

Washington pressures Moscow on India rocket engine deal

by Ramtanu Maitra and Susan B. Maitra

The deluge of conflicting reports in the Indian media on whether Russia will honor the rocket-engine deal, signed in January 1991 with India, indicates that the United States has intensified its pressure on Russia to cancel the agreement. And in Moscow itself, a fight is on within the leadership on whether to proceed with the delivery. New Delhi is hopeful that since Russian President Boris Yeltsin, following his discussions with U.S. President Bill Clinton on the matter, has not spoken out *against* the deal, Moscow may bite the bullet and honor the two-and-a-half-year pact with India.

In 1992, when President George Bush was in power, the United States had slapped sanctions against the Indian Space Research Organization (ISRO) and the Russian enterprise Glavkosmos, barring them access to U.S. technology for two years. Washington claimed that Glavkosmos's sale of cryogenic rocket engines and related technologies to the ISRO is a violation of the Missile Technology Control Regime (MTCR)—a formulation of a caucus of seven western nations led by the United States.

India has maintained it requires the engines and related technologies to launch the Geostationary Launch Vehicle (GSLV) designed to put a 2,000 kg or more satellite into orbit by 1995-96. A cryogenic engine—i.e., one that operates with supercooled liquid gas propellants—is a key component of the GSLV program of the Indian space effort, and the Indians report that if Moscow carries through with its agreement, the Indian program would be speeded up by four to five years. Indian space experts deny an intention to use the cryogenic technology for military purposes.

The U.S. concern about technology transfer, however, is based on a double standard. Washington has repeatedly expressed concerns about Chinese policies resulting in missile proliferation. But it chose to look away when China supplied 2,700 km-range CSS-2 ballistic missiles to Saudi Arabia, an ally of Washington, in 1988, even though the MTCR was already operative. Later, in 1992, U.S. Director of Central Intelligence Robert Gates testified that the Saudis were expanding the CSS-2 missile support facilities. U.S. intelligence mentioned that the Saudis were transferring the Patriot anti-missile technology to China, and China had supplied guidance units usable to M-11 missiles in Pakistan. But the standards applied to Saudi Arabia or China are not applicable to India and Russia.

Beside the full court pressure on cryogenic engines and related technologies, the United States and Japan have joined to try to prevent any technology export that could be used to manufacture weapons. This year, the Japanese non-profit organization Center for Information on Strategic Technology (CIST), which functions under the Ministry of International Trade and Industry (MITI), hired the California-based Monterey Institute of International Studies to study missile-technology exports. The report stated: "India does not yet export missiles, nor has it ever been a major exporter of defense equipment." But, it states, "the Indian government is in a position to sell complete systems, other weapons technologies and expertise, or technologies now license-produced by Indian private industry." The study warned that "potential Indian missile sales will be affected by financial incentives, market conditions, Indian proliferation attitudes, and structure and viability of the Indian export control system." It is widely known in India that Washington has continued to send signals to the Indian defense establishment that India's testing of the medium-range "Agni" missile was not appreciated.

'Invisible hand' at work?

ISRO chief Rao charged in a May 12, 1992 press conference on the U.S. ban against the ISRO, that "commercial interest" was a major motivation for the ban. He pointed out that the Indian launch pad is the second best in the world—next only to the launch pad in Kourou, French Guiana—and it is clear that India could build world-class satellites at half the price of the developed countries. The United States, said Rao, "which professed free enterprise, seemed to be interpreting it to mean 'free enterprise' for them and 'no enterprise' for others."

In early 1991, U.S. Secretary of State James Baker III had warned the Russian ambassador in Washington of the consequences if Russia went through with the rocket engine deal. Then, the Senate Foreign Relations Committee made U.S. assistance to Russia conditional upon its abandoning the deal. The anti-missile proliferation amendment, offered by Sen. Joseph Biden (D-Del.), would make Russia ineligible for U.S. aid if Russia went ahead with the sale of the cryogenic rocket engines and related technologies to India.

The United States then imposed sanctions against both

the ISRO and Glavkosmos. When Clinton came into the White House in January 1993, the issue was revived. Washington offered Moscow an opportunity to bid on 12 commercial satellite launches, at about \$50 million per launch, between 1996 and 2000, and a share in the U.S. Space Station Freedom project. Reportedly, this was worked out during the meeting between Vice President Al Gore and Russian Prime Minister Viktor Chernomyrdin at Vancouver. The U.S. offer to Russia was stated to be the compensation for ditching the deal with India.

