



Directorate of Intelligence

MASTER FILE COPY
DO NOT GIVE OUT
OR MARK ON

~~Secret~~



25X1

126

**Near East and
South Asia Review**



25X1

23 May 1986

~~Secret~~

NESA NESAR 86-012
23 May 1986

Copy 443

Page Denied

Secret

[Redacted]

25X1

Near East and South Asia Review [Redacted]

25X1

23 May 1986

Page

Articles

Emerging Issues in the Middle East and South Asia [Redacted]
[Redacted]

1

25X1
25X1

Many of the major problems that will face the Middle East and South Asia over the next several years will be variations of existing, long-festering difficulties, but there is no reason to assume that the region will not experience dramatic new developments in the next decade comparable to those that have occurred since 1976. [Redacted]

25X1

Arab States: Social Changes Increase the Appeal of Islamic Fundamentalism [Redacted]
[Redacted]

5

25X1
25X1

Social dislocations triggered by changing economic conditions are continuing to heighten the appeal of Islamic fundamentalism in the Middle East. Fundamentalism is attractive because it offers simplistic solutions to seemingly intractable social and economic problems. [Redacted]

25X1

Jordan's Yarmuk University: Flashpoint for Unrest? [Redacted]
[Redacted]

9

25X1
25X1

Campus unrest in early May at Yarmuk University demonstrates growing student frustration with King Hussein's centralized governing style, poor employment opportunities, and subversive efforts by a minority of radical activists, and future unrest will depend largely on Hussein's ability to find solutions for Jordan's pressing social and economic problems. [Redacted]

25X1

Syria: Implications of Economic Decline [Redacted]
[Redacted]

13

25X1
25X1

The economic crisis in Syria has begun to hurt all segments of Syrian society, but the Assad regime seems unwilling to take the necessary steps to reverse the decline. Although economic problems place new pressures on the regime, President Assad has sufficient power to control the political impact. [Redacted]

25X1

Secret

NESA NEASR 86-012
23 May 1986

Secret

[Redacted]

25X1

Soviet-Syrian Relations: The View From Damascus

[Redacted]

17

25X1
25X1

The compatibility of Syrian and Soviet interests in the Middle East has led to close and mutually supportive policies in most cases. Syria believes that it basically is in control of the relationship; that it can, within limits, manipulate Moscow to achieve its goals; and that it has Soviet influence within Syria well in hand. [Redacted]

25X1

[Large Redacted Block]

25X1

Sikh Militants: Divided, Down, But Not Out

[Redacted]

35

25X1
25X1

The Indian Government's evolving strategy—employing political concessions and security crackdowns simultaneously in dealing with Sikh militants in Punjab—is paying dividends. The militants, while crippled, will continue—and perhaps step up—their terrorist attacks to keep the pressure on moderate Sikhs and New Delhi. [Redacted]

25X1

Secret

Secret

[Redacted]

25X1

Sikhs in the Indian Army: Two Years After Operation Bluestar [Redacted] 41

[Redacted]

25X1
25X1

The status of Sikhs in the Indian Army remains clouded two years after Operation Bluestar—the Army’s attack on the Sikhs’ Golden Temple. The rift between Sikhs and the rest of the Army will weaken the Indian Army and leave open the possibility of future mutinies. [Redacted]

25X1

India: Increasing Military Capabilities Toward Sri Lanka [Redacted] 45

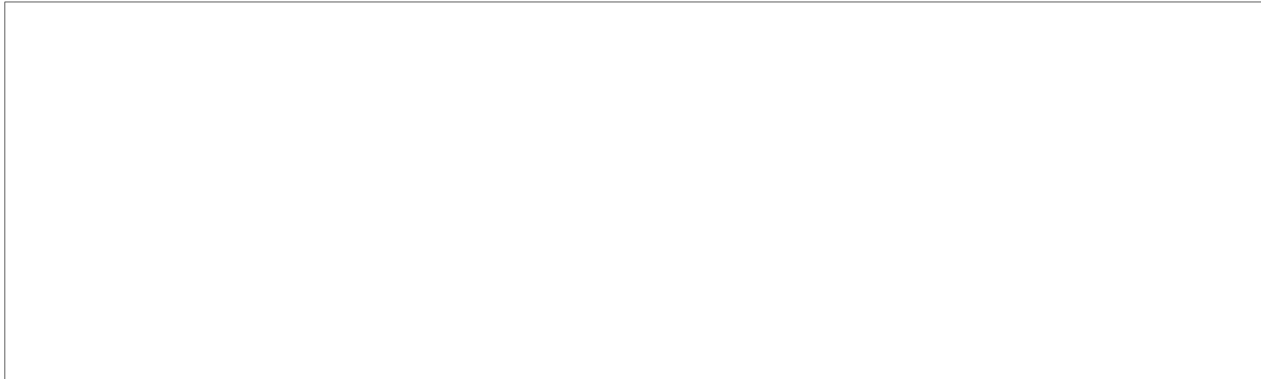
[Redacted]

25X1
25X1

India’s military is improving its ability to intervene in Sri Lanka should that island’s increasing instability force New Delhi to make such a decision. Although Indian forces could control the major cities and seize the most important facilities on the island in a matter of days, they would be much less prepared for guerrilla war.

[Redacted]

25X1



25X1

Secret



25X1



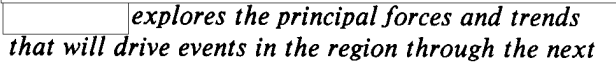
Near East and South Asia Review 

25X1

Articles

Emerging Issues in the Middle East and South Asia 

25X1

*This article 

 explores the principal forces and trends that will drive events in the region through the next decade and the sorts of major changes—political, social, economic, and military—that might occur there. Its purpose is to stimulate and guide research and analysis on the region by highlighting possibilities and important issues rather than offering definitive answers.*

again be skyrocketing. If so, we are likely to be faced with a rejuvenated, reorganized, and perhaps a trimmed-down OPEC that will be a potent regional and political organization as well as an economic cartel.

25X1

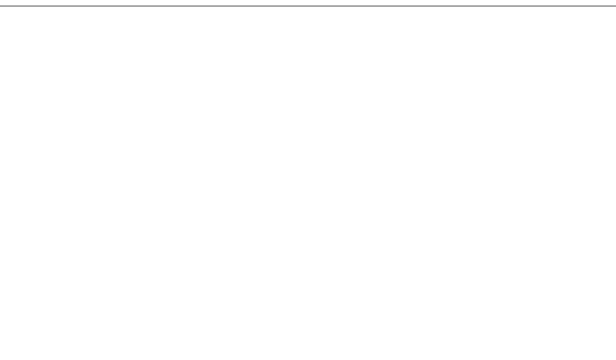
25X1

25X1

In the near term, however, the region must weather the economic and political effects of lower oil prices. The issues that a soft oil market pose for the region are:

- *Economic effects.* How severe will be such problems as debt servicing, capital flight, increased dependence on foreign aid, a brain drain, and slow growth?
- *Political impact.* How will regimes handle the hard choices between implementing economic austerity now to pave the way for future development versus buying off discontented groups to preempt challenges to regime authority?
- *Interstate relations.* How sharp will disagreements become among oil producers trying to maintain revenues, and how aggressive will larger, resource-poor states be in trying to extract aid and other concessions from smaller, richer neighbors?

25X1



Many of the major problems that will face the Middle East and South Asia over the next several years will be variations of existing, long-festering difficulties. There is no reason to assume, however, that the region will not experience dramatic new developments in the next decade comparable to those that occurred during the past 10 years, such as Egyptian President Sadat's peace initiative toward Israel, the Iranian revolution, and the Soviet invasion of Afghanistan.

In addition to the oil glut, the region will face problems associated with a shortage of other natural resources. There will almost certainly be discord over access to water—particularly in the Levant, the Fertile Crescent, and the Nile Valley. Land resources, especially in South Asia, will be taxed by population growth and bad management.

An issue already with us that will assume a different form in the mid-1990s is the impact of the world oil market on the region. By 1995 oil prices may once

In the face of these problems, governments will try new ideological, political, and economic formulas. Many regimes will take steps to privatize portions of

25X1



Secret

NESA NESAR 86-012
23 May 1986

Secret

their economies—particularly agriculture, small industry, domestic commerce, and foreign trade. Economic liberalization and the enlargement of the middle class may prompt expanded political participation, calling into question the future role of several of the region's monarchies. In other countries—probably including Syria, Iraq, Iran, and Morocco—continued authoritarianism and popular alienation from politics are more likely. In still other states, heightened instability may prompt increased repression and possibly lead to radical populist regimes.

Although we will search for early signs of the next broad, regional ideological trend—comparable to pan-Arabism in the 1950s and 1960s and Islamic fundamentalism in the 1970s and 1980s—we need to concentrate on analyzing the parochial sentiments and concerns that will shape the ideologies in individual states in the region. The most significant currents are likely to be:

- *State-oriented nationalism.* Arab unification efforts by Libyan leader Qadhafi and others will continue but will inspire little enthusiasm.
- *Religious revivalism.* Rather than asking whether religious sentiment in general is rising or waning, we will be looking at contests between reformist, conservative, modernist, or other strains of Islam and the more extreme fundamentalist movements. Hindu revivalism in India will assume equally diverse forms, while religious extremism might increasingly polarize Israeli politics.
- *Pragmatism.* The region is likely to see much ideological eclecticism, as even those regimes that have a strong revolutionary ideology pay less attention to party dogma than to what works.

We can assume that in many cases the new solutions will not work and that many regimes will face serious internal instability. As a result of the economic slowdown, existing inequalities and competition among social groups will be magnified. In the more heterogeneous states (Algeria, North Yemen, Sudan, Lebanon, Syria, Jordan, India, and Pakistan, for example), religious and ethnic divisions are likely to sharpen. In more homogeneous societies (such as

Saudi Arabia, Egypt, Kuwait, and Tunisia), class distinctions will become the focus of economic and political competition.

The increasingly uneven distribution of job opportunities will spur the migration of labor, causing economic dislocations, social friction, and political tensions in both the sending and receiving areas. Returning workers from the oil-producing states will become more disaffected as they fail to find new jobs. Migration to the cities will severely strain urban services. Large cities throughout the region will be focal points for social tensions as well as growth, with young city dwellers frustrated by unemployment and high prices becoming likely participants in periodic civil disorders.

Crime and anarchic violence could produce more Beiruts, with central governments losing effective control of larger cities and with rival ethnic, religious, or class groups claiming authority over different sectors. As disorders grow, governments are likely to call more frequently on their armies to restore order, increasing the politization of these forces and undermining their external defense missions. The unrest will bring opportunities for meddling by unfriendly neighboring states or by the USSR.

The management of social and economic problems will be complicated by a spate of leadership changes, after a decade or more of surprising continuity.

Few successions will be smooth, and we will need to examine the role of various interest groups, including students, internal security elements, and the military to explain what may come to be a wave of military coups.

