

The separation of Ukraine from the Soviet Union . . . is no longer a question of decades, but of a few years.” Rukh also issued a statement denouncing Moscow’s design for a “new Union” federation as a “facade,” behind which Moscow would maintain its central power, unchecked.

Horyn put the matter squarely: “We are the second-largest Soviet republic, and are treated like a colony,” with the lion’s share of Ukraine’s enormous wealth siphoned off by the Moscow Center. This is the only reason why, as recent statistics in Ukraine’s main economics journal, *Ekonomika Radianskoyi Ukrainy*, document, 19 million of the 52 million Ukrainians live in impoverished conditions, with an average monthly income per working family member of between 75 and 125 rubles per month, with an additional 4 million people receiving an income below 75 rubles per month.

Gorbachov will attempt to ride out the Ukrainian storm and the storm of labor unrest by making huge concessions to forestall eruptions. For Ukraine, “federation” will be readily exchanged for “confederation,” i.e., large-scale “sovereignty” over internal affairs. To appease the miners and the industrial work force, the Ryzhkov government will be sacrificed sometime this year; local and regional party organizations will be ruthlessly washed away; multi-party governments will be emerging both in the republics and at the national level. The new, post-Bolshevik form of empire being forged will become ever more flexible towards its components, in response to the rising revolutionary tide from below.

The new concessionary strategy towards Ukraine was shown by Gorbachov having recommended Ukraine’s President, Vladimir Ivashko, as the party’s deputy general secretary. Ivashko won with an overwhelming 4:1 margin over the pathetic 70-year-old exponent of the dying order of party rule, Yegor Ligachov. By choosing Ivashko, Gorbachov created in one stroke the option, once the storm in Ukraine erupts in full, of removing Ivashko as Ukrainian President without loss of face, and installing as a last resort, a “Yeltsin” type President to keep Ukraine still tied to the Russian empire, however loosely.

Through the summer and autumn, dramatic developments and profound internal transformations are on the agenda, in at least some ways reminiscent of what has been witnessed in Eastern Europe in the past year. The process of eliminating the ballast of the Communist Party, certainly most welcome, by no means ensures happy times. Coming in conjunction with the enormity of the economic crisis ravaging the Soviet Union, it has created the outside chance of transforming Russia for the first time since the post-1905 period of economic and political reforms that nearly succeeded in Europeanizing Russia. To a large degree, how much of such a “chance” really exists will be determined by both the political and physical economic content of assistance and development aid given to Russia and other republics by, above all, Germany, France, Japan, and Korea.

Kremlin growing unhappy with India

by Ramtanu Maitra and Susan Maitra

The recent disclosure that Pakistan is acquiring state-of-the-art T-72 tanks from a Soviet ally, presumably an East European nation, has raised questions about the future shape of Indo-Soviet relations, which, only a few years ago, was considered embedded in granite. A number of utterances by senior Soviet officials in foreign countries and a host of signed articles in the Soviet media recently have helped to create a distinct impression that the anti-India lobby in the Soviet Union is on the ascendance. In addition, the vexing dispute between India and the Soviet Union over the rupee-ruble trade shows no sign of an early resolution.

The reported arms negotiations between Pakistan and an “unidentified country” for Soviet military hardware, including T-72 tanks, have caused policymakers in New Delhi to sit up and take note, especially considering the prevailing war-like situation along the India-Pakistan borders. News media close to the Indian Foreign Ministry have already indicated that the issue will be a major item on the agenda in the July 18 talks in Islamabad between the foreign secretaries of India and Pakistan.

It has also been noted that no transfer of T-72 tanks can take place without a nod from Moscow. Besides the Warsaw Pact countries, India and Syria are the only other countries which possess T-72 tanks. In fact, India had earlier procured the manufacturing license for these tanks. Whether or not Moscow gave a formal or tacit approval to the sale of T-72 tanks to Pakistan, the Kremlin surely did not pay any attention to the inconvenience it would cause India under the prevailing circumstances. One can be reasonably sure that the decision is related to the series of critical comments made recently by Soviet officials concerning Indo-Soviet relations.

On Feb. 21 at “One Asia International,” a reporters’ jam-boree in Manila, the Philippines, Soviet Foreign Ministry spokesman Gennady Gerasimov told newsmen over a satellite hook-up from Moscow, that the Soviet Union always supported the United Nations resolution for holding a plebiscite in Kashmir—a statement which is in total opposition to the formal Soviet position on the issue. Moscow maintains that the Kashmir issue must be resolved through bilateral negotiations between India and Pakistan following rules laid

down by the Simla Agreement of 1972 between the two.

