CHAPTER VI

INDO-U.S. RELATIONS IN THE POST-COLD WAR ERA

a) Introduction

International politics and relations have entered into a new era with the collapse of the Soviet Union. Much of the early twentieth century was Euro-centric and the conflicts involved those nations. During the Second World War, the major participants were mostly Europeans but countries such as Japan and China had a significant impact. After the war ideology also began to play an increasingly important role as it was utilised as a tool to further the national and strategic interests of the two powers, the Soviet Union and the United States. There had evolved an inextricable link between security and ideology and many newly independent nations were caught in this struggle. India was no exception to this conflict, but all its efforts to be independent of the superpower rivalry were of no avail. To begin with, its chief antagonist, Pakistan had allied itself with the United States by proclaiming its anti-communist beliefs (although fostering close military relations later with communist China). Furthermore, the Soviet Union with its policy of being supportive of Third World liberation movements, proved to be more sympathetic than the United States to India's concerns on national integrity and economic self-reliance. Thus successive Indian governments had toed a different line from Pakistan on the Indian Ocean, nuclear and missile proliferation and economic policies. Unfortunately, it was not always consistent in the practice of the principle of non-alignment by which they supposedly abided. The Soviet invasion of Afghanistan in 1979 was instrumental in the revival of not only America's military relationship with Pakistan but also of hostile relations with India, because it was uncritical of the Soviet Union and did not support the Afghan resistance.
However by 1983, pragmatism prevailed and efforts were made by both India and the United States to have a working relationship. By the end of the 80's decade, matters were on an upswing economically and politically. The process of liberalisation beckoned American business and in areas such as the Indian Ocean there was little divergence. But significantly, in security matters differences have again loomed large during the 1990s. Despite the defence cooperation between them and military exercises being held together, the bottom line remains that India cannot permit the United State to dictate its policy on matters of internal security or nuclear and missile deployment or the economy.

b) India's Internal Security

The Indian nation has of late been facing challenges to its statehood especially so in the wake of the collapse of its traditional ally, the Soviet Union. The demise of the Cold War, which had during its heyday been utilised quite successfully by India to its benefit, had left the South Asian giant stranded for a while. The Cold War rivalry between the United States and the Soviet Union had led the two antagonists in the subcontinent, Pakistan and India to assail each other, confident of the support of the superpowers respectively. This led to issues such as human rights, which had and have been intrinsically linked with the security of a state, and have always been part of the political idiom in the United States since 1948, when the U.N. General Assembly approved of the Universal Declaration of Human Rights, taking a backseat to the fight against Communism. However, with the decline of Communism, the scenario has changed. American foreign policy in the 1990s articulated three major concerns: human rights, nuclear and missile non-proliferation and economic liberalisation. While the market began to take precedence in American domestic politics, all three began to be interconnected with one issue having an impact on the other. Several countries were testing grounds for this linkage, chief among them, China and India. In the case of the latter, the various instances, when the United States virtually dictated to India the course of action it ought to take on these three issues had an obvious bearing on its security.

The internal dimensions of India's security had been less recognised
during the years of bipolar politics. Just as regional tensions and lesser rivalries had lain submerged in the larger global conflict, so had India's internal problems been comparatively untouched by the glare of power politics. However, in the harsh, revealing light of the new 'Disorder', such problems became highlighted. As they were accompanied by forceful attempts to deal with them, charges of human rights violations were levelled against the state. The principles of human rights ingrained in the 1948 Universal Declaration of Human Rights at the United Nations had for too long been subordinated to the politics of bipolarity. But in the new global order, issues as this assumed a greater significance and impinged on the process of nation building and national security.

A heterogeneous and multi-ethnic state, India, had by declaring its secular and democratic nature, hoped to effectively weld the disparate strands of its polity and society together. Four decades after its Independence, the efforts by Indian leaders to achieve this goal, can only be described as shaky. In the north and north-east, India has been facing increasingly bitter insurgencies, while within the polity itself various interest groups are creating centrifugal tendencies. In stark contrast, United States had wholly completed its nation-building and had become a global power. Its own Civil War was only a memory and it had little comprehension of the forces that shaped the Indian policy in foreign and security matters. A Third World State, India, had more in common with other developing and newly independent states than with the United States. The latter had poured into India considerable financial and material assistance, but it never understood the imperatives driving Indian policy. The Soviet Union was more cognisant of India's interests as it was of those of other previously colonized countries and were supportive of national liberation movements. However, when it came to recognising the independence of client states such as Hungary and Czechoslovakia in the Communist world or Afghanistan.

in the developing world, it was no better than the United States. Their attempts at asserting their autonomy were snuffed out by the Soviet Union. Thus a clear distinction had to be made between their policy towards satellite states, as in Eastern Europe, and towards independent allies, as India.

The support of the Soviet Union to India was crucial in matters as Kashmir. This sole Muslim majority state of Indian had been a point of contention during the Partition between India and Pakistan and at least two wars were fought over its possession. At the Security Council in the United Nations, whenever Pakistan was able to summon the help of permanent members such as the United States, United Kingdom or China, India had to fall back on Soviet support.² The status of Kashmir never became final because of the realities of the Cold War and its cause gained much publicity after the fall of the Soviet Union. Earlier, the Indian state had also received unwelcome publicity over the issue of Punjab.

This northern state of India had played a major part in spearheading the Green Revolution in India, which had been responsible for India’s self-sufficiency in food grains. But with prosperity and the consequences of inequitable distribution of wealth, had come a rising tide of discontent. The problem of unemployment was further compounded by the political machinations of the Congress under Indira Gandhi. The regional party, Akali Dal which had a religious base amongst the Sikhs were the chief opponents of the ruling party at the centre, the Congress and this rivalry was responsible for the rise of separatism in Punjab. Under Indira Gandhi, the Congress propped up the Sikh preacher, Sant Bhindranwale to meet the Akali challenge by splitting this vote.³ The results of this ploy were the rise of Sikh fanaticism first, against the Nirankaris and then the Hindus, and it led to the demand for Khalistan as the Sant began to play an independent role. Traditional groups such as the Akalis were relegated to the background as the more hardline separatist groups such as the

³ Mark Juergensmeyer, Religious Nationalism confronts the Secular State (Delhi, 1994) pp.94-95.
extremist All India Sikh Students Federation, Khalistan Liberation Front, Khalistan Commando Force and Babbar Khalsa International took over. Punjab was in a state of ferment because within the state, these groups were able to operate with impunity, crushing and killing any protest, looting banks and generally deepening the divide between Sikhs and Hindus. The roots of Punjab’s alienation lay in the tendency of the Congress to concentrate power at the Centre and enforce its will on the state. The lack of real federalism in the Indian polity was similarly responsible for the growth of separatist politics in the North-east and Kashmir. But they were given added teeth by the role of external agencies. Indian authorities have over the years accumulated a lot of evidence against Pakistan, accusing it of complicity in the internal problems of India. They have also a grievance against the United States because of their support to Pakistan.

c) The American Congress and the Punjab

The American political system comprising of an executive separate from the legislature created some amount of division. By and large, both the parties had a general agreement on foreign policy and on the strategy against the Soviet Union. In connection with this, Pakistan had a recognised role in the fight against Soviet Communism and later, as an ally of China. Pakistan had a strong lobby in governmental departments and in the Congress. India had nothing comparable, deeming it lowly to lobby for itself in the beginning and then because of its non-aligned status. Even though Pakistan had joined the movement, under President Zia, its credentials against the spread of Communism as when Afghanistan was invaded continued to win it supporters in the Congress. Though there were serious human rights violations in Pakistan, the Congress took little heed of it. In contrast, the latter played an active role in criticising the human rights situation in India.

4. Insurgency has claimed more than 10,000 lives during the decade. *Far Eastern Economic Review* (Hong Kong) 14 September, 1995. p.17.

