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## PAKISTAN: SHORT-TERM PROBLEMS AND PROSPECTS

### NOTE

Assessing the prospects for Pakistan at this point is unusually tricky. This rather complex country has recently seen major and dramatic changes; it is almost certain to experience more. In the following, which is concerned principally with prospects over the next year or so, we make predictive estimates where possible, but we give greater emphasis to the various factors now at work by which future developments are likely to be determined. More specifically, this estimate goes to press only a few weeks before scheduled talks between Mrs. Gandhi and Bhutto, the outcome of which will be critical to future developments; we are less concerned with short-term predictions about these talks than with the likely implications of alternative outcomes.

Principal conclusions are summarized in Section C, Prospects and Contingencies.

At Annex is a brief description of Pakistan's constituent provinces and areas.

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## THE ESTIMATE

1. Defeated in war, beset with unrest, its eastern province lost, ruled by new leaders, Pakistan faces a most uncertain future. Some very difficult but unavoidable decisions by President Bhutto or a successor lie ahead, and will do much to determine the nation's future. Thus Pakistan's leaders must, in the next several months, attempt to respond to a variety of challenges including: making peace with India; preventing the breakup of the country; developing a new social and economic consensus; and creating and maintaining new viable political institutions. Success or failure in responding to any of these challenges will have considerable bearing on coping with the others. Further, many developments with respect to Pakistan will be determined by decisions made outside that country and over which it will have little control.

### A. MAKING PEACE WITH INDIA

2. India decisively beat Pakistan in the December 1971 war. India is militarily the stronger and will remain so; it is unlikely that Pakistan will be able to pose again as a serious

rival to India. Objectively, it is clearly in the interest of both parties that this fact be recognized and that a new and more realistic relationship on the basis of it be developed. For Pakistan this will require frank acknowledgment of unpleasant facts.

3. Four months after the fighting ceased, steps have been taken to open negotiations between the two countries. In April, special representatives of Mrs. Gandhi and President Bhutto met in Pakistan and drew up an agenda for a meeting—now scheduled for late May or early June—of the two leaders. Each side will, of course, initially present its most extensive demands. New Delhi will probably demand that Pakistan:

(a) Renounce its long-standing policy of confrontation with India, possibly by signing a formal "No-War" pact or by some other concrete act.

(b) Reach an accommodation on Kashmir. We cannot predict Mrs. Gandhi's demands on this issue; the public statements of many of her principal associates have

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been contradictory on this point. At a maximum, India could demand that Pakistan give up that portion of the old Princely State of Jammu and Kashmir it has held since 1949. At the other extreme, it could offer to go back to the pre-December 1971 situation, with both countries respecting the old ceasefire lines while maintaining their traditional claims to that contested area. Perhaps most likely, Mrs. Gandhi might insist that Pakistan accept the 1949 Kashmir ceasefire line, with some modifications, as an international frontier.

4. In addition, India can be expected to raise some subjects on behalf of its ally, Bangladesh, if Pakistan has not by that time formally recognized Bangladesh. India will propose that Pakistan:

(a) Recognize Bangladesh and accept it as a party to tripartite discussions on matters of interest to all three countries.

(b) Agree to discuss separately with Bangladesh representatives matters of concern to Pakistan and Bangladesh, such as the mutual repatriation of each others nationals and the division of prewar Pakistan's assets and liabilities.

5. As a negotiating tactic, India will probably initially insist that the return of prisoners of war (POWs) and the trials of war criminals are technical matters which can only be discussed in the light of an overall settlement. In return for a settlement, India can offer, inter alia:

(a) The return of captured Pakistanis, believed to number 70,000-90,000.

(b) An understanding that it will not turn over to Bangladesh all Pakistani prisoners accused of war crimes.

(c) Indian withdrawal from approximately 6,000 square miles of Pakistani territory in the Sind and Punjab.

(d) Various concessions on diplomatic and commercial relations.

6. Pakistan will probably initially demand that India:

(a) Return all of the Pakistani POWs immediately.