Certain worst case scenarios growing out of internal instability will have to be kept in mind. One is for fractionation of unstable states along ethnic or regional lines, with Sudan, Iran, India, and Pakistan probably the most vulnerable. Another scenario, which could hit the more homogeneous states as well, is a broader political collapse and drastic

25X1

25X1

Secret

Secret

realignment—with Egypt potentially the most dramatic,

When it comes to interstate conflict, the region is likely to be at least as unstable in the next several years as it is now. Many external conflicts will be fueled by nationalist, religious, and ethnic fervor as regimes exploit restive minorities in rival neighboring states. Moreover, inexperienced leadership and imperfect brinkmanship will increase the risk of armed conflict.

The Arab-Israeli stalemate is likely to remain a fixation of Middle Eastern politics and diplomacy for some time to come. With domestic pressures in Israel reducing the possibilities for a territorial settlement and the Arabs hamstrung by disunity and a de facto Syrian veto over settlement efforts, the risk of a new Israeli-Syrian war, extensive violence on the West Bank, and Palestinian unrest in Jordan will grow. Nonetheless, we will need to be attuned to less likely but more sanguine scenarios that would involve, if not an outright settlement of the dispute, at least a reduction in its intensity.

As for other interstate conflicts, the Indian subcontinent probably will have the greatest danger of tensions leading, inadvertently or otherwise, to a major shooting war. In this case, Indian and Pakistani mutual suspicions over the nuclear issue carry the risk of preemptive action leading to war.

Elsewhere in the area, the dominant scenario is for wars already under way to continue—especially the two largest ones, between Iran and Iraq and in Afghanistan. Although the possibility of expansion or escalation of any of the conflicts, particularly the Iran-Iraq war, will deserve continued attention, we will also need to examine the possibilities for peace. Specifically, we will need to look at what events could serve as catalysts for settlement, which mechanisms could get belligerents to the peace table, what would be the likely terms of a settlement, and what would be the ramifications for regional stability and US interests.

Wars in the region will tend to be more lethal because of the acquisition of new types of military hardware. Nuclear programs in Pakistan, India, and Israel, and

possibly those in Iran and Iraq, will increase the danger of a conflict or incident involving nuclear weapons. Many countries in the region also will develop and stockpile chemical and biological munitions as a supplement or cheaper alternative to nuclear weapons. During the next several years, a few states are likely to acquire new long-range weapon systems, and several will attempt to acquire and exploit high technology to develop their own arms industries.

Domestic grievances and regional tensions will fuel additional terrorism, which is likely to become more diverse and widespread. A growing proportion of terrorism originating in the area is likely to feature nihilistic violence by ad hoc groups, while regimes in the region probably will continue a more calculated, coercive brand of terrorism. Middle Eastern terrorists will continue to strike targets of opportunity within the region but are also likely to step up operations in Europe and possibly the United States. Terrorism within the region may undercut the legitimacy of governments and compel some of them to curtail civil liberties further.

The growing military potential of a few of the larger Middle Eastern and South Asian states will contribute to the expansion of their regional influence. India, in particular, will use its large population, extensive resource base, and pool of talent to secure a major regional role. It also has the potential to become the major naval power in the Indian Ocean by the mid-1990s. Iran, once it extracts itself from war, is likely to become more active in Afghanistan and throughout the Persian Gulf, and Egypt retains the military capability to keep the Libyans off balance and the Sudanese mindful of political missteps.

Both the United States and the USSR will find it more difficult to protect their interests in the area for several reasons, including:

- The increased strength of regional powers.
- An overall trend in favor of nonalignment.
- Increased regional cooperation.
- Greater involvement of other states, including Western Europe, Japan, China, and the newly industrialized states of East Asia.

25X1
25X1

Secret

Secret

As a result, we will need to be on the lookout for where, and how far, US ties to allies in the region will slip and where there will be the best openings for enhanced US influence in states with traditionally strong ties to Moscow.

Besides the factors working against both superpowers, each will face its own obstacles to influence. The United States will continue to be handicapped by such things as the perception that it is ignoring Arab interests in the Arab-Israeli dispute, fundamentalist resentment of Western cultural intrusions, and identification of the United States with the interests of local elites.

The USSR will make every effort to exploit these weaknesses but will face major handicaps of its own. These include resentment over Afghanistan, suspicion of Soviet expansionist and subversive intentions, the anti-Communist aspects of Islam, and, perhaps most of all, well-founded skepticism about the Soviets' ability to provide sustained economic and technological assistance. This last factor will provide an opportunity for the United States to expand nonpolitical ties to states that appear to remain in the Soviet political and diplomatic orbit.



25X1

Secret

Secret

Arab States: Social Changes Increase the Appeal of Islamic Fundamentalism

25X1

Social dislocations triggered by changing economic conditions are continuing to heighten the appeal of Islamic fundamentalism in the Middle East.¹ Fundamentalism is attractive because it offers simplistic solutions to such seemingly intractable social and economic problems as unfulfilled expectations among educated youth, growing unemployment as migrant workers return from major oil-producing countries, crime, drug abuse, and deteriorating social services in burgeoning urban centers. Egypt, Jordan, Saudi Arabia, and Algeria are typical of Arab countries that are experiencing different degrees of social change and fundamentalist activity.

Economic Contraction and Social Change

Egypt. Islamic fundamentalism is the most serious opposition force to President Mubarak's regime. After nearly a year of calm, Egypt is experiencing another cycle of fundamentalist activity. Declining economic opportunities are frustrating university students and graduates, who have been the mainstays of radical fundamentalist groups in the past. The downturn is proving wrong the widely held notion that education is the key to a better life.² Good jobs are increasingly scarce, and salaries for even educated Egyptians usually are low. An Egyptian primary school teacher may earn as little as \$60 per month, and a graduate with a degree in business will receive about \$180 per month in a public-sector corporation.

¹ Islamic fundamentalism, in our view, is a symptom of the inability of many individuals to cope with rapid social, cultural, and political change. Radical religious movements are almost always associated with the modification of a culture as a result of contact with a different society. This process is usually accompanied by social disintegration and individual emotional stress.

² In spite of the bleak job prospects, Egyptians are persistently pursuing educations. Even very poor Egyptians pay tutors up to \$4 per hour to enhance their children's education and to compensate for overcrowded facilities and poor teaching, according to the US Embassy in Cairo. University medical students pay as much as \$400 per course for individual instruction.

Economic Expansion and Islamic Fundamentalism

Ironically, Islamic fundamentalism seems to grow during periods of both economic growth and decline. The rapid social and cultural changes that accompanied the economic boom in the Middle East in the 1970s and early 1980s also created an environment for the growth of radical religious movements:

- *Migration of the rural lower classes to major cities exaggerated the disparity in living conditions between the cities' poor and wealthy. Conservative migrants were also dismayed by the un-Islamic values of the urban, Westernized elite.*
- *Expanding educational opportunities and the media exposed the masses to foreign ideas and culture. Many Middle Easterners who studied or traveled in the West became disillusioned with Western culture. Many educated Saudi women, for example, particularly appreciated the traditional personal protection afforded them by the kingdom's conservative Islamic society.*

25X1

25X1

25X1

The high demand for urban housing, declining construction activities, and low salaries are preventing many graduates from finding affordable housing. The US Embassy in Cairo reports that rent-controlled apartments (\$4 to \$40 per month for a large apartment) in Cairo and Alexandria are scarce. The price of a new apartment ranges from \$6,000 in a poor neighborhood to \$30,000 in a middle-class area.

25X1
25X1

The lack of housing forces many male Egyptian university graduates to abandon their aspirations for their own apartment, which traditionally has been equated with high status and enabled a man to

25X1

Secret

NESA NESAR 86-012
23 May 1986

Secret

arrange for a higher class marriage partner. Most graduates are forced to accept one of several unpleasant options:

- Pay an owner or tenant of a rent-controlled building for the privilege of leasing an apartment. Although illegal, such payments of "key money" are frequently made. Payments range from \$1,500 for an old apartment in a poor area to \$15,000 in a middle-class neighborhood.
- Borrow money, if possible, from family or friends to buy an apartment.
- Live with parents after marriage and hold several jobs to save enough to buy an apartment.
- Postpone marriage and compete for the declining number of jobs in the oil-producing Gulf states.

[redacted]

Jordan. Fundamentalists have been gaining strength in Jordan over the past several years and are challenging the legitimacy of King Hussein. Social tensions are increasing as returning expatriate workers raise unemployment, worsen the housing shortage in Amman, and depress the hopes of university students and graduates. Engineers and doctors, who have been prominent figures in the Islamic fundamentalist movement, are being hit hardest by the return of expatriate workers. According to the US Embassy in Amman, an official of the Jordanian Engineers Association estimates that 30 percent of Jordan's 16,000 engineers are unemployed. The official said that engineers are being eased out of jobs in Saudi Arabia by employers who offer new contracts but at drastically reduced salaries. He believes that the increasing job shortage will most affect recent graduates because they will have to compete with experienced workers returning from the Gulf. Physicians in Amman told the Embassy that as many as a third of Jordan's 3,000 doctors are unemployed. Despite the grim job prospects, engineering and medicine continue to attract large numbers of university students, which will enlarge the pool of disillusioned youth who are likely to be an attentive audience for fundamentalist rhetoric. [redacted]

Saudi Arabia. Saudi Arabia still has the financial resources to insulate many of its citizens from the impact of falling oil revenues, but it probably cannot cushion the population against economic realities over the longer term if the oil market remains weak. Educated Saudi youth are finding their job opportunities shrinking. During the boom years of the 1970s and early 1980s, nearly all youth with secondary educations could find well-paying jobs. University graduates were assured of positions in government ministries and private businesses.³ Such social dislocations born of the economic downturn are likely to provide the environment in which more religious fervor will grow. [redacted]

Although social instability in Saudi Arabia is limited compared with other Arab states, a few signs of social disintegration are beginning to occur. US Embassy reporting indicates serious crime is on the upswing,

[redacted]

Algeria. We believe the appeal of fundamentalism is likely to increase as declining revenue puts more pressure on already strained social services. With the population increasing at more than 3 percent per year (one of the highest growth rates in the world), housing, education, and job opportunities are increasingly inadequate, according to the US Embassy in Algiers. Limited space has forced Algerian universities to use rigorous examinations for placement. Last year, for example, less than one-fourth of the nearly 150,000 students passed the exams. The nation's vocational schools can absorb only about 10 percent of the youth who do not attend a university. According to government statistics, nearly two-thirds of the 4 million Algerians between the ages of 15 and 24 are unemployed. [redacted]

[redacted]

25X1

25X1
25X1

25X1

25X1

25X1

Secret

Secret

Although unemployment has not yet erupted in political turmoil, these unemployed youth are beginning to respond to Islamic fundamentalism. Some youth, according to the US Embassy in Algiers, are turning to Islam as a shield against the frustrations of unemployment. Others are criticizing modernization programs that have brought US and French television programs, rock music, and materialism, which they believe have eroded the Islamic principles of Algerian society. []