Over the years, Sikhs in the United States have garnered a lot of clout in the Congress by providing contributions and votes to the representatives from various constituencies. Didar Singh Bains, the largest peach grower in California, for example, was and continues to be an ardent supporter of Khalistan, the separate state for Sikhs. His representative, the Republican Wally Berger was an outspoken critic of India.6 Other American politicians such as Dan Burton also joined in levelling charges against India, accusing it of human rights violations. The Kashmir and Pakistan lobbies were very active in the American polity, and urged the passage of bills cutting down aid to India.7 The activist role of the American Congress had increased after the storming of the Golden Temple in Amritsar in July 1984 and the subsequent assassination of Prime Minister Indira Gandhi that October and the massacre of Sikhs. Curiously, the Administration was more sympathetic to Indian concerns. They focused more on the threat to terrorism to the nation rather than the human rights situation. In the following year, in 1985, the Joint Statement issued when Rajiv Gandhi visited the United States, spoke of 'the emergence of organised terrorism as a threat to peace and democracy'.8 Indeed all the administrations were clear with regard to the situation in Punjab-they all testified to upholding the integrity of the nation. However, not all Indians believed this. Some members of the Indian Parliament were convinced that the United States Administration was the 'kingpin' of the terrorist activity in India which linked the Afghan rebels to the terrorists in Punjab and groups in the North-East (and later to the Kashmiri militants).9 Such suspicions could be explained because of the reports passed by the human rights caucus in the Congress after 'Operation Bluestar'. A meeting was held at the U.S. Congress Annexe to discuss the human rights and Sikh situation in India which not surprisingly turned into 'a platform to spread anti-India feelings'.10 In 1990, Congressman Dan Burton attempted to pass legisla-

7. Ibid.
tion terminating assistance unless India gave access to Amnesty International to monitor the situation in the country. But Congressman Stephen Solarz, a pro-India legislator attempted to thwart its passage. Significantly, the United States Department of State considered such a bill inadvisable. Indeed, the administration saw the issue differently from the Congress. They deplored the violence in the state of Punjab and stated publicly their belief in the unity of India.

It was mandatory for the Department of State to bring out an annual report on human rights all around the world and its officials did discuss with the Indian government the situation within the region. Many members of Parliament were annoyed at what was once termed as 'flagrant interference' but as was pointed out, Indians themselves expounded on discrimination and racism in the United States. It was when efforts were made to pass legislation that it became more critical and Indian politicians could be forgiven for thinking that Americans did encourage separatism in India. Upto 1995, legislators in the United States Congress attempted to pass amendments which would reduce or terminate aid to India. Human rights were linked to aid meant for development and anti-India legislation was sponsored by many Congressmen on human rights grounds. Both in 1993 and 1994 they sought to cut development assistance and to make international military and training assistance to India conditional upon an improvement in human rights. India should seriously consider turning down such grudging assistance especially as it comprises of a small amount of nearly 37 million dollars and thus keep its dignity and honour intact.

12. Ibid.
15. Lok Sabha Debates, n.10.
16. Lok Sabha Debates, n.14, col.25.
d) Kashmir and Pakistan: recurrent trouble spots

The American administration did not consider the situation in Kashmir the same as the Punjab. Ever since its inception, the crisis was not viewed as an internal matter of India. Though India did internationalise the issue in 1948 by taking it to the Security Council, it has always regretted the action. India has always maintained that there was no locus standi for Pakistan, much less for an external power like the United States. Unfortunately, Pakistan has in its stead always appealed to the United States to mediate in the affair and convinced them of their claim. Till the late 1980's, the Kashmir Vale had been only simmering with some discontent due to the political chicanery of the National Conference and the Congress and there had been no open militancy. But the Afghan crisis soon changed the situation. The call of Islam was a very potent one and Pakistan cashed in on the ideology to establish its power. The Afghanistannan militants were only too ready to carry their battle into this region. Training was given to Kashmiris and there was continuous infiltration into the valley.18

In the meanwhile, the civil war in Afghanistan took a severe toll on the people and country. India's own role in the area had been very minimal. Indeed, it has even been questioned, because a recent book accused India of allegedly supplying arms for financial reasons, to the rebels to fight their own allies, the Soviets.19 But the government's support to the Marxist regime was well documented, and could be traced to its fears of religious fundamentalism wreaking havoc in the subcontinent, an apprehension that had and continues to have some base.20 The resistance was itself a divided movement with the moderate Muslims at odds with the fundamentalists led by Gulbuddin Hekmatyar, and the country has been torn by fratricidal warfare after the Najibullah government's fall. The resistance's Islamic and pro-Pakistan inclination was not to India's liking. But by downplaying the Soviet aggression, India found itself neutralized and Pakistan more influential. The recent Taliban's (the Islamic

18. India Today, 30 September, 1994, p.79
students) successes in Afghanistan suggest a greater role for Pakistan because this group is based in Peshawar and is influenced by them, as well as financed and backed by them.\textsuperscript{21}

The Afghan crisis has had even wider implications for India since 1990. It has enabled Pakistan to replicate the scenario in the disputed Kashmir region. Well documented reports have charged the Pakistani service Inter Services Intelligence (ISI) which came into prominence during the Afghan war, of fomenting disturbances in the Kashmir valley and aiding the insurgents with men (the Afghan veterans) and material (also available in plenty since the Soviet withdrawal).\textsuperscript{22} Indeed, President Zia-ul-Haq was reported to have stated in 1988 that Pakistan had two goals firstly 'to install a fundamentalist satellite regime in Kabul' and secondly to throw into disarray, India's border states of Kashmir and Punjab.\textsuperscript{23} American officials expressed their concern about the situation in 1990, warning that events could spin dangerously out of control. They feared that India and Pakistan would go to war over Kashmir and they undertook some damage control exercises.\textsuperscript{24} Indeed their fear was that both would use nuclear weapons against each other and they sought to reduce the tension.\textsuperscript{25} Ever since then Americans have included the situation in Kashmir to their list of concerns in South Asia.

Both the Congress and the Administration have been active in the region after the Cold War and the Kashmir issue and human rights have been partly responsible for this. But the conflictual situation had even earlier alerted them—instances as the brouhaha over 'Operation Brasstacks' when India held military manoeuvres testify to this.\textsuperscript{26} Pakistan and India have had contrasting attitudes

\textsuperscript{21.} \textit{Far Eastern Economic Review} (Hong Kong) 21 September, 1995, p.23.
\textsuperscript{22.} M.L.Kotru, \textit{The Kashmir Story}. Ministry of External Affairs (New Delhi, 1994) pp.28-34.
\textsuperscript{24.} Kux, n.6, p.433.
\textsuperscript{25.} \textit{Ibid.}
\textsuperscript{26.} The military manoeuvres had been undertaken in January, 1987, close to the Pakistan border, triggering off fears that war was to break out. Manoj K.Joshi, 'Directions in India's Defence and Security Policies,' in Rose Babbage and Sandy Gordon, ed., \textit{India's Strategic Future} (Delhi, 1992) p.74.
to the role the United States has been expected to play. The former welcomes an active and interventionist policy from them but India, would like to keep them out of any mediatory effort as it has always followed a bilateral approach in South Asian matters.

The Kashmir war of 1947-48 was primarily responsible for the way Indians began to view the United States. They began to see them as blantly supportive of Pakistan. With the advent of the Cold War and introduction of security into the region, American policy became even more unfavourable to India.

However with the decline in Cold War politics, the American government has refashioned its policy. Where they had supported the Security Council motion for a plebiscite on Kashmir, they now stated that the area was a matter of dispute between India and Pakistan and could be solved through the Simla Agreement of 1972. But this shift that Kashmir was a disputed territory was also not to India's liking. To the latter, it remained an integral part of the Indian Union. Unfortunately, Pakistan did not view this issue in the same light. It preferred to solve the Kashmir question according to the Security Council resolutions passed in 1948. Even though Pakistan had been the one that flouted the resolution because it did not withdraw its troops from the territory it had occupied, it wanted to have the plebiscite held. Holding fast to the belief that Kashmir constituted a part of Pakistan, it had and continues to describe Jammu and Kashmir as Indian-occupied territory.

The Afghan war came at an opportune moment to try and wrest the territory from India. The 1971 war had taught them the futility of warring with India in an open conflict. So another way was devised to detach the state, through the techniques of the covert intelligence agency, ISI. The element of Islamic fundamentalism which had inspired sundry people from all over to

lend their services in the Jehad against the Soviet Union, was now diverted against India. By 1989, the valley was afflicted with militancy and the Farooq Abdullah-headed government was finding it increasingly difficult to cope with the problems. Within Kashmir also there were problems. The Kashmiris were discontented and militancy had broken out.