(b) Withdraw from occupied Pakistani territory.

(c) Require Bangladesh to abandon its plans for war crimes trials of POWs.

As a negotiating tactic, Pakistan will probably insist that discussion of a permanent settlement of Kashmir be deferred until issues relating immediately to the war are resolved. How strongly Pakistan is prepared to hold to this position remains to be seen.

7. To obtain a settlement, Pakistan can offer:

(a) Some minor rectifications of the Kashmir ceasefire line.

(b) Return of the some 600 Indian POWs.

(c) Pakistani withdrawal from some 90 square miles of captured Indian territory.

(d) Agreement to a "No-War" pact.

(e) Diplomatic and trade relations, possibly including an open border in Kashmir.

(f) Recognition of Bangladesh.

8. Relations between Pakistan and Bangladesh will inevitably affect the course of Indo-Pakistani negotiations. Bangladesh insists on its right to try at least those Pakistani soldiers against whom a *prima facie* case has been established. It also insists on its right to approve the return of the POWs to Pakistan. Finally, Sheikh Mujib insists that he will not talk with Bhutto until Pakistan has recognized Bangladesh. Pakistan contends that no recognition is possible until Bhutto and Mujib meet. Pakistan may modify that position in order to obtain an agreement to limit war crime trials, and Sheikh Mujib may

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compromise in order to obtain the release from Pakistan of some 40,000 Bengalis who have military or civilian skills important to Bangladesh.

9. How far are the antagonists prepared to back down or compromise on their respective demands? Some points could probably be negotiated without too much difficulty, particularly those which have not been longstanding emotional issues either in Pakistan or India. These are, for the most part, ones involving Bangladesh. The fact of the latter's independence is beyond dispute. The Bengalis have some leverage on the Pakistanis in the form of their threatened war crimes trials, but this is limited by the fact that all Pakistani POWs remain in Indian hands, and the Bengalis cannot take Indian support for their claims for granted. Pakistan's formal recognition of Bangladesh and agreement to negotiate on technical matters could probably be arranged.

10. The most intractable issue will probably be Kashmir, about which both countries have intense emotion and have spilled much blood and treasure during the past 25 or so years. With India militarily dominant and holding physical possession of the most valuable part of Kashmir, Mrs. Gandhi may feel she must use this opportunity to get a final resolution of the Kashmir issue. She would be particularly inclined to seek this if she thought failure to do so would weaken her newly acquired status as India's dominant political leader. Indeed, a no-compromise policy would almost certainly receive general public support, and would cost India little. Further, aware of Pakistan's many and serious internal problems, she may hope that a present or future regime in Islamabad will come under increasingly heavy domestic pressure (if only because of the POW issue or internal troubles) for accommodation closer to Delhi's terms.

11. On the other hand, Mrs. Gandhi may decide that a more conciliatory policy would be more in India's own self-interest. She knows that concessions on her part would strengthen Bhutto's domestic political position, and might encourage him to be more forthcoming in return. She almost certainly still distrusts Bhutto, but probably sees him as preferable to likely alternatives, calculating that a successor military regime would be even more hostile than Bhutto. Nor would the balkanization of Pakistan, with its likely attendant difficulties spreading to and involving neighboring countries necessarily be, in Delhi's eyes, a favorable development. Thus Mrs. Gandhi might believe that postponing final agreement on Kashmir's status would be preferable to pushing for immediate Pakistani submission to India's maximum demands.

12. Bhutto is playing from a much weaker hand and he knows it. He is aware of Pakistan's military and strategic weakness. He is probably personally prepared (given some negotiated benefits in return) to accede to most Indian and Bengali demands if he thought this would not lead to his own political destruction. Though theoretically he has immense power as President and chosen leader, his position at home is far from assured. His political future may depend on his ability to achieve the repatriation of Pakistani military and civilian POWs in Indian hands, to permit the return of nearly a million refugees at home to their lands now occupied by Indian and Pakistani troops still facing each other, and to end the present economic, political, and military uncertainties. Bhutto has already made some efforts which can be interpreted as preparing the Pakistanis to face the unpleasant realities which must accompany any settlement on such issues as Kashmir.