In May, Soviet Deputy Foreign Minister Igor Rogachev, a key individual in bringing the Sino-Soviet rapprochement talks to fruition, pointed in a talk in Malaysia to what he described as the growing military strength of "regional powers such as India" as the reason to hold negotiations on cutting back troops in Asia. Rogachev did not say anything that the Americans, Japanese, and Singaporeans have not said out loud already. But it is interesting that Rogachev jumped on the bandwagon so demonstratively to follow the "line" set out in Southeast Asia. Asia-hand Rogachev was the one President Mikhail Gorbachov had sent to brief then-Prime Minister Rajiv Gandhi on his summit with Deng Xiaoping, a few weeks before the Tiananmen Square massacre. A Soviet press release issued in Islamabad on that occasion expressed Rogachev's dismay that Rajiv Gandhi had shown distinct "apprehensions" about the Sino-Soviet rapprochement.

About the same time, in May 1990, an *Izvestia* article by N. Palkin had seriously questioned India's intention in refusing to sign the nuclear Non-Proliferation Treaty (NPT). It was almost humorous to find the Soviet author siding with Pakistan to give India the proverbial cane. "Pakistan has several times proposed to India that the two countries sign together and simultaneously the Nuclear Non-Proliferation Agreement," Palkin warned. Skirting the validity of India's opposition to the discriminatory treaty, Palkin sought shelter by citing Pakistan's readiness to allow "the mutual inspection of nuclear installations and laboratories." Pakistan has, moreover, made the "proposal to turn South Asia into a zone free from nuclear weapons, he adds, but "India has, however, not responded to this proposal."

One might assume that Palkin either does not know or simply chose to ignore the Indian reasoning: A formal pact for a nuclear-free South Asia will force India, sooner or later, to genuflect militarily to China and the Soviet Union, both with huge nuclear arsenals. These two are also in the process of accommodating each other all over Asia.

But Palkin himself makes clear that lack of knowledge of India's views is not his problem. "Until now, we have avoided writing about India's attitude toward this important international program [NPT], which became effective twenty years ago," Palkin states.

'Time-tested friendship' wearing out

The latest voice of discontent over the "time-tested friendship" between the Soviet Union and India surfaced recently in the form of a series of articles in *Izvestia* and the weekly *Moscow News*. The thrust in these articles was to question the "special relationship" between Moscow and New Delhi in crucial military matters, and specifically, India's request to buy outright another Soviet nuclear submarine. The first was acquired by India on lease from the Soviet Union in 1988. The Soviet critics urge the Supreme Soviet to veto the proposed transfer, because such transfers are con-

trary to the Soviet Union's proclaimed nuclear non-proliferation objectives and will trigger an arms race between India and Pakistan.

At a minimum these statements, and their timing, indicate that the Soviet Union is no longer willing to tailor its policies in Asia to India's convenience. But it also means that the Soviet Union will seek closer relations, including sophisticated arms deals, with Pakistan or any other country regardless of whether it is an adversary of India.

The broader purpose behind these utterances may be even less benign from India's standpoint. The nuclear non-proliferation issue has long been a converging point for the superpowers, even during the Cold War. It is likely that the Soviet Union, like the United States in the 1970s and 1980s, may use this issue to pressure India on specific issues.

Trade agreements in trouble

One obvious target for attempting to use such leverage is rupee-ruble trade. The Soviet Union in 1953—and later Czechoslovakia, Poland, Romania, and East Germany—had set up a unique bilateral clearing arrangement providing for a balanced trade in nonconvertible Indian rupees. The agreement has been renewed every five years, but the last agreement signed in December 1985, which is valid till December 1990, allows any of the sides to opt out of the agreement after giving six months' notice.

There is also no doubt that in the initial stages of India's post-Independence development, the trade was helpful. However, the heavy "unofficial" devaluation of the ruble has created serious problems. As per agreement, the rupee-ruble parity remains lopsided in favor of the Soviets. Over the years, meanwhile, the rupee devalued against U.S. dollar, and, as a result, automatically against the ruble, which was pegged to the dollar. Consequently, India pays seven times the ruble's real value in Indian rupees. This has built up a massive debt in rupees.

Although Indo-Soviet merchandise trade is not affected by the rupee-ruble rate, it is making India's debt-servicing unmanageable. Moreover, Indian manufacturers import raw materials, intermediate products, and equipment, paying in precious hard currency; they do minimal processing, and then export the goods to the Soviet Union. As a result, the Soviet Union has the benefit of using India to get materials which are only available otherwise through use of hard currency.

A number of discussions have taken place over the years between representatives of the two countries, but have failed so far to yield any concrete results. There are also reports of serious differences on the currency of repayment of the Soviet loans. Also at stake is the 20-year Indo-Soviet Treaty of Peace and Friendship, due to expire in August 1991. With the continuing differences existing on the rupee-ruble trade and other issues, one may surmise that the treaty will die a natural death.