The roots of Kashmiri alienation lay in the political machinations of the Congress Party. During the elections in 1962, for example there was massive rigging. Indeed except for the 1977 election, no poll was held in a fair and free manner and Kashmiris felt that their ministers were thrust on them. Mistrust developed and deepened with the passage of time. There was always a minority which had sought accession to Pakistan but the majority had sided with India during the wars of 1947, 1965 and 1971. But political discontent and economic grievances had led to a sense of alienation. Kashmiri Muslims also 'suffered from a feeling of being deprived of their right to institutionalise their separate identity vis-a-vis the Indian States.' Thus a separatist movement developed which was under some control in the beginning. But in December 1989, the Janata Home Minister, Mufti Mohammed Sayed's daughter was kidnapped by members of the most popular pro-independence group, the Jammu and Kashmir Liberation Front and events spun out of control. The group demanded and obtained the release of five militants in return for her release. This incident had a ripple effect on the movement, because the government was viewed as weak. An upsurge of militancy led to firings and violence and in January 1990, the Janata Government appointed Jagmohan as the governor. The Chief Minister resigned and Kashmir's long years of misery and oppression began.

The National Front's plan to check terrorism turned into a witchhunt. Under pressure from its supporter, the Bharatiya Janatha Party, they had

30. Ibid.
32. Ibid., p.657.
installed Jagmohan, a move which turned out to be wholly unpopular. The administration wreaked havoc on the masses for challenging the authority of the Indian State. Though Kashmiris desired 'azadi', they were treated as pro-Pakistan terrorists. In the name of law and order, there was repression and torture, instances which have been well documented by human rights organisations.

Such conditions were ideal for Pakistan's designs on the state. They were able to put into motion the plan envisaged by them in the 80's-the K² scheme which armed at unifying Sikh and Kashmir subversion efforts. Under the garb of giving moral and political encouragement to their brethren demanding the right to self-determination in Kashmir, they ran a low-intensity 'proxy' war. The Pakistan Agency, the ISI had been conducting and directing programmes of subversion. In 1991 there was concern in India that the Army Chief in Pakistan had declared that nuclear armaments were to be the sheet anchor of their defence policy. The portents of war seemed to have loomed over the region and once more over the status of Kashmir.

The United States had become increasingly concerned over the state of affairs. They had begun to change their policy with the withdrawal of the Soviet troops from Afghanistan. They had suspended aid to Pakistan in 1990 on the grounds that they had been developing a nuclear weapon programme and thus fell foul of their laws. They had made it clear that they were not going to support or press for plebiscite in Kashmir. The then Prime Minister admitted it was not at any one's urging but because of the change in thinking in the U.S. Administration. Within a few years, Congressional research turned up

33. Ibid., p.650.
36. Kotru, n.22, pp.28-34.
40. Ibid.
evidence that held Pakistan culpable of terrorist activities in the valley. A report noted that Pakistan's ISI had smuggled into Kashmir, Afghan terrorists who had been trained by CIA instructors. There was also evidence that Sikh terrorists had also received training in Afghanistan in the late 1980s. The erosion of Kashmir's secular ethics was also attempted at by pro Pakistani groups as Jamiat-i-Islami and Al-Jehad. By the middle of the 1990s, the original nature of the struggle had thus taken a different hue from the early independence cry. Battle-hardened, fanatical Afghan fighters and Pakistani groups as the Harkat-ul-Ansar have taken over the fight. The contours of militancy have thus taken a different shape and the people have become trapped between the excesses of the murderous foreign mercenaries and the intolerant Indian para-military and armed forces.

Congressional outrage over the atrocities committed by the Indian forces forced the Indian government to launch investigations. But as the Administration pointed out at a hearing, India's own judiciary and human rights groups are very effective. The National Human Rights Commission set up in 1994 had already done commendable work though it has been restricted by its reliance on state agencies which could cover up violations. Moreover, it has not been permitted to investigate into the situation in Jammu and Kashmir. However, the government following a transparent policy, has permitted many diplomats, to visit the valley.

The Indian government had twice intended to held elections in 1995 itself, but it was thwarted by outbreaks of violence. The shrine Chrar-e-Sharif was

42. Ibid.
43. Ibid.
44. Ibid., p.38.
45. The Hindu (Madras) 30 September, 1995.
46. Bill Richardwon, chief deputy majority whip in the U.S. Congress, stated that 'India has a strong legal traditional and... would continue to work towards a solution'. India Today (Delhi) 15 November, 1993. p.209
burnt early in the year and when conditions again began to improve foreign tourists were taken hostage in late July.\textsuperscript{48} One of them was beheaded in a macabre way, an indication of the way that the original Kashmiri objectives have been twisted by the presence of the mercenaries.

Strangely, despite all the mounting evidence and the research, by the Republican Party's Task force, the Administration, which had placed Pakistan on the watch list for global terrorism in 1993, refused to look at them critically in 1995. Benazir Bhutto's government managed to stifle their doubts by cooperating with them and sending suspected drug offenders and terrorists involved in the bombing in New York City in 1994. It would seem therefore that it has suited the United States to opt for a strategic relationship with what they think is a moderate Islamic state directed against Islamic fundamentalism.

The Americans have been urging a political settlement with the participation of the three parties-Indian, Pakistani and Kashmiris- in it\textsuperscript{49} This continues to be unacceptable to India, as does any effort at mediation by the United States or the United Nations. Without a doubt India will continue to resist any kind of internationalisation of the issue. However, as it was pointed out, there is a yearning for peace among the people made weary by the suffering and violence.\textsuperscript{50} The Indian authorities are still to take a sympathetic attitude towards them. With the promise of more autonomy and free polls, there can be more participation from the people who are reluctant to be involved in any poll activity. At any rate, it is desirable to reduce tensions in the region without conceding any separatist demand. The source of future conflicts could again be the status of Kashmir and it is necessary to see that weapons of mass destruction are not used in the region.

The Americans have also expressed their concern about the this issue and since 1991, the administration has been very vocal about it. There was a visible

\begin{footnotes}
\item \textsuperscript{48} \textit{India Today}, 15 August, 1995. p.46.
\item \textsuperscript{49} Interview with Ambassador Frank Wisner, \textit{Span} (New Delhi) August 1995, p.31.
\item \textsuperscript{50} \textit{Ibid.}
\end{footnotes}
shift in the American approach to Kashmir. Where they had stressed on India acting upon the resolutions passed in the Security Council in the 1950s, the U.S. viewed the state as 'a disputed' territory which could be resolved through direct discussion between the governments of India and Pakistan and taking into account the wishes of the Kashmiri people.\(^{31}\)

The U.S. was willing to intervene as indicated in 1990 when there were fears that the two countries would go to war. India had them shown an inclination to welcome intervention but since then the mood has again been that Kashmir is an internal matter and is an integral part of the country.

India needs to be more imaginative about this issue. It has to face the fact that there is a dispute which has to be addressed in a way which would at least address the wishes of all the people in all the parts of Kashmir more satisfactorily. Conceding more autonomy to them would in the long run strengthen the nation. Its announcements of elections do not promise much, unless the grievances of the populace are dealt with. As long as this issue is allowed to fester, the nation as a whole cannot progress. Much less, can there be cooperation between India and Pakistan. The issue has also been instrumental in contributing to the zero-sum mindset of the triangular India-Pakistan-American relations whereby a friendly U.S. policy towards Pakistan, would be considered anti-thetical against India. Significantly, India has not allowed it to affect its relations with the U.S. It has endeavoured to collaborate with the U.S. in the strategic area of the Indian Ocean and cooperate in the economic sphere.

e) Nuclear and Missile Differences in Indo - U.S. relations

Throughout the 80's decade and earlier, India and the United States had viewed the issue of nuclear non-proliferation differently. India had refused to sign the discriminatory Treaty and preferred to enlarge upon universal proposals. When the subject of missile development and deployment came up, it similarly refused to consider signing the MTCR (Missile Technology Control

Regime) or abide by its provisions. Indeed by the beginning of the 1990s decade the twin issues of nuclear proliferation and missile deployment and delivery became matters of growing concern to the United States. With India's achievement in space allied to such a development, the matter became even more worrisome to them and they deliberately pressurised India to desist from deployment. The United States also undertook other measures to halt if not roll back India's advances in the field of space.