13. Bhutto has made extensive efforts to get support from the US, China, Arab and other Muslim states, the USSR, and the UN.

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These efforts have a variety of aims ranging from acquiring military supplies to getting international censure of Indian treatment of Pakistani POWs. He is also seeking to strengthen his weak bargaining position by acquiring as much outside support—military, economic, political, or psychological—as possible. The success of such efforts is problematical, save probably in assuring the continuation of enough foreign financial assistance to keep his economy going. Pakistani prospects in another round of hostilities would be extremely poor, though Pakistani hopes and Indian fears may lead both to self-deception on this point.

14. The Indians, for their part, are not likely to be much affected by the urgings of outside powers. So long as they are assured of strong Soviet support, possible threats by the Chinese will not concern them greatly. Further, Peking itself may be coming to view a defeated and truncated Pakistan as not worth an increase in tangible support, particularly expensive military equipment. It gave Pakistan little more than verbal backing during the December 1971 war. We know of no evidence, e.g., a step up in military supply or new political commitments by the Chinese, that would point in the direction of a more pro-Pakistani posture on their part. However, Peking has committed some \$50 million in light weapons and tanks to replace Pakistan's war losses. This would substantially re-equip two divisions. Past arrangements for purchases of military equipment have not been cancelled and some materiel is in the process of delivery.

15. Nor is the outlook very bright for Pakistan's being able to get non-Communist states to influence India to moderate its position. Potentially, India could be badly hurt by a total cutoff or embargo of economic assistance from the World Bank, the International Monetary Fund, and all the wealthy Western Powers. However, while the US suspended

uncommitted allocations of financial aid to India in December 1971 (\$87 million out of \$207 million) and has not lifted that suspension, none of the other aid donors have followed suit. They are not likely to do so, and so long as they do not, India will have an adequate cushion against the loss of American funds. New Delhi's angry public statements that it is both willing and able to carry on without any further US assistance are probably accurate reflections of the government's current attitude. Indeed, resentments of the US are so great that India, at least in the near term, would probably view with great suspicion almost any US approach. But with the emergence of new economic needs, and as the negotiating process evolves, this may change.

16. The only outside power with much positive leverage on New Delhi is the USSR, its only important backer immediately before and during the 1971 Indo-Pakistani war, the provider of most of its sophisticated military equipment, and an indispensable source of support against the potential military threat from China. Moscow's recent cordial reception of Bhutto caused some nervousness in New Delhi. Moscow will probably urge both the Indians and the Pakistanis to be forthcoming with one another at the negotiating table. But its leverage on Islamabad is limited, and the impact of its urgings on Mrs. Gandhi is open to question. For all their gratitude for past Soviet support, the xenophobic Indians remain inherently resistant to pressures by all outside powers. Further, Moscow, for all that it may desire a lessening of tensions in the subcontinent, probably values its good relations with India sufficiently that it would not risk jeopardizing them, say by urging unpalatable concessions on Kashmir.

17. Given the many obstacles, it can hardly be said that prospects for a comprehensive settlement are promising, even though both

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India and Pakistan are at the moment disposed to accentuate the positive in connection with the preliminary talks. They are probably doing so, each in the hope of improving chances of getting what they want as the negotiating process unfolds. Various Indian officials have voiced different attitudes in recent weeks—some soft, some hard—while Mrs. Gandhi herself has largely avoided comment; she may be content to let this go on until she meets with Bhutto.

18. It should be noted that both Bhutto and Mrs. Gandhi have, in the past, taken bold and unexpected initiatives, some of which have entailed considerable risk. Though there is no evidence that such will happen, they might, in their upcoming summit meeting, quickly come to terms and then present the fait accompli to their followers as the best possible solution. If they should reach an accord, they would follow it up with heavy pressures for quick ratification by their respective Parliaments before effective opposition had time to develop.

