are aimed at reassuring Moscow that Pakistan has not closed off its options and reflect Islamabad's uncertainty about the likelihood of long-term Western support. Since 1954, Pakistan has drawn \$700 million of the more than \$900 million in credits and grants extended to it by the USSR.

12. Though not optimistic that the Soviets will support a political solution in Afghanistan acceptable to Pakistan, Zia faces domestic pressure—sparked by the presence of almost 3 million Afghan refugees—to find some peaceful resolution. Even so, the present Pakistani Government is unlikely to accept a permanent Soviet military presence in Afghanistan for a variety of internal and external reasons. A successor regime may be more willing to accept "the new realities" in Afghanistan. Analysts do not concur on Pakistan's determination over the longer term to maintain its opposition to the Soviet presence in Afghanistan.

India Is Cautious

13. Although India is concerned about the Soviet occupation of Afghanistan and what this portends for India's interests in South Asia, New Delhi's response has been generally muted toward Moscow while critical of US countermoves. Prime Minister Gandhi's central concern is to preserve India's special, beneficial relationship with the USSR. New Delhi views the

Soviet domination of Afghanistan as irreversible—a fait accompli that will be accepted by the international community in due time—and, publicly at least, accepts Moscow's line that "foreign interference," not Soviet troops, is the *casus belli*. US military operations in the Indian Ocean will continue to draw criticism from New Delhi while the Kremlin's subjugation of a neighboring state is accepted.

China's Limited Role

14. China will hold to the view that the Soviet occupation of Afghanistan is not an immediate military threat, but Beijing views Moscow's move as seriously undermining limited Chinese influence in South Asia and advancing Moscow's long-term objective of encircling China. Beijing does not believe that Soviet forces in Afghanistan can be defeated, but hopes that insurgent efforts will lead Moscow to seek a political solution and withdraw its forces. In line with this and to increase the cost of the Soviet occupation, China has provided limited amounts of material support to the Afghan rebels. China will remain unable and unwilling to affect events in Afghanistan significantly, and its overall influence in the region will continue to be severely limited.

15. Though the nature and scope of Chinese military assistance to the Afghan resistance may increase somewhat in the months ahead as insurgent forces improve training and tactics, aid will remain limited by Beijing's reluctance to directly challenge Moscow and its concern over Pakistan's vulnerability to Soviet reprisals. The security of Pakistan, China's closest friend in the region, will remain Beijing's principal worry. The Chinese fear that the USSR will force Pakistan to acquiesce in Soviet interests by using the threat of superior military force and by fomenting internal dissent. Because of its own inability to supply Islamabad with large increases in military aid, China will continue to encourage the growth of Western—especially US—support to Pakistan.

16. To further offset Soviet advances in the region, Beijing will work to expand its relations with India. Significant improvements in these ties will be unlikely over the next few years because of Indian domestic opposition, mutual suspicions, Indian concern for Soviet sensitivities, and China's special relationship with Pakistan.

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Indo-Pakistani Rivalry

17. The Soviet occupation of Afghanistan has affected significantly regional balance between India and Pakistan and their policies toward one another. Pakistan, for the first time, faces a significant military threat from Afghanistan and has strengthened the 50,000-man paramilitary Frontier Corps supplementing the four divisions protecting its western border. India recognizes Pakistan's vulnerability to Soviet and Afghan aggression and has muted its opposition to the F-16 sale and cautiously moved into a diplomatic dialogue to reduce tensions with Islamabad.

18. Fourteen of Pakistan's 18 divisions are located to defend against India, but this reflects the history, topography, and infrastructure of the country rather than a benign attitude toward the Soviet threat from Afghanistan. Pakistan has little strategic depth against India, its historical adversary, and most of its principal cities (including Lahore, Islamabad, and Rawalpindi) and major lines of communication are within 100 kilometers of the Indian border. India's forces opposite Pakistan are larger and better equipped than those of Pakistan. The transportation and logistic infrastructure of Pakistan is more developed in the east and can better support large military forces than the less developed west.

