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MILITARY DEALS : COOPERTATION AND COLOBORATION AND COLLABORATION - INDO -RUSSIAN EPISODES

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ABSTRACT:

India and Soviet maintained their military relations well in the second half of the Twentieth Century . Both Indo-Chinese war of 1962 and Indo Pak War of 1971 made Russia to take different stands in her relations with India. During the Indo-Chinese War , Soviet kept neutrality and not ready to supply arms to India. I was because of the Communist stand. During the Indo-Pak war of 1965, Soviet supplied arms to India to meet the challenge of arms supplied to Pakistan by US. Otherwise the military relations between India and Soviet was very cordial. India is the largest purchaser of arms form Soviet on long term credit basis. In the beginning of her Republic India's military forces relied mostly on British equipments. Since 1960, the Soviet began to export her arms to India. The economic aid and foreign trade programmes of Soviet also covered military support to India. During the short period of 1965-1968, 80 per cent of all defence equipments of India were imported for Soviet. This huge Soviet share in India's defence imports was in the wake of the West's embargo on arms exports to India following the Indo-Pak of 1965. In the early 1970s, two reasons contributed for Soviet's huge military share to India. Firstly, the USSR was replenishing Indian stocks during and after the 1971 War. Secondly, the US stopped all sorts of military and economic assistance.



KEYWORDS: *India and Soviet , economic assistance , Indian stocks.*

INTRODUCTION

It was a well known fact that the USSR was India's single most important military supplier. This military supply also declined in sometimes. There was a declining trend during the period of 1970-1974. The Soviets share fell to 70 per cent

of India's arms imports. During the period of 1975-1979, it was gone to 57 per cent.¹ Nevertheless, in spite of India's fairly successful efforts in diversifying its sources of weapon systems, the Soviets were still India's most important arms supplier. It showed India's

bargaining capacity in its arms dealings with the Soviets.

India aspired for the MiG-21 in preference to Western alternatives since the Soviets offered its licensed manufacture in India and credits for the manufacturing programme. The US government, responsive to

Pakistan's sensitivity, halted the Lockheed move to transfer technology to India. The MiG deal was significant on account of Soviet refusal of Chinese approach for MiG-21 in the context of deteriorating Sino-Soviet relations.² After the 1962 Indo-Chinese war, India responded positively to any offer of military aid from the Western Countries. The US promised \$50 million of emergency assistance in 1962-1963 and \$60 million in 1963-1964. In May 1964 as much as \$500 million of military aid, half of it as a grant and rest as a loan, was promised for the period 1965-1969. The 1965 Indo-Pakistan war led to a suspension of US military aid to both the countries. As a result, India was able to get only about \$80 million. At those times, the USSR came forward, as an addition to licensing production of defence equipments and provide overhaul facilities in Chandigarh for the Soviet AN-32 medium transport aircraft. The biggest naval dockyard in India, Vishakapatnam was constructed with Soviet assistance for servicing of naval vessels purchased from the USSR.

The inherent dissension between American and Indian perceptions of international issues was reflected in the unstable military relationship with the US. Several factors, were responsible for the USSR's emergence as India's chief supplier. All military related sales over \$25 million (lethal equipment ceilings were lower at \$10 million) in the US were required to be presented to the US Congress for clearance that meant delay and, irritably, the exposure of the recipient's defence policy to scrutiny. Further, the US was generally eager to establish, on the ground of the sophistication of American equipments, an infrastructure, e.g., training and maintenance teams, in the recipient LDC. India was little interested in such broad-based military relationship. West Europe, as an alternative to Soviet supplies, though willing to transfer technology, proved expensive and further they had limited productions in relation to the superpowers and were not ready to extend long-term credits. In some cases, furthermore, European defence equipments included US technology and it might be a hindrance from American point of view.

In this critical situation, the USSR was ready to extend long-term credit initially for 10-12 years, later for as long as 17 years according to 1980 agreement, at lower rates of interest (2-2.5%) and under favourable repayment conditions, not in free foreign exchange but through export of goods in the way developmental loans were to be repaid. Additionally, the USSR offered licenses for the manufacture of weapon system. Under the 1980 agreement, India purchased 70 T-72 tanks outright and 600 more were to be manufactured under license by the Avadi workshop in Madras and the deal was made on the basis of a loan of Rs. 13 billion at 2.5 per cent annual interest, to be repaid over 15 years after a 2- years grace period. MiG-21, the first Mach-2 aircraft, and MiG-23, the first variable geometry aircraft (as also the MiG-25 and MiG-29) were for licensed production in India, the first LDC outside the Warsaw Pact countries. It was viewed that only the USSR has adequate mutuality of interest in India's development of defence technology and necessary resources to support the effort with necessary credit.³ Thus USSR emerged as India's dominant supplier since the mid-1960s. It was even ready to transfer defence technology. Both India and Soviet had strong correspondence of geo-political interests. The USSR resisted the trend in the arms market during the 1980s, that included the US, Britain, France, Italy and West Germany, to sell defence technology to the Third World. India was the exception.⁴ Soviet reluctance was due to its unwillingness to share the technology with countries whose future political leanings were unpredictable. Further it felt that none of its biggest customers, other than India, could absorb the imported technology with the required development in infrastructure and technology.