19. Barring such a speedy détente, and if India proves relatively inflexible, the best chance for an agreement would probably lie in Bhutto's skill and ability to make major concessions, particularly on Kashmir, which would not doom him politically at home. Bhutto's willingness to make concessions would be conditioned not only by his reading of his domestic strength and the Indian response, but also to some degree by how much hope he has for great power support in the courses he may choose. If he received indications that the Chinese or the US would back him in a stiff stand, he would be encouraged in that posture; conversely, support for him in making concessions would ease his way to do so, though not decisively.

20. A comprehensive settlement might prove impossible to reach. But Bhutto and Mrs. Gandhi might come to some kind of interim

and partial arrangement, say one which settled some immediate problems such as the POWs while deferring consideration of more basic ones, notably Kashmir. This would substantially ease tensions between the two countries in the short term and raise hopes for further agreements. But it would paper over certain basic differences and leave their ultimate resolution uncertain.

21. If there is no accord, the Pakistanis would be forced to accustom themselves to the present unhappy situation. The present cease-fire lines would become defacto borders with the Indians absorbing some new territory. Over time, specific agreements with the Indians and Bengalis on such matters as mutual repatriation of one another's nationals might be worked out. But antagonisms would remain, and these would create fears and problems in both India and Pakistan. At a minimum, Bhutto's or a successor regime would use the Indians as a scapegoat for anything that went wrong, or perhaps as an excuse to perpetuate itself in power during emergency conditions. The Pakistanis might even be tempted to prepare seriously for another round of hostilities, by seeking major military aid and by sacrificing domestic programs in order to permit a major rearmament effort.

## B. DOMESTIC CHALLENGES

### *Preventing a Breakup of the Country*

22. Many outside observers (not only Indians) have long described Pakistan as an inherently artificial country. The very name "Pakistan" was coined only in the 1930s. The country's initial raison d'être was to be a homeland of the Muslims in the former British Indian Empire. But beyond a fear of being ruled by Hindus, "Pakistanis" had little in common. From the beginning, important differences were evident between the inhabitants of the west wing and the Bengalis, and these

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of course culminated in the emergence of Bangladesh.

23. But at the time of its creation, "West Pakistan" was also a conglomerate of peoples of differing ethnic origins and languages, who had never before been united into a separate independent country. It consists of four provinces, Punjab, Sind, Northwest Frontier Province (NWFP), and Baluchistan, plus several lesser jurisdictions.<sup>1</sup> The area has also seen occasional autonomist and separatist movements. None of these has been comparable to the movement in East Pakistan, but the success of Bengali secession has given these forces some new hope and strength, particularly in demands for greater local self-government for minority communities. This has led to speculation that Pakistan itself may fall apart.

24. But there are strong forces working to keep it together. Ninety-eight percent of its people are Muslim and generally share fear of Hindu domination. Shorn of Bangladesh, Pakistan enjoys territorial contiguity. It has developed a well knit economic infrastructure; it is bound together by a relatively efficient transportation and communications network; there has been a considerable movement of peoples from one province to another. There has been resentment—sometimes considerable—of the majority Punjabis by the Sindhis, Baluchis, and the Pathans of the NWFP. But the differences and antagonisms between these groups are nowhere near as great as were those between them collectively and the distant Bengalis. Unlike the latter, West Pakistan's minorities have not come to consider themselves the victims of blatant exploitation and discrimination. The economic and industrial elite includes minorities. Both ex-Presidents Ayub and Yahya are Pathans and surrounded themselves with cronies from their

<sup>1</sup> See Annex for a more detailed breakdown of the peoples and political subdivisions of Pakistan.

own community; President Bhutto is a Sindhi, though the principal electoral support for his Pakistan People's Party (PPP) did come from the Punjab. The principal autonomist party in West Pakistan, Wali Khan's National Awami Party (NAP), won only pluralities in its centers of strength in the 1970 elections, in contrast to Mujib's overwhelming mandate in the east wing.