India had ambitious plans for its space programme. From 1988-89 the funds for rocket development arose from Rs.16043.59 lakhs to Rs.19683 lakhs in 1990-91. To date, India had been dependent on foreign launchers, a more expensive proposition than having its own launch vehicle. Its objective was to be self reliant and launch its own rockets. To this end it had decided to go for a cryogenic engine with the help of the Soviet Union. This technology was of dual purpose but its military use was more difficult to obtain than the solid-fuel engine. The deal was that the Russian agency, Glavkosmos would provide seven engines and transfer the technology to India. The Americans, ostensibly alarmed by the steady Indian advances redoubled their efforts to halt the transfer of this technology and threatened to blacklist the Russian and Indian space agencies. The cryogenic engine was necessary to power India's Geostationary Satellite Launch Vehicle and was crucial in India's programme of being self reliant, because it could eventually launch its own satellites. Despite a promise from President Boris Yeltsin when he visited India in January 1993, that Russia would not submit to this pressure, the latter eventually caved in. The decision provoked a storm of outrage, though the Indian Government accepted Russia's retraction with dignity.

The Indians found the motives of the United States questionable. When the ISRO had asked for foreign technological assistance, General Dynamics of United States, Ariane of France and Glavkosmos of Russia had come forward with the necessary, cryogenic know-how. Curiously

52. India, Department of Space, Annual Report, 1989-90 (New Delhi) p.9.
American apprehensions of the military nature of such technology were nowhere in evidence then. At that time, India had opted for the Russian offer as it answered their needs and their conditions were accepted. But when the exchange was being finalised, the United States objected on grounds that it broke the rules of the MTCR. To say the least, it was a disingenuous line of thinking and did not sufficiently convince the Indians. The American argument that the Indian space programme was linked to the missile programme was not accepted by India. Since the Americans seemed to have only belatedly discovered the military application of this technology, there were obvious commercial compulsions for their action. Competition in the satellite launch market was unpalatable to the United States and thus it resorted to this punitive action.

The United States claimed that the January 1991 agreement between the ISRO and Glavkosmos violated the MTCR guidelines to which Russia had acceded. It was argued that Washington was correct in preventing this sale in order to pursue its interests in containing the spread of ballistic missiles. Since India refused to sign the Nuclear Non-Proliferation Treaty or accept the MTCR, the United States had reason to be anxious. However their policy smacked of hypocrisy and was self defeating became it spurred India to develop its own cryogenic engine.

Subsequent revelations have only confirmed the self-seeking focus of American space policy which was ‘aimed at preventing the indigenous development of advanced technologies in Third world nations’ for both commercial and military reasons. The United States had placed a ban on the ISRO but sister organisations in the Defence Department and Department of Science and

55. Space Scientists stated that only thing shared between the two programmes was that Dr. Abdul Kalam, an Indian Space Research Organisation (ISRO) scientist headed the Missile project. In interviews with Scientists at Vikram Sarabhai Space Centre (VSSC) 17 August, 1994.
58. Ibid.,
Technology could still obtain components from the United States. In addition the United States co-operated with India in the remote-sensing business. In reality, the purpose of technology controls have not been served. India went on to launch the Polar Satellite Launch Vehicle (PSLV-D2) after several failures. Only five others (United States, Russia, Ukraine, China and the European Space Agency) have the capability to send 1000 kg. satellites into space. The ISRO agreed that it was 'a quantum leap', but it was too early to discuss the military applications of PSLV. However, it is undeniable that the PSLV technology could be utilised by India to launch warheads to a distance of 2,500 km. or that by modifying the PSLV, double that distance could be covered. But India lacks the necessary warhead re-entry technology, and would have to solve that problem. A SIPRI study in fact concluded that India had little chance 'of developing and sustaining a space industry' due to economic and technological reasons. India could not build systems alone and thus was vulnerable to foreign pressure. Regimes such the MTCR, and NPT were like cartels, intended to control the flow of technology in order to prevent missile and nuclear proliferation. But the United States felt free to flout the MTCR guidelines and the NPT rules when it suited its purpose. It co-operated with China and looked away from Israel's activities. Throughout the 1990s, the United States discouraged India's missile deployment due to fears of a nuclear arms race in the subcontinent. In addition, they suspected that the command, control, communication and Intelligence structure would be weak and would lead to disastrous results. However, the United States did not satisfy the Pakistani cry for concessions regarding their nuclear weapon programme due to the 'Prithvi' factor as it was no longer a 'frontline' state. The Americans continued to work for

60. Interview with scientists at VSSC Trivandrum. n.55.
61. In addition, the U.S. cooperated with India in the remote sensing business, The Hindu (Madras), 23 June, 1995.
63. In interview with Dr.K.Kasturirangan, Chairman ISRO in the India Today (Delhi), 15 November, 1994. p.234.
capping of Pakistan's nuclear programme and warning against the purchase of missiles from China.

None of the major nuclear powers seemed to have an appreciation of India's security and emergency needs, certainly not the United States. This could be discerned when the Tarapur fuel agreement with France was coming to an end in 1993. Both the United States and France refused to provide the fuel unless the NPT was signed and there was agreement on full scope safeguards. In the event, China stepped forward to supply the fuel for Tarapur. But such an agreement also brought into question whether India's fears regarding the Chinese intentions were well founded. In reality, such apprehensions, were justifiable because of historical experience and because China had extensive defence links with Pakistan, supplying nuclear parts and components of intermediate range missiles. China had signed the NPT in 1992 (as had France) but 'driven by greed' because it was economically profitable as well as by a desire to offset India's position in the region, it was arming Pakistan with M-II missiles, weapons which could be equipped with nuclear warheads and were obviously a threat to India. Despite American intelligence testimony the China factor was not seriously considered.

However some Americans did think differently, and were concerned about the Sino-Pakistan nuclear threat to India. It was as a sop to these concerns that the United States planted the idea in Pakistan to have a 5-power proposal. The latter ventured to call for a conference the intention of which was to sponsor a process which would eventually lead to a regional denuclearised arrangement. In order to allay India's apprehensions that there could be no security without taking, into consideration China's nuclear weapons, it was planned to have China along with India, Pakistan, the U.S. and Russia take part in the process.

69. 'CIA Director Exposes Extensive Sino-Pak links', Indian Express (Cochin) 27 February, 1993.
70. Both Senator John Glenn and Senator Larry Pressler had taken into account India's security considerations.
As numerous observers have pointed out, acceding to the NPT has not changed the status of China or France or the United States as nuclear weapon powers. These countries had been responsible for vertical proliferation of weapons and for supplying technology to Iraq, Israel, and North Korea. India’s record on the other hand, has been unblemished, neither covertly selling technology nor unrestrainedly developing the bomb. India has not seen the need to take part in the 5-power proposal, because it included countries like China as only a guarantor and not as a party. Yet India has not attempted to engage in talks with China. At the very minimum India could have agreed to such talks with the understanding that they would eventually lead to a process of denuclearisation participated in by China as well. India’s continual refusal to sign the NPT has left it in isolation with Israel and Pakistan among other countries, not very good company.

In the run up to the 1995 review of the Treaty, the United States had not insisted upon India signing it, rather it diplomatically suggested its advantages such as availing of the latest technology by signing it. But the United States with Pakistan’s willing concurrence continued to nudge India into some regional arrangement. India’s response was on expected lines. However India agreed to hold talks in London on its nuclear policy in 1994, an indication of India’s genuine desire to bring about disarmament. It also showed the Prime Minister to be willing to accommodate the Americans.