19. Deep-seated suspicions have characterized Indo-Pakistani relations since 1947. A number of ongoing issues could lead to a deterioration in relations or even war between the two states:

- Each side's perception that the military modernization of the other indicates hostile intent. Despite its increasing military advantage over Pakistan, India professes to believe that Islamabad poses a serious threat to Indian national security. Concerns about a Pakistani challenge to New Delhi's regional preeminence are an important factor driving India's procurement of Soviet and Western arms and the accelerated development of its arms industry. Each side distrusts the other's relationship with the United States and the USSR.
- Pakistan's determined pursuit of a nuclear weapons capability. Pakistan's current leadership apparently believes that nuclear weapons are essential to deter an Indian military attack.

- The continuing dispute over Kashmir. Because neither Pakistan nor India has relinquished its claim to Kashmir, tensions remain along the disputed border.

- Mutual suspicions of covert support for each other's dissident elements.

20. Despite these differences, India and Pakistan are pursuing a dialogue that each hopes will keep tensions manageable. A Joint Commission has been created and ministerial talks continue on a Pakistani proposal for a "no war" pact and an Indian counterproposal for a treaty of peace, friendship, and cooperation. Still, cordiality in the Indo-Pakistani relationship exists only to the extent that contentious issues are soft-pedaled. Pakistan is unwilling to accept Indian demands that a "no war" pact or friendship treaty be contingent on agreement to resolve outstanding disputes bilaterally and to renounce the right to have foreign bases on its territory. Any fundamental progress toward accommodation remains contingent upon a willingness on both sides to move away from entrenched national policies and longstanding mutual distrust. Some further improvement in atmospherics is possible, however, in the future.

21. Because regional conflicts encourage Soviet inroads and undermine US policy interests, Washington supports improved Indo-Pakistani relations and regional stability. New Delhi has been told emphatically that US arms assistance to Pakistan is not directed against India and will not alter India's overwhelming military superiority. In addition, Pakistan remains under strong US pressure to cease its nuclear weapons development program.

Trends in Pakistani Military Capabilities

22. In Islamabad's eyes, New Delhi will remain the foremost threat to national security. Islamabad's continuing efforts to modernize its armed forces are made in the hopes of building a credible deterrent to Indian political and military domination. To counter the increasing military imbalance between India and Pakistan, improvements in military preparedness will remain a top priority of Pakistan's leadership, absorbing more than 25 percent of the government's budget. In the belief that only the development and deployment of nuclear weapons will significantly reduce the decisive military advantage enjoyed by India, Pakistan

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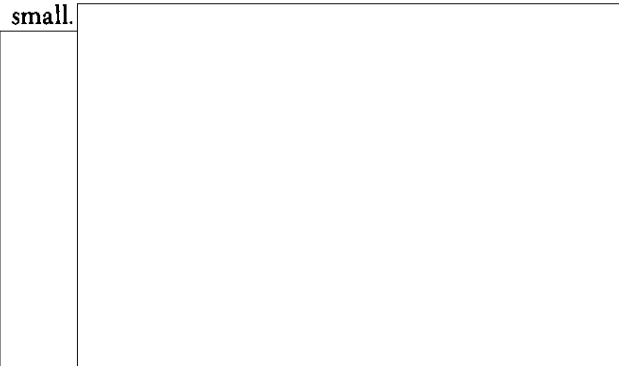
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will continue its efforts toward a nuclear weapons capability. Concern over possible Soviet military pressure through Afghanistan will continue to be secondary. Significant Soviet military action against Pakistan is viewed as unlikely over the next few years. More worrisome to Zia are Moscow's political efforts to undermine his regime.

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Indian and Pakistani Military Capabilities Compared

23. A comparison of Pakistani and Indian armed forces indicates that India has a marked edge in arms and men. This advantage will improve further during the next five years as New Delhi continues to strengthen its forces at a faster rate than Pakistan. The armed forces of both countries are generally comparable in leadership, motivation, discipline, and loyalty, but Pakistan's cannot match India's forces in size because the costs are too great and its trained manpower pool and industrial base are too small.



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Pakistan's Military Ties Abroad and Regional Implications

24. *The United States.* The sale of advanced US weapons is the major yardstick by which Islamabad measures US support for Pakistan's political and security interests. Islamabad believes that modern US weapons are essential to deter Indian or Soviet aggression. (See table 2.) The level of US support will also affect related questions. A demonstrated US willingness to meet Pakistan's perceived security requirements, for example, would reinforce Zia's policy of supporting the Afghan insurgents. A perception of inadequate US support for Pakistan's security interests would strengthen arguments in Islamabad for a more conciliatory policy toward Afghanistan.

