Chapter 5

Conclusion
From a historical perspective, George Bush (Sr.) occupies a unique place in the annals of US Presidency. He assumed office during the fag end of the Cold War era. But by the time he relinquished his chair, Cold War had relegated to the pages of history. He was therefore the only US President to serve both during and after the Cold War. Apart from factual uniqueness, this inimitable example underlines the turbulence experienced by the world during the Bush presidency. President Bush’s tenure was witness to the most fundamental geo-political transformation experienced by the world since World War II, which had far-reaching political, strategic and economic consequences.

Given the upheavals in the international order that characterised President Bush’s term, the impact of evolving US policies on South Asia were rather anti-climactic, and much less subdued. There were only minor changes in the overall US policy geared towards South Asia. These relatively inconsequential modifications were framed in consonance with the broad considerations of US national security interests and global political compulsions. In this regard, the Bush Presidency was not different from its predecessors.

Foreign policies of all US Administrations in the post-World War genre have been dominated by prevailing strategic compulsions, realpolitik and regional balance of power considerations. The same priorities were evident during President Bush’s tenure in office. The underlying strategic, political, and regional considerations determined the US outlook towards India and the South Asian region as a whole during the Bush presidency. However, in so far as the more limited analytical sphere pertaining to Indo-US relations were concerned,
emerging new security and economic considerations played a significant role in influencing the US perspective towards India, and in outlining the pattern of engagement between the two nations. In this context, the Bush Presidency marked the beginning of a notable departure from the previous administrations.

During the period 1989-1992, the US strived to achieve certain broad objectives in the South Asian region. With the gradual collapse and eventual demise of the Soviet Union, Cold War ceased to remain a reality. The cessation of the Cold War freed the US from pursuing the mandated agenda of Cold War politics. The stage was set for proceeding with policies that would work towards making the Pan-American vision of a single responsible superpower, devoted to enhancing its interests in a changing world. Beneath this holistic and grandiose vision was stimulated by America's undying quest for power and influence. With democracy as the message, and engagement the instrument, the US aimed to achieve its fundamental expansionist objectives, which did not spare India.

The present research has made an attempt in this thesis to examine the critical issues determining the evolution of Indo-US relationship during the tenure of George H.W. Bush. There are four fundamental research questions, which the thesis has attempted to address. These are:

1. Did the systemic change in international relations impact upon Indo-US relations?

2. What was the Bush Administration's approach to Indo-Pak conflict in general and the Kashmir issue in particular?

3. Like his predecessor, President George Bush did not follow a robust non-proliferation policy towards South Asia and gave priority of place to the Afghan question but the situation changed in October 1990, when
President Bush imposed the Pressler Amendment on Pakistan—-one of America's closest Cold War allies. How did the Bush Administration handle its nonproliferation policy towards India, especially after it overtly acknowledged Pakistan's nuclear capability by imposing the Pressler Amendment?

4. India's overall economy was in a relatively difficult situation during the first half of the Bush presidency. What was the US response to assist India economically, particularly for overcoming its balance of payments crisis? What was the US reaction to the 'mini'-economic 'revolution' in India since June 1991?

In the light of the analysis presented in the previous four chapters, this final chapter will attempt to provide answers to the above research questions.

1. Did the systemic change in international relations impact upon Indo-US relations?

The systemic change that occurred in the sphere of international relations during the Bush Presidency created a new world system with the United States emerging as the only superpower. The end of the Cold War, and the demise of the Soviet Union, led to major political and strategic transformations in the international system, including South Asia. The US became less critical of India, which was had been largely identified as a Soviet ally during the Cold War days. Moreover, the US alignment with Pakistan, an important strategic partner of America during the Cold War, also reduced considerably.
During the period under consideration, Washington gradually began engaging India, after taking note of the country’s growing strategic and economic importance. The period also saw the USA’s growing displeasure with Pakistan’s clandestine nuclear programme, though it had gained knowledge of the country’s nuclear ambitions much before. The Cold War compulsions however, had made the US overlook Pakistan’s nuclear progress in the past. With the end of the Cold War, other pressing priorities prompted Washington to immediately bring Pakistan under its nuclear prism, which made the imposition of the Pressler Amendment inevitable. Despite India’s view that the sanctions imposed under the Amendment fell short of effective punitive action against Pakistan, the prohibitions were considerably damaging, forcing Pakistan to make strong pleas for their withdrawal.

