

MEMORANDUM

NATIONAL SECURITY COUNCIL

INFORMATION

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April 24, 1972

MEMORANDUM FOR: DR. KISSINGER

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SUBJECT: India's Postwar Foreign Policy

CIA's Office of National Estimates has produced a useful snapshot of where India seems headed in the near future both regionally and with the Great Powers (paper attached). This memo summarizes its major points and suggests some policy implications. We see this memo as a backdrop for one we shall send you shortly on the Indo-US dialogue.

India's Postwar Foreign Policy

The CIA paper opens by noting that the principal concern of Mrs. Gandhi and her colleagues will continue to be domestic rather than international affairs. On the one hand, she has taken little publicized major steps to tighten control over her party. On the other hand, she is "committed as no Indian government has ever been to an extensive -- and expensive -- program of social welfare and equity reform measures at home."

Nonetheless, the Indians do have international aspirations which they feel have been brought within their reach by the military triumph over Pakistan. While still faced with significant constraints, it appears that India is embarking on a more confident and somewhat more assertive foreign policy. The constraints it faces are the inadequacies of its own resource base, its substantial internal problems and the actions of the major powers.

Relations with Neighboring States

India's first order of business is to clean up issues arising out of the war: principally to cement ties with Bangladesh and to redefine relations with residual Pakistan. These are not easy matters and will take some time to resolve.

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--India has consciously lowered its profile and presence in Bangladesh but has no intention of disengaging. Even with all the foreseeable strains that may develop, there is almost no chance that any other power could displace Indian domination over Bangladesh. India's close transportation links and growing economic ties in addition to cultural and psychological bonds give India a decisive edge. The Indians could be expected to react strongly against efforts by any outside power -- even the Soviets -- to establish a commanding influence in Bangladesh, which they have every intention of keeping within their own orbit of influence.

--Mrs. Gandhi clearly wants to exploit Pakistan's crushing defeat to resolve problems far beyond those directly connected with the fighting -- agreement on a Western frontier, settlement of the Kashmir dispute in India's favor, ending the arms race. She does not, however, appear to be actively seeking the disintegration of Pakistan into its constituent ethnic elements. (Some observers, of course, disagree with this conclusion.) But even if peace talks begin soon, the road to settlement will be long and arduous and Mrs. Gandhi will not be inclined toward magnanimity.

--India regards the smaller states around her -- Ceylon, Nepal, Afghanistan -- as a "special preserve" and is sensitive to great power actions concerning them. If, for instance, Mrs. Bandaranaike's regime continues to give the appearance of leaning toward the U.S., New Delhi would be likely to react in some fashion, using tactics ranging from propaganda denunciations to more drastic steps. The same, of course, would be true if Nepal would lean more toward China than in the past.

--India's weight is also likely to be felt more forcefully in the Indian Ocean. New Delhi will continue to decry the presence of great power naval vessels in the Indian Ocean, but will continue to build up its own naval strength which already far out classes that of the other states in the region. It would not even be surprising if naval maneuvers figured increasingly in the Indian style of dealing with smaller nearby littoral states.

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India and the Great Powers

The basic fact is that the Indians are suspicious of all great powers -- even the Soviets -- and chafe under their dependence on the more developed countries. Mrs. Gandhi's reaction to our actions during the war has further reinforced her inclination to seek greater independence of action.

--India's relations with the USSR will continue to be close. The Soviets, at a minimum, remain an indispensable source of support against the potential threat from China and a source of sophisticated military equipment, as well as a helpful friend in other respects. India is, therefore, likely to go along with Moscow as long as its vital interests are not involved, although this does not mean that they will accede to every Soviet demand. Despite the closeness of this relationship, New Delhi probably does not consider it has a complete congruence of interests with Moscow. CIA, for instance, does not think that the Indians would -- unless both in serious trouble and under very strong pressure from Moscow -- agree to grant unrestricted access to port and servicing facilities for Soviet Indian Ocean naval units. India will also view with suspicion Soviet efforts to repair their relations with Pakistan and to build an influential position in Bangladesh.

--The war revived India's fears of China and its deep suspicions that Peking is bent on limiting Indian power in the subcontinent. Despite this situation, the Indians would welcome some improvement in their relations with China.

--The Indians do not appear inclined to take the initiative to improve relations with the U.S. for some time to come and will probably not be very responsive to U.S. efforts to improve relations. In general, Mrs. Gandhi thinks that it is up to the U.S. to make peace with her and not the other way around. On the other hand, while willing to see Indo-U.S. relations continue on at their present low state for some time, Mrs. Gandhi does not want to destroy ties to the U.S. completely.

--Although India does not need foreign aid as much as in the past, it still cannot afford to go it alone while repaying its outstanding indebtedness. It is possible that rather than ask the U.S. to resume economic assistance, India will attempt a moratorium on interest and debt repayments or even effect default on all or part of foreign debt as Pakistan did.

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Policy Implications

This CIA analysis of the current Indian scene provides a convenient base from which to state several thoughts on our policy toward South Asia now. Briefly these are:

1. The most compelling conclusion is that it may simply be too soon to begin a meaningful Indo-U.S. dialogue. If CIA's analysis of the Indian attitude is close to correct it is hard to see a real dialogue at this point producing anything other than more strain. Perhaps what is needed first is a more gradual repair job with softer words on both sides and measured actions until we reach the point where the past can really be put behind us and the "dialogue" can focus on the future.
2. There has been no substantial qualitative change in the Indo-Soviet relationship as a result of the war. The so-called "special relationship" is rooted in interests on both sides as are the limitations involved. India has a much greater will and capacity to resist Soviet encroachments on its independence of action than do the Egyptians, for instance. This does not appear to have been changed significantly by the precipitous decline of our position in India and presumably would not be changed much by a corresponding improvement in Indo-U.S. relations at this point. This would suggest that we have some time to work with and that any counter we might pose to the Soviets will evolve only over time.
3. We seem almost bound to bump into Indian interests in the small peripheral states. There is a new fear of "Indian imperialism" in these states (including Bangladesh) and it is rational for them to look to us as a counter. Given our bilateral difficulties, the Indians will be unusually sensitive to actions we take with respect to Ceylon, Nepal, Afghanistan and Bangladesh, in addition to the obvious Pakistan.
4. There is probably little we can do directly with India in the short run to help Pakistan in negotiating a peace settlement beyond providing economic support to help Bhutto hold Pakistan together and whatever we might persuade Moscow to do with India. India has the high cards -- territory and POWs -- and is most unlikely to listen to what we might have to say on how to play them. In fact, our advice could help to trigger just the opposite response than we might be seeking. The next few weeks will provide a major test of India's long-range interest toward the integrity of Pakistan as we see how far the Indians are willing to go in making it politically feasible for Bhutto to come to terms.