**Table 2
Pakistan: Selection of Programed
US Arms Deliveries**

	First Delivery	Last Delivery
100 M48A5 tanks	Mar 82	Jun 82
75 M113A2 armored personnel carriers	Mar 82	Sep 84
1,000 TOW missiles	Sep 83	Dec 83
10 AH-15 attack helicopters	Sep 84	Dec 84
40 F-16 aircraft	Dec 82	Nov 85

25. Islamabad will continue to harbor strong doubts about the reliability of US support, especially as an arms supplier—this is in part a legacy of the US arms embargoes in the Indo-Pakistani wars of 1965 and 1971. Many Pakistani officials believe that US arms supplies are hostage to changes in US administrations, annual Congressional reviews, and US policies on nuclear nonproliferation, narcotics, and human rights. A number of Pakistani officials have voiced concern that US support for Pakistan is only a temporary expedient to oppose the Soviets, and an improvement in US-Soviet relations would leave Islamabad alone to confront Moscow and its Indian ally. US unwillingness to extend further military assistance or reluctance to deliver sophisticated weapons already promised to Pakistan would strengthen doubts about US reliability.

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26. Some Pakistani officials are concerned that Islamabad's reliance on US security assistance could prejudice Pakistan's relations with Islamic and non-aligned countries. Islamabad frequently reiterates its independence from US policies and would not grant the United States unrestricted use of military facilities in Pakistan. Pakistan will remain firmly opposed to association with any US regional defense arrangements.

27. *Western Europe.* Pakistan will continue to view the West European countries as the best alternative to the United States for modern arms and intends to meet many of its weapons needs from European suppliers. France has supplied most of the modern arms in Pakistan's inventory and will remain Islamabad's principal European supplier because of the broad range of quality weapons it produces. Italy

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could become a major new supplier for ships and missiles. Financing is the principal obstacle to major new arms deals with the West European countries, which are reluctant to provide large credits with low interest because of Pakistan's limited foreign exchange holdings, tight balance-of-payments situation, and large outstanding foreign debt.

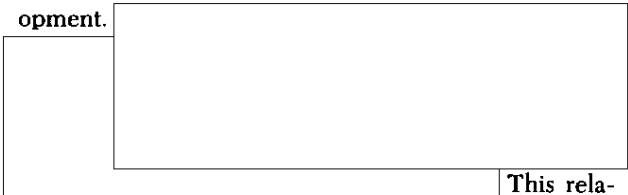
28. Islamabad views the European suppliers, and particularly France, as much more reliable than the United States because their arms sales are governed primarily by commercial rather than political interests. Many advanced European weapons are competitive with US arms in performance and compare favorably in cost. Western Europe's limited production capacity, however, precludes large sales and early deliveries. Most of the modern European arms for which Pakistan is negotiating will not be available for delivery before the mid-1980s.

29. **China.** Pakistan and China will continue to maintain close military relations that are mutually beneficial. Islamabad views close military cooperation with Beijing as a deterrent to Indian aggression. Beijing's strong support for Pakistan is intended to frustrate Soviet designs to encircle China. India is perceived in Beijing as supporting Soviet strategic interests against both the United States and China.

30. Much of Pakistan's military equipment is supplied by China, but Islamabad has failed to secure an explicit commitment from Beijing to defend Pakistan. China cannot provide the modern arms Islamabad feels are needed to remedy Pakistan's military inadequacies because Chinese weapons are mostly reproductions of obsolescent Soviet arms. (See figure 6.) China's military options to support Pakistan in a confrontation with India or the USSR will remain extremely limited. The People's Liberation Army has no major military units near Pakistan and would require several weeks to move large units to the Pakistani border. Beijing would also have difficulty assisting Pakistan by applying military pressure against India because of rugged terrain and strong Indian forces along the Sino-Indian border. China's greatest concern will remain the possibility of Soviet military pressures on Beijing in support of India's objectives in any Indo-Pakistani conflict. Instead of offering Islamabad an explicit defense commitment, Beijing will continue to advocate that the United States give a firm commitment to defend Pakistan and supply modern

arms, while China would provide less sophisticated military equipment and strong political support.