Coping With Social Change

For the past two years, the Saudi Government has made limited attempts to accommodate social change, but major issues have been untouched. King Fahd has repeatedly called on Islamic scholars to use independent judgment (*Ijtihad*) to determine correct Islamic methods to adopt new technology. In a meeting in April the scholars approved such issues as the storage of the Koran in computers and the performance of autopsies on females by male personnel but skirted the greater social implications of technological change. By involving the religious establishment in the process of cultural change, the King probably believes he can neutralize future fundamentalist criticism as well as appear to be responding to the demands of modernizing technocrats. []

The government has also tried to devise ways to deal with the increasing numbers of educated Saudi women who are trying to find a new role in the male-dominated society. The Saudis have mounted a media campaign aimed at finding jobs for educated women. The campaign is given considerable legitimacy by featuring the wives of various ruling family members in newspaper stories advancing women's education and employment. Although the effort to expand the role of women is not an attempt to challenge the established order, the US Embassy in Riyadh believes that it may be part of an effort to cope with new economic and social realities in the kingdom. The government is probably attempting to find additional opportunities for families and individuals who are being forced to seek new sources of income as government largess and economic opportunities shrink. []

We believe Algerian President Bendjedid is purposefully exaggerating the negative impact of the oil price decline so that the economic realities will seem much better than his dire predictions. Press reports indicate Bendjedid is overstating by as much as 50 percent the economic downturn in an attempt to prepare Algerians for future austerity measures. The Western press reports that Bendjedid is considering restricting the number of Algerians going on the hajj to Mecca and slowing construction on hospitals, roads, and the projected subway in Algiers. Bendjedid is calling for more self-reliance by Algerians and is telling them to expect a reduction in imported consumer goods, which have been in great demand since the end of the austere regime of President Boumediene. To blunt fundamentalist criticism, the President has included more Islamic provisions in the Constitution and is trying to build an Algerian national identity based on a combination of Islamic, socialist, and Western values, according to the US Embassy in Algiers. []

25X1

Jordan and Egypt are responding to the symptoms of economic and social change with more traditional political and security measures:

25X1

- Jordan is beefing up security at universities to monitor fundamentalist activities. In May, student frustrations at Yarmuk University turned into the most significant antigovernment demonstrations in many years, according to the US Embassy in Amman. Three students died and 18 policemen were injured when the security police entered the campus to restore order.
- Egypt is attempting to reduce the power of campus Islamic radicals through a tacit alliance between the government and the more moderate Muslim Brotherhood. The government, however, will most likely use repression to stop radical violence if it appears to be getting out of hand. Fearing a repetition of the 1977 food riots, the government will consider lowering subsidies on food and other consumer goods only as a last resort to stave off Egypt's looming economic crisis. []

25X1

25X1

25X1

Secret

Secret

Prospects

We expect social dislocations driven by economic fluctuations to be a lasting feature in the Middle East. These social and cultural changes will continue to provide fertile ground for the growth of Islamic fundamentalism. Fundamentalist solutions are appealing because they transform the problems into moral absolutes, such as:

- Society is disintegrating and the economy is worsening because they are imitating Western, un-Islamic models. Society will be harmonious and the economy will be equitable if true Islam is adopted.
- Iran is in turmoil because the leaders have failed to follow the correct path of Islam.
- Israel, the United States, un-Islamic Arab regimes, and Western culture are responsible for the decline in oil revenues.

25X1

Algeria's attempt to blunt the social impact of economic downturn by shaping a new Algerian identity probably will contribute to polarization between the growing number of religious conservatives and the modernized elite. We believe most Arab regimes will join Egypt and Jordan in attacking the symptoms of social turmoil with more repression against fundamentalists.

25X1

25X1

Secret

Secret

**Jordan's Yarmuk University:
Flashpoint for Unrest?**

25X1

Campus unrest in early May at Yarmuk University—Jordan's second largest university, located north of Amman—resulted in the deaths of three students during confrontations with Jordanian security. The demonstrations were attributed to discontent with academic policies, but the outbreak also demonstrates growing student frustration with King Hussein's centralized governing style, poor employment opportunities, and subversive efforts by a minority of radical activists. Future student unrest will depend largely on Hussein's ability to find solutions for Jordan's pressing social and economic problems and on the willingness of the government to relax its restrictions on student organizations.

Student Discontent

The immediate cause of the May riots was the expulsion and arrest of over 30 student "ringleaders" who had organized demonstrations since March. US Embassy sources say that university officials earlier met unsuccessfully with student leaders to discuss their grievances. After violence erupted, Jordanian security forces cordoned off the campus and used tear gas to disperse large numbers of rock-throwing demonstrators. The three students who were killed apparently were trampled to death by fleeing crowds. In a rare move, Jordanian authorities temporarily suspended classes and final examinations.

Student discontent at Yarmuk apparently has festered in the past several months over increased tuition fees and demands for greater involvement in university decisionmaking. initial protests began in early March when about 300 engineering students protested against fee increases assessed for the summer session. Many Yarmuk students come from low-income, predominantly Palestinian families and are hardest hit by tuition hikes.

US Embassy sources say that students at all of Jordan's universities—Jordan, Mutah, and Yarmuk—have become increasingly discouraged with

***A University Education: The Reality
Facing Jordanian Students***

More than one-third of all Jordanians—Palestinians and East Bankers—are enrolled in full-time schools and universities. With more than half the population under the age of 18, there will continue to be a large percentage of Jordanian young people attending school and acquiring skills they believe entitle them to attractive employment opportunities. Educational attainment, particularly acquisition of an advanced degree, is highly valued; engineering and medical degrees remain the pinnacles of professional achievement. The economic downturn in Jordan and the Gulf, however, has tarnished the value of advanced degrees for many disenchanting students who find themselves faced with limited job prospects.

25X1

25X1

In the 1970s and early 1980s the Gulf provided a ready market for Jordanians, and, as a result, Jordanian unemployment was practically nonexistent. Continued depressed economic conditions in the Gulf, however, have slowly contributed to Jordan's growing unemployment and reduced the flow of expatriate worker remittances to Jordan. As Jordanian workers return in larger numbers from the Gulf states, the unemployment rate may jump dramatically from the current 8 percent to 15-20 percent by 1990. Prospects for university graduates—whose unemployment runs significantly higher than the national average—are further clouded by their refusal to accept jobs in the construction, agricultural, and service sectors. US Embassy sources estimate that 30 percent of Jordan's engineers and physicians are unemployed.

25X1

25X1

25X1

25X1

Secret

bleak postgraduation employment prospects. [redacted]
[redacted] a growing number of students believe a university education does not guarantee them employment after graduation. At a time when the job market for university graduates is contracting, Jordanian students are acquiring engineering and medical degrees in record numbers. This dilemma has generated a pervasive sense of gloom and cynicism among student bodies. [redacted]

Palestinian Radicals and Islamic Fundamentalists

The majority of Jordan's approximately 27,000 university students are not involved actively in political or religious issues, but a radical minority appears able to draw support by focusing on common grievances. The US Embassy says that at Yarmuk University a substantial minority is seeking to exploit growing discontent over both university and national government policies. [redacted]

[redacted]

One serious grievance against the government centers on the issue of religious freedom. Embassy sources say students are sharply critical of the government's recent move to control the Islamic clergy through a new law prohibiting sermons on political issues in mosques. King Hussein's letter to Prime Minister Rifa'i in November 1985 instructing him to crack down on the Muslim Brotherhood also caused a stir. Despite the growing appeal of fundamentalism, the movement remains small and disorganized—there does not appear to be a formal network linking Islamic groups on university campuses. [redacted]

Some Palestinian student radicals also have exploited political frustrations. The early March demonstrations at Yarmuk had political overtones, with many in the crowd denouncing the government and the King's speech on 19 February that ended his dialogue with PLO Chairman Arafat. [redacted]

[redacted]

[redacted]

Efforts To Counter Student Unrest

King Hussein is attempting to neutralize student unrest by increasing surveillance of political and religious activists on campuses. The US Embassy says students on both the left and the right of the political spectrum are angry with what they see as heavyhanded suppression by the General Intelligence Directorate (GID). Students apparently are unhappy with the sizable GID presence on campus and resent the fact that they must petition the GID for clearance before they are permitted to take a job. [redacted]

[redacted]

These tactics appear to have eroded King Hussein's personal image and legitimacy among students. We believe a small but growing student minority has come to perceive the King as a glorified, isolated monarch running a corrupt and repressive government. Many religious students in particular oppose government efforts to control religion, which they see as a side effect of a broader policy to control radical political activity. [redacted]

Outlook

Prospects for widespread, violent student disturbances on the scale of Egypt's 1977 riots are unlikely in Jordan's current social and political setting. Discontent with the government may be widespread, but most students appear preoccupied with academic pursuits. [redacted]

Nonetheless, small groups of radical Palestinians, leftists, and fundamentalists have proved able to generate explosive confrontations at Yarmuk University. US Embassy officials say that if job prospects after graduation remain bleak—as they are

25X1
25X1

25X1

25X1
25X1

25X1
25X1

25X1

25X1
25X1

25X1
25X1

Secret

Secret

likely to be—and the government continues its heavyhandedness in dealing with student political and religious activity, more disturbances at Yarmuk are likely.

25X1

King Hussein's success in preventing the further spread of student unrest will hinge on his ability to deal with doubts about his leadership and to find solutions to Jordan's unemployment problems. If he fails, he eventually could face an increasingly restive, potentially radical group of unemployed or underemployed professionals.

25X1

25X1

Secret

Syria: Implications of Economic Decline

25X1

The economic crisis in Syria has begun to hurt all segments of Syrian society, but the Assad regime seems unwilling to take the necessary steps to reverse the decline. Damascus's ineffective economic policies and excessive military expenditures have exhausted government finances, and the black-market crackdown in January has curtailed Syria's strong underground economy. The impact of commodity shortages and surging inflation on the population has been uneven, with fixed-income workers hit hardest by price increases.

Although economic problems place new pressures on the regime, President Assad has sufficient power to control the political impact. Syria's strong and ruthless internal security apparatus, combined with extensive price subsidies on food staples, will discourage popular revolts for the time being. Assad's biggest potential economic challenge may be to retain control over Syria's powerful military leadership if economic constraints eventually force him to cut military spending.

Economic Conditions Worsening

The Syrian economy, in terrible shape for the past five years, has taken a sharp downturn in the past six months. An expanding military budget—over half of current expenditures in 1985—and shrinking domestic output since 1982 have wrecked government finances. The government's severe foreign exchange shortage has limited imports of food and other consumer products and inputs for public- and private-sector businesses. Shortages of necessities have forced consumers and businesses to rely on smuggled goods and to circumvent official channels, depriving the government of vital foreign exchange. In the past six months, the Syrian population has witnessed a rapid erosion in its purchasing power as prices have risen 30 to 100 percent. There are several reasons for the economy's inflationary spiral:

- The deterioration of the Syrian pound in offshore or illegal markets has raised prices for illegal imports.

- Official prices have risen as subsidies have become too costly.
- Embassy reporting indicates some hoarding in anticipation of further price increases.

Foreign aid payments from oil-exporting donors have fallen off with the slackening of the world oil market and general Arab dissatisfaction with Damascus's regional policies. Interruptions of oil shipments from Iran have forced Syria to purchase crude oil for its refinery operations on the spot market, further cutting into its foreign exchange. Declining worker remittances from the Gulf states have compounded Syria's financial problems.