However, within the country it ran into trouble. It was described as ‘capitulationism’ and there was a public outcry. India had no longer a position agreed upon by all parties on this issue. There were the nuclear hawks who comprised the Bharatiya Janata Party which in the words of a leader stated that ‘if India is to become a great nation, we (would) have to become a nuclear power,’ and analysts who favoured a minimum deterrence but insisted on

74. Professor Murali Manohar Joshi said so at the Bangalore Session of the BJP. The Hindu (Madras) 21 June, 1995.
coupling it with an arms control agreement to keep the size of the nuclear arsenal minimum and who desired India to ‘go nuclear’.75

There were also people, described as ‘capitulationists’ who have suggested that India give up the nuclear option and submit to American dictates.76 Besides them, there were two categories advocating different approaches, one suggesting peace within the subcontinent through the aegis of a nuclear-weapons-free zone and the other group calling for co-operation with the United States on arms control issues without giving up the nuclear option.77 The failure of the London talks in April 1994 only confirmed India’s independent convictions and the complete divergence of views between India and the United States. The latter continued to favour a regional framework thereby equating India with Pakistan. India continued to prefer a global outlook, yet it could have taken the first step towards global disarmament by discussing the regional issues. Unfortunately India continues to be trapped by the rhetoric of nuclear imperialism. The United States on its part has to be faulted for seeing the nuclear issue solely through the prism of Indo-Pakistan relations. China has no position in their strategy for the region and they have discounted India’s fears. Indeed, by pressurising India to halt its space and missile deployment and development, the United States continues to devalue India’s security concerns. The U.S has pressurised India to halt the deployment of the Prithvi missile and role back the Agni programme. India has always viewed the MTCR as a discriminatory regime that is meant to deny missile capability to non-members but does nothing to prevent proliferation among its own members, which include China. Thus, analysts concur that India has to work for an arms control rather than a weapons-free regime for the area.78

India has also admitted that it possesses a vast amount of unsafeguarded fissile material. The United States had desired to include this material in

76. C.Raja Mohan. 'Staying the Course' Frontline (Madras) 3 June, 1994. p.4.
77. Ibid., p.5.
regional talks, by encouraging Pakistan and India to cap their programmes. Incentives were offered to them in 1994 and 1995. If the programmes were capped, Pakistan was to be rewarded with a renewal of military sales and India with access to high space and missile technology. India's response was as guarded and measured as ever. Disarmament had to be 'complete'. So, India had supported the proposals for the Comprehensive Test Ban Treaty and a treaty to cut off the production of fissile material for weapons. India has been cautioned by analysts about the latter, because it was seen as equivalent to signing the NPT. By reining in the missile deployment and the delivery system and halting the production, India would have more or less submitted to the United States. However, India declared that it would not unilaterally cap its programme until a universally applicable 'satisfactory' arrangement on the prohibition of fissile material for weapons could be worked out. Though it would be universally applicable, it would obviously leave varying amounts of plutonium and highly enriched uranium in large quantities with the nuclear powers. Thus the cut-off treaty would most obviously benefit the five major nuclear powers. But India too, would have in its possession approximately 360kg of unsafeguarded plutonium and though Pakistan would target it, India could resist any pressure detrimental to its interests. The danger however is the effect it would have on the civil energy programme of India which would come under the safeguards of the treaty. Negotiations are under way at Geneva but nuclear weapons members such as China are opposed to any interim moratorium while France and Great Britain remain sceptical. The Comprehensive Test Ban Treaty about which India was and continues to be similarly enthusiastic has little chance of success because the nuclear powers continue to test explosives, the most recent one, being by France. The inequitable structure of

80. Ibid., (Madras)
82. In December 1993 India co-sponsored a General Assembly Resolution for a cutoff treaty.
84. Ibid.
86. Ibid.
global nuclear proliferation was concretised with the indefinite extension by the 1995 Review of the Nuclear Non-Proliferation Treaty of 1968. India had urged that it being ‘discriminatory, imperfect and ineffective’, the treaty ought not to be extended.\textsuperscript{67} It had decided to keep away from the global meeting in New York, even though it was invited as an observer, as a mark of its desire to keep a low profile. Indeed, rather than utilising the position of an observer to register its objections to the Treaty, the Foreign Ministry not to ‘upset the nuclear apple cart’ kept away.\textsuperscript{88} India has been accused ever since 1994 of a policy of drift regarding its nuclear policy.\textsuperscript{89} Though many of the non-aligned members were against the indefinite extension of the NPT, eventually they all caved in to sign the NPT on May 12, 1995. The lack of co-ordination and consensus between the members and India’s own indecisiveness to play a part were responsible for the NAM not forging a common ground. The results were found to be disappointing by some.\textsuperscript{90} India’s proposal of the global elimination of nuclear ‘weapons was withdrawn when it aroused the United States’ ire. The NPT did not consider the issue of disarmament, preferring instead to focus on arms control mechanisms, chief of which was the IAEA. However, since the demise of the cold war, the Agency has contrived to become a tool of the American CIA rather than a non-partisan, truly autonomous organisation.\textsuperscript{92} In Iraq and North Korea, it functioned almost as an American agency and when it pulled up the North Koreans, it was ineffectual, because the United States had on its own entered into an arrangement with them.\textsuperscript{93} The Treaty has tragically not provided for an equitable system or for progress towards disarmament. Indeed, in an almost contemptuous manner, France announced a resumption of nuclear testing, disregarding the earlier endeavours to ban such tests.\textsuperscript{94} The announcement.

\textsuperscript{67} \textit{Indian Express} (Cochin) 27 April, 1993.
\textsuperscript{68} Cited in Raj Chengappa, ‘Nuclear Policy, Making Compromises?’ \textit{India Today} (Delhi) 30 April, 1995. p.62.
\textsuperscript{89} \textit{Ibid.}, p.63.
\textsuperscript{90} The former director of the Stockholm International Peace Research Institute Dr. Frank Barnaby thought so and deplored the indefinite extension. \textit{The Hindu} (Madras) 13 May, 1995.
\textsuperscript{91} \textit{India Today}, n.87, p.63.
\textsuperscript{92} C.Raj Mohan, ‘IAEA becomes a CIA Den’. \textit{The Hindu} (Madras) 20 April, 1995.
\textsuperscript{93} \textit{Ibid.}
\textsuperscript{94} \textit{The Hindu} (Madras) 15 June, 1995.
just after the extension of the NPT only underlined the truth of India’s objections to the unequal nuclear structure of the world. India has also co-sponsored with the United States and others the Comprehensive Test Ban Treaty and Fissile material Cut-off Treaty but the scope of the latter could put a cramp on India’s nuclear policy. Realising this, India for the first time refused to co-sponsor a resolution at the United Nations, on 6 November 1995, which called for the immediate conclusion of the Comprehensive Test Ban Treaty (CTBT). It had as well refused to co-sponsor the Fissile Material Cut-off Treaty. In 1993 and 1994 it had co-sponsored similar resolutions but it changed its mind one year later. This was because of public opinion in India which had begun to feel that the nuclear powers, especially the U.S. were out to contain India’s nuclear options by making it a part of either global or regional nuclear treaties. An official said that ‘we believe that there is a link between the CTBT and total disarmament which must be carried out by all the nuclear powers within a timeframe’.

The United States also revealed that it was considering the resumption of such tests. The lacuna of such agreement in the NPT have only made it irrelevant. The Treaty has only reinforced the dominance of the United States in the world, and India cannot afford to neglect its own subcontinental security, and go along with it. It has to engage in its own efforts to reduce tension in the region, but without foregoing the missile option. It would be foolish to abandon the programme when, as it has been pointed out, ‘the region all around India is bristling with missiles’. India’s security must not be endangered in such circumstances and both the Prithvi and Agni ought to be made operational and deployed. Pakistan’s protests notwithstanding and with their offer of creating a zero missile area having had few takers in the light of clandestine M-11 missiles supplies from China, India would still have to defend her borders from any perceived threat. It had been suggested that having exploded a device in

1974, India could sign the NPT as a nuclear weapon power. But such a step would dent the image of the country and the policy it had fashioned, besides invoking counter measures from the United States. One way out is by engaging in bilateral talks with both Pakistan and China, because India perceives missile threats from both.

India does not obviously regard the United States as a threat because its 1971 gunboat diplomacy was purely symbolic. But the latter has in various reports fostered the notion that India could challenge American strategic interests. However, there is little likelihood of the two exchanging missiles or attacking each other. The fear in India is of the pressure the United States can bring to bear upon the country in order to have its way in structuring a world order, which it can manage. India must strive to pursue its independence by entering into negotiations with China and Pakistan without the urging of United States. Suggestions that an agreement not to first use nuclear weapons could be explored and could help in resolving the regional tensions.