31. Pakistan provides China access to Western weapons technology to assist Beijing's own arms development.



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This relationship has been mutually beneficial, and Pakistan and China have agreed to joint weapons development and production projects based in part on Western arms technologies acquired by Islamabad.

32. **Pakistan and the Arab World.** The expansion of military ties with the Arab world is part of an overall effort by Pakistan to cultivate relations with this area and is likely to continue.

For Pakistan, there are a number of advantages resulting from its growing military links with the Arabs:

- Pakistan has received billions of dollars in hard currency for its military expertise.
- The military relationship helps to preserve Pakistan's Islamic and nonaligned credentials and secures Islamabad's access to vital Middle East oil and financial assistance.
- Training of well-equipped Arab forces offers Pakistan's military valuable "hands on" experience on a wide variety of sophisticated military hardware not currently in Islamabad's inventory.

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33. Many Pakistanis worry that, despite the benefits, Islamabad's extensive foreign training and advisory commitments will continue to weaken Pakistan's military capability because the program relies heavily on the most capable and skilled instructors and technicians. Pakistan's limited pool of educated and skilled manpower makes it difficult to replace the officers and senior enlisted men who are assigned abroad. The problem will remain most acute in the Air Force and Navy where greater technical skills are required.



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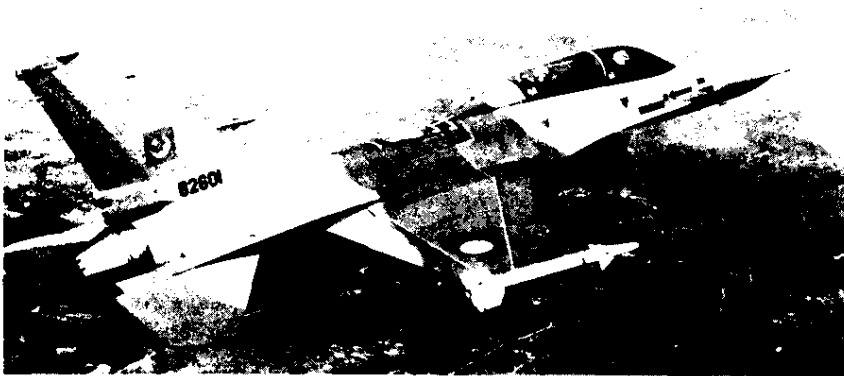
Figure 6
Pakistan: Selected Major Military Equipment



Chinese-built Type-59 tank on parade.



Destroyer Babur completing sea trials.



Missile-armed F-16 over Pakistan.



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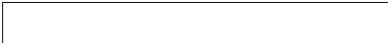


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more sophisticated weapon systems. India's continued, large-scale dependence on Soviet military assistance will remain a critical factor in the modernization of India's forces. Since the late 1960s the USSR has supplied approximately 80 percent of India's military imports. (See figure 7.)

35. *The West.* New Delhi has made some effort to diversify arms acquisitions in order to obtain more sophisticated military hardware, enhance the indigenous production base, and reduce dependence on any single supplier. Since late 1981, India has been expanding military contacts with Western nations in the search for advanced weapon systems and technology not available from the USSR. New Delhi has also sought to reduce its dependence on Soviet arms and technology. India's improved military links with the West stem largely from Gandhi's visits to Paris, London, and Washington during the past 18 months and from her decision, in early 1982, to allow the Indian military to seek more sophisticated arms and technology from Western nations. Taking advantage of this new open-door policy, senior French and British officials have traveled to New Delhi, vying with one another for lucrative arms deals with the Indian Government. New agreements for Western aircraft, missiles, and submarines have been signed, and negotiations for the purchase of a wide variety of additional weapons  are under way.