Subsequently, the Russian news agency Interfax reported that one of the reasons why Russian Prime Minister Chernomyrdin had called off his state visit to the United States was because of differences over the rocket engine deal. Deputy Prime Minister Alexander Shokhin indicated that the U.S. trip was "conditional" on the Clinton administration's not imposing sanctions on the Indian cryogenic rocket engine deal, and that the differences around the deal had spilled over to proposed U.S.-Russia space cooperation.

Among other things, Washington is aiming to shut Russia out of high-technology markets. In Moscow, Washington's stance has provoked a major fight. Speaker of the Russian Parliament Ruslan Khasbulatov told newsmen July 10 that on the rocket deal "there is a clear-cut understanding between the President, the government, and the parliament." Yet, he vociferously pointed out, if Foreign Minister Andrei Kozyrev had his way, the deal would have long since been canned.

According to reports, American official Robert Einhorn was recently in Moscow to work out a compromise, whereby the Russians would supply India with the two cryogenic rocket engines but forego the transfer of rocket technology. Shokhin, a backer of the deal, has reportedly urged India to sign the MTCR. India has apparently refused. Moreover, following the Group of Seven summit, where Clinton told Yeltsin to call off the deal, Yeltsin has remained silent.

An unnamed Moscow government source, quoted by the daily *Izvestia* July 2, said Moscow is prepared to sign the MTCR agreement on three conditions: The MTCR will not be applicable within the countries belonging to the Community of Independent States; Moscow is willing to make available to Washington its earlier missile contracts, including the India contract, only in exchange for similar information from Washington; and Moscow will require two years' grace period to bring its legislation in line with the MTCR and to renegotiate the terms of contracts signed earlier.

The Indian reaction

There are some in Delhi who would like to send a strong message to Moscow, telling Yeltsin and company that any violation of the agreed-upon contract will have a telling effect on India-Russia relations, including India's move to reopen the rupee-ruble exchange rate discussions to settle the old debts. As former director of the Institute for Defense and Strategic Analysis (IDSA) K. Subramanyam said, if Russia finds that uncomfortable, then it could go to Washington for compensation.

A senior analyst of the *Economic Times* called for canceling the contract by India in order to have a better bargaining position with the United States on issues such as security, nonproliferation, and international financial support. This scribe noted that India's cancellation of the deal could provide impetus to develop indigenous strategic technologies. Faced with the U.S. restrictions in the use of mainframe

Walking a tightrope in South African talks

On July 1, the multi-party negotiations in Johannesburg, South Africa set April 27 as the date for the first non-segregated elections in that country. The rush to announce the date was timed with the visit of South African President Frederik W. de Klerk and president of the African National Congress (ANC) Nelson Mandela to the United States, where they received the Liberty Medal in Philadelphia from the hands of U.S. President Bill Clinton. What is widely hailed as another breakthrough for the end of apartheid, at closer inspection looks more like an extremely dangerous path by one power group combination—the ANC and the National Party—to fortify their position in a post-apartheid South Africa. And if the notorious Stalinist Joe Slovo, who has been steering the ANC's negotiating strategy in the last two years, makes himself the champion of this election date, one has to ask even more questions.

Political observers in South Africa point to a gross violation of African traditions, which could destroy efforts to build a climate of understanding among the different political groups in the country. Rather than patiently adhering to the unwritten rules of an African Indaba and talking until a substantial consensus was reached, the ANC/NP alliance decided to cut the process short and declare a very questionable "sufficient consensus." The chairman of the day of the multi-party talks at the Johannesburg World Trade Center, Pravin Gordhan, only seconds before the end of the day's proceedings, called for a show of hands, at which time 20 delegations voted for the date and 6 against it—among them the Inkatha Freedom Party and the Conservative Party. Inkatha announced that its representatives will return, after a two-week break, to continue the discussion on a draft constitution.

Certain circles in Washington and London apparently already know what the election results next April will be: more than 50% for the ANC, 20% for the NP, and the rest split up among the "smaller parties" such as Inkatha and the Communist Party. To intervene from the outside into the South African political process, as if such an election outcome were already written

computers in the mid-1980s, India started two parallel processor projects. In 1992, thanks to the U.S. restrictions, Indian scientists have developed Param and Sparc-II supercomputers which are now in the international market competing with the Cray supercomputers.