Alternatively the regional form of the SAARC (South Asian Association of Regional Cooperation) could be utilised to discuss matters of conventional arms and weapons of mass destruction. The matter is too serious to be left only for a debate and the solution must be conceived within the region rather than foisted by an external power such as the United States.

f) The Indian Ocean in the 1990s

It would seem that the one area where Indian and American interests converged clearly was the Indian Ocean. The changes occurred from the mid-1980s when the Congress government under Indira Gandhi and Rajiv Gandhi permitted visits from American ships. The V.P.Singh government continued

99. Brahma Chellaney, n.76, p.49. See also The Pentagon Report in which the U.S. has singled India as a future country to be wary of. Cited in Sunday (Calcutta) 22-28 March, 1992.p.43.
this policy and Chandra Shekhar was even more co-operative, permitting refuelling facilities to the Diego Garcia-based planes. Under his successor, P.V.Narasimha Rao, matter were carried even further. In April, 1991, the former commander of the United States in the Pacific General Kicklighter formulated proposals which envisaged expanding strategic co-operation between India and the United States. This included not only high level exchanges, policy reviews and joint staff talks but also a tie-up between the two navies. By the next year plans were set to hold the first ever joint Indo-U.S. naval exercises. This took place in May 1992 in the Indian Ocean. Four warships, two from each side matched combat systems, submarine hunting and dry missile hits on simulators. To American frigates and two Indian destroyers conducted various drills and manoeuvres. Following the exercise, the four ships docked at Goa to review their performance. With the end of the Cold war, the rivalry between the two superpowers also disappeared. The Gulf War also awakened the members to the inherent threats within the region. India made a marked change in its policy as a result of these circumstances. Between 1991 and 1992, it held joint naval exercises with Australia, Britain, France and United States. Such interaction was reassuring to those countries which had previously accused India of a naval buildup. Indeed by 1995, Indonesia, Singapore and Malaysia also entered into joint exercises with India. Thus the scenario by the mid 1990's had completely changed.

There were several reasons for this change. Despite the signing of the Law of the Sea Convention in 1982, which the United States did not accept, there were fears that American military forces would be challenged by a number of countries including India and China. The United States questioned India's maritime claims, claiming freedom of navigation on the high seas. It

102. C.Raja Mohan, 'Indian Ocean as Peace Zone Needs Quiet Burial', The Hindu (Madras)
1 June, 1992.
105. Ibid.
disagreed with both India’s and China’s insistence on prior permission before entering their territorial seas. The convention did guarantee that key sea lanes would remain open but the Americans had objected to signing the law on the grounds that the provision on deep sea mining were unacceptable. However, the Pentagon recommended its ratification. The Convention and the Gulf war had been instrumental in evaluating the worth of a regional power like India. They were interested in utilising Indian shipyards for repair and making Kochi and Goa permanent port calls for the large United States navy, based in the Persian Gulf. There were naval exercise again off Kochi, the ‘Malabar Two’ exercise during which two American nuclear submarines took part. For the first time, the sophisticated submarine hunting P3-C Orion planes which Pakistan had ordered were included. Such knowledge was advantageous, but it was blunted with the passage of the Brown-inspired amendment permitting the sale of the stalled military equipment worth $370 million Pakistan.

In October 1990, the United States had suspended arms to Pakistan because of the 1985 Pressler law which had specified that if the President failed to certify that Pakistan did not have a nuclear weapons programme, then it could not avail of U.S. military or economic aid. Till 1990, both Reagan and Bush had certified that Pakistan was not pursuing such a programme, when all the evidence was to the contrary, because of the Soviet presence in Afghanistan. In 1990, Bush did not certify this and so aid was terminated. But the close ties between Benazir Bhutto and the Clinton Administration had brought about a sea-change again. Many members of the Congress such as Senator Hank Brown and the Administration had called for a one-time waiver of the Pressler law to allow the transfer of three Orion maritime reconnaissance strike aircraft, Orion Harpoon missiles and 360 Sidewinders missiles to Pakistan. An attempt had been made to amend the Defence Administration Bill to partially relax the

107. Ibid.
108. The Hindu, 8 June, 1995.
110. ‘U.S. values good relations with both India and Pakistan’. Press Release, United States Information Service, Gemini circle, Madras (1 April, 1991).
Pressler amendment but it was withdrawn by Brown.\textsuperscript{111} It was later attached to the Appropriations Bill and thence passed.\textsuperscript{112}

These acquisitions have added a new dimension according to the Indian Navy.\textsuperscript{113} The Orion planes can be effectively used against distant ports such as Kochi and the Harpoon missiles carried on it pose a devastating threat to the navy.\textsuperscript{114}

Such sales are disturbing and could effectively reduce any military advantage India has had.\textsuperscript{115} The reasons for waiving the ban by the United States are due to the major interests of American foreign policy in the post Cold War era. These can be highlighted as:

- expanding economic ties and liberal trade
- resisting the spread of Islamic fundamentalism (in which Pakistan had a role)
- reining in nuclear and missile proliferation
- fostering human rights and democracy.\textsuperscript{116}

However in practice all these could not be simultaneously pursued. In attempting to achieve liberal trade ties, the other interests such as nuclear non-proliferated and human rights have often been bypassed. The Under Secretary of Commerce, Jeffrey Garten told the Senate Foreign Relations committee in March that the Pressler amendment was actually a punishment for the United

\begin{itemize}
\item[\textsuperscript{111}Sridhar Krishnaswami, 'Brown move, a reprieve for India', \textit{The Hindu} (Madras) 7 September, 1995. p.13.]
\item[\textsuperscript{112}The Hindu (Madras).]
\item[\textsuperscript{113}India Today (Cochin), 30 September, 1995, pp.94-5.]
\item[\textsuperscript{114}Ibid.]
\item[\textsuperscript{115}The Hindu (Madras).]
\end{itemize}
States because as competition for world markets had been intensifying, the American corporate world could lose out. In fact, American officials in New Delhi argued that the amendment was sidestepped to facilitate American investment in Pakistan.\(^{117}\) Similarly, the Clinton Administration had proposed to waive the ruling in 1994 to transfer F-16 planes to Pakistan. Such measures indicate only too clearly, that the American goal of non-proliferation is hollow, because having suspended aid five years ago on this ground, it could not just resume assistance. Thus, economic interests and strategic concerns again have taken precedence over the last two goals of American policy.

American apprehensions of Islamic fundamentalism since the Iranian revolution of 1979 have been responsible for their role in the region. With hot spots emerging in Algeria, Sudan and Egypt, the administration has looked around for a balance to counter its spread in the strategic area of South-West Asia. There is an increasingly powerful lobby in the United States mainly in the Pentagon, which over the years, has had close links to the Pakistani establishments, which has been touting that Pakistan has a strategic role to play in South-West Asia. The Cold War mentality still seems to be prevailing in these key sectors.\(^{118}\) It is being seen as a 'moderate Islamic State' that can be a bulwark against Islamic fundamentalism in Iran, Iraq and the Muslim republics of Central Asia, that were part of the former Soviet Union.\(^{119}\) It is thus clear that there is a close co-ordination between Pakistan and the United States, and India would be foolish to ignore this and sacrifice its security interests in order to maintain the momentum of Indo-U.S. relations. Though India has been afflicted by Islamic sponsored terrorism, and could thus share this concern with the U.S. no measures have been undertaken to date. It is Pakistan which is the focus of the U.S. strategy because of its proximity to the oil rich Central Asia.

India has also to take the emerging might of China into account. Though Sino-Indian relation have improved with the signing of the agreement on

\(^{117}\) Indian Express (Cochin) March 18, 1995.
\(^{119}\) India Today (Delhi), 30 September 1995, p.10.
border relations in 1993, India cannot afford to downgrade its military muscle. China's military was given technological assistance by the United States in the 1980's and it is continuing to modernize its forces. Of particular concern is that China plans to secure naval bases in Burma, one just a mere 30 nautical miles away. In fact, China itself has reckoned India to be one of the possible sources of threat to it in the future, and its naval expansion should make India wary. At the very least, it should keep its naval forces well prepared and up-to-date. Unfortunately, the defence forces, in particular, the Indian Navy are facing a resource crunch and are aging as well. India is as dependent on the Gulf for its oil needs as many others and it too must see as the United States does, that maritime trade is unimpeded. Thus the requisite for peace and stability in the Gulf is a matter of common interest to both. Furthermore, future naval exercises could also be of use to the Indian Navy and could put to rest any fears neighbouring countries have of its intentions. But it can not permit the United States to decide its security requirements. Due to pressure from multilateral lending agencies, Indian had cut its defence budget for the last three years but in the light of Pakistan's acquisition and China's programme, it has to increase its expenditure and replace its aging fleet. After the demise of the Cold War and release and election of Nelson Mandala to the presidency in South Africa the littoral nations have begun, spread headed by South Africa to think of grouping the states around the Indian Ocean. In June 1995, 23 nations met at Perth to discuss ways of coordinating activities with each other. The seven-nation working group called, M-7 comprising one nation from each of the Indian Ocean sub-regions and which included India would evolve an