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Growing Indian Military Strength and Regional Implications

34. In any circumstance of peace or war, India will remain the preeminent regional power in South Asia. To ensure Indian dominance, Prime Minister Gandhi has made a major commitment to modernize the Indian armed forces, convinced that Pakistan and, in the longer run, China pose serious threats to national security. At the same time, India has not seen its interests served by the projection of Soviet military power south into Afghanistan. The Indian armed forces are already the fourth largest in the world, able to defend against conventional attacks by any neighbor. The modernization program is designed to assure regional supremacy, military self-sufficiency, and recognition as a major power. Over the next three to five years, general force levels will probably increase only slightly, but the overall capability of the military will improve significantly through the strengthening of combat elements and the purchase of increasingly

36. *The Soviet Union.* Alarmed at India's efforts to diversify arms purchases and improve its relations with China and Pakistan, Moscow moved to preserve its "special" military relationship with New Delhi. The Soviets have tempted India with offers of a wide variety of more advanced weapons—aircraft, tanks, air defense missile systems, and naval combatants—at concessional prices and terms unmatched in the West. They are also offering to provide the necessary technology to produce many of the arms under license and accelerate deliveries of weapons already ordered.

37. The USSR will remain India's primary foreign source for military hardware, supplying over 60 percent of its combat aircraft and most of its capital ships. Warsaw Pact countries will also continue to provide India with over 60 percent of its armored vehicles. New Delhi's perception of the Soviets as a reliable and affordable arms supplier, willing to provide licensed

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Figure 7
India: Selected Major Military Equipment



Vijayanta tank on parade.



Leander-class frigate with Sea King helicopter



MIG-23 Flogger in maintenance



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production and the maturing and mutually advantageous economic relationship between the two countries provide strong incentives to continue a close military supply relationship. (See tables 5 and 6.) Moscow's willingness to sell arms to India at low prices and on easy credit terms and, equally important, with licensed production will continue to make Soviet weapons very attractive. Moreover, India's familiarity with the large variety of Soviet weapons in its arsenal and the interaction required to operate, modify, and update this equipment create a common professional interest in continued military cooperation. Moscow has pushed hard for new arms sales (India signed two new arms agreements in 1982, one for improved T-72 tanks and the other for the Indian manufacture of MIG-27 fighter-bombers) and is increasing Soviet assistance in expanding India's defense production capabilities.

38. India is striving to meet more of its requirements for modern arms from its own relatively large defense industries. These industries currently are producing fixed- and rotary-wing aircraft, tanks, naval ships, missiles, artillery, small arms, and electronic equipment. Plans to produce follow-on versions are under way. These advances notwithstanding, the defense industries alone cannot meet the armed forces' requirements for sophisticated arms—either quantitatively or qualitatively—because of generally poor management and deficiencies in design capabilities and production technology. This situation is unlikely to change in the near future. Domestic industries will continue to rely on foreign technology through direct purchase, licensed production, and importation of subsystems. As a result, New Delhi must buy foreign arms outright and import considerable technical know-how from both Communist and non-Communist countries under licensing agreements if the defense industries are to progress in the production of sophisticated weapons. The USSR will remain the principal foreign source supporting India's efforts to broaden and update its military production capabilities. Additionally, France, the United Kingdom, and West Germany will continue to offer significant production technology.

39. During Gandhi's rule, Indo-Soviet relations will remain close despite some Indian efforts to expand military contacts with the West:

- New Delhi will continue to view Moscow as its most dependable supporter against possible

Table 5

India: Soviet Military and Economic Technicians, 1976-82

	Military	Economic
1976	300	1,350
1977	145	1,100
1978	150	1,000
1979	150	1,100
1980	170	1,400
1981	200	1,500
1982	200	1,700

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Table 6

India: Soviet Military Assistance, 1977-82 (million dollars)

	Agreements	Deliveries
1977	650.2	676.4
1978	94.8	245.0
1979	243.0	334.0
1980	2,563.8	583.4
1981	539.0	649.5
1982	2,968.9	966.0

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threats from Pakistan and China, though the Indians do not seek a common border with the Soviet Union in a dismembered Pakistan.

- The Indian leadership generally values its sizable arms relationship with the USSR and remains reluctant to endanger these ties.
- Gandhi's deep-seated mistrust of the West, especially the United States, reinforces her belief in the need for a strong Indo-Soviet connection.
- New Delhi and Moscow share a number of common objectives in the region that further their "special relationship."

40. Some areas of common interest include minimizing Chinese influence in southern Asia, keeping Pakistan weak and pliable, and thwarting US, Chinese, and Pakistani moves toward closer mutual cooperation. Additionally, both India and the USSR seek a withdrawal of US forces from the region. Moscow also lends support to India's position as the leader of the Nonaligned Movement.

