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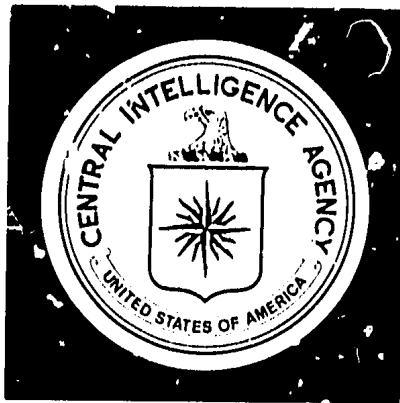
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DIRECTORATE OF  
INTELLIGENCE

# Intelligence Memorandum

*Indo-Soviet Relations*

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88

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# *Indo-Soviet Relations*



Irritants have developed in the Indo-Soviet relationship during 1972. The USSR's popularity in India seems to have peaked in the second half of 1971 with the signing of the Indo-Soviet Treaty of Peace, Friendship, and Cooperation and the full display of Soviet support for India's efforts to free Bangladesh.

Since then, India's recurrent nightmare of big power interference, fixed on the US and China during the 1971 war with Pakistan, has begun to home in on the Kremlin. President Nixon's trips to Peking and Moscow aroused New Delhi's fears, never far from the surface, that arrangements detrimental to Indian interests were being negotiated.

Nevertheless, the leaders in New Delhi believe that Indian and Soviet views on South Asian political dynamics are still compatible in the broadest sense and that, at least in the short run, India's interests are best served by maintaining close ties with Moscow. The Soviets have discovered that the Indians can be very scratchy partners, but are apparently willing to put up with them as long as they serve Soviet interests in the area.

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**CENTRAL INTELLIGENCE AGENCY**  
Directorate of Intelligence  
4 December 1972

**INTELLIGENCE MEMORANDUM**

**Indo-Soviet Relations**

**Historical Development**

An undercurrent of suspicion has marred Indo-Russian relations since the days of the British Raj when London's proconsuls played the Great Game to thwart Czarist ambitions on the subcontinent. After British troops departed in 1947, the threat posed by a hostile Pakistan was India's first concern abroad. Next in line stood the Soviet Union. With India protected from China by the Himalayas, the USSR was seen as the only other country that might present a real challenge to Indian interests.

Strains between Indian and Soviet leaders had developed as early as the late 1930s and early 1940s. While Nehru and other Congress Party figures were in British jails for their part in the independence movement, the Moscow-supported Communists, after Hitler's attack on Russia, were backing the British war effort and in the process gaining strength at the expense of the imprisoned Congress leaders. After independence, the Communists were in active and often violent opposition to the new government. Although the Communists have since adopted milder tactics, Indian leaders remained chary, finding it difficult to forget Moscow's support of Communist efforts to incite violent revolution in the immediate post-independence period.

Up to the mid-1950s relations between India and the USSR were generally correct—limited to trade, cultural, and unexceptional diplomatic exchanges. Then, after the death of Stalin, the Soviets fastened on India as a major target in a new foreign policy aimed at limiting Western influence in the underdeveloped world. Prime Minister Nehru was invited to Moscow in June 1955, and Moscow won a return trip for Bulganin and Khrushchev the following November and December. During this visit Khrushchev first declared his country's support for India's stand on Kashmir. The Soviet move came when New Delhi was particularly receptive to approaches from new

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friends with fresh support. Pakistan had just joined SEATO and was about to join the Baghdad Pact—later to become CENTO. As Pakistan was moving toward the US, difficulties were beginning to cloud New Delhi's relations with the Chinese Communists.

In the late 1950s and early 1960s, while India's relations with China were going from bad to worse and the Sino-Soviet ideological dispute was intensifying, Indo-Soviet relations were growing more cordial. Nehru's official position did not change. He maintained that India's security was best protected by its role as a buffer between superpowers, and he opposed formal alignments or military pacts. Nevertheless, the Indians leaned more heavily on the Soviet Union as their border problems with the Chinese increased. Many Indians managed to convince themselves that, in the event of real trouble with the Chinese, the Soviet Union would offer active support.