25. The strongest unifying force in West Pakistan has been its armed forces, particularly the army. Available evidence, not very complete, indicates that the military remains generally cohesive, national in outlook, and unsympathetic to secessionist demands. The Punjabis, being the majority community and a martial one at that, probably make up the larger part of the armed forces, but have never dominated it to the exclusion of other groups in what was formerly West Pakistan.<sup>2</sup> Though the military is suffering the shock of defeat, some internal dissension, and the stigma of the failures of the regimes of Ayub and Yahya, for internal security purposes it is still a potent force. Provided, of course, it is not shattered in further fighting or inhibited by the threat of Indian military intervention, it probably retains the will and ability to contain, if not crush, any serious secessionist movement.

26. The most likely threat to Pakistan's geographical unity would be a rebellion in predominantly Pathan (or Pushtu) sections of the NWFP. Such would probably be sparked initially by domestic considerations. For example, there could be an irreparable break between the NAP's Wali Khan, the NWFP's principal leader, and Bhutto. Both have so far avoided a break, and Pathan separatism still appears a comparatively weak force. The interim constitution's promise of substantial local autonomy to the four provincial govern-

<sup>2</sup> For example, the army's first Punjabi commander was appointed only in March 1972.

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ments may ease the situation in the NWFP and elsewhere.

27. Nonetheless there will remain the danger of some Pathans coming to view Bhutto as hopelessly antagonistic to them. If they were to rise in force, their chances for success would depend on whether Pathans now in the armed forces would remain loyal to the central government or join with the rebels. We do not know the percentage of Pathans now in the Pakistani military, nor can their loyalties in such a hypothetical crisis be forecast. If a substantial number both in the NWFP and in the army remain loyal to the central government, an uprising could probably be contained.

28. Outside intervention would change this outlook. In the past, the issue of the Pathans has occasionally troubled relations between Pakistan and Afghanistan, whose ruling elite are Pathans. Previous Afghan governments have denounced the present Afghan-Pakistani border (The Durand Line) as one arbitrarily imposed by the British Raj and unfairly dividing the Pushtu-speaking peoples; they demanded the creation of a separate "Pushtunistan". A decade or so ago, the dispute over this issue had become so bitter as to lead to a rupture of Afghan-Pakistani relations and a sealing of their border to commercial traffic. But even when relations were most tense, the Afghans were never able to trigger off serious trouble in the NWFP area. And since the mid-1960s, Kabul has put the Pushtunistan issue on a back burner and has sought amicable relations with Islamabad. Thus it did not attempt to stir up serious trouble in the NWFP during either the 1965 or 1971 Indo-Pakistani wars.

29. But the Afghan Government has recently made noises about the Pathans in Pakistan. Its efforts do not appear either very serious or effective. Rather the Afghans would

now probably prefer to see the NWFP quiet and a part of Pakistan, with the latter serving as a friendly Muslim buffer between Afghanistan and a powerful, potentially domineering Hindu India. But in the (now unlikely) event that the NWFP were to explode into widespread, protracted uprising, Kabul would find it difficult to refrain from giving material support to the insurgents. And were the Indians to overrun much of Pakistan, the Afghans would almost certainly try to take the NWFP, and possibly parts of Baluchistan as well. The prospects of Baluchistan or of the relatively unmarital Sind, on their own, seceding in the face of Pakistani military opposition will remain slight, though local (and particularly tribal) leaders may periodically make trouble.

#### *Developing Economic Policies and Social Consensus*

30. During the 1960s, the West Pakistani economy registered impressive rates of growth. The "Green Revolution" in agriculture, which resulted in sharp increases in production of food grains, led the way, but industrial development was also rapid. Foreign aid played a very important role in economic progress, but private entrepreneurs provided managerial skills, made substantial investments of their own, and received a very large share of the benefits; dissatisfaction with increasingly uneven distribution of wealth was a major cause of Ayub's fall. The political uncertainty prevalent since Ayub's fall, the loss of Bangladesh which had been a captive market for many west wing products, the March 1971 cutoff of new pledges of Western economic aid to Islamabad, and the war with India were painful to the Pakistani economy. Subsequent labor unrest and apprehension about Bhutto's policies regarding the private sector have further aggravated the economic situation.