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41. Underlying these interests is India's determination to maintain its position as the paramount regional power in South Asia. The military supply links with the USSR provide the major underpinning for India's military capabilities. Gandhi believes that the USSR will continue to provide the cheapest and fastest means for India to achieve its twin goals of self-reliance and up-to-date armaments.

42. *China.* Relations between India and China have improved somewhat in recent years, largely as a result of Beijing's initiatives and mutual concern over Soviet activities. Over the next few years, no major breakthrough is expected on the principal divisive issue between the two countries—the longstanding border dispute that led to war in 1962. Rapid resolution of the border problem is unlikely because it would require substantial Chinese territorial concessions or Indian acquiescence to the status quo. Gandhi's attitude toward China will probably remain suspicious and lukewarm. China's close ally, Pakistan, is her principal preoccupation. US arms sales to Pakistan along with Islamabad's determination to develop a nuclear weapons capability make Gandhi very distrustful of the Pakistani-US-Chinese relationship. Soviet anti-Western and anti-Chinese propaganda will continue to encourage New Delhi's suspicions.

43. *The Middle East.* India provides some military training to a number of Third World countries, particularly in the Middle East. [redacted] New Delhi has developed military ties with many Islamic states. India has sold military equipment to Bahrain, Iran, Iraq, Libya, and Oman, and currently maintains training teams in Egypt, Iraq, and Oman. [redacted] military personnel from the Middle East and North Africa are training in India. New Delhi will continue to cultivate assiduously its limited but, in India's view, vital economic links with the Arab world. A significant improvement in India's relations with the Middle East will remain contingent on a fundamental progress in Indo-Pakistani relations.

Outlook

44. The United States faces major challenges as well as opportunities in South Asia over the next five years. If the USSR concludes that in order to strengthen its hold over Afghanistan it must reduce Islamabad's support to the Afghan insurgency, it will increase

pressure on Pakistan. The USSR will seek India's cooperation in weakening Pakistan's resistance to Soviet regional aims. Toward this end, Moscow will continue to fan India's suspicions of greater US-Pakistani military cooperation, with some success.

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45. Moscow has pursued a carrot-and-stick approach in its dealings with Islamabad. The carrot is largely economic aid. With over 1,000 Soviet economic advisers working in Pakistan, the Kremlin is expected to push for closer economic links to offset US and Chinese influence. The stick will remain continued military and political pressures. Military pressures will probably be limited largely to cross-border operations into Pakistan's tribal areas to maintain pressure on the Zia government. A more serious threat will be continuing Soviet efforts to undermine Zia's rule through assistance to anti-Zia elements such as radical members of the banned People's Party of Pakistan and the Al Zulfiqar terrorist group. The Kremlin will also keep

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alive well-established contacts with dissident tribal groups in Baluchistan and can encourage tribal opposition to government forces in the sensitive North-West Frontier Province. A full-scale Soviet invasion of Pakistan is unlikely during the five-year time frame of this Estimate. Arrival of Soviet military forces on India's border would not be welcomed in New Delhi.

46. As long as Zia remains in power, the USSR faces considerable obstacles. President Zia's neutralization of domestic opposition and ban on political activities have circumscribed Soviet efforts to influence the political process in Pakistan. In addition, the fact that the United States provides substantial economic and military assistance has so far made it difficult for the Soviets to intimidate Islamabad. Pakistan's continuing close relationship with China is a further important factor inhibiting significantly closer Soviet-Pakistani ties. For these reasons, the current level of Soviet pressure on Zia is unlikely to convince him to stop supporting the Afghan resistance and accept the puppet regime in Kabul. Future prospects will depend, in large measure, on the level of domestic opposition to Zia and on the extent of support Pakistan receives from the West—especially the United States.

47. Islamabad will remain under pressure to find a political settlement in Afghanistan and will keep its channels open to Moscow. This is likely to lead Islamabad to continue to welcome Soviet economic assistance and to emphasize areas of common interest. The refugee problem has become a major concern in Pakistan. Local resentment continues, and the Army remains uneasy about the potential for domestic unrest. While Pakistani leaders doubt that the Soviets will agree to a settlement acceptable to Pakistan, they believe that Islamabad must continue to probe for Soviet flexibility. Although some of his senior advisers have urged Zia to recognize the Kabul regime, he is unlikely to accept such a political settlement unless the USSR agrees to a withdrawal of its military presence in Afghanistan and the voluntary return of refugees from Pakistan.