25X1

25X1

25X1

The Government's Response

The Syrian Government has taken few steps to shore up domestic finances and reverse the decline of the pound. In late January and early February the government—panicked by the pound's 25-percent drop in five weeks—arrested 1,500 moneychangers to reduce speculation and restrict capital flight. In March the government intensified its crackdown by closing 154 shops in Damascus for dealing in smuggled goods and other illegal activities. In addition, Prime Minister Kasm issued a decree—almost certainly endorsed by Assad—prohibiting imports from Lebanon and tightening border controls to restrict travel of private citizens to Lebanon. The decree was probably aimed at pressing the recalcitrant Lebanese Christians who profit from illegal exports to accept the Syrian-sponsored Tripartite Agreement, but the result was to curb imports vital to Syria's economy. To cut government spending and encourage conservation, official prices on domestic products and legal imports such as tires, steel, fuels, sugar, and coffee have been raised, but no increase in food staple prices has been announced.

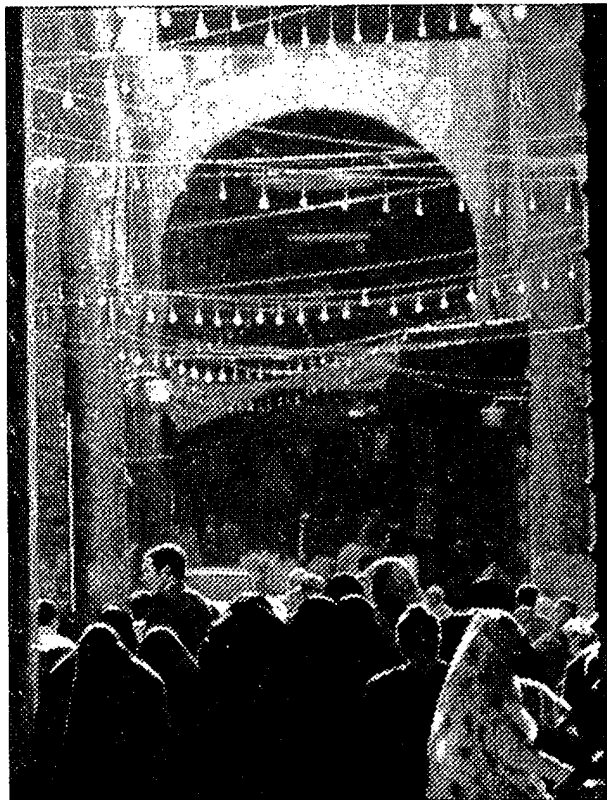
25X1

25X1

Secret

NESA NESAR 86-012
23 May 1986

Secret



Bazaar: private consumption curbed Arabia: The Islamic Review

Economy Minister 'Imadi has tried to stimulate the private sector, but his influence is limited and he is opposed by the traditional Ba'th Party establishment led by Prime Minister Kasm. 'Imadi has devalued the tourist exchange rate to 8.25 pounds to the US dollar—versus the official rate of 3.90 to the dollar—and shifted most legal commercial transactions to the lower parallel rate of 5.40 to the dollar, which will stimulate exports. In addition, he directed an unpublicized change that allowed proceeds from agricultural exports to be redeemed at the tourist rate, which gives farmers a higher return. Despite his good intentions, Imadi's reforms have made little impact. Assad's support is necessary for any major policy shift, and, thus far, he has shown no sense of urgency.

Although Assad has devoted some attention to the economy in recent speeches, he appears relatively unconcerned over Syria's economic crisis, and his

private statements indicate he probably has a distorted view of the situation. In a meeting with US officials in April, Assad offered a positive view of Syrian economic developments and gave no indication of recognizing the extent of the recession, according to Embassy reporting. The economy is a low priority for Assad, and reform is usually limited to vague calls for greater "sacrifice" and ending "corruption."

25X1

Syrians Feel the Pinch

Syria's economic crisis has touched all segments of Syrian society, but its impact has been uneven. The smaller shopkeepers and artisans and low-level government workers with few means of supplementing their incomes have been hurt the most by commodity shortages and inflation. Many of the privileged groups whose support is crucial to the regime—businessmen, bureaucrats, and especially the military—have also experienced falling living standards.

25X1

Residents of Damascus have suffered disproportionately in the present crisis, especially from the surging inflation. Bitterness is increasingly apparent in Damascus. Consumers face a shortage of vital imported goods, and business is depressed from a lack of raw materials. Smuggling has resumed, but only on a limited scale. The housing shortage has worsened and will continue in the near term as building projects are suspended for lack of government funds. Even Assad's palatial residence near Damascus remains unfinished. In addition to sewage, water, and transportation problems, electricity around Damascus is shut off for two or more hours a day.

25X1

Government workers—mostly based in Damascus—and others with a fixed income have seen their purchasing power erode significantly. The US Embassy reports that inflation averaged at least 10 to 20 percent since 1983 before accelerating over the past six months. Meanwhile, public-sector employees received 10- to 25-percent pay increases in late 1985—their first in five years.

25X1

25X1

Secret

The urban population outside Damascus has fared relatively better. [redacted] Like Damascus, the larger cities—Latakia, Aleppo, and Homs—depend on imports, but there is apparently less concern with inflation and the black-market crackdown than in Damascus, possibly because government efforts have been less intense than in the capital. Moreover, outside Damascus more citizens are in the private sector and have greater autonomy to raise prices and incomes to offset inflation. [redacted]

Many commodities in short supply in Damascus are practically unobtainable in cities such as Aleppo. In our view, this is partly because of the capital's higher priority for the distribution of goods. In addition, consumer goods smuggled from Lebanon are less likely to reach cities farther from the border, such as Aleppo. Northern Syria's economic problems are worsened by severe shortages of water and electricity from drought and Turkey's diversion of some branches of the Euphrates River to flow inside its own territory. Several hydroelectric generators located along the Euphrates are not operating because of lack of water. [redacted]

The military elite, who supplement their incomes by controlling smuggling out of Lebanon, have had their activities largely curtailed in the recent crackdown. We believe they will seek to circumvent reforms aimed at promoting legal trade through official channels. The US Embassy in Damascus reports that Assad's crackdown was resisted by elements in the Security Services. In addition, some members of the [redacted]

[redacted]

The small minority of wealthy Syrians are also threatened by government measures to conserve foreign exchange. In February air fares were increased 61 percent and the automobile sales tax was increased 400 percent. In addition, there was speculation over a similar increase in real estate taxes and a higher exit fee—equivalent to \$90—for Syrians traveling abroad. [redacted]

The rural poor have probably been hurt the least by the recent downturn. They are less dependent on imports than the urban population and less affected by inflation. Moreover, many in the countryside have benefited over the past decade from extensive government efforts such as irrigation projects, rural electrification, and paved roads. As a result, the rural poor probably remain an important base of support for the Ba'th Party and strong backers of the Assad regime. Projects aimed at expanding the economic infrastructure and improving living conditions in the countryside also help stem the flow of population into the cities. [redacted]

Assad's Position Still Secure

Despite increasing criticism of the regime's economic management, President Assad's internal position remains strong. Popular indignation has been directed at the military, the police, and Ba'th officials, as well as others who control smuggling and feed off public funds. Economy Minister 'Imadi also faces growing criticism for his apparent role in causing the price increases. [redacted]

Despite his strong position, Assad is conscious of the possible political fallout from an economic crisis. He is doubtless aware that similar economic crises have led to political unrest in many Arab states. For the near term, Assad will remain content to call for greater austerity rather than risk the effects of reform. The much needed exchange rate realignment has been approached slowly, probably because of its inflationary potential for food and other imports. Although Syria's strong and ruthless internal security apparatus makes bread riots unlikely, bread prices are kept low through extensive subsidies—about 2.5 billion pounds in 1985. There is no evidence linking the economy's problems to recent car bombings in Syrian cities. [redacted]

Threats to Assad's power from the military and police apparatus resulting from the economic crisis are unlikely. Assad has erected several competing security services that depend on him alone for direction. The [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

military leadership engaged in smuggling has the economic strength to weather the setback imposed by Assad's recent crackdown. It will profit when smuggling inevitably returns to its former level. Assad's biggest challenge in handling the military could come if economic constraints force him to cut the military budget and reduce arms purchases. Assad would then have to pacify and control the large network of profit takers associated with the military establishment. [redacted]

The US Embassy in Damascus reports that Assad is resisting cutbacks in military spending. Over the past decade, Syria has devoted a large share of its resources to arms purchases and overextended itself through massive long-term debts to the Soviet Union. We believe Assad is so determined to achieve strategic balance with Israel that the Syrian leader will do his utmost to avoid reducing military expenditures. [redacted]

Outlook

We believe Assad will take additional limited steps to spur the economy but will hold to the traditional socialist path. Efforts to reform the economy and free the private sector will probably fall short as entrenched military leaders and bureaucrats fight to retain privileges. Plans of a US firm to boost crude oil production at Syria's Thayyem field to more than 50,000 barrels per day by September have buoyed Assad's confidence that Syria will become less dependent on Iran and the spot market for oil supplies. Syria's profits from the increased output, however, will not erase the regime's economic problems. [redacted]

The black market for imports and moneychangers—in Syria and in Amman or Beirut—will remain integral to the Syrian economy. The black market's pervasiveness is reflected by the numerous government-run companies sanctioned by the Prime Minister's office to make illegal transactions up to the day arrest orders were issued, according to US Embassy reporting. The crackdown has already been eased as most of the currency dealers arrested have been released and resumed business, although on a

limited scale. The net effect of the arrests has been to erode confidence in the government, which should stimulate capital flight. [redacted]

The Syrian economy will probably deteriorate over the next year. Although the worsening economic situation could prompt unrest among several groups, expectations in most of the population remain low. Assad's hold on the government and the military also appears firm, and his security apparatus is strong enough to discourage dissidence. [redacted]

[redacted]

25X1

25X1

25X1

25X1

25X1

25X1

Secret

**Soviet-Syrian Relations:
The View From Damascus** [redacted]

25X1

The compatibility of Syrian and Soviet interests in the Middle East has led to close and mutually supportive policies in most cases. The Syrians, however, have managed to maintain their own programs and policies, occasionally forcing the Soviets to defer to Syrian interests in the area, particularly in respect to Lebanon. [redacted]



25X1

Syria believes it basically is in control of the Soviet-Syrian relationship and can, within limits, manipulate Moscow to achieve its goals. Damascus also is confident that it has Soviet influence within Syria under control. [redacted]

25X1

The Limited Defensive Relationship

Syria has received large amounts of Soviet military aid but has not acquiesced to Soviet influence. Soviet commitment of military aid to Syria provides the USSR with entry into the region, but it has not won commensurate political influence because of President Assad's independence, the lack of immediate alternatives for the Soviets to expand their influence in the Middle East, and Soviet recognition that relatively unqualified support of Syria is necessary for the USSR's broader regional interests. [redacted]

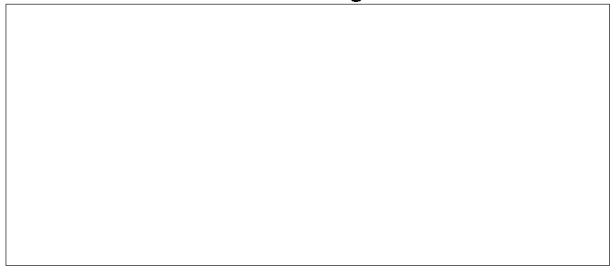
25X1

Nonetheless, the Syrians seem to believe that they have a Soviet safety net. Should war begin with Israel—even on Syrian initiative—the Soviets will have to come to Damascus's aid if Israel moves decisively against Syrian forces and Damascus. Assad may well believe that drawing Israel into a major military engagement would force the Soviet Union to increase the supply of sophisticated Soviet military equipment and, in the event of a Syrian military defeat, intervene with its own forces to protect Damascus and to ensure his regime's survival.