When the Sino-Indian border war erupted in 1962, Indian expectations were not fully realized. Although the Soviets continued to supply military and economic aid and let it be known that they would build a MIG aircraft factory in India, they did not give the kind of dramatic support New Delhi had hoped for. The Soviets avoided taking sides as long as possible (they were coping with the Cuban missile crisis at the time); then they issued a pro forma statement in favor of China. This statement, coupled with the rapid and humiliating defeat suffered by Indian forces, continuing Chinese hostility, and Pakistani-US friendship, led Nehru to declare that India must "have adequate armed strength." Not wishing to be only a pawn in big power politics, Nehru's government began to revamp national priorities so as to achieve effective military and economic power as soon as possible—the ideal of self-reliance which his daughter Indira Gandhi would proclaim as Indian policy nine years later.

The achievement of self-sufficiency is a long process, and even as Nehru worked toward that goal, the nation was drawn into closer involvement with the Soviet Union. In February 1962, the Soviets shipped India four of an initial order of 12 MIG-21 fighters, and work began on a complex of MIG assembly plants in India. In September 1964, the Soviets confirmed their readiness to assist in the construction of the huge Bokaro steel plant and to boost further their stock with the Indian Government they continued to admonish the Indian Communist Party to follow a peaceful, parliamentary path. Meanwhile, tension persisted along the Sino-Indian border, and India engaged Pakistan in a brief and inconclusive border fracas over a dispute in the Rann of Kutch—a remote area near the southern terminus of the Indo-West Pakistani border.

-2-

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By mid-1965, the Soviet Union was India's major source of diplomatic and military support. When a full-scale Indo-Pakistani war broke out in September 1965 the "special relationship" looked good to New Delhi. Unlike the US and Great Britain, the Soviet Union continued to give military aid and other support. Total support, however, did not last long.

Moscow, in the person of Premier Kosygin, was soon calling for an immediate cease-fire. Once the war was brought to an end, Moscow moved further away from New Delhi in an obvious effort to improve its credentials as a mediator at the Tashkent conference. Moscow's motives in doing this were a mixture—a desire to be seen as a peace-maker, a recognition that India's continuing ties with the US and UK had not been appreciably loosened, and a wish to improve its standing in Pakistan and weaken that country's growing dependence on China.

The new Soviet strategy, seen in New Delhi as an attempt by the Soviets to develop Pakistani at the expense of Indian power, led to a Soviet decision in July 1968 to supply military aid to Pakistan. The reaction in New Delhi was predictably negative, but stopped short of open denunciation. Although the Indians kept up a steady stream of protests, they could not ignore their need for Moscow's unqualified support in the UN for their claims in Kashmir. New Delhi continued to side with Moscow on issues vital to Soviet interests. Thus, New Delhi refused to condemn the Soviets for the invasion of Czechoslovakia and in April 1969 came out in support of the Soviets in their border dispute with the Chinese.

Still, New Delhi did not actively support Party Chief Brezhnev's suggestion for a system of collective security in Asia, and in mid-1970 the Indians suspended discussions on a possible Soviet-Indian friendship treaty.

During 1970, Indian concern over the Soviet role on the subcontinent grew. The fundamental difference was over Soviet arms to Pakistan, but friction appeared in several relatively minor areas. Problems cropped up, for example, over the administration of economic and military aid, over the continued publication of official Soviet maps that showed disputed areas on the Sino-Indian border as belonging to the Chinese, over the Soviet Union's construction of a cultural center in the south Indian city of Trivandrum without informing Indian officialdom, and over India's hesitation in taking a stronger public position in favor of Soviet positions on Vietnam and the Middle East.

At the same time, the Soviets were complaining of the Indians' inability or unwillingness fully to utilize Soviet aid. As a result of poor management, strikes, and lagging production of domestic components, some Soviet-aided

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plants were not being completed on schedule and others were being inefficiently operated. The recession in 1966 had led conservative Indian fiscal administrators to hold down government investment. Lagging investment sharply curtailed the use of Soviet economic aid earmarked for the construction of heavy industrial plants. Moreover, reduced government demand for investment goods among other things caused many completed plants to operate below capacity, further reducing the need for the type of aid the USSR was furnishing. Moscow's refusal to allow New Delhi to reallocate project aid to import industrial raw materials meant that more than \$200 million of Soviet credits were not allocated. The Indians must have compared Moscow's stipulations unfavorably with Western economic assistance where non-project aid made up about 85 percent of the total.

