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INDO-US RELATIONS: New Delhi to Continue Testing
Washington's Commitment

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Summary

Indian officials believe Indo-US ties are gradually gaining a solid footing and that each side has a more sober understanding of the other's goals for the relationship. New Delhi is pleased that Washington has come through on promises to release high technology and to increase efforts to combat Sikh terrorists based in the US, but other than offering US companies greater opportunities in the Indian market, does not believe it owes the US much in return at this point. Many Indians, probably including Rajiv, believe that their willingness to soften their rhetoric on contentious issues such as Afghanistan and to shift to what they see as a position more equidistant between the United States and the USSR is a sufficient show of New Delhi's understanding of Washington's views. The Indians will continue to test Washington's commitment to a long-term relationship--a test they see playing out over many years. We believe that, for the foreseeable future, this will focus on the transfer of high technology.

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This memorandum was prepared by the South Asia Division of the Office of Near Eastern and South Asian Analysis. It was coordinated with the Directorate of Operations. Information as of 31 January 1986 was used in its preparation. Comments and queries are welcome and may be addressed to the Chief, South Asian Division, NESA

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Relations between India and the US historically have been characterized by strain, only occasionally relieved by shows of friendship and cooperation. The strains have been mainly a result of differences in perceptions of the strategic environment of South Asia. New Delhi continues to be concerned with securing its own preeminence in the region to the exclusion of other-- particularly extraregional--powers. The Indians, though aware of US strategic concerns in the region, have always been resistant to viewing regional issues in east-west terms. Many members of the Indian elite remain suspicious that US overtures towards India in the wake of Rajiv Gandhi's ascension to power derive more from Washington's broader, anti-Soviet, strategic interests than from the desire to build long-lasting bilateral ties. [REDACTED]

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Moreover, most Indian officials, including Rajiv, are wary of what they view as the US "reliability as a friend." This deeply ingrained suspicion stems largely from the US decision to cut off arms to India in the 1965 Indo-Pak War and is often contrasted--even by Rajiv--with the perception that the Soviets have stood by New Delhi steadfastly. Indian skepticism about broader US goals in South Asia and Washington's perceived penchant for policy vacillation form the basis for New Delhi's attitude that the US must "go first" in demonstrating a commitment to improved bilateral ties. [REDACTED]

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Gandhi's Technology Agenda

Rajiv Gandhi's efforts to reduce regional tensions are designed, in part, to allow New Delhi to devote attention and resources more fully to accelerating economic growth. He has constantly stressed that as relations between India and Pakistan improve, Washington will reduce arms sales to Pakistan, saving both countries financial resources which he says should be spent on raising the standard of living. [REDACTED]

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Gandhi's agenda for Indo-US relations is to obtain as many tangible economic and technological benefits from the US as quickly as possible, and New Delhi has made it clear that it views Washington's willingness to release high technology material as an important first test of commitment to the relationship. Implicit in his argument, we believe, is a view that the US should actively support him in moving toward a less regulated economy in which market forces play a large role. [REDACTED]

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In Rajiv's view, the transfer of US technology, particularly the sale of a supercomputer, is also a measure of Washington's trust in India, symbolizing to some extent recognition of India as a major world actor. Gandhi's frequent personal inquiries about the issue suggest that he has invested his own prestige in a test of the faith Washington has in him. [REDACTED]

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From New Delhi's perspective, the increased opportunities for US businesses in India should suffice as return on India's interest in US technology. New Delhi views the recent Control Data Corporation computer contract, some two hundred joint ventures finalized over the past year, and expanded cooperation with US business delegations and trade exhibitions as proof of its commitment to stronger economic ties with the US. [REDACTED]

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Even so, the United States can expect the competition for high-tech sales to India to be stiff. While many Indian officials, particularly scientists, have been trained in the US and are favorably inclined toward US equipment, some will want to guard against the risk of being tarred as pro-US. A significant number of Indian officials will oppose almost any purchases from the US purely for political reasons. [REDACTED]

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Moreover, Gandhi is after the best for the least cost, and will not necessarily buy from the United States merely because particular items have been cleared for export. New Delhi can be expected to use increased access to US products as leverage with European and Japanese suppliers--both on access and price. [REDACTED]

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The undercurrent of Indian opposition to purchasing US high technology is most likely to surface with regard to defense technology. The military procurement process is controlled or at least strongly influenced by civilians like Minister of State for Defense Research and Development Arun Singh and Science Adviser to the Ministry of Defense V. S. Arunachalam who are favorably inclined toward US equipment for its superior quality. Many serving Indian military officers have spent their careers with Soviet-supplied hardware, however, and have resisted moving away from familiar systems and supplier networks. Moreover, Gandhi has said that he was not yet in favor of an arms supply relationship until the broader foundations of bilateral ties had stood some other tests. The US can also expect stiff competition on military sales from Western European countries who got their foot in the market in the late 1970s when New Delhi began to diversify its arms purchases. [REDACTED]

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Other Economic Issues

New Delhi has attached importance to other economic issues such as concessional financing but does not seem to view them as the tests that technology transfer is. In part, this is because Rajiv and his new leadership promote a vision of India as a self-sufficient, technologically advanced nation, not as a dependent aid recipient. The US position on multilateral loans could become a more important test if, as we expect, India's foreign payments deficit continues to grow. New Delhi will probably try to make an even closer connection between US economic philosophy and India's need for capital and favorable treatment for exports to underwrite its modernization drive. [REDACTED]

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Terrorism and Narcotics

The greatest growth in Indo-US relations has come in coping with issues such as terrorism and narcotics control which the Indians have traditionally underplayed or viewed through a politically-charged prism. In the face of a rapidly expanding terrorist threat from Sikh extremists, New Delhi has welcomed such practical cooperative measures from the US as upgrading airport security in Bombay, training sky marshalls, and help in investigating the Air-India crash off Ireland. [redacted]

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In addition, the Sikh threat and Washington's prompt response in containing Sikh activity in the US has contributed to an evolution in Indian policy and elite opinion toward terrorism over the last several months. India's decision not to criticize publicly US sanctions against Libya--despite pressure from Arab states and radical members of the Nonaligned Movement-- and the increasingly critical tone of Indian press toward terrorism contrast sharply with India's traditional practice of excusing Arab-sponsored terrorism. New Delhi has also supported bilateral and regional efforts in South Asia to combat hijackings and curtail cross-border movements by suspected terrorists. Several Indian editors are beginning to condemn terrorism across the board, specifically questioning past Indian policy of differentiating between "who's a terrorist and who's serving a national liberation movement." [redacted]

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US suggestions for increasing cooperation on the narcotics front have coincided with a growing awareness over the last few years in New Delhi of the expanding role India is playing in the drug trade. Since last summer, the Indians have welcomed increased US technical assistance, raised the domestic penalties for narcotics violations with US encouragement, and backed cooperative efforts initiated at the South Asian Association for Regional Cooperation (SAARC). [redacted]

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Pakistan and Sri Lanka

The Indians have not made US-Pakistani relations a make-or-break test of Washington's commitment to Indo-US ties. In part, this reflects their recognition that the US will not abandon Pakistan to improve relations with them. The Indians are well aware, however, that Indo-Pakistani rapprochement is a major US regional goal. They have argued quietly that the US should reward their efforts to reduce tensions with Islamabad by helping to meet key Indian policy goals vis-a-vis Pakistan--leveling off or reducing US military assistance to Islamabad and a more active US role in blunting Pakistan's nuclear weapons program. [redacted]

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[redacted]

The Indians are skeptical about Washington's role in blunting or stopping the Pakistani nuclear weapons program. In part, this stems from their approach to the issue--they want Washington to use its perceived leverage on Islamabad but they have been cool to US efforts to nurture dialogue between the Indians and the Pakistanis. Their approach also reflects difficulties within Gandhi's higher councils in formulating a response to Islamabad's many proposals for resolving the issue, and Gandhi's subsequent frustration at being unable to regain the public relations initiative. [redacted]

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The Indians see the US response to events in Sri Lanka as a test of Washington's willingness to stay out of what New Delhi views as a local problem and to support their regional aspirations. Gandhi and other senior Indian officials have welcomed US diplomatic support for India's initiative, but will watch closely for signs of US intervention if negotiations break down or fighting escalates. [redacted]

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Finding Middle Ground Between the US and the USSR

New Delhi continues to view relations with the US and the USSR in large part as a mirror image of Washington's perspective toward relations with India and Pakistan--India wants to improve relations with Washington but will not do so at cost to its close ties to Moscow. Gandhi made a commitment early in his tenure "to mend fences with the United States" and to correct the impression that New Delhi has a "special connection" to Moscow and, in our view, he believes he has taken tangible steps to move New Delhi's foreign policy to a position more equidistant between Washington and Moscow. In his view, he has balanced his visits to the two countries, has demonstrated his willingness to hear out US views on disarmament, and welcomed high-level officials from both countries to India. [redacted]

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As a result, New Delhi has for the most part, turned aside US efforts to establish "tests" of the new bilateral relationship that it perceives are driven by the US-Soviet rivalry. On Afghanistan, Gandhi has offered to be a messenger between the US and the USSR and has shown a greater willingness to hear out the US position than his mother. Otherwise, he has stayed clear of irritating Moscow on the issue, and New Delhi has stuck to its pro-Soviet position on Afghanistan in the UN. [redacted]

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Although Foreign Secretary Bhandari hinted to Under Secretary of State Armacost last spring that Washington would see a change in Indian's overall voting pattern at the UN, we believe he was promising more than he could deliver. Since then, New Delhi has in effect turned the tables by saying its voting record in the United Nations need not stand in the way of closer ties with the United States. There is little question that while many Indian officials believe their UN voting pattern reflects India's "independent" views and its position with the Nonaligned Movement majority, in many ways the votes remain a touchstone of New Delhi's continued loyalty to Moscow. [redacted]

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• Outlook

We believe Gandhi is committed to strengthening India's relationship with the US and, in particular, economic and technical ties. He firmly believes that the United States offers India the best and most advanced source of technology. [REDACTED]

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Some Indian officials will continue to raise questions about the reliability of the US as a supplier and about the need for stringent US controls on sensitive technology. Nonetheless, we believe that Gandhi can ride out such criticism as well as occasional US decisions to deny the transfer or sale of selected technologies. If anything, we expect New Delhi to press for quickening the pace of technology transfer and to reciprocate by formalizing an increasing number of contracts. [REDACTED]

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Gandhi can be expected to continue to try to reduce regional tensions and will look to Washington for additional rewards for improving ties to Pakistan. He is not likely to give up on the idea that Washington could "solve" the nuclear problem through pressure on Islamabad. [REDACTED]

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New Delhi will almost certainly continue to reject, however politely, that in return for US willingness to transfer technology, it should show some "give" on other issues of importance to Washington. We doubt that Gandhi will go much further on Afghanistan, for example, until he calculates that genuine movement is possible. That will depend more on signals from Moscow than from the US. [REDACTED]


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In many ways, Gandhi's aspirations for India to be a more credible middle power--economically, politically, militarily--are the key to prospects for a gradual shift by New Delhi toward positions more independent of the USSR. Rajiv is clearly more willing to hear out US positions on arms reductions than his mother. The Indian press and many Indian officials have noted the frequent lack of official US response to New Delhi's interest, as a Third World leader and the world's largest democracy, in nuclear arms control. In contrast, Moscow frequently exploits opportunities to laud India's role in, and positions on, arms control issues. [REDACTED]

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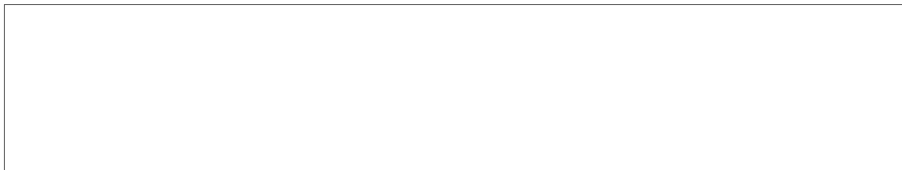
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