Chapter – I

INTRODUCTION

India and the United States of America, the largest and strongest democracies of the World, share a lot of common ideals and institutions such as democracy, freedom of press, freedom of religion, respect for individual liberty, human rights, independence of judiciary, federalism, etc. At the same time, few American traders, missionaries and soldiers had worked in India, while many Indians have settled in America.

This two-way traffic of ideas was also seen when Ralph Waldo Emerson, the father of the Transcendental Movement in 1830s and '40s, was deeply influenced by the Upanishads, the Bhagavad Gita and the Brahmanas. In 1893 Swami Vivekananda attended the Parliament of World Religions in Chicago and spread the essence of Hinduism in America. Mahatma Gandhi, Father of the Indian Nation, was deeply inspired by Henry David Thoreau's book, On Civil Disobedience, who again was a Transcendentalist, in fighting against the colonial masters\(^1\).

The above mentioned exchange of ideas and similarities notwithstanding, both the countries conducted their relations on a bumpy road. The first bitterness between India and America erupted on the question of support for India’s quest for independence from England. It was not altogether satisfactory from either country’s perspective. While many Indians appreciated the Roosevelt administration’s support for Indian independence, others believed the US did not do much and did that only grudgingly.

Meanwhile, some Americans viewed India as insufficiently appreciative of America’s intervention on its behalf with a stubborn British Government. The basic problem was that the US viewed halting German and Japanese expansionism, for which British co-operation was required, as the immediate priority, while India was focused on achieving its freedom. Thus, even before India’s independence the clash of interests turned their relations into a bitter one, that is why scholars from both the sides have characterized the relations between these two great nations

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as 'estranged democracies', 'love-hate syndrome', 'cold-peace', 'unfriendly friends', etc.

II

The post-1945 world saw the US emerging as the global power. By the time India became independent, America occupied the place of global power, vacated by its European allies. The inability of the two countries to overcome their misperceptions about each other led to the further downward trend in their relations. Given its culture and philosophical outlook, India found it difficult to appreciate America's concern regarding the world. On the other hand, the US had difficulty in understanding India's intentions and its place in the world. Accordingly, India disapproved and viewed America's military alliance with great suspicion. At the same time, while India considered the US as the extension of European colonialism, the US attempted to bring newly independent countries under its sphere of influence. Thus, difference in


7 T.V.Kunhi Krishnan, The Unfriendly Friends: India and America (New Delhi: India Book Company, 1974).

their outlook towards the post-war world created a great deal of odds in Indo-US relations.

On the contrary, India and the US, being democratic political systems, the leaders of the two countries have not been in a position to ignore the respective domestic pressure that influence their foreign policies towards each other. Despite the significance of the internal milieu in the shaping of Indo-US relations, however, policy convergences or divergences between the two countries are often explained in the context of the international environment alone. These two significant approaches to explain dynamics of Indo-US relations, for instance, focus mainly on external milieu. Among the two approaches regarding Indo-US relations, the first, which is also the most dominant and favoured by the majority of scholars, maintains that South Asia per se has never been important for the US⁹.

The immediate task for the US was to contain the spread of communism, where all other issues like decolonisation, racial discrimination, etc, became only secondary. On the contrary, for India,

the main thrust was on decolonisation and fighting racial discrimination. Thus, the issue of Portuguese rule in Goa also flared up the bitterness between these two countries. Portugal, a member of US led-NATO, was strongly supported by the US, in spite of its anti-colonial stance. President Eisenhower even stated that Goa was a Portuguese province and not a colony. The Secretary of State, John Foster Dulles, went to the extent of declaring that since Goa was ruled by Portugal for 400 years, India had no right on Goa. All this invited the ire of India and finally, it occupied Goa through military means. But, India was criticised by almost every American leader for its armed action to liberate Goa\textsuperscript{10}.

It is further pointed out that the Indian sub-continent was just another theatre of the Cold War, where India and Pakistan happened to be on the opposite camps, and India being on the 'wrong' side, could only hope to have a cool relationship with the US\textsuperscript{11}. While this line of thinking is not altogether wrong, it is indeed fallacious to subscribe to this view in a wholesome manner. For, despite its apparent appeal and cogentness, this theory merely points out the manifestation rather than

\textsuperscript{10}A.Appadorai and M.S.Rajan, \textit{India's Foreign Policy and Relations} (New Delhi: South Asian Publisher, 1985), p.236.

\textsuperscript{11}\textit{Ibid.} A related line of explanation advocated by scholars to explain tensions in Indo-US relations is that since South Asia \textit{per se} was not important to the US during the Cold War, it ignored India. For this line of reasoning, see scholars who maintain this view are Stephen Cohen, Leo E.Rose, N.D.Palmer and others. For further reference see, Cohen, Rose and Palmer, n.9.
roots of Indo-US tensions. If India and the US differed in their approaches towards the Cold War, it was because they chose to differ. And this matter of choosing to differ depended on geo-political considerations as also on some unavoidable domestic compulsions. While the internal democratic system and liberal ideology of the US prompted it to view the USSR as the 'evil empire', its strong capability arising out of its sound economy, internal cohesion, geographical location and military might enabled it to embark upon the course of containment of the USSR. On the other hand, India’s geographical location, its culture, democratic system and ideas of freedom struggle compelled it to pursue an independent foreign policy, which in turn, facilitated US-Pakistan alliance. Surely, the approach based on the Cold War, remains incomplete and therefore unsustainable. Accordingly, those scholars who attribute tension in Indo-US relations to the US policy of containment of Soviet Union and the subsequent friendly attitude of India towards the Soviet Union, tend to ignore the fact that if this was the case, then the US had to align with India rather than Pakistan, as India was in a better position to contain the Soviet Union, ideologically, militarily and strategically.

This is not to deny the impact of the Cold War and Indo-Soviet friendship or the US Pakistan alliance on India-US relations. In fact, once Pakistan joined the US led military alliance and the US began to support Pakistan on the issue of Kashmir this forced India to move closer towards the post-Stalin USSR. This further complicated Indo-US relations.

At the same time, no one can possibly deny the role of other factors in straining Indo-US ties. What is, however important is that the most important factors that created divergences between the two democracies was the differences in security interests and perceptions of India and the US.\footnote{Raju G.C. Thomas "Security Relationships in Southern Asia: Differences in the Indian and the American Perspectives", \textit{Asian Survey} (Berkeley, California), vol.21, no.7, July 1981, pp.670-89. Although the author gives other dimensions like clashing of personalities of national leaders, diverging foreign policy goals, contrasting