The ISRO should have done the same, and there was no need for it to land the country in such a difficult spot on

cryogenics. Experts point out that the ISRO had embarked on developing cryogenics in the 1970s, and that it was upgraded in the 1980s, but that the program was not given adequate funds, and languished with no administrative support. As a result, India has fallen behind in developing its launch vehicles and has become dependent on imported technologies.

in stone, must raise hackles on all sides and undermine those who are working for reconciliation.

The key questions today are about the contents of a new constitution and an economic development program, by which the divisions of South African society, with its brutal history of apartheid, can be overcome. It will be a test for the ANC leadership and negotiators whether they listen to recent words of their Vice President Walter Sisulu, and give the negotiations enough time. Refusing any recriminations against the perpetrators of apartheid and stressing the obligation to work for reconciliation, he said, "We have to help them to escape from their past if we are to unite our people for the future."

A hopeful sign for reconciliation was given at recent talks between Nelson Mandela and Inkatha President and KwaZulu Chief Mangosuthu Buthelezi, mediated by Bishop Stanley Mogoba of the Methodist Church and Anglican Archbishop Desmond Tutu. Although the leaders failed to agree on the date for elections, they decided to pay each other visits of respect. Mandela is expected soon to make a symbolic visit to Ulundi, the capital of the KwaZulu region, where he will visit King Zwelethini and the headquarters of Inkatha. In return, Buthelezi plans to visit the ANC's headquarters in Johannesburg.

Only days after these agreements, South African politics was rocked by followers of the Afrikaaner Resistance Movement (AWB), who stormed the Johannesburg World Trade Center, where the multi-party talks were taking place. The key organizer of this provocation was a Briton named Keith Conroy, who says he once served in the British Special Air Services. Observers of those events report that they recognized agents of the South African National Intelligence Service (NIS) dressed up in AWB uniforms, taking a leading role in the event.

So what is widely reported to have been a spontaneous right-wing mob turns out to have been a carefully orchestrated intelligence operation, deployed to wreak havoc among the negotiating partners and to discredit the opposition to the ANC-NP deal.

So far, the De Klerk government has failed to disprove the widely held suspicion of intelligence services' involvement in the so-called third force, which is destabilizing the country in favor of a rush into the ANC-NP formula for government. As for the ANC, it is faced with

growing suspicion about whether it has really abandoned armed struggle. Officially, it declares that armed struggle was ended in February 1990. But a recent report by South African military intelligence, which was leaked to the press, accuses the ANC of double-crossing its negotiating partners at the multi-party talks. It alleges that the ANC is denouncing the armed struggle publicly, while clandestinely building its underground army. Some of the random killings of whites that were attributed to the Pan African Congress may actually have been committed by Umkhonto we Sizwe (MK), the ANC's military wing. There is widespread fear that while the ANC engages in compromise at the negotiating table, it is preparing the military capability to pressure and intimidate the voters for the coming elections. Right after the announcement of the planned election date, two townships, Katlehong and Thokoza, 15 miles east of Johannesburg, and areas in Natal near Pietermaritzburg and Richmond, descended into the worst violence yet. Close to 150 people were shot, hacked, burned, or beaten to death.

Can a compromise succeed?

The South African negotiating process for a post-apartheid constitution is walking a tightrope. The ANC-NP compromise to allow the establishment of a federal constitutional system, which kept Inkatha and the conservative white groups at the negotiating table, could be the beginning of finding constructive compromise solutions. But two problems have to be solved without which no compromise will be workable.

First, the violence has to be stopped, and the ANC and the government of De Klerk's National Party have to answer to the suspicions raised. Second, the country needs an economic development program, which cannot be defined within the framework of the International Monetary Fund/World Bank prescriptions. While an IMF delegation is expected to travel to South Africa soon, the ANC is confronted with reports that they—as part of the deal with the government—are engaged in secret negotiations with the Fund. This would negotiate away the future of the country, where unemployment for the black population has reached 50%; and South Africa would not survive the IMF programs which have made that institution so notorious in the rest of the continent. —Uwe Friesecke