



*File
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United States Department of State

Foreign Service Institute

*1400 Key Boulevard
Arlington, Virginia 22209*

June 24, 1987

Dear Mr. Blackwell:

Thank you for your participation in our recent exercise on South Asia. I enclose a copy of a memo we produced at the end.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred Hill".

Fred Hill

United States Department of State
Foreign Service Institute
 1400 Key Boulevard
 Arlington, Virginia 22209



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To: NEA - Richard W. Murphy
 Through: FSI - Charles Bray
 From: FSI/CSFA - Hans Binnendijk and Frederic B. Hill
 Subject: Diplomatic Exercise on South Asia

SUMMARY and CONCLUSION: The exercise confronted dramatically the serious negative consequences for U.S. interests of the conflict within U.S. policy between non-proliferation and Afghanistan. No one expects the government of Pakistan to yield enough on the nuclear issue to help us resolve that policy conflict, and the GOP refused to do so in the exercise despite an aid cut-off.

The policy conclusion is, therefore, that we should seek to redefine, with Congress, our non-proliferation policy before we reach the point of being unable to certify Pakistani non-possession of a nuclear device. The concept of non-weaponization was introduced as a possible substitute for non-possession.

The Soviet Union stands to gain leverage in the region in the event of a limitation or severance of the U.S. aid relationship. Also, the Soviets are not willing to cooperate with the U.S. on non-proliferation in the region as long as they gain from continuing conflicts in U.S. policy.

Also, Pakistan may be prepared to withstand considerable Soviet pressure for a settlement in Afghanistan, with or without U.S. aid, but appears susceptible to a judicious mix of sticks and carrots which would permit a prompt repatriation of the Afghan refugees. END SUMMARY and CONCLUSION

INTRODUCTION: As you know, the Foreign Service Institute staged its fourth diplomatic simulation June 5 and 6, a three-part exercise designed to examine policy options and probable responses of the United States, the Soviet Union and key nations in South Asia. The three moves of the game focused on diplomatic and military developments in Afghanistan and the implications of further advances towards nuclear weaponization by Pakistan and India.

The exercise was conducted with area experts in the United States government - and a small number of outside experts - playing the roles of leading decision-makers in the U.S., Soviet Union, Pakistan and India. China and other international responses were represented in Control.

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Basic presumptions of the scenarios were twofold:

- 1) continued Soviet pressure on Pakistan to seek a settlement in Afghanistan which preserves Soviet gains as much as possible and
- 2) continued Pakistani advance towards development of nuclear weapons.

Neither the U.S. nor Pakistani teams made particularly dramatic shifts in response to an escalation in Soviet diplomatic overtures and military intervention in Pakistan. Despite the paramount importance of finding a solution to its refugee problem, the Pakistani team stood firm in the face of stepped-up subversion, cross-border raids and an Afghan air strike on Kamra which destroyed several F-16s. Pakistani leaders refused to take part in the proximity talks until the attacks ceased (though negotiations - which failed - were ordered by Control).

The failure to certify that Pakistan does not have a nuclear device and a subsequent aid cut-off severely limited U.S. influence in the region. The Pakistani team played off conflicting U.S. interests on Afghanistan and non-proliferation in hopes of regaining U.S. favor without giving ground on its nuclear program. Meanwhile, the Soviet team was able to exploit U.S. conflicts and constraints to pursue bilateral talks with Pakistan and promote - largely for propaganda purposes - the idea of a nuclear free zone in the region. The India team, which moved towards a covert nuclear weapons program, generally supported Soviet initiatives. Citing China's nuclear weapons, India declined Pakistani offers of a nuclear standstill.

The predictive value of such exercises is limited, but several observations stand out.

OBSERVATIONS:On the United States:

1. Dilemma in U.S. Policy: Pakistani leaders effectively exploited the dual U.S. interest in Afghanistan and non-proliferation and the executive-Congressional tension over an aid cut-off; Soviet leaders made the most of the problems caused by an aid cut-off and a conflict in U.S. interest in non-proliferation and maintaining a strategic presence in the region.