123. In November 1994, Pakistan brought Agosta sub marines from France, short range missiles (and M11 missiles covertly) from China and in October 1995 vast number of arms from Ukraine. This is in addition to the $370 millions worth of arms transferred to Pakistan by the U.S. Congress and the Mirage 2000 jets being negotiated from France.
agenda for the whole group. It was agreed that security matters would be kept out (this was against Australia's wish) because the community would become bogged down in controversies as nations such as Pakistan would raise issues against India. However, the region of the Indian Ocean would be transferred into a zone, whereby the countries could maintain cordial relations and cooperate economically.125

g) Indo- U.S. Defence Cooperation

There was a marked improvement in bilateral relations between India and the United States ever since pragmatism was weighed over ideology in the mid 1980s. By 1991, talks were held to have naval exercises and exchange military officers. The International Military Educational Training (IMET) programmes conducted by the United States were made use of by the Indian defence forces. By early 1992, both were set to institutionalise Indo-U.S. defence cooperation.126 With that, India was set to join other nations such as China in having service to service interaction. The Kickleighter proposals aimed at holding such interaction did not envisage anything closer as imagined by some groups. The proposals included visits by Chiefs of Staff and regular staff talks; holding regular strategic symposiums, reciprocal training programmes and combined training activities. There were in fact two groups with conflicting views regarding Indo-U.S cooperation. One group considered that India was becoming a client state of the United States.127 The new economic policies of the Rao Government, the future talks over the nuclear issue and the postponement of missile deployment were seen by them as a dilution of India's hard-won independence. The other, on the contrary, was extremely hopeful of the new relationship, desiring to replace Moscow with Washington as India's most reliable ally.128

Both stands are off the mark. The U.S. does not wish to establish India as

125. Times of India (Bombay) 24 June, 1995.
128. Ibid.
a reliable ally and as time has shown the ball has been set for a more business like relationship. The U.S. policy aims at understanding the defence policies and strategic intentions of India. Thus the Defense Secretary, William Perry of the U.S. visited India in May 1994 and January 1995 to discuss the evolution of a new defence relationship which would be based on the:

shared tradition of strong civilian control of the military, mutual concerns about new threats to international security and commitment to collective action under the United Nations to keep the peace.\textsuperscript{129}

Indeed, the U.S. had been appreciative of the Indian peace keeping operations in Somalia in 1993 and Cambodia. India which desire to gain a permanent seat in the United Nations Security Council has supported such peace keeping operations actively. However, while the U.S. favours the expansion of the Council to include Japan and Germany, it is not in favour of including India which has problems and conflicts with their neighbours such as Pakistan. It prefers to focus on areas of agreement with India such as liberalisation and defence cooperation. However, the question is how much should India relax restrictions in the defence field because Indian interests have to kept in mind first. Where the Indian navy was concerned, the previous restrictive policy had isolated it. The defence cooperation between India and not just with the United State, but also other states can only be for the better. Similarly, the Indian Army can benefit by continuing the process of acquiring high technology that was initiated in 1985. In particular, the so-called force multipliers - the military equipment that enhances the effectiveness of weapons - are of interest to the armed forces.\textsuperscript{130} The United States had also provided the technology and the engines for the Light Combat Aircraft. The first aircraft is expected to be ready by June 1996.\textsuperscript{131}


\textsuperscript{130} Ibid.

\textsuperscript{131} Ibid.
However, the aircraft including features such as advanced chips which could be available only from external sources, could, as the cryogenic engine was, be vulnerable to American pressures. Ever since the signing of the Memorandum of Understanding in 1985 between Gandhi and Reagan, India had been trying to upgrade its military equipment. One way was through this kind of cooperation as computers, electronics night vision sights, medical and safety equipment were sought to be included in this ambit.\textsuperscript{132}

But the guidelines framed by the Congress on nuclear and missiles proliferation have hampered such research. In 1993, the Pentagon provided technical assistance for evaluating weapons systems such as the Arjun main battle tank.\textsuperscript{133} But such assistance in the future seems unlikely unless the Congress is satisfied by India's record in the key areas of nuclear and missile proliferation and human rights.\textsuperscript{134} India has also had to grapple with the mood in the Congress regarding Pakistan. The recent vote in the Congress in favour of selling the stalled military equipment to Pakistan is a matter of serious concern to India. Its future decisions regarding missile deployment will in all likelihood be disapproved of by the Congress. Both the Administration and the Congress can be held responsible for the arms race which will surely warm up, in the wake of this decision and India will probably get a unsympathetic hearing when it does eventually deploy the missiles. However, economic compulsions will ensure that the relationship between them could not get too strained. Both the U.S. and India have reasons for maintaining a business like relationship.

\textbf{h) Indo-U.S. relations: the economic dimension}

The mid 1990's have witnessed discernible changes in Indo-U.S. relations in both the economic and security spheres. Previously, relations between the two democracies had always been strained, primarily, because of security differences, but also because of differing approaches on the issue of market economy. The Soviet economy and strategy was the role model for Nehru's India in 1950.

\textsuperscript{132} \textit{The Hindu} (Madras) 3 April, 1993.
\textsuperscript{133} \textit{Indian Express} (Cochin) 21 June, 1993.
\textsuperscript{134} \textit{Ibid.}
In a poor country, with the little industrial development, it was essential to have planning, and the country embarked upon a period of slow and planned development through the Five Year Plans and government intervention. While the state was the catalyst of growth in the early stages, it later had an unenviable result—it created an economic-bureaucratic machinery, and developed a mindset that was receptive to controls.

The strategy of import substitution and economic self-reliance that India had embarked upon had some successes as well as failures. It was a restrictive regime with high tariff rates and import duties. There was, unlike in the 1990’s, a low level of interaction between the Americans and Indians. From the 1950’s till the mid 1960’s, the U.S. had been one of the major donors of aid to India, but its role had diminished afterwards. Instead, the U.S. came into the picture only because of their presence in the multilateral lending agencies such as the World Bank and the International Monetary Fund. Their influence in these organisations was one of the reasons for India, under Indira Gandhi, to seek a rapprochement in the early 1980’s. In the mid 70’s, India developed economic problems and by 1977, it began to embark on a process of liberalisation. While this was at the behest of multilateral banking agencies, it was because they too realised that India was missing out on the latest technology and economic progress. During the period 1970-80, the average growth rate in industry had been about four per cent per annum. Consequently, in 1985-86 the government eased restrictions on industrial growth and delicensed industries and worked out schemes for specific areas like electronics and textiles. When Rajiv Gandhi travelled to Washington in June 1985, it was touted as an opening, and there were many expectations. Corporate America was eager to invest in India but they desired more liberal terms than India was willing to give. Moreover, the administration wary of their technologies being sold to the Soviets, was reluctant to permit transfer. The multinationals wanted to do

136. Ibid.
business, as the United States was in dire need of markets but they were not willing to accept the terms India was inclined to give.\textsuperscript{139} In an interview, the Prime Minister had indicated that the Bhopal gas tragedy had made India review the whole procedure of foreign companies entering into business here.\textsuperscript{140} The basic equity limit of 40\% for foreign was also not diluted, but it was suggested that there would be better protection if foreign companies had a higher stake.\textsuperscript{141}

The issue involved the dilution of India's autonomy in economic affairs and the possibility of India being vulnerable to American pressure. Unfortunately by the end of the 80s decade, the Indian economy had to face several problems. It was afflicted by a weak balance of payments position due in part to a profligate government which ran big budget deficits.\textsuperscript{142} The Gulf war of 1990-91 exacerbated the crisis and eventually India had to resort to large borrowings from the IMF.