Both New Delhi and Washington made efforts for initiating a new relationship by way of military cooperation, which, though remaining essentially symbolic in nature, nevertheless indicated a constructive beginning for fostering stronger ties between the two democracies. India, however, tried hard to assert its identity on various occasions, whether it be the Gulf War or with respect to the ‘New World Order’, while maintaining cordial links with Washington. The United States, on the other hand, was prepared to grant India a more level playing field in South Asia, which was a significant departure from the Cold War stratagem.

Despite the improvement in bilateral ties, differences between the two countries continued to persist on various issues. These differences however, were not allowed to come in the way of the newfound relationship emerging between the two nations. This was presumably because, both the countries realized that a
mutually cordial relationship would not only reduce misunderstandings, but would also increase cooperation, a necessary imperative of the post-Cold War dynamics.

2. What was the Bush Administration’s approach to Indo-Pak conflict in general and the Kashmir issue in particular?

During President Bush’s short span of four years, a marked shift in the US foreign policy towards Pakistan was clearly discernible. The change in policy stance was evident from Washington’s reluctance to shore up Pakistan against India, which was being looked up to as an emerging power in Asia.

Mounting tension between the two South Asian neighbours during the Kashmir crisis in 1990 was a major source of disturbance for Washington. It also served as an eye-opener for the US making it realize the dangers implicit in extension of blind support to Pakistan, despite its clandestine nuclear activities. In a marked departure from Cold War policies, the Gates mission sent by America for diffusing tension between India and Pakistan over the Kashmir issue refused to be sympathetic to the Pakistani cause, and instead, informed Pakistan that they could in no way win a war against India, given India’s capability, and warned them about the possible imposition of the Pressler Amendment and its consequences. Washington successfully diffused the crisis, after its political and diplomatic intervention in Kashmir affairs. However, it was in 1990 itself that the Pressler Amendment was invoked against Pakistan, highlighting that country’s decreasing significance in US priorities.

The attitudinal change on part of the US was also evident in its different approach towards Kashmir. While continuing to endorse the Simla Agreement,
Washington no longer called for a ‘plebiscite’ in Kashmir. After all, the Bush Administration officials were aware of Pakistan’s involvement in Kashmir insurgency and militancy. There were reports that the Bush Administration was even toying with the idea of declaring Pakistan as a state sponsoring terrorism. However, Washington refrained from taking such a drastic action for fear of completely isolating Pakistan.

Thus, Pakistan’s growing notoriety as a troublemaker in the region forced the US to harden its stand vis-a-vis the country, if Pakistan was not altogether abandoned. Given the geo-political significance of Pakistan, the US was not prepared to do a volteface on Pakistan and kept on supplying munitions and other technology notwithstanding the Pressler Amendment. At the same time, it sought to improve ties with India and did not allow Pakistan to veto such US move.

3. Like his predecessors, President George Bush did not follow a robust non-proliferation policy towards South Asia and gave priority of place to the Afghan question. But the situation changed in October 1990, when he imposed the Pressler Amendment on Pakistan---one of the closest Cold War allies. How did the Bush Administration handle its nonproliferation policy towards India, especially after it overtly acknowledged Pakistan’s nuclear capability by imposing the Pressler Amendment?

The unfolding dynamics of the new international system presented the Bush Administration with a unique dilemma. On the one hand, the Soviet withdrawal from Afghanistan signaled the US supremacy in the Cold War matrix. On the other hand, it realised that it could no longer continue to extend military
and economic support to Pakistan, which had surreptitiously utilised the US generosity for building up its nuclear capability under the guise of offering committed resistance to the Soviets in Afghanistan.

Initially, with Cold War compulsions still pressing, President Bush decided to follow his predecessors’ policy of being indifferent towards Pakistan’s covert nuclear programme. However, in 1989, the Bush Administration had come tantalisingly close to branding Pakistan a ‘terrorist’ state. This suggests that with President Bush coming to power, the honeymoon between the two countries had begun to fade, culminating in the imposition of Pressler Amendment against Pakistan in 1990, immediately after the Kashmir crisis.

Regarding India, Washington appeared to be more tolerant, as far as the former’s nuclear programme was concerned. In the light of Pakistan’s growing nuclear prowess, Washington appeared to have understood India’s compulsions in keeping its nuclear options open. India’s nuclear potential and indigenous capabilities were soon demonstrated to the rest of the world courtesy the Agni and Prithvi tests. Washington did adversely react to India’s missile tests, but it did not threaten to worsen the otherwise improving relationship.