2. Afghanistan remains U.S. priority: A solution in Afghanistan that denies Soviet gains as much as possible remains a more important objective than non-proliferation on the sub-continent - especially in light of the great difficulty which follows from implementation of current U.S. law limiting aid to Pakistan in certain circumstances. Developments in the game suggest that the severity of developments in Afghanistan might be used to ease Congressional constraints on Pakistan's aid despite advances towards nuclear weaponization, including new definitions of key language.

3. Catch-22 in certification: U.S. legislation on Pakistan not only poses the difficult task of certifying a negative, but also places an administration in a weak position. To prevent a cut-off of aid, it must gain assurances from Pakistan; to gain such assurances, it must offer Pakistan some certainty of Congressional action. A compromise is needed before circumstances overtake us.

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4. U.S. initiatives?: While the scenario posed a difficult set of circumstances, the United States team appeared to be in a vulnerable, and largely reactive, posture throughout the game.

The U.S. team undertook few initiatives on its own. Proposals that were raised but rejected ranged from 1) appointment of a special envoy on nuclear proliferation to 2) resort to the UN Security Council to 3) intervention - with India - to cripple Pakistan's nuclear facilities. And U.S. responses were sometimes tentative. For example, while the U.S. team embraced a Soviet proposal for a conference on a nuclear free-zone, it did so only with the intention of limiting it to the continent. The Pentagon's assertion that the deployment of nuclear subs in the Indian Ocean can not be altered in any way went unexamined.

On Pakistan:

5. Pakistan's pursuit of nuclear weapons: The Pakistan team demonstrated a consistent readiness to proceed towards development of nuclear weapons, stopping short of any step such as a test which would force a cut-off of U.S. aid. Pakistan appeared confident that the U.S. team - both the executive and legislative branches - would continue to adjust to steps towards weaponization as long as Pakistan stopped short of a test.

6. Pakistan's posture on Afghanistan: Pakistan retains a high threshold for conflict and internal tension in its search for a settlement in Afghanistan. The Pakistani team remained resolute in the face of a harsh Afghan-Soviet attack on Kamra (in retaliation for the downing of an Aeroflot plane near Kabul) and refused to budge for any offers that fell short of a settlement that would enable Pakistan to repatriate the refugees to their homeland.

7. Likely security assistance requests: Pakistan made generally predictable requests for U.S. assistance, including more AEW aircraft. After the U.S. aid cut-off, Pakistan sought to neutralize any abrupt Indian response by diplomacy. It also sought funds from Saudi Arabia while awaiting a resumption of U.S. aid.

On the Soviet Union:

8. Soviet advantages: In the wake of a cut-off of U.S. aid to Pakistan, the Soviet Union appears to hold more leverage in the region than the U.S. Although many of the Soviet team's initiatives on Afghanistan and non-proliferation were advanced for propaganda purposes, actions by the Soviet team generated considerably more attention and activity than U.S. initiatives. Bilateral talks between Soviets and Pakistanis did make some progress.

9. Soviet dilemmas: Despite a clear desire to find a settlement in Afghanistan, Soviet leaders were reluctant to make major concessions to set the stage for an agreement. While Soviet decision-makers singled out Afghanistan as a serious obstacle to enhancement of the Soviet Union's international stature, they conceded that several features of a proposal made to Pakistan amounted to window-dressing (ie., readiness to form a loya jurga).

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On India:

10. Indian choices: The India team opted for a covert nuclear weaponization program even before the exercise posed developments which moved both India and Pakistan closer to weaponization. China's nuclear weapons remained India's key concern. While generally acting to maximize its position on the subcontinent and minimize external influence, India generally supported Soviet initiatives.

ATTACHMENTS:

Tab A: Notes of post-game discussion

Tab B: List of Participants and Roles

Tab C: Scenarios for Moves I, II and III

cc: Ronald I. Spiers

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