25X1

The Soviet commitment to Syria increased after the Israeli invasion of Lebanon in 1982. It is aimed primarily at providing Syria the means with which to defend its territory. It is highly unlikely, unless Syria were facing a major defeat including a significant loss of territory to Israel, that the Soviets would intervene with their own military forces on Syria's behalf. [redacted]

25X1



25X1

President Assad almost certainly realizes that the Soviets will be quite reluctant to assist in Syrian aggression against Israel, a strong US ally. The Soviets have consistently sought to avoid having to choose between direct intervention on Syria's side, which runs the risks of defeat and direct confrontation with the United States, and staying out, which would be a heavy blow to their credibility as a reliable ally and to their posture in the region. [redacted]

25X1

Secret

NESA NESAR 86-012
23 May 1986

Secret



Nonetheless, even Assad would have to take into serious consideration the superpower consequences of such an action and certainly would realize that such considerations would rank high in Soviet policy decisions. Assad also realizes that, although the Soviets place the Middle East high on their list of priority areas in the Third World, East-West relations clearly take precedence over the Middle East. Despite the signing of a Friendship and Cooperation Treaty with Syria in 1980, the USSR has refused to give Assad a defensive security clause that would commit Soviet forces to Syria's defense. [redacted]

Moreover, Syria has experienced the USSR's failure to come to its aid in Lebanon in 1982 and has seen Moscow fail to come to the assistance of an Arab country under attack when the United States bombed Libya. As Israeli media have pointed out, Syria may have drawn inferences from these cases and may have concluded that it must not "cross the red line" in provoking the United States and its allies in the region. [redacted]

The Unbalanced Political Relationship

Assad probably believes that he has virtually a free political hand in the Middle East, given past limited Soviet responses when policy differences have occurred. The most notable cases of conflicting Syrian and Soviet interests and policies are the Syrian intervention in Lebanon in 1976, Assad's tough policy toward Arafat and the PLO, and Syrian support for Iran in the Iran-Iraq war. In all these cases Moscow disagreed with Syria but ultimately decided to let Assad pursue his own course. [redacted]

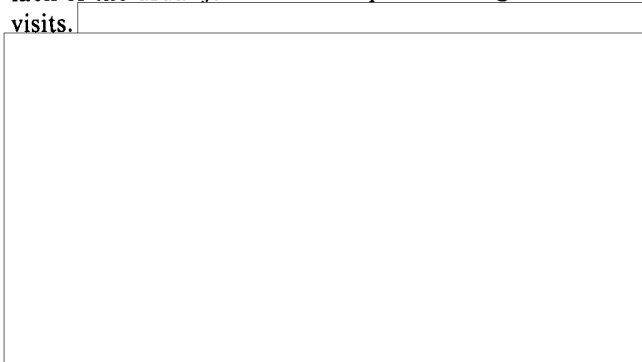
Syria has taken a strongly independent stance, adopting Soviet policies only when they coincide with Syrian interests, and, in certain cases, Moscow has deferred to Syrian goals and policies, working quietly toward its own goals. Particularly on the question of hegemony in Lebanon, according to the US Embassy in Damascus, the Soviets since 1981 have not bucked Damascus. Even when Syrian actions directly cross



President Assad, a frequent visitor to Moscow, with Soviet leader Gorbachev during the troubled June 1985 meeting in Moscow [redacted] UPI ©

Soviet interests, notably Syrian support of the Lebanese Shia group Amal in its attacks on Palestinian refugee camps, the Soviets can be expected, at a minimum, to acquiesce. [redacted]

Tensions in Soviet-Syrian relations arose during Assad's "working visit" to Moscow in June 1985, during which Moscow made clear its displeasure with several of Syria's policies, as was demonstrated by the lack of the usual joint communique following such visits. [redacted]



Assad enjoys more independence and leverage than other Soviet friends in the Third World partly because of Syria's prominence in the Middle East and the fact that it is the only "frontline" country not aligned with the West, but more because Assad refuses to accept

25X1

25X1

25X1

25X1

25X1

25X1
25X1

25X1

Secret

Secret

Soviet dominance. Assad has guarded zealously his ability to make major domestic and foreign policy decisions, although the Soviets can use their influence to affect Syrian policy formulation and use local media for the regular expression of Soviet views. According to US Embassy reporting, Syrian press use of Soviet news service reports as a basis for their coverage of events outside Syria must be seen as partial "payment" for the military, political, and economic assistance received from Moscow. Areas in which there are disputes between Syrians and Soviets are never explored in the media. [redacted]

President Assad knows that Syria must remain on good terms with Moscow to maintain access to Soviet weapons, and that he needs the USSR as a diplomatic counterweight to the United States in any peace negotiations with Israel. On the other hand, he knows the Soviets have already invested much in Syria—economically, militarily, and politically. Particularly in light of the strong Soviet desire to gain a firm foothold in the Middle East, the Soviets have much to lose by not fully backing Assad. Assad is also well aware that he is the best instrument through which the Soviets can work at present. President Assad certainly knows that it behooves Moscow to keep him happy, but he must also know that there are limits even the Soviet Union must insist upon. [redacted]

Assad doubtless is watching Soviet activities in the area very closely, as the Soviets have been directly courting not only various factions in Lebanon—notably the Druze Progressive Socialist Party and Amal—and the moderate PLO groups, but also the moderate Arab states including Egypt and Jordan. By doing so, the Soviets, in addition to expanding their influence in the region, intend to increase Soviet leverage with Syria and help ensure that Damascus takes Soviet interests into account. Nonetheless, according to the US Embassy in Moscow, the Soviets will almost certainly continue to avoid steps in the Middle East that could be construed as a direct challenge to Damascus. [redacted]

The Soviets and Syrian Internal Affairs

The Soviet Union has few internal "levers" in Syria. Because of strong Syrian nationalism and Assad's determination to remain the sole source of power in

the country, we believe the traditional avenues of Soviet influence abroad have not been effective in Syria. Assad keeps tight control over institutions through which Moscow typically operates, such as local Communist parties and other opposition groups, civil and military security services, and the military and bureaucracy. [redacted]

25X1

The Syrian Communist Party (SCP) is small and badly divided. It is unlikely that it will be a major force in Syrian politics in the near future. We believe Assad allows this party to operate to placate the Soviets and create a symbolic link between the two countries. The SCP is a relatively unimportant force in Syrian politics, having "won" only nine seats out of 195 in the People's Council election in February 1986. Many Syrian Communist activists are currently in prison. In spite of the SCP's small size, as long as it exists Moscow has a nominal opening into Syrian internal politics. [redacted]

25X1

25X1

The SCP has been compelled to align itself with the ruling Syrian Ba'th Party and adopts policies that are acceptable to it as a precondition for official recognition. [redacted]

25X1
25X1

[redacted]

25X1
25X1

The current leadership generally accepts the foreign policy pursued by President Assad and the Ba'th Party, whereas the opposition faction pursues a more radical line that is unacceptable to Assad, and therefore also to the Soviets. As long as the SCP pursues policies within acceptable limits, Assad is likely to allow it to continue functioning. [redacted]

25X1

[redacted]

25X1

25X1

Secret

Secret

[Redacted]

We believe, however, that Soviet prestige and prominence in Syria is not likely to decline significantly regardless of who among the current contenders succeeds to the presidency. Most of the President's inner circle of Alawi officers were trained and educated in the Soviet Union and are likely to retain the strong relationship with Moscow after Assad's death. Syria's confrontation with Israel will force any successor to court the Soviets to continue receiving military aid. With few exceptions—most notably Rif'at, who they fear is too pro-Western and whose policies and personality they believe are too divisive—the Soviets are probably indifferent as to who becomes the next Syrian leader. There is no indication of any Soviet manipulation or influence in the selection of the next president. The Soviets have apparently adopted a "wait-and-see" attitude, watching Assad and his followers carefully for indications from Damascus or decisions from Assad on which to base their own actions. [Redacted]

25X1

Although the large number of Soviet and East European advisers working with the Syrian military, supervising aid programs, and implementing commercial contracts suggests a high level of Soviet activity in Syria, this does not automatically translate into an ability to influence political events. [Redacted]

[Redacted] Syrian authorities watch Soviet and East European advisers and Soviet- and East European-educated Syrian bureaucrats, officers, and teachers very closely, limiting their influence within their fields. Also, although virtually all Syrian students who study in the USSR and Eastern Europe are employed by the Syrian Government, those with Western educations are generally more respected and hold higher positions. Nonetheless, by sheer weight of numbers, Soviet-educated Syrians will begin occupying more and more decisionmaking positions in the future. [Redacted]

25X1

25X1

25X1

25X1

25X1

President Assad has been a staunch supporter of strong Syrian ties to the Soviet Union, but he has also been somewhat of a maverick in Moscow's eyes—far too open to Western overtures that play to Syrian goals and strategies without concern for Soviet interests. A sudden departure by Assad may offer the Soviets a good opportunity to meddle in Syrian internal affairs, but we know of no major Syrian politician who is a Soviet protege or could be called "Moscow's man" in Damascus. [Redacted]

25X1

The Soviet Union is keenly interested in the succession in Syria. [Redacted]

25X1

25X1

[Redacted]

[Redacted] Soviet officials probably fear that a pro-Western or highly independent successor to President Assad—possibly the President's brother, Rif'at—will lead to a decline in Soviet influence in the country and the region. [Redacted]

25X1

25X1

Secret

Page Denied

Next 12 Page(s) In Document Denied

Secret

Sikh Militants: Divided, Down, But Not Out []

25X1

The Indian Government's evolving strategy—employing political concessions and security crackdowns simultaneously in dealing with Sikh militants in Punjab—is paying dividends. Sikh militants have lost the political initiative and are divided among themselves. The paramilitary incursion into the Golden Temple in late April dislodged the militants for the second time in two years—driving underground the five hardliners who had declared independence for “Khalistan,” the Sikh homeland, and resulting in the arrest of several hundred other militants. At the same time Gandhi may be setting the stage for a new appeal to Sikh moderates by implementing provisions of the Punjab accords on territorial transfers and water sharing and by giving Sikhs more prominent positions in his Cabinet. New Delhi will continue to operate through the moderate Sikh government in Punjab, avoiding direct confrontations with the militants that win them popular support and putting distance between itself and possible failure. The militants, while crippled, will continue—and perhaps step up—their terrorist attacks to keep the pressure on moderate Sikhs and New Delhi. []

Sikh Militants Today

In the two years since Operation Bluestar—the Army assault on the Sikhs' Golden Temple in Amritsar—the militants regrouped, conducted repeated terrorist attacks, and regained but then lost a firm political toehold in Punjab. They are divided into three major factions: the religious fundamentalists (the Damdami Taksal), the politicized “student” activists (the All Indian Sikh Student Federation), and a catchall splinter group (the United Akali Dal). []

Damdami Taksal. Sikh militant fundamentalists have taken the name of a centuries-old Sikh religious seminary, the Damdami Taksal, for their faction. Damdami Taksal members are outspoken in their belief that Sikhism must be protected against absorption by Hinduism and cleansed of secular influences. Mohkam Singh controlled the Taksal until

his arrest on 25 March. An older, more conservative cleric, Baba Thakar Singh, has taken over and is attempting to mediate between the student hardliners and the fundamentalists. []

25X1

The All India Sikh Student Federation (AISSF).