31. The prolonged crisis in East Pakistan raised military costs substantially. But because

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the actual war with India in December 1971 lasted only two weeks, additional spending on that account was probably not very large. The small military aid deliveries from China and the Middle Eastern countries during the war were provided either as outright grants or on easy credit terms. However, replacement costs of the equipment lost will be considerable. Pakistan's military hardware at the war's outset probably was worth about \$800 million at current prices. As much as \$200 million worth of equipment was destroyed, captured, or otherwise expended by 17 December; the Pakistani military inventory in the east wing was a complete loss. India's blockade of Karachi virtually halted Pakistan's foreign trade for a short while and Indian bombing damaged Karachi's petroleum installations, but few other industrial sites apparently were hit. Preliminary estimates by Karachi officials put the repair costs for petroleum facilities at \$25 million. Reconstruction of these facilities could take about two years. In general, though, daily economic activity was affected relatively little by the short war.

32. Pakistan does not appear to be facing an imminent economic crisis. It has a sounder economy than many other states in the underdeveloped world. There is much less population pressure on the land in Pakistan than in India and Bangladesh. It is still principally a rural country; 80 percent of its people live on the land and are more or less cushioned from the economic impact of wars, commodity shortages, and sudden unemployment. Further, its agricultural sector is, relative to other South Asian countries, a healthy one. Save in years of unusually bad weather, Pakistan is virtually self-sufficient in food grains and is also an exporter of such commodities as cotton for which there is considerable world demand.

33. Balanced against this favorable picture is the fact that export earnings, reduced by the loss of East Pakistan, are insufficient to

pay for needed imports of some consumer goods, fertilizers and pesticides for the farmers, and necessary materials for the industrial sector. This trade gap in the past has been mostly covered by large amounts of foreign aid. The latter has helped Pakistan both to raise agricultural yields and to develop a moderately large complex of industries which mostly produce consumer goods. Of these the textile industry is the largest and most important; despite the Bengali crisis and the war, this industry has so far continued to expand its exports. Others, including chemicals and drugs, have done less well in the last year. Most industries still depend to a considerable degree on foreign economic assistance for raw materials, machinery, and the like. The uncertainty of future foreign aid along with the loss of East Pakistan has affected some industries adversely, though not to a critical extent.

34. Overall, in an economic sense Pakistan has not suffered greatly from the secession of the east wing or the March 1971 cutoff of new foreign aid commitments. It has weathered the storm by getting some aid disbursements from wealthy Middle Eastern countries, by cutting back on imports, by redirecting and increasing exports which formerly went to the east wing, by unilaterally declaring a moratorium on its large debt to foreign governments, by drawing down somewhat on its foreign exchange reserves, and by using the commodity aid previously committed and in the pipeline. It has also cut back on developmental projects. These measures began during Yahya's rule, but have been and will be pursued for some time by Bhutto.

35. Bhutto's government is trying to improve its financial situation by reaching agreement with principal aid donors on an interim debt renegotiation, and by getting new pledges of foreign aid—particularly commodity assistance. Most such aid that was in the pipeline

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in March 1971 will have been spent in the next year or so. Though some type of exchange reform is a major prerequisite for fresh aid commitments, Bhutto's success or failure in obtaining aid will depend in large part on decisions beyond his control. In particular, the position of the US, long Pakistan's principal source of foreign aid, will be of major importance in this respect. Bhutto's achievements in getting further debt moratoria and foreign aid will of course have their impact on Pakistan's economic prospects, but the effects are likely to be seen only slowly. The consequences of positive or negative decisions on foreign aid will be apparent only in a gradual improvement or a slow deterioration in the overall economic picture.