48. Armed conflict between India and Pakistan is unlikely over the next year, but, beyond that point, several destabilizing factors could combine, leading to war. The same elements that have ignited conflict three times in 35 years—deeply rooted mutual distrust, the disputed territory of Kashmir, and New

Delhi's view of Pakistan as an unstable and hostile state—remain active today. More troublesome for stability and US interests in the subcontinent is Pakistan's ongoing nuclear program, which is expected to move into a key stage within the next 12 months, when the reprocessing of spent fuel from the Karachi nuclear power plant could begin.

49. India is growing increasingly uneasy over Pakistan's nuclear effort [redacted]

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[redacted] Unambiguous evidence that Pakistan has moved into sustained production of fissile material would prompt Gandhi to decide between activating India's own nuclear weapons program [redacted] and/or ordering a preemptive military strike on Pakistan's nuclear facilities. In the meantime, New Delhi will keep its options open. Both Pakistan and India are expected to continue joint diplomatic efforts to reduce tensions. Islamabad, we believe, would like to draw out its diplomatic dialogue with New Delhi in part to distract India from Pakistan's nuclear program. For her part, Gandhi will remain suspicious of Pakistan and unwilling to offer any meaningful concessions.

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50. In general, Pakistan will continue to place less trust in its relations with the United States than on its longstanding close association with China and the Arab world. Zia and any successor will seek to preserve the military aid agreement with Washington but will remain wary of US long-term resolve. Too close an association will be eschewed, however, because of strong domestic opposition, the desire to maintain Pakistan's nonaligned image, and sensitivity to possible Soviet reaction.

51. US arms assistance to Pakistan may slow Islamabad's pursuit of a nuclear weapons capability, but it is unlikely to stop it. As a result, relations with Washington will come under increasing strain over the next several years as Pakistan moves toward the capability to reprocess spent fuel and fabricate a nuclear device.

52. India, because of its military capabilities, large industrial base, and relative stability, will remain the principal regional power, giving it major importance in any consideration of US security interests in South Asia. India could adversely affect those interests, particularly in weakening Pakistan and supporting the Soviet position in Afghanistan. The Soviet occupation

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of Afghanistan has raised concerns in India over a possible confrontation in the region. To reduce chances of such an event, New Delhi has sought to improve its relations somewhat with the United States as well as with Pakistan and China, but not at the expense of its "special" association with the USSR. Gandhi will try to avoid any action that would threaten Indo-Soviet relations.

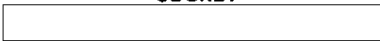
53. India will remain committed to a weapons procurement policy that fosters continued dependence on the Soviet Union for most imported weapon systems. Besides viewing the USSR as its most reliable

arms supplier, New Delhi regards Moscow as its only dependable source of support in any future disputes with Pakistan or China. As long as Indira Gandhi stays in power, India is likely to remain suspicious of US intentions in the region and view Soviet and Indian foreign policy as generally compatible and mutually reinforcing. Within the next 10 years, under a post-Indira government, India's concern over Soviet intentions in the region could grow. Throughout this period New Delhi is likely to seek substantially broader ties with the West without lessening its support from the USSR.

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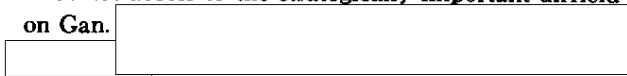


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ANNEX B

MAJOR SECURITY CONCERNS OF MINOR COUNTRIES IN THE REGION

1. While viewing larger regional issues such as the Soviet occupation of Afghanistan and bitter Indo-Pakistani differences as disturbing and potentially threatening, the smaller nations on the periphery of the Asian subcontinent will remain preoccupied primarily with real or potential internal threats to established political order. Because these nations are politically fragile and extremely poor, the potential for subversion and widespread domestic unrest will continue to be a major concern for most. Two countries—Nepal and Bangladesh—will remain particularly sensitive to possible Indian and/or Soviet support to domestic opposition groups. Though unlikely, a Libyan-sponsored coup in the Republic of Maldives could lead to Soviet access to the strategically important airfield on Gan.