Under the leadership of Harinder Singh Kahlon, this group has become the most powerful extremist group in Punjab. The AISSF uses violence to undermine the authority of both New Delhi and the Punjab state government and to press the Sikh case for an independent homeland. Kahlon helped lead the takeover of the Golden Temple last January and has backed a five-member Panthic Committee (Committee of the Faith) to lend religious legitimacy to the Khalistan declaration of independence last month. []

25X1

Manjit Singh established a separate AISSF faction in mid-April 1986, accusing Kahlon of usurping his authority. The two factions have spent as much time bickering with each other as plotting against the government, according to Indian press accounts. Manjit Singh has created his own religious legitimizing group, the Panthic Presidium, to counter Kahlon's committee and a similar moderate organization. []

25X1

25X1

United Akali Dal (UAD). Led by Baba Joginder Singh, octogenarian father of Jarnail Bhindranwale, who was killed in Operation Bluestar in 1984, this catchall faction prefers nonviolent political demonstrations to press Sikh grievances against New Delhi. The UAD led an unsuccessful boycott of state assembly and parliamentary elections in September. Despite the UAD's failure, Joginder Singh still attracts many militant followers because of his relation to Bhindranwale. []

25X1

25X1

Secret

NESA NESAR 86-012
23 May 1986

Secret



Mohkam Singh,
Damdami Taksal [redacted]



Harinder Singh Kahlon,
AISSF [redacted]

25X1

Delhi Recorder ©



Baba Thakar Singh,
Damdami Taksal [redacted]



Baba Joginder Singh,
UAD [redacted]

25X1

Militants Take on Sikh Moderates

In January 1986 the AISSF and Damdami Taksal followers successfully challenged the Sikh moderates at their religious base. Mohkam Singh, leader of the Damdami Taksal, and Harinder Singh Kahlon, leader of the AISSF, put aside their differences to seize control of the Golden Temple from the Sikh clerical hierarchy nominally aligned with Punjab Chief Minister Surjit Singh Barnala and his moderate Akali Dal Party. The militants claimed the titles and authority vested in the Sikh temple management committee, called a meeting of the Sikh congregation, and began dismantling the "impure" repairs to the Golden Temple made by Army personnel following the assault in June 1984. [redacted]

With the Golden Temple once again their base of operations, all three militant factions stepped up their activities in Punjab. The AISSF extremists increased

their attacks on Hindus, hoping to provoke a communal backlash that would prompt Hindus to leave and Sikhs to return to Punjab. The UAD organized a march and demonstration against the state assembly, forcing its adjournment, but the demonstration ended inconclusively when the police dispersed the crowd. The Damdami Taksal and AISSF also organized voluntary labor to dismantle and repair the inner sanctum of the temple. They excluded Hindus, who traditionally had participated in such activities. [redacted]

The arrest of Mohkam Singh on 25 March precipitated intense jockeying for dominance of the militant movement. [redacted] that ultimately fragmented the fragile alliance

25X1

25X1

Secret

Gandhi and the Sikhs

We believe the overriding issue for Rajiv Gandhi in Punjab is the preservation of his reputation. This is his first major test as a leader. We have seen no evidence that he is playing out personal psychological conflicts even though Sikhs killed his mother, Indira Gandhi, and have threatened to assassinate him.

[Redacted]

Gandhi's concern for his reputation—especially for proving he is a better leader than his mother—has guided much of his political behavior. For example, he has:

- *Aggressively attempted to solve problems that festered during his mother's rule, taking a conciliatory approach in contrast to his mother's confrontational style.*
- *Assiduously avoided sullyng his image by using surrogates such as Arun Nehru to perform tasks that would compromise his reputation.*
- *Shown a determination to avoid mistakes through extensive consultation. According to the US Ambassador, he will not act unless he has the assent of the majority of his advisers.* [Redacted]

Gandhi's approach to policymaking is reactive and based on a determination to find efficient solutions to

problems. He frequently postpones a decision while he gathers information and assesses options. He has a predilection for formulating his policies in secret, consulting only his top few advisers. Thus, when he takes action, such as concluding the Punjab agreement, it can come as a surprise. [Redacted]

25X1

Gandhi has structured his approach to Punjab primarily as a law-and-order issue. This allows him to isolate the radicals, whom he views as terrorists, and to support a moderate Sikh government. It also enables him to put distance between himself and direct responsibility for failure and to shift blame to the terrorists and the weak state government. [Redacted]

25X1

25X1

We expect Gandhi to continue to pursue a cautious course of action. In our judgment, however, he is not opposed to using force or directly involving the central government. His behavior after his mother's assassination shows that he can take decisive action to deal with an imminent threat. But he will need to be convinced that force is necessary and will lead to a positive outcome. He will want to be seen as a winner.

[Redacted]

25X1

25X1

between the radical Sikh groups. While conservative cleric Baba Thakar Singh took over the nominal leadership of the Taksal, the AISSF and United Akali Dal competed for Mohkam Singh's followers. A month after Mohkam Singh's arrest, the AISSF split into the contending factions headed by Kahlon and Manjit Singh. The squabbling probably contributed to a temporary lull in violence in Punjab in late March and helped to weaken popular support for the militants. [Redacted]

In a dramatic move to regain momentum and bring down the Barnala government, five senior AISSF leaders declared independence for Khalistan in late April. The move backfired, however, when New Delhi

used the declaration to rally Sikh moderates and sent paramilitary forces into the Golden Temple. The five leaders evaded arrest, but the militants who stayed behind in the temple offered no resistance. At least 300 were detained, but most were released within days of the sweep, according to press accounts. The AISSF faction led by Kahlon is believed by the Indian press to be responsible for the resumption in killings of Hindus—presumably hoping again to provoke a Hindu backlash that never came. They also calculated incorrectly that Barnala's decision to take credit for the security sweep of the temple would bring down his Akali Dal government in Punjab. [Redacted]

25X1

25X1

Secret

New Delhi Using Moderates as a Fig Leaf

Gandhi's response to the militants continues to shift from a largely conciliatory posture to a carrot-and-stick strategy. Following Gandhi's signing of a formal settlement of Sikh grievances in 1985 and subsequent elections, New Delhi carefully watched events from the sidelines, perhaps hoping Sikh moderates would isolate and weaken the militants on their own.

When the militants retook the Golden Temple and increased assassinations in February, New Delhi probably calculated it could no longer stand by while Barnala lost the struggle with the extremists. To avoid becoming the direct target of the Sikh militants, however, Gandhi orchestrated New Delhi's responses to the militants through the security and political apparatus of Barnala's state government.

On the security front, Gandhi has worked through state officials:

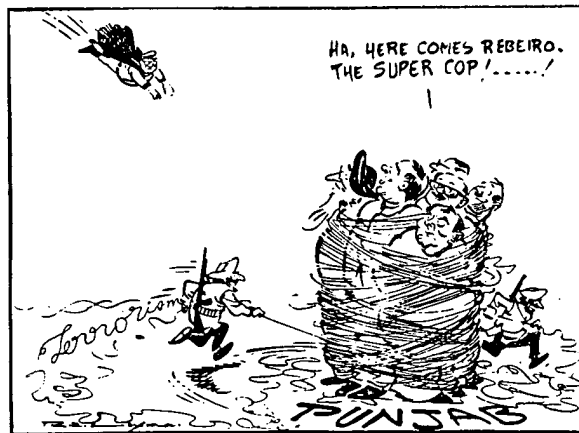
- Gandhi convinced Punjab officials to name Julius Rebeiro to lead the beleaguered Punjab police force. Rebeiro, according to Indian press reports, is widely respected as a law enforcement troubleshooter.
- National security officials put their resources at Barnala's disposal.
- Barnala ordered the paramilitary incursion into the Golden Temple in late April.

On the political side, Gandhi has taken several steps to bolster the standing of the moderate Sikhs:

- He appointed a new commission and set a June 1986 deadline to resolve the territorial issues blocking the transfer of Chandigarh to Punjab.
- He ordered his bureaucrats to promptly settle all outstanding compensation claims from Sikh victims of the riots following Indira Gandhi's assassination.
- He convened the dormant National Integration Council in New Delhi that issued public statements in support of the Barnala government.
- He named a Sikh, Buta Singh, to head the Home Ministry and added a second Sikh to his Cabinet as Agriculture Minister.

Sikh Militants on the Ropes in Punjab

In our view, New Delhi has the Sikh militants on the ropes as the second anniversary of Operation Bluestar approaches. Over a two-year period the militants have



Rabeiro to the rescue

Times of India ©

failed to build a unified front or win additional popular support. Personal rivalries among the militant leaders, differences over tactics, and conflicting priorities have intensified and will almost certainly continue to make the movement vulnerable to government efforts to turn one group against the other. The success of the government's sweep of the temple—and the implied threat that Punjab authorities can order another—probably will keep the hardliners operating underground.

Sikh militants still pose a significant terrorist threat, however, and could regroup. Deprived of the high-visibility haven they enjoyed in the temple, militants may resort to more spectacular terrorist attacks—along the lines of the earlier transistor radio bombings and airline hijackings—to attract public attention and keep the pressure on Sikh moderates and New Delhi. They are likely to attempt to kill Gandhi or precipitate Hindu-Sikh communal conflict outside Punjab. The AISSF hardliners are certain to continue to receive support from radical Sikhs overseas.

Can New Delhi Deliver a Knockout Punch?

Gandhi probably can weaken the Sikh militant movement further if he patiently wields the security stick—using moderates as his proxies—against both Sikh and Hindu militants and offers political accommodation to the moderates.