36. Over time, the Pakistani Government must make some hard domestic economic decisions of its own—and these could precipitate changes in the body politic. It must decide how far and how fast to impose populist reform measures Bhutto promised during the election campaign of 1970. Pursued skillfully and moderately, such measures could result in a greater sense of public participation, while permitting the continued use of private managerial and entrepreneurial skills already in existence. To date, Bhutto has acted with considerable caution. He has promulgated a number of measures including government takeover of some industries, a new labor code, arbitrary punishment of some industrialists, and land reform. Most of these have been more cosmetic than real, and were apparently meant to satisfy the expectations of many of his followers without seriously affecting the economy. Nonetheless the possibility will remain that he or a succeeding government will adopt measures of more fundamental consequence, particularly as the demand grows for a more equitable distribution of the nation's wealth. The government could, for example, impose a land reform so sweeping as to cut

holdings to inefficient size and grievously reduce agricultural output.

37. The Pakistani Government must also make extremely difficult decisions about how much to allocate to armaments and military purposes on the one hand, and to reform programs on the other. Pakistan cannot afford to increase spending on expensive new armed forces, and simultaneously to embark on such costly programs as expanded medical and education benefits. Yet the pressures to do both remain strong and the conflict must eventually be resolved. The Pakistani armed forces remain a formidable political force. Bhutto was brought in as President and Martial Law Administrator by high-ranking military officers after they had dismissed Yahya.

38. Since then Bhutto has moved to establish civilian pre-eminence over the military. Both he and Pakistan's Defense Secretary have stated their desire to reduce the excessive military burden on the economy. However, there will still be pressure on the civilian government to give priority to military needs, which if unsatisfied could precipitate an attempt at a military coup. A military coup may indeed happen anyway, say if Bhutto were assassinated, if public unrest became endemic as it did in Ayub's last days, or if relations with India deteriorate. In any event, the guns vs. butter issue will remain one of the most important and difficult that Pakistan will face. China's continuing willingness to supply at least basic arms at existing levels on a grant or soft loan basis will to some extent help ease this problem.

#### *Creating New Viable Political Institutions*

39. Pakistan has not enjoyed an enduring political system. Its creator and only really unchallenged leader, Muhammed Ali Jinnah, died within a year or so of the country's be-

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coming independent. After years of futile wrangling by civilian politicians, Ayub took over in 1958, ruling first under martial law and then under a presidential system. In 1969, he was forced to give way to a martial law regime under Yahya Khan. But the new ruling regime of Bhutto and the PPP has advantages not enjoyed by its predecessors. They no longer have to cope with the Bengalis, who were not integrated into the political system and who ultimately could not be held in subjection. The new national Parliament, in which the PPP has almost a two-thirds majority, is the first in independent Pakistan's history to be directly chosen in a free election. This popular mandate has given Bhutto and his government a legitimacy their predecessors always lacked.

40. But the long-term tenure of Bhutto and the PPP is hardly assured, despite its large majority in Parliament. The party itself is new (it was only formed in late 1967) and inexperienced. Its discipline and continued loyalty to Bhutto is open to question. It has virtually no national organization or tradition of united action. It contains many mutually antagonistic interests—ranging from wealthy landlords through middle class bureaucrats and businessmen to a variety of reformers and radicals. Many party MPs are independent-minded leaders who were hastily recruited for the campaign on the basis of their own local power and prestige rather than for their allegiance to Bhutto. The PPP members in Parliament are almost certainly split on how far the government should go in carrying out its pledges of drastic social and economic reforms. So long as Bhutto ruled under martial law, these intraparty differences were of lesser moment, but the 21 April termination of martial law brings on a new situation. Indeed, uncertainty about the PPP's cohesiveness, discipline, and loyalty was probably a principal reason for Bhutto's creation of a constitutional system allowing him to rule as President endowed with strong powers.