Bangladesh

2. The armed forces, a major political force in Bangladesh, will continue to play a central role in governing the nation. The present martial law regime, under Lieutenant General Ershad, may be replaced by another military government. Ershad came to power pledging to fight corruption and solve the nation's massive economic and social ills, but seemingly intractable problems remain. Food shortages and widespread violence from political party and student activists calling for an immediate return to civilian government could rapidly erode Ershad's ability to govern. Coup-prone elements in the faction-ridden military will remain alert to opportunities to move against the regime.

3. Security forces will continue to conduct inconclusive armed skirmishes with the Shanti Bahini (Peace Army) insurgents in the Chittagong hill region, who oppose government efforts to move lowland Bengalis into the tribal lands. Tribal opposition, which intensified in 1971, shows no sign of weakening.

4. Dhaka's relations with the USSR will remain cool. The present government is likely to continue to be deeply suspicious of India's intentions and view China as an important counterweight to both Indian and Soviet pressures. Relations with Beijing are expected to remain good though constrained by China's limited resources and its growing interest in normalizing relations with India. China will remain a major supplier of military equipment to Bangladesh.

Nepal

5. There is no significant challenge to King Birendra's role at this time. However, enduring economic ills and the failure to follow through on promised political reforms, which led to serious student riots in 1979, could once again fuel broad opposition to the government. The 24,000-man Royal Nepal Army is a light infantry force, trained primarily to counter internal threats. The Army, highly regarded by the populace, would be able to subdue any domestic unrest, but it would be no match if attacked by the forces of India or China.

6. Because Nepal is politically fragile and extremely poor, it will remain vulnerable to foreign intrigue. While growing increasingly wary of Soviet intentions, Kathmandu sees India as its primary external threat. Indian influence will remain pervasive in Nepal, especially in the Terai region along the Indo-Nepalese border. India's policies toward Nepal are guided chiefly by New Delhi's security interests along the sensitive Sino-Indian frontier. New Delhi will insist on a stable government in Kathmandu that is not susceptible to Chinese influence.



Chinese-Nepalese relations are cordial and are likely to remain so, strengthened by Chinese economic aid aimed at reducing Nepal's dependence on India.

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Sri Lanka and the Republic of Maldives

7. Sri Lankan society has been rent by communal differences since the country's independence in 1948 and will continue to face communal strife between the majority Buddhist Sinhalese and the minority Hindu Tamils. Persistent economic difficulties have aggravated these tensions. Violence has erupted often, particularly in the northern region of the island. Security forces will continue to face random acts of violence as well as a low-level insurgency campaign conducted by Tamil separatists. The Sri Lankan Army and police forces together will be capable of controlling these threats to public order. However, in the unlikely event that a well-organized, widespread insurgency or numerous violent demonstrations erupted, security forces would probably be forced to seek some external support.

8. Sri Lanka will remain distrustful of India and the USSR, and quietly supportive of the United States. Even before the change of government in Colombo in 1977 and the Soviet occupation of Afghanistan, relations between Colombo and Moscow had become generally cool. Indian regional ambitions are of great concern to Sri Lanka. The government will remain uneasy over India's push for regional dominance and its potential support for separatist Tamil groups. In

keeping with its careful policy of nonalignment, Sri Lanka is unlikely to offer the USSR or the United States military facilities at the country's strategic port of Trincomalee.

9. The Republic of Maldives faces no external threat, and serious domestic armed opposition will remain unlikely. Relations with its closest neighbors, India and Sri Lanka, are excellent. Maldives does not possess an army. Internal security is provided for by a 1,000-man paramilitary force, the National Security Service, which could subdue any armed threat from the populace. The country's principal strategic asset, the former Royal Air Force airfield on Gan in the southernmost Addu Atoll, is only 400 miles north of the US base of Diego Garcia. In 1977 the USSR sought unsuccessfully to lease Gan. The present government in Male, under President Gayoom, will probably continue to oppose any Soviet efforts to gain entry to Gan. Though unlikely in the near term, a Libyan-sponsored coup against Gayoom and his replacement with a radical leader cannot be ruled out. The Maldives government has accepted Libyan aid for the National Security Service, and this has apparently led to increasing Libyan influence within the Service. A radical government in Male might be willing to lease Gan to the USSR in return for military and economic assistance.

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