Secret

New Delhi's chances of success depend heavily on Police Chief Rebeiro's ability to strengthen state and local police forces while keeping the heat on the militants. The Indian press reports, however, that Rebeiro will have a difficult time restoring confidence in the Punjab police—a force the press claims is riddled with militant Sikh sympathizers. Rebeiro has cautioned that training, weapons, and confidence-building measures will be necessary to change the demoralized and corrupt police into an effective counterterrorist force. Until that transformation is well along, we believe Rebeiro faces a high risk of assassination and leaks that will compromise efforts by government forces to arrest AISSF and Damdami Taksal extremists. [redacted]

25X1

New Delhi cannot expect to undermine the militant movement until it addresses longstanding Sikh grievances. Gandhi's moves this spring to enlist national political support for the Barnala government suggest he will discipline the Haryana Congress Party recalcitrants and enact the commission recommendations on territorial transfers and water sharing. New Delhi probably will continue to prop up a moderate Sikh government in Punjab at least through 1986—calculating that a buffer is needed to prevent recurrence of the direct confrontations between the militants and the central government that win the militants popular support. [redacted]

25X1

25X1

Secret

**Sikhs in the Indian Army:
Two Years After
Operation Bluestar** [redacted]

25X1

The status of Sikhs in the Indian Army remains clouded two years after Operation Bluestar—the Army’s attack on the Sikhs’ Golden Temple. The Army is still feeling the effects of the Sikh mutinies that followed the attack and has instituted long-term personnel policies to reduce the impact of future troubles in Punjab. These efforts, however, are being interpreted by many Sikh officers and enlisted men as de facto discrimination. Recent attempts by the new Chief of Army Staff to allay these fears will not be completely successful because of the continuing troubles in Punjab. The rift between Sikhs and the rest of the Army will weaken the Indian Army and leave open the possibility of future mutinies. [redacted]

imprisonment, summarily punished by their immediate superiors and discharged, or rehabilitated and transferred to paramilitary units. [redacted]

25X1

Because the Army is sensitive to any suggestion that its troops are less than professional and that its officers could be poor leaders, most of those convicted were charged not with mutiny but with lesser crimes of looting and desertion. [redacted]

25X1

[redacted] Those receiving the harshest sentences were Sikh officers who did not keep their men informed and under control, but rather saw trouble coming and took measures to protect themselves, according to Indian press articles. [redacted]

25X1

25X1

We estimate there are over 120,000 Sikhs in the 1-million-man Indian Army. The Sikhs have played an important role in Indian military history since the period of British rule, and, despite their non-Hindu status, they were, until recently, considered among the best and most loyal soldiers in the Army. Despite government efforts to make the Army more representative of the national population, Sikhs account for 25 percent of the officer corps and 11 percent of the enlisted ranks. Fifteen of the Army’s over 300 battalions are made up exclusively of Sikhs, who are also present in many integrated infantry, artillery, armor, and support units. [redacted]

Throughout the trials, the Army and the central government attempted to balance military justice with national political considerations. New Delhi rejected appeals by the moderate Sikh Akali Dal leadership to pardon the mutineers. Prime Minister Rajiv Gandhi repeatedly stated that this was a military issue and the government would not interfere. Gandhi probably wanted to maintain good relations with the Army, on which New Delhi depends for civil order in Punjab and other trouble spots. The Army reduced three Sikh battalions to cadre status by dispersing their men to other units and disbanded the 9th Sikh Battalion. These actions were widely interpreted as harsh punishments because of the strong attachments to battalions held by active and retired servicemen alike in India’s regimental system. [redacted]

25X1

25X1

25X1

The 1984 Mutinies

The importance attributed to Sikh units increased the impact of the numerous mutinies that occurred in 1984 shortly after Indian Army and paramilitary forces attacked the Sikhs’ Golden Temple in Amritsar. Mutinies broke out in at least six widely separated Sikh infantry battalions and regimental training centers. Most of the mutineers deserted their units and attempted to make their way back to Punjab, [redacted]

At the same time, the Army made sure that Sikh officers were on all of the tribunals and that the tribunals gave fairly lenient sentences to most of those on trial. [redacted]

25X1

25X1

Sixty-seven were killed, 2,778 were arrested, and 30 are still missing. Most of those apprehended were charged and found guilty in military courts. Roughly equal numbers were either sentenced to rigorous

Secret

NESA NESAR 86-012
23 May 1986

Secret

Discrimination

While showing leniency toward the guilty, the Indian Army proceeded to punish the innocent. [redacted]

[redacted] are concerned that their chances for promotion have been significantly curtailed since Operation Bluestar. As assignment cycles come up, Sikh officers are being sent to command non-Sikh units in the south and the northeast. Some of these officers were previously scheduled to command units from Sikh regiments. These reassignments are unusual, in our judgment, because of India's regimental system in which officers and men serve together throughout their careers. By separating these officers from their men, the Army is attempting to calm fears that Sikh officers will lead Sikh enlisted men in future mutinies. [redacted]

Unofficial discrimination has also been practiced in general officer promotions. [redacted]

[redacted] for promotion earlier this year. Twelve were promoted to lieutenant general, but all three Sikhs were passed over. Retired Field General Manekshaw, Chief of Army Staff during the war with Pakistan in 1971 and the highest ranking officer in the history of the Indian Army, traveled to New Delhi and successfully intervened with Prime Minister Gandhi, who ordered another review. All three Sikh major generals were promoted, but [redacted] not believe any of them will ever command a corps, the most prestigious assignment for lieutenant generals in the Indian Army. [redacted]

The Army has instituted official personnel policies that are being interpreted by Sikhs as indications of continuing distrust. Former Defense Minister Rao announced in April 1985 that the Army would only raise additional regiments on an all-caste basis. This decision was interpreted as not only ruling out new Sikh regiments, but also limiting the number of positions open for Sikhs who consider soldiering to be one of their principal occupations. Former Chief of Army Staff Vaidya reinforced this perception in November 1985 when, in one of his last actions, he

ordered the elimination of ethnically pure regiments. Integration was to be accomplished by including three different ethnic companies (for example, Rajputs, Sikhs, and Garhwalis) in each regiment's battalions.

[redacted] This indicates, in our judgment, that the decision was political and probably influenced by the Sikh mutinies. [redacted]

Almost simultaneously, Vaidya attempted to increase the number of Nepalese Gurkhas in the Army. He visited Nepal in October 1985 to ask permission for the Indian Army to raise the number of Nepalese Gurkhas in the Army from 80,000 to 100,000. [redacted]

[redacted] the Nepalese Government would probably agree after consulting with the British.¹ This move was perceived by the international Sikh community as another act of bad faith by New Delhi. [redacted]

Gestures of Good Will

New Chief of Army Staff Sundarji has made several goodwill gestures toward Army Sikhs since taking office last February. Sundarji, in our judgment, wants to parallel Gandhi's efforts to resolve the Punjab crisis and end the Hindu-Sikh rift, which threatens to reduce the effectiveness of the Army. In interviews he has praised the efforts of Sikh soldiers and minimized the importance of the mutinies by noting that most Sikh soldiers and officers did not rebel in 1984. He has also ordered the reestablishment of those Sikh battalions that were reduced to cadre status last year. He has not, however, waived Army regulations that forbid the 9th Sikh Battalion from being reactivated for five years. We believe Sundarji has decided not to waive this rule in order to balance the requirements of the military justice system with his prudent, but politically motivated, personnel decisions. [redacted]

¹ A tripartite agreement regulates the number of Nepalese Gurkha mercenaries recruited for the Indian and British Armies. The Indian Army and paramilitary forces have about 200,000 Nepalese and Indian-domiciled Gurkhas. [redacted]

25X1
25X1

25X1

25X1
25X1
25X1

25X1
25X1¹

25X1

25X1

25X1

25X1

Secret

Secret

[redacted] Sundarji also has quietly reversed Vaidya's policy of integrating Sikh units. Non-Sikh units that have recently joined Sikh regiments are being ordered to return to their parent units and are being replaced by Sikh companies. These changes are meeting with approval from Sikh soldiers and have had a positive effect on morale. [redacted]

New Delhi is successful in controlling Punjab, Sundarji will be able to improve the morale of his Sikh units and restore their status as one of the most effective and combat-ready elements in the Army.

25X1

[redacted]

25X1

[redacted]

25X1
ZS^I

In our judgment, these actions carry more weight with both non-Sikh and Sikh officers and enlisted men because Sundarji was Western Army commander during Operation Bluestar and had overall authority over the attack on the Golden Temple in 1984. Coming soon after his appointment to Chief of Army Staff, they also signal a break with the tone of Vaidya's efforts to reduce the importance of Sikhs in the Army. [redacted]

25X1

Outlook

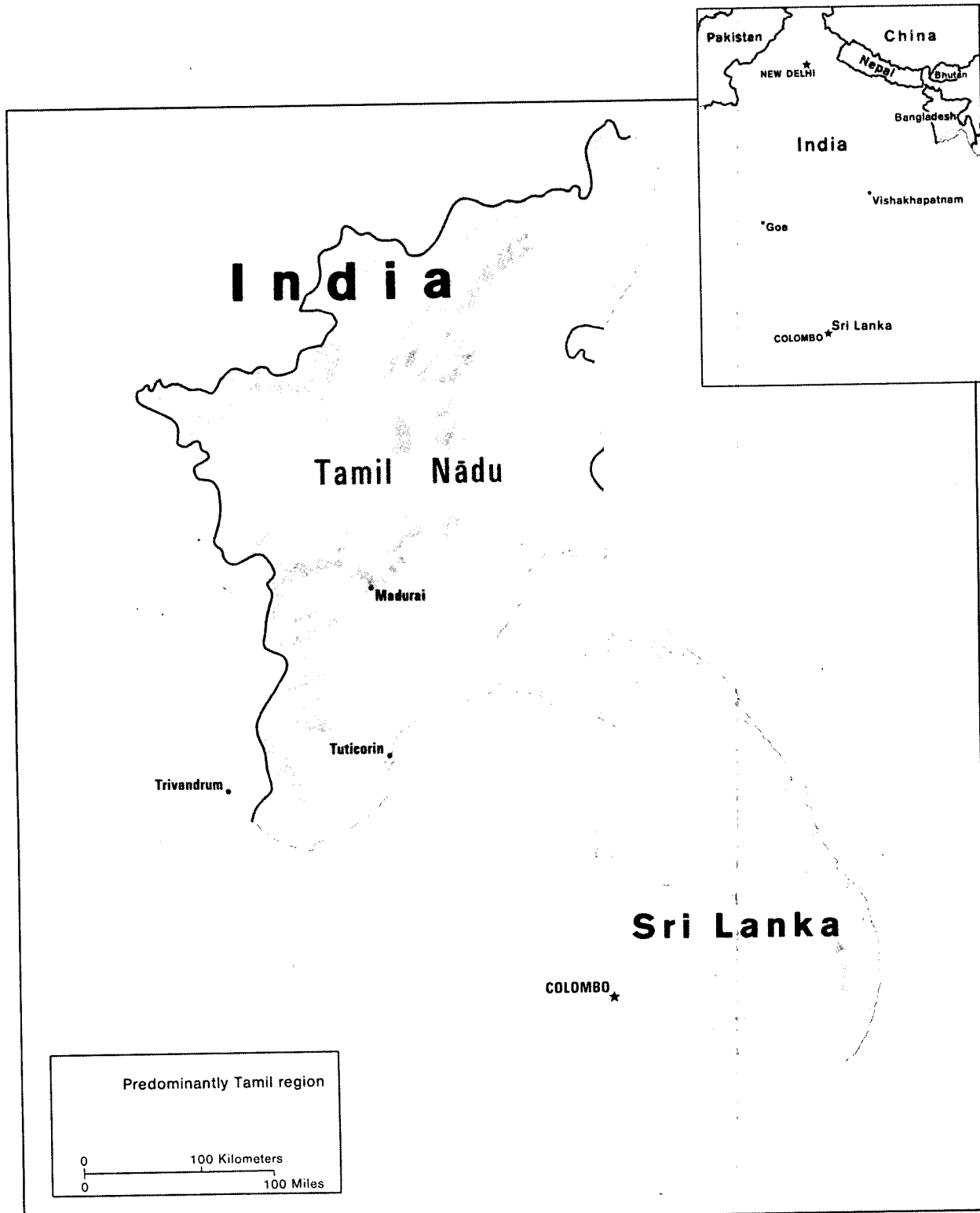
We believe Sundarji's actions will help reverse the de facto discrimination that has been practiced against Sikhs within the Army since Operation Bluestar. Sundarji probably also will have to issue direct instructions to promotion boards, indicating that discrimination against Sikhs will not be tolerated. Most important, he will have to continue to lobby against the use of the Army in maintaining civil order in Punjab. Although the recent successful raid on the Golden Temple by armed state police and federal paramilitary forces rather than the Army augurs well for the continuation of this policy, continuing internal security problems in Punjab are likely to require constant high-level lobbying against the use of the Army. [redacted]