41. In power, Bhutto has proven himself more skilled, adroit, and flexible than many had believed he would be. In three or four months, he has successfully weathered a host of crises with considerable ability, and has shown great adeptness in compromise and conciliation. But his troubles are hardly ended. He remains an emotional and erratic individual with a tendency to say one thing one day and another the next. His backers' loyalty is suspect and his tasks—international and domestic—are enormous. His biggest stumbling block is achievement of a settlement with India that Pakistanis consider honorable. If he succeeds in this, his chances of easing regional dissatisfaction, reforming the social structure, upgrading the country's financial standing, keeping the army happy, and maintaining control over his own party would probably be improved.

42. There are now no readily apparent civilian alternatives to Bhutto. There is no one else in the PPP who could challenge him or take his place, though this may change over time; a leader of one faction—alone or in cooperation with other parties—might eventually succeed him. Wali Khan aspires to national leadership but so far his strength is only in the NWFP and Baluchistan; to be a viable national leader he would have to win over the support of the left wing of the PPP. The leaders of the fragmented offshoots of Jinnah's Muslim League have been discredited by the mistakes of the pre-Ayub and Ayub eras; they have a long way to go before they can hope to challenge Bhutto.

43. If Bhutto were to fall—for whatever cause—a military takeover would be probable, eventually if not immediately. Our knowledge of the comparative strengths and differing political attitudes of those in the Pakistani armed forces is scanty. Pakistan might again be ruled by a clique of high-ranking, conservative officers as it was in

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Ayub's and Yahya's days. On the other hand, the takeover might be engineered by more junior officers with outlooks similar to the Nasser and Qadhafis of the Arab world, i.e., nationalist radicals with programs not unlike those of Bhutto himself. Whatever its economic and social policies at home, the chances are that a new military regime would work to strengthen the armed forces, and might take a more uncompromising line against India.

### C. PROSPECTS AND CONTINGENCIES

44. In sum, while Pakistan must face pressing challenges and now appears unlikely to resolve all of them satisfactorily, it does not necessarily face disaster. The principal stumbling block to a peace settlement will probably be the Kashmir issue; ranking just behind it is the Bangladesh demand that certain Pakistani prisoners be tried for atrocities. Both Bhutto and Mrs. Gandhi are capable of decisive action. With a mixture of statesmanship and luck, a comprehensive agreement might be reached, but the odds do not favor it. An interim arrangement on some immediate issues might be reached, however. This would substantially ease tensions in the short term, but would leave the final resolution of basic differences uncertain. Without an accord, the Pakistanis will be forced to endure their present difficult situation.

45. Pakistan's new civilian political system, with President Bhutto as its dominant figure, would not automatically be threatened by a breakdown of Indo-Pakistani peace talks. Given the many variables, we cannot estimate with any confidence Bhutto's ability to bring off what is necessary to keep him in power. His future depends on his ability to negotiate

with India in a manner which is acceptable to the Pakistani people; and to deal effectively with Pakistan's social, economic and political problems. It is not yet clear if he will be able to avoid the many pitfalls in his path. If he fails, he will most likely be succeeded, eventually if not immediately, by a regime dominated by military figures.

46. There are certain possible developments which could worsen the prospects suggested above. A renewal of hostilities followed by Indian occupation of large parts of Pakistan would be the most dramatic and decisive threat to that nation's future. Or Pakistan might find itself grievously weakened by internal strife. Civil war, stemming from ethnic/linguistic antagonisms is not impossible; if this happened, the armed forces might split on such lines and cease to be effective. Another contingency would be a sharp deterioration of economic conditions leading to mounting unemployment and unrest even in rural areas. These developments in turn could lead to the eruption of serious domestic turmoil on class lines, and a failure of central authority.

47. On the other hand, a sequence of favorable developments could conceivably bring Pakistan a brighter future. Two conditions would probably be required for this: an acceptable and amicable settlement with India and the achievement of a stable political consensus—which could occur under Bhutto, another civilian, or an effective military regime. For longer term political health, Pakistan, would also have to adopt measures both conducive to economic growth and responsive to public demand for a greater degree of social justice than it has had in the past.

[Omitted here is an annex describing the four provinces of Pakistan.]