In 1990, the Indian subcontinent was threatened by the ominous possibility of a nuclear war. However, instead of admonishing India on nonproliferation, the US Administration decided to act tough with Pakistan by invoking Pressler Amendment, and sending the Gates mission for successfully diffusing the crisis. At the same time, Washington put its policy of pressurising India to sign the NPT in cold storage, since China was not a promising candidate for any accord that would constrain its own nuclear arsenal or even its missile and nuclear technology exports.
Further, India's extensive nuclear programme led some US analysts to believe that by mid 1990s India would develop a potential capability of challenging the Chinese longer-range ballistic missiles, research on advanced nuclear weapon design principles and advanced military-industrial production base.¹ This could have been another reason for its desire to have closer ties with India. Revealing a posture that indicated considerable softening of stand, the US State Department opted to be indifferent to India's missile test in 1992. Joint naval exercises between India and America went ahead as per schedule, signaling the beginning of a new relationship. President Bush was also open to Prime Minister Narasimha Rao's offer of a bilateral nuclear dialogue between New Delhi and Washington as opposed to Pakistan's five-power Conference in 1992.

However, it would be anomalous to suggest that there were no differences between the two nations during the period. The problems experienced over the cryogenic engine deal between India and Russia, and India's efforts to sell indigenous missile technology to other nations, served to reveal undercurrents of Indo-US tension over the issues concerning nonproliferation. Unlike during the Cold War years, Washington, during President Bush's tenure, did not ignore China's WMD cooperation with Pakistan.² The Bush Administration reacted immediately to Chinese supply of missile parts by imposing sanctions and blacklisting the Chinese and Pakistani entities involved in the transaction.³

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Around this time, Pakistan was being predominantly viewed by several quarters as a nuclear troublemaker and a destabilizing force in South Asia.

The Bush Presidency can be aptly summarized as a ‘learning period’ for the US in various respects. It was a rare brief span, when confusion reigned supreme in US foreign policy. Washington struggled to assess and distinguish between long term and short-term allies in line with its emerging interests. Largely clueless attempts to implement the heady vision of the new world order only succeeded in exposing the imperialistic aspects of its expansive agenda. India rose in prominence for the US at Pakistan’s expense. But the US doublespeak was evident in its scratchy efforts to engage both the nations without appreciable success.

4. India’s overall economy was in a relatively difficult situation during the first half of the Bush presidency. What was the US response to assist India economically, particularly for overcoming its balance of payments crisis? What was the US reaction to the ‘mini’-economic ‘revolution’ of India since June 1991?

Though there were no major official statements suggesting that the US was overwhelmingly excited over India’s new economic measures, various policy directives of the Bush administration clearly point to the US viewing India as a potent economic power in the region. The Indian Finance Minister’s visit to Washington in 1992 was quite successful. India was also termed as an emerging
economic 'tiger' by the International Monetary Fund, which underlined the international community’s faith in India’s promising economic prowess.\(^4\)

Indirectly, the United States had played an important role in helping the Indian economy to stabilize after the external sector crisis in 1990-91. Immediately after averting the crisis, India was in need of sizeable amount of funds for managing its delicate balance of payments situation that arose out of low level of foreign exchange reserves. At that point of time, private international credit was difficult to mobilize due to the low confidence of private investors in the Indian economy. Moreover, various far-reaching international political developments like the reconstruction of Eastern Europe, eastern part of unified Germany and the CIS states, and the Gulf War, had reduced the volume of internationally available credit.

For India, therefore, it was essential to procure assistance from multilateral institutions. The IMF, World Bank and the rest of the international community supported India generously, which would not have been possible without US support. In the Budget for fiscal 1993, the US Administration proposed sizeable assistance for India despite the domestic economic slowdown in the US itself.\(^5\)

It was clear to the US Administration that a decontrolled Indian economy presented wide-ranging business prospects for the US. After economic liberalization, India was displaying unmistakable signs of developing into a major economic power not only in South Asia, but also in the emerging international economic order, in the light of the onset of globalisation and growing integration.

of world markets. However, the improved economic relations between the two countries have to be seen in the background of differences over Special and Super 301 issues, uncertainties prevalent in the new world order and the domestic economic difficulties experienced by both the nations during the time.