25X1

Sundarji's initiatives, however, will not effectively insulate the Army from morale problems caused by the Hindu-Sikh discord in Punjab. Non-Sikh Army officers will continue to discriminate against their Sikh comrades, and the morale of Sikh soldiers will continue to depend on events in Punjab. The mutinies of 1984 were not caused by poor treatment of Sikh soldiers, but by events in Amritsar. Conversely, if

Secret

Secret



707256 (A03311) 3-86

Secret

Secret

**India: Increasing
Military Capabilities
Toward Sri Lanka** [redacted]

25X1

India's military is improving its ability to intervene in Sri Lanka should that island's increasing instability force New Delhi to make such a decision. India is acquiring more amphibious ships and transport aircraft, establishing new bases in the south, and conducting joint service exercises to enhance its ability to deploy larger forces to offshore islands. Sri Lanka's security forces could not stop an Indian invasion and would soon be overrun. Both the Sinhalese and Tamil communities, however, are capable of waging a guerrilla war against an occupying Indian force. Although Indian forces could control the major cities and seize the most important facilities on the island in a matter of days, they would be much less prepared for a guerrilla war. A prolonged stay would keep them in the middle of Sri Lanka's communal conflict. [redacted]

seeks military aid from foreign powers, including India's rivals, Pakistan and China, and as the insurgents strengthen ties to international arms marketers and radical groups. The violence aggravates the refugee problem in India's south as Tamils flee the island and settle among their ethnic cousins in southern India. It also encourages unrest among India's own Tamils—a problem that probably would worsen if the Sri Lankan Tamils succeeded in gaining independence. [redacted]

25X1

Potential for Indian Intervention

India has long been concerned that instability in neighboring states threatens regional security by creating refugee problems, internal pressure on New Delhi to take action, sympathetic unrest among India's many minority communities, and involvement by outside powers. As a result, the Indians have adopted a policy of confronting and containing instability in neighboring states by both political and military means. In cases where unrest in neighboring states has led to a breakdown in public order, such as Bangladesh in 1971 and Sikkim in 1978, India has intervened militarily to reestablish stability and to further its hegemony. New Delhi accepted Colombo's 1971 invitation to send forces to Sri Lanka to help restore order in the wake of political insurrection in that country—four frigates, six helicopters, and about 150 troops were deployed to Colombo for less than a week early in the year. [redacted]

Prime Minister Gandhi already has publicly warned Colombo that India cannot tolerate indefinitely the more than 130,000 Sri Lankan refugees in southern India and stated that he does not consider a separate Tamil state viable. In our judgment, he will do his utmost to prevent one from coming into existence. We believe that, although New Delhi is not ready to intervene in Sri Lanka, it would do so if it believed its interests were sufficiently threatened. [redacted]

25X1

25X1

Buildup of Military Capabilities

India is rapidly expanding the forces it would use to project military power throughout the region. Although New Delhi claims that these forces are being developed to defend its offshore territories, such as the Andaman and Nicobar Islands and Lakshadweep, we believe it would consider using them offensively in Pakistan, Bangladesh, or Sri Lanka if hostilities were to break out with those countries. [redacted]

25X1

Public statements by Indian officials indicate that the three-year-old conflict between Sri Lanka's Sinhalese and Tamil communities increasingly threatens Indian interests. The unrest invites outside involvement, which New Delhi views as detrimental, as Colombo

The Navy has nine recently acquired Soviet- and Polish-built Polnocny-class mechanized landing ships and seven utility landing craft stationed with its amphibious squadron at Vishakhapatnam on the east coast. [redacted] is buying three more of the Polish landing ships and pushing ahead with indigenous production of landing craft as well as larger amphibious ships. With

25X1

25X1

25X1

Secret

NESA NESAR 86-012
23 May 1986

Secret

sufficient naval escort, logistic support, and civilian transport, the amphibious squadron could carry one and possibly two fully equipped infantry brigades—2,500 to 5,000 men with artillery and light armor—to Sri Lanka.

used modified merchant ships as troop transports—a lesson learned from British naval operations in the Falklands War—during their amphibious exercises in 1985 and 1986.

The Indian Army's 54th Infantry Division, stationed in the south, has long experience in amphibious operations, and its 91st Brigade is often deployed in annual exercises with the Navy. The Army is proposing the creation of a standing marine force, patterned after the US Marine Corps, for which we believe the 54th Division would form the nucleus. would have trouble making an opposed landing, but it is trying to remedy this problem by buying about 200 Swedish IKV-91 amphibious tanks to replace its aging Soviet PT-76s.

India is also improving its ability to deploy airborne forces, which would play a key role in any intervention in Sri Lanka. The Air Force has recently taken delivery of six IL-76 heavy transport and over 60 AN-32 medium transport aircraft from the Soviet Union. Two more IL-76s and 60 more AN-32s will arrive this year. The Air Force also is augmenting its fleet of Soviet-built MI-8 transport helicopters with more powerful MI-17s. These aircraft and the rest of the Air Force's transport fleet could deploy to Sri Lanka all of the 4,600-man 50th Parachute Brigade, the only Army unit trained in either airborne or heliborne operations. In the event of intervention, these paratroopers probably would try to seize an airfield so that reinforcements could be brought in.

with the assault force receiving offshore fire support from Navy warships. Trivandrum closely resembles Colombo in topography—a city on a west coast with its airport situated by the shore, close to town.

New Delhi is establishing new bases in the south from which to launch these types of operations as well as holding larger and more involved exercises in the area. The Army has created a local command at Madurai with six infantry battalions, a likely second echelon force for a Sri Lankan intervention. The Navy and Air Force have established subcommands at Tuticorin and Trivandrum, respectively. Although no more than token forces have been committed to these subcommands, they are well situated to coordinate naval and air units against Sri Lanka.

departed from the usual amphibious landing in the Andaman Islands and, instead, involved amphibious, airborne, and heliborne assaults near Goa with naval and air support. We believe this exercise marks an improvement in India's ability to carry out a large-scale military operation against Sri Lanka.

Sri Lanka as a Battleground

How an Indian intervention in Sri Lanka would progress depends on the circumstances under which forces would be introduced. In our view, an Indian intervention would most likely come, as in 1971, following a request from Colombo for help in restoring internal order. The possibility exists, however, that New Delhi would intervene without Colombo's invitation if it believed the situation had deteriorated enough to threaten Indian interests.

Our assessment of the 30,000-man Sri Lankan military is that its poor training, mediocre leadership, and internal security focus leave it incapable of offering more than token resistance to Indian military intervention. We calculate that an Indian landing force of about 8,000 amphibious and airborne troops—much better trained, led, and supported than Sri Lankan forces—could be reinforced by about 15,000 infantry within a week and would soon overrun the major cities and most important facilities on the island. In ensuing months, still more of the over 1-million-strong Indian Army could be deployed to Sri Lanka.

25X1

25X1

25X1

25X1,1
25X1

25X1

25X1

25X1

25X1

25X1

Secret

Although the Indians might have to deal initially with Sri Lankan security forces, in our judgment the most serious long-term threat in any Indian intervention would come from Tamil, and possibly Sinhalese, insurgents. We believe it likely that some of the more than a dozen Tamil insurgent groups, with far better knowledge of local terrain and with a sympathetic populace among whom to operate, would soon direct attacks against an occupying Indian force. Tamil insurgents have increased their strength rapidly in the past three years, currently fielding, by our calculations, about 10,000 guerrillas in Sri Lanka. Moreover, we believe that approximately 9,000 Sri Lankan Tamils are engaged in training and smuggling in southern India and could carry out guerrilla operations within India itself, threatening the rear area of the Indian force occupying Sri Lanka. Colombo's forces also are growing in size and amassing a larger arsenal and could become the core of a Sinhalese resistance movement against a prolonged Indian occupation. [redacted]

rather not play because it would temporarily halt what New Delhi sees as more potentially productive initiatives. The Indians probably believe intervention would only drive one or both sides from the peace table that New Delhi has carefully set and severely damage Prime Minister Gandhi's good-neighbor policy without accomplishing much else. [redacted]

25X1

Should the violence degenerate to a level where New Delhi believes intervention is the only way to restore order, we believe it will content itself with that goal and leave as soon as it has been achieved. Military force is unlikely to produce more. Alternatively, New Delhi could mount a massive effort and flood the island with military forces, but, in our judgment, the Indians are not prepared to pay the political or military costs of a prolonged and embarrassing occupation of Sri Lanka. [redacted]

25X1

[redacted]

25X1
25X1

We believe Indian forces would be ill prepared to contend with the insurgency currently being waged in Sri Lanka. The Indian Army has gained some counterinsurgency experience in operations against separatists in India's northeastern states, where it has been fighting Mizo and Assamese guerrillas virtually since independence. In Sri Lanka, however, it would be a foreign presence and not long tolerated, especially if New Delhi continued to oppose a separate Tamil state. In our view, if Indian intervention were not followed soon by a settlement between Colombo and the insurgents, violence would again flare between the island's communities, but this time the Indian forces would be caught in the middle, having failed to bring the peace to Sri Lanka that would supposedly have been their goal. [redacted]

25X1

Outlook

We believe that an Indian military intervention in Sri Lanka would come only as a last resort and that any forces committed would be withdrawn at the earliest opportunity. New Delhi is pursuing several options in its Sri Lanka policy, such as sponsorship of talks between Colombo and some Tamil groups [redacted] [redacted] Intervention is a trump card that, in our judgment, the Indians would

25X1
25X1

Page Denied

Next 1 Page(s) In Document Denied

Secret

Secret