Despite all these difficulties, the Indians remained dependent on the Soviets for advanced weapons. Since Soviet military aid to India was first initiated in November 1960, Moscow has delivered more than \$1.1 billion worth of equipment. These deliveries, which averaged over \$130 million annually after 1965, include MIG-21 jet fighters, SA-2 surface-to-air missiles, MI-8 helicopters, OSA-class guided missile patrol boats and tanks.

#### A Wartime High Point

In 1969 the Soviets concluded that their attempt to curry favor with Pakistan was losing them more good will in New Delhi than they were gaining in Islamabad. Military aid deliveries to Pakistan were accordingly suspended, and by 1971 the Soviets were restricting themselves in Pakistan to economic development projects. As a result, the leaders in New Delhi again convinced themselves that Moscow would support them in a serious confrontation with Pakistan. While their experience indicated that Moscow would prefer a quick and peaceful means to defuse the explosive Indo-Pakistani situation, Mrs. Gandhi seemed confident that she would be able to obtain Soviet support once the Kremlin leaders understood there was no alternative to war. She was right. In the event, the Soviets decided not to risk their "special relationship" in a futile effort to prevent war.

As events on the subcontinent moved inexorably toward full-scale hostilities, New Delhi took steps to coordinate its diplomatic and defense strategies with Moscow. In addition to ensuring a continuing flow of military supplies, Indian strategists were anxious that all precautions be taken to guard against Chinese intervention. The Soviets were in a position to offer assurances in regard to both.

Throughout the summer of 1971, Soviet arms shipments continued to arrive in India. The significance of this aid could not have been lost on

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Peking. Indian strategists had already calculated that winter weather in the Himalayas would make it difficult for China to engage in diversionary action along the border, and Peking's less than vigorous public support for Islamabad increased Mrs. Gandhi's confidence. Nevertheless, the Indian prime minister was anxious to obtain a commitment from the Soviets that would leave the Chinese no room for doubt that Moscow would protect its client.

To this end, she suggested in the summer that the friendship treaty first proposed by the Soviets in 1969 be dusted off for early signature. Moscow, only too anxious to accommodate Mrs. Gandhi on an arrangement that provided long-term gains for the Soviets, quickly agreed. The Indo-Soviet Treaty of Peace, Friendship, and Cooperation was signed in August. It called for immediate consultations in case either India or the Soviet Union were attacked or threatened, and for both sides to refrain from giving assistance to any third power engaged in an armed conflict with the other. Thus, India secured Moscow's written promise that in the event of Indo-Pakistani hostilities, Soviet assistance to Pakistan would stop. New Delhi also had the commitment it needed to counteract the Chinese. Although billed to continue for at least 20 years, the treaty preserves a certain flexibility for New Delhi by providing for mutual consultations in the event of differences over interpretation.

In the months that followed its signing, abundant evidence of increased cooperation appeared, including an exchange of visits by Indian and Soviet government leaders undertaking full consultation prior to the outbreak of hostilities. This show of amity was capped by a conspicuous military airlift in November.

When war finally erupted in December, Soviet support for India was all that the leaders in New Delhi could have desired. The Soviets had already stocked the Indian arsenals and most likely promised to replace materiel lost in the war. In addition, Moscow promised to veto any draft submitted to the UN Security Council that called either for troop withdrawal before the Indians had accomplished their objective or for a political settlement that was not acceptable to the Bengalis. Finally, the Kremlin's propaganda machine was turned up full blast on behalf of New Delhi, and warnings to "outside powers" to stay out of the conflict were beamed directly at Peking. For their part, the Soviets asked two things—that the Indian armed forces accomplish their goals quickly and that they confine their objective to the liberation of East Pakistan, i.e., that they forego the destruction of West Pakistan.