Outstandingly, the occasional Indian efforts at diversification of its arms sources were met with simultaneous Soviet efforts to retain its position. In 1978, when India signed a \$1 billion agreement with Britain for the purchase and subsequent licensed production of the Anglo-French Jaguar, the USSR offered the MiG-23 for licensed production at fair prices.⁵ The repetition of the pattern was perceived in 1982 with the Indo-French Mirage 2000 deal, when Defence Minister Marshall Ustinov, on his India visit, offered to sell more MiG-25s for rupees and hinted at allowing India to produce under license the MiG-27.⁶ Marshall Ustinov's offer to sell India the MiG-29 and T-80 tank during his visit to New Delhi in October 1983, displayed the Soviet effort in retaining its place on the Indian arms market.⁷

During the 1960s the Soviet international supply of arms matched that of the US. During 1978-1982, it was pointed out that the USSR was the world's largest supplier of major weapons to developing

countries, exceeding the US.⁸ Apart from the quantitative rise, there was a qualitative transformation in the nature of Soviet arms trade with the developing countries during the period.⁹ The arms were sold rather than given as bilateral aid. Economic motivations dominated more prominently than the political or strategic considerations. Balance of trade deficits with industrial countries, current account deficits in convertible currency and the cumulative debt burden were major challenges for the Soviet economy which were expected to be resolved by earning hard currency and it was here that Soviet arms exports became relevant. The Soviet defence industry regularly over-produced with potential exports in mind.¹⁰

The Soviet defence industries made excess supply within the framework of an economy. It was characterized by generalized excess demand, export of arms in preference to other goods was, therefore, more practicable. Exports were well prioritized in total military output and not simply as an outlet for surplus. Around 58 per cent of the major naval combatants, 70 per cent of minor naval combatants were for export and combat aircrafts was about 40 per cent during the period of 1976-1981.¹¹

Available data showed that on average for 1973-1981, about 63 per cent of trade deficit in non-defence goods and services was financed by hard-currency earnings from international sale of armaments,¹² as the quantity of the export surplus available to earn hard currency from the energy sector was limited by the dependence of the Soviet allies on energy supplies from the USSR. In spite of the rise in direct sales of arms and convertible currency payments, relatively large amounts of arms were transferred on a commodity-exchange basis, to set right, primarily as a Soviet initiative, a sizeable trade deficit. Large sales of arms to India in the early 1980s were, among others, partially prompted by large Soviet deficits in bilateral trade.

Khrushchev's 1956 Report to the CPSU that announced the principle of peaceful coexistence, essentially de-emphasizing the potential for revolution in countries as a criteria for Soviet cooperation, was an apparent signal to search out potential friends outside the Soviet bloc. The political initiative included promoting military relations for political ends to alternate Western military support to India in the 1960s, to skillfully outmanoeuvre Chinese influence in North Korea, to gain a political status in Ethiopia and so on.¹³

As the USSR became a full-fledged superpower, its urgency for gaining overseas bases for its expanding "blue-water" navy was reflected in her arms deals with countries. The Soviet relations with Egypt, Somalia and Vietnam showed that arms transfers were done with the motive of gaining military bases in the Third World, But Soviet experiences with Syria, Iraq, Algeria, Libya and India invalidated her quest for military bases. Even though India is a large recipient of Soviet arms, it allowed only very limited servicing facilities for the Soviet navy, equally accessible for other countries.

The provisions in the 1971 Treaty were so adjusted to blend indigenous development of the defence potentials of India and committed the USSR, as a short term measure, to provide with a defensive shield to meet a threat affecting India's security. The Soviet arms supply to India was oriented to immediate defence needs, and the Treaty did not imply a permanent measure for the USSR in matters of military facilities and defence arrangements, adapted exclusively to Soviet interests.¹⁴ India consistently refused to accept a military domination.

For over three decades, India utilized arms imports from the USSR to meet its security needs against Pakistan and China. Soviet arms supply to India was a counter measure to American and Chinese arms sales to Pakistan. There existed a harmony between Indian security interests and Soviet policy.

The question of an influence-relationship through Soviet arms transfers to India must be viewed in relation to the totality of India's needs as well as its own investments. A billion dollars in arms aid over a 10 year period must be related to an Indian defence budget of some \$2 billion a year.¹⁵ Soviet had to compete with other countries, particularly the US, for India's approval, that automatically limited the scope of influence for the Soviets to alter India's preferred course of action. A more dramatic sign of Soviet influence would have been the establishment of Soviet naval bases in India or guaranteed access to Indian bases.¹⁶ Large Soviet arms transfers to India resulted in a large Soviet presence but not in

proportionately large influence.¹⁷ Whatever influence the Soviets acquired in India was complementary in nature as against coercive.

To conclude, Soviet supported India both politically and economically by supplying arms to India whenever the security of India was threatened. When Soviet was hesitated to supply arms to India especially during the Chinese aggression into India, India never hesitated to involve in arms deals with the Western Countries. India did not allow Soviet to dominate her because of the military help rendered by the latter. India received the technology to produce military equipments for the Soviet and in due course she began to produce indigenous arms with the Soviet technology. India's purchase of arms from the Soviet dwindled in 1990s and in the Twenty First Century also. It displayed India's advancement in science and technology. In spite of this, Soviet Russia still continue as a major partner in the military deals of the India.

END NOTES

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