The economic crisis occurred when changes were also taking place in the international order. The Uruguay Round of Multilateral Talks under the General Agreement of Trade and Tariff (GATT) were scheduled to be completed after December 1990.\textsuperscript{143} These talks were to lead to the formation of a World Trade Organisation (WTO), which would organise the global trade more freely. The U.S. had become by then the largest investment partner and the largest trading partner of India, accounting for 18.5\% of Indian exports and about 11.5\% of her imports.\textsuperscript{144} However, there were several problems between them concerning anti-dumping and countervailing duties by the U.S. India's exports of marine products, basmati rice and brassware were affected.\textsuperscript{145} Moreover,

\textsuperscript{139} Ibid.
\textsuperscript{141} Ibid.
\textsuperscript{143} India, Ministry of External Affairs, Annual Report, 1990-91 (New Delhi) p.50.
\textsuperscript{144} Ibid., pp.49-50.
\textsuperscript{145} Ibid.
under the new GATT regime, India would have to change its patent laws and open up the economy. Indeed in 1991, the U.S. began targeting India as a country whose trade practices had the greatest adverse impact on U.S. products and had made little progress in bilateral or multilateral intellectual property negotiations.\textsuperscript{146} Under the 'Special 301' provisions of the U.S. Omnibus Trade and Competitiveness Act of 1988, India was identified as a priority foreign country whose policies would be investigated.\textsuperscript{147} At the end of the period (a matter of nine months) the U.S. had to take a suitable response. By early 1992, when the Congress party under P.V. Narasimha Rao had come to power the U.S. Trade Representative, Carla Hills, had concluded that 'India's denial of adequate and effective patent protection was unreasonable' and restricted American commerce.\textsuperscript{148} The U.S. withdrew the generalised system of preferences (GSP) from Indian pharmaceutical and chemical exports. However, she announced that the Indian government was taking efforts to provide copyright and trademark protection and said that she was leaving the door open to trade action.\textsuperscript{149}

Meanwhile, the changes advocated by, the GATT regime, involving as it did the pharmaceutical industry, the agricultural interests and the bio-genetic diversity of India, provoked a furore within India.\textsuperscript{150} There were widespread national protests against the signing of the Treaty which were all to no avail as India signed it at Marrakesh in 1994. There were accusations that India had bartered away its sovereignty. The drugs companies led by the Kealla headed moment, prominent opposition parties, farmers lobbies and many others opposed the signing of the Dunkel proposals (Dunkel was the chief of the GATT at the time the discussions were being held). The counter argument of the Indian government was that India had to go along with the global trends and that there was no alternative to the Dunkel draft. Unfortunately, India had

\begin{footnotes}

\footnotetext[146]{\textit{Backgrounder,} 26 April, 1991 United States information Service (Madras), pp.1-2.}
\footnotetext[147]{\textit{Ibid.}}
\footnotetext[148]{'USTR finds India's patent regime unreasonable and leaves door open to trade action.' \textit{Press Release} 27 February, 1992 (USIS) Madras. p.1.}
\footnotetext[149]{\textit{Ibid.}}
\footnotetext[150]{\textit{Indian Express,} 11 April, 1991, The Hindu, 22 May 1992, See also \textit{The Hindu,} 22 May, 1993.}
\end{footnotes}
garnered little support from other developing countries who would be equally affected by the new regime. Nor was it strong enough to beat a solitary path at a time when a transformation was taking place in the world order. Parallel to the changes taking place in the economic field were changes in the global order as well. The demise of the Cold War virtually meant not just a victory for capitalism and the western mode of production, but also the establishment of the U.S. as the dominant power in the world.

It was in response to these changes that the Narasimha Rao-Mannomohan Singh team undertook drastic steps to improve the economic situation which they had inherited. Industry and trade were freed from governmental and bureaucratic control and a policy was adopted of seeking to withdraw the public sector from areas where its purpose would not be served.\textsuperscript{151} Foreign investment was openly welcomed with the Americans, in particular, showing interest.

The Clinton Administration reoriented its approach towards India on terms different from just non-proliferation and Kashmir. Its Commerce Department was responsible for this shift. A confidential study revealed that focusing on human rights and non-proliferation would force the United States to forego 'an unprecedenteded opportunity to develop a long term commercial relationship.'\textsuperscript{152} The under-secretary, Jeffrey Garten authored the thesis that the United States should build strong trade relationships with Big Emerging Markets (BEMs) such as India\textsuperscript{153} (the other markets were China, Brazil, Indonesia, South Korea, Turkey, South Africa, Poland and Mexico). The confidential study, on 'U.S.-India Commercial Relations 1993-2000', observed that, the Clinton Administration had to have 'a clear vision of longer term commercial interests' and that the Commerce Department was the one 'in the middle of the balancing act between liberalising controls that would encourage exports and not liberalising where there is a non-proliferation problem.'\textsuperscript{154} Jeffrey Garten noted that one common

\textsuperscript{151} India 1992. p.350
\textsuperscript{152} The Hindu, 1 August, 1994.
\textsuperscript{153} Ibid.
\textsuperscript{154} Ibid.
element among the BEMs, was that they were major players in the world scene and were going to have substantial interests in military and strategic areas. He recommended 'a policy of engagement that cuts across all issues and balances them'.\textsuperscript{155} It was his belief that as India opened up, the U.S. should aspire to be its 'number one partner.'\textsuperscript{156} Thus there began to be another element in Indo-U.S. relations from the 1990s. A new phase of interaction was developed at a high level between India and the U.S. in the economic sphere. Indo-U.S. economic cooperation has definitely increased. Between 1990 and 1992, the number of American collaborations have increased from 133 to 332, dipping slightly to 298 next year.\textsuperscript{157} Similarly the investment by the U.S. went up from 344.8 crores of rupees in 1990 to 3,472.98 crores in 1993.\textsuperscript{158} The Central government was keen to involve them in developing power plants and telecommunication projects. Unfortunately, the terms offered to tempt them to invest in India were against India’s interests and one fallout was the Enron controversy which was cancelled and then made open to renegotiation by the Shiv-Sena-Bharatiya Janata Party government of Maharashtra.\textsuperscript{159} Other areas which would, under the new World Trade Organisation (WTO) regime, be open to change were the financial services like trade and banking. The fear that foreign companies would compete better than Indian ones due to their greater financial resources became a very real one. Moreover, any dispute meant to be dealt by the WTO, had to be decided by secret panels which might be vulnerable to American pressure. All this happened when India’s debt crisis had occured and when the U.S. and other developed countries were thrusting their economic policies on the developing world at a time when there was no counter balance (such as the former Soviet Union) to American power. The U.S. had clearly enunciated its goals in foreign policy as ‘democracy, liberal trade and leadership’ in 1992.\textsuperscript{160} But its lead has not always been accepted by Third World countries and many in India

\textsuperscript{155. Ibid.}
\textsuperscript{156. Ibid.}
\textsuperscript{158. Ibid.}
\textsuperscript{159. ‘U.S. Goals’ News Feature, 22 June, 1992, USIS (Madras) p.5.}
\textsuperscript{160. Sunday.}
itself have questioned its authority. Indeed, the U.S. postulated that its security was threatened by Third World nations’ pursuit of nuclear, chemical or biological weapons technology or missile and other strategic technology. Thus it pressurised India to give up the deployment of the Prithvi and Agni missiles and the development of the cryogenic rocket. It would not be too far to say that there is a concerted U.S. pressure on a wide front encompassing security and economic aspects.

The process of economic cooperation has continued between India and the U.S. In January 1995, the U.S. Commerce Secretary, Ron Brown and the Defence Secretary, William Perry, visited India. A defence pact and an agreement on a commercial alliance were signed making the linkage between India and the U.S. even clearer. There were again accusations that Indian interests were being subordinated to American ones and that the government was advancing their interests in the name of globalisation. Undoubtedly, the reform programme had picked up pace and there was a resultant improvement in Indo-U.S. commercial relations. That India had also become more important than before in the U.S. decision making process was evident. But it was part of their global policy to initiate changes in market economy and trade practices in order to favour American corporations. Indeed, the American government has begun to utilise the CIA (Central Intelligence Agency) to assist in trade negotiations by collecting economic intelligence. Political-military rivalry seems to have been supplanted by international economic competition.

In such a scenario, therefore India has assumed more importance in American policy. As exports have become increasingly important to American jobs, it would necessitate changes in American policy towards India. But it would call for very skilful balancing acts from the Americans to weigh commercial interests with security concerns. The solution lies within India itself. It

163.Ibid.
needs to become more independent where its security is concerned—such as deployment of the Prithvi—and work towards reducing tensions in the region as well by engaging in talks with both Pakistan and China. May be, the SAARC should begin to discuss multilateral matters. Where the development of its economy is concerned, India needs to frame a set of policies which can reconcile the twin needs of accelerating industry and alleviating poverty. An argument often heard is that the defence budget is excessive and it has to be brought down. But, unless India can be assured of its security from any threat, from China or Pakistan, it would be foolhardy to cut down on defence needs. However, there are other government expenses which can be eliminated. The bureaucracy and parliamentarians have ever the years accumulated a lot of powers and self and it is here that it the 'fat can be trimmed'. 