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**But Problems in Peacetime**

The "special relationship" may have hit its peak during the war. Almost as soon as the fighting stopped, old suspicions and differently perceived national interests re-emerged. Soviet offers to act as a go-between were interpreted in New Delhi as a sign that Moscow was eager to revert to the role of mediator by loosening its ties with India and weaning Pakistan away from China and the US. The Indians made it clear that peace negotiations would be carried out by the principals alone and that third-party interference—Soviet, UN, or other—would not be welcome. They were quick to take offense at any Soviet action that could be interpreted as pressure on them to settle affairs with Pakistan. Mrs. Gandhi's frequent and derogatory remarks about the sinister machinations of "big powers," although aimed primarily at the US, appeared to be warnings to the Soviet leaders as well. For the most part, Moscow has gone along with India, but the Soviets have found it difficult to refrain from low-keyed efforts to push India, Pakistan, and Bangladesh to some sort of formalized acceptance of their new relationship.

Celebrations held in India in August 1972 to commemorate the signing last year of the Friendship Treaty were kept to a minimum. Mrs. Gandhi paid tribute to Indo-Soviet friendship, but she described the treaty as a "benefit to the rest of the world" and was careful to highlight the unusual circumstances—"when our nation faced a major challenge"—surrounding its signature.

There have been other irritants. Although there has been a dutiful increase in Indian appearances at Soviet-sponsored commemorative occasions and at Communist-front meetings, New Delhi has not failed to notice, with growing alarm, that Soviet consular officials are now more in evidence outside the capital city and, that, building on their established base within the leftist press, Soviet representatives are placing news stories in publications not previously open to their material. Two Indian wire services recently agreed to exchange materials with TASS, and TASS news photos for the first time are being used in other than the pro-Moscow publication, *Patriot*. The Soviets inaugurated a new House of Soviet Culture in Madras in February; in April the Trivandrum cultural center opened, although with an all-Indian staff; and construction is continuing on a new cultural center in Calcutta. There has been a country-wide increase in new Indo-Soviet cultural societies and more Soviet-sponsored cultural events.

This has, of course, led to the presence of large numbers of Soviets in India. Indian statistics indicate that approximately 5,350 Soviet nationals are now in the country. [redacted]

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Old annoyances have cropped up again this year. The Soviets have not stopped publication of official maps showing territory claimed by India as belonging to China. Indian trade union leaders are concerned at what they see as Soviet-inspired pressures to replace Western contacts with ties to the Soviet Labor Federation. Top armed service personnel—the majority of whom are western oriented—have revived their chronic complaint that the Soviets refuse to give India the best arms; Moscow, they say, goes on substituting quantity for quality.

Strains are continuing in the economic relationship. Despite frequent high-level economic contacts and new intergovernmental economic agreements, on a long-term basis, Moscow's capacity to absorb increasing amounts of Indian consumer goods is questionable. Moreover, India's demand for non-military Soviet manufactures has already stagnated due to New Delhi's own excess industrial capacity in sectors competitive with Soviet exports.

Although the Soviets have agreed to provide limited amounts of key items such as fertilizers, non-ferrous metals, petroleum and chemical products, the record suggests that the Indians will continue to face hard bargaining on these items. There is no evidence to suggest that the much-vaunted Joint Commission on Economic, Scientific and Technical Cooperation, established in Moscow last September, will elevate economic coordination much beyond previous levels.

Meanwhile, Soviet aid deliveries are also stagnating.

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Relations between the Ruling Congress Party and the pro-Moscow Communist Party of India, which had been one of Mrs. Gandhi's main sources of support, have deteriorated. The Communists have adopted a critical attitude toward the Congress Party government. Their aim is to appear as vigorous champions of the poor and disadvantaged with an identity separate and distinct from the Congress Party, and while they do not seek primarily to denigrate Mrs. Gandhi, she does not fully appreciate the distinction and is indignant. The Communists' new position reportedly was

-7-

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approved by Moscow, probably with a view toward placating party activists, but it has reminded Mrs. Gandhi that the Soviet Union has interests in India that do not coincide with those of her government or her party. She is certainly wary of Soviet contacts with Indian Communists, and her intelligence service keeps a close eye on such things.

Yet the thorniest issue in Indo-Soviet relations during 1972 was the Kremlin's decision to welcome President Nixon to Moscow for summit talks. The Nixon visit, on the heels of new US moves in Vietnam, was particularly galling to New Delhi because it was interpreted as another example of the willingness of the big powers to reach accommodations at India's expense. More to the point, New Delhi had come out strongly against US bombing and mining north of the 17th parallel, doubtless believing that Moscow was preparing to react sharply and scuttle the summit. The Indians found themselves way out on a limb, and they resented Moscow's failure to keep them informed. Soviet leaders met with their Indian counterparts in a hurried attempt to soothe the Indians, but it is doubtful that New Delhi was satisfied.

The Indians remain suspicious of Soviet attempts to expand their presence in Asia and despite considerable pressure from Moscow, New Delhi remains as aloof as possible from the Soviet proposal to establish a Soviet-sponsored Asian collective security system. When Indians do speak of the collective security concept they emphasize its economic as opposed to its military aspects, a ploy calculated to do the least possible damage to their prospects for an improved relationship with Peking.

#### **What Now? The View From Moscow**

These difficulties notwithstanding, Moscow is not likely to abandon its nearly 20-year courtship of New Delhi. Already the dominant force on the subcontinent and a potential great power, India is important to Moscow as a counterweight to China. Good Soviet-Indian relations make a big contribution to Moscow's ambition of denying South Asia to Chinese and US influence. Another, but lesser, factor is the influence India still has among the non-Communist countries of Southeast Asia and other nations in the Afro-Asian, underdeveloped, and nonaligned worlds. Moscow can therefore hope that New Delhi will ease the way for an expansion of Soviet influence in the countries where Indian views count.

Moscow also has some practical economic reasons for keeping its ties with India in good order. The Soviets have, for several years, been willing to allow New Delhi to run a deficit in its current account to service outstanding debt obligations. They have accepted manufactured products from India as

  
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repayment for Soviet economic and military aid, and have agreed to slight increases in the quantities of raw materials they will supply India. The Soviets will send more steel shapes, non-ferrous metals, and newsprint, but they still refuse to provide non-project aid under credits. More important, they have been willing to provide considerable amounts of modern military hardware to the Indians; the Soviets have been the largest supplier of such items for some years—thus far in 1972 India has concluded some \$300 million worth of arms contracts with the USSR—and this element of Indian dependence is not likely to change in the near future given India's appetite for new weapons.

There are, of course, definite limits to how far the Soviets will let their identification with India carry them. They have found that their role in India places significant limits on their freedom of maneuver in the rest of Asia. They must also be alive to the risks involved. The lessons of Indonesia and Egypt are there. Moscow's experience this summer with Cairo can only be a painful reminder that there are always dangers in dealing with such touchy foreigners.

#### The Indian Predicament

For their part, Indian policy makers worry about what they see as a growing detente not only between the Soviets and the US but between the Chinese and the US. With relations between New Delhi and Washington at a low point and in the absence of indications that Peking is ready to respond favorably to New Delhi's proffers of friendship, the Indian leadership must rely on the Soviet Union for support.

It is not a comfortable position, since, as the Indians see it, their country gets low priority in Moscow's scheme of things. The Indians think that Moscow wants most of all to avoid a situation that might bring it into conflict with the US and China. Mrs. Gandhi believes that this overriding interest could lead the Soviets, for example, to join with the US and China in seeking to bolster Pakistan against India. Thus, she is no longer really sure of the Soviet response should the Indians call for military aid when war threatens.

The fact that India's defense plans aim at a rapid improvement in weapons technology heightens Indian dependence on foreign suppliers, particularly the USSR. This dependence leaves New Delhi even more anxious and vulnerable; it also makes it more difficult for India fully to capitalize on its relations with Moscow and easier for the Soviet Union to claim special privileges in India.

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Mrs. Gandhi may be under pressure to grant special privileges to the Soviet Union in return for Soviet support in recent years, but so far she has shied away from any sort of blanket concessions. She has not and probably will not give Moscow permanent naval facilities on Indian territory, though she may well award the Soviets special favors on a case-by-case basis including allowing Soviet ships to be serviced at some Indian ports. Her government's discouragement of visits by US ships in recent months may have been partly designed to forestall an increase in Soviet port calls. Ad hoc permission for specific Soviet flights over India en route to Hanoi or in support of Soviet space efforts has been granted, but a general clearance is likely to be refused.

Demands like these make India uncomfortable. Mrs. Gandhi would like the added maneuverability a wider range of suppliers and supporters would give. Specifically, she would like to develop better economic relations with the US and the developed West, where there are countries better equipped to meet Indian needs. She is accordingly exploring several avenues of escape from India's present dependence on the Soviet Union.

For one thing, she is determined to keep her lines open to Western capitals. She was, for example, quick to scotch press stories that India would participate in CEMA, a significant move in light of CEMA's recent efforts to cast itself as a viable partner for the lesser developed countries. The USSR and Eastern Europe have not met, and very likely cannot meet, the gap in India's commodities needs, notably for fertilizer, that was created when US aid was halted. So she searches for improved relations with the West. Aid cutbacks by the US and other Western countries, however, make the present a poor time to look for substantial help from this quarter.

Another of the alternatives Mrs. Gandhi has been exploring is an understanding with the Chinese. In 1969, she and other government spokesmen, including Foreign Minister Swaran Singh, publicly expressed hopes that a way could be found for New Delhi to resolve its dispute with Peking. There was intense interest in New Delhi in 1969 when Chairman Mao appeared to reciprocate these sentiments by extending a cordial greeting to the Indian chargé at May Day celebrations in Peking. The chargé scurried home for consultations, and during the summer Indian officials noted that Peking's treatment of their diplomats had begun to improve. To keep the ball rolling, New Delhi up-graded its representation at Chinese functions, and amid repeated reports of ambassadorial contacts between India and China in foreign lands, Indian hopes for an imminent exchange of ambassadors grew.

Hopes subsided, however, when in April 1971 Peking spoke out for Pakistan and against India. This action had not been unexpected, and the

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Indians tried to minimize its effect upon their long-term relations with the Chinese. In November 1971, Mrs. Gandhi told newsmen that Chinese statements on the Indo-Pakistani situation would not affect India's interest in improving relations with Peking. When, however, Peking continued to support Pakistan, New Delhi lessened its efforts to improve bilateral relations. Ambassadors have not been exchanged since the Indians will not yield to the Chinese insistence that an Indian ambassador be posted to Peking before a Chinese ambassador appears in New Delhi. Indian officials are reluctant to make the first move without firm assurances that Peking will reciprocate.

At present, New Delhi is concentrating on its problems with Pakistan and Bangladesh, and a breakthrough in Sino-Indian relations is unlikely until the situation on the subcontinent stabilizes. Once that is accomplished, New Delhi seems likely to resume its cautious courting of Peking. In a major parliamentary statement on 30 November, Indian Foreign Minister Swaran Singh pointed the way, stating that "it is our firm belief that India and China can and must normalize their relations" and that "India is willing to consider an exchange of ambassadors" with China.

At the same parliamentary meeting Singh asserted that his country was ready to normalize its relations with the US. New Delhi, he said, "would do everything in its power" to bring about a rapprochement with Washington. A senior Foreign Ministry official later stated that Washington would be expected to treat India as the dominant power in South Asia and abandon the former US policy of looking upon Pakistan as a counter-balance to India. This, of course, is similar to the line New Delhi has been pushing on the Soviet Union.

Over the long run, it appears that New Delhi would like to forge a new set of power relationships in southern Asia. The first step—the emergence of India as the dominant power on the subcontinent—has already been accomplished. The next steps toward these goals will be more difficult. As she moves along the road, Mrs. Gandhi hopes to find sources of Western economic and military assistance and to reach a detente with China that will lessen her need for Soviet protection and thus increase her nation's independence. Until she succeeds in these endeavors, she will have to nurse along India's relationship with the Soviet Union and trust that Moscow will be responsive.

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