

From New Delhi by Susan B. Maitra

A hesitant Kohl assures India

With Indo-German relations still at a low point, the German chancellor assured Indians of better days to come.

German Chancellor Helmut Kohl's once-postponed visit finally took place when India was in the midst of growing religious tensions and a presumed economic upturn, so far only apparent to the Indian Finance Ministry.

Kohl, whose scheduled October visit was postponed due to his reported preoccupation with the future of the European Monetary System, was in India on a four-day visit from Feb. 19-22. Earlier, Indian Prime Minister P.V. Narasimha Rao had chosen Germany as his first overseas visit in September 1991.

That visit had raised hopes that the Indo-German relationship could be lifted out of the rut it is in. However, it soon became clear that for that, more than a visit would be required. The recent effort of the German chancellor was also half-hearted and has done little to improve the situation.

Nonetheless, as expected, the Germans were willing to give the Indian economy a nudge. Chancellor Kohl extended a soft credit of DM 55 million (about \$33.7 million) to the Indian government for the construction of a lift irrigation project in the state of Orissa, and another soft credit of DM 30 million (about \$18 million) to one of the financial institutions for financing imports of German capital goods.

As a footnote, following a skimpy script on further economic ties, Chancellor Kohl assured the Indians that a 10-month plan to put economic cooperation and investment on a "fast track" had already been decided upon,

and Germany has also decided to open bilateral talks with India on arms control, security issues, and disarmament.

Beside the fact that Germany is steadily slipping from its position as a leading trading partner of India, a great many trade issues remain unresolved. India is buying fewer German capital goods while the Germans remain hooked on traditional imports like tea and carpets from India. The termination of the rupee trade agreement with East Germany has created new problems, as yet unresolved.

Moreover, a number of recent statements issued by German authorities have only created suspicion in Delhi. Germany's repeated assertion that India must cut back its defense expenditures has been considered by Delhi not only as interference into a sovereign nation's internal affairs, but also as a disturbing echo of Washington emanating from Bonn.

It has also been hinted that future German development aid to India may be made conditional on such defense cuts by India. On another occasion, the German ambassador to India, Dr. Hans-Georg Wieck, had said that united Germany will prefer that aid to India be channelled through multilateral agencies such as the World Bank and the International Monetary Fund (IMF).

In addition, the German government has always been on the front line in demanding that India sign the Non-Proliferation Treaty (NPT). During his visit, Kohl harped on the same theme. At the dinner meeting hosted by the Indian prime minister, Kohl

said that he hopes "soon India, too, will be able to ratify the nuclear Non-Proliferation Treaty on the non-proliferation of nuclear weapons and the control regime which is part of it. That would be beneficial to Indo-German economic and technical cooperation. We are prepared to conduct a comprehensive dialogue with you on aspects of non-proliferation."

From the look of it, the statement clearly says that German investment to India in the future will be linked with India's response to signing the NPT. However, later at a news conference, Kohl stated that India's opposition to signing the treaty would have no impact on Indo-German relations.

Assuring the Indians that the Indo-German trade volume would increase in the future, he also reminded the Indians that Germany's development assistance has declined because of Bonn's commitments to the eastern European countries. Kohl also asked the Indians to resolve the Kashmir issue with Pakistan through bilateral peaceful negotiations and said that the priority item on the German agenda is to strengthen the United Nations to "check aggression, ensure world peace and safeguard human rights."

In his private meeting with the Indian prime minister, the chancellor reportedly expressed concern over the communal situation and the future of India's secular democracy.

Despite such pussyfooting and a lackluster performance by the German chancellor, observers believe that Indo-German relations cannot be judged by the conventional yardsticks such as a number of joint ventures and trade figures. There is a wealth of support for Germany within India, and if Bonn and New Delhi can maintain the pace of development in their relations, there will be enough on the agenda for both sides, much of which is shared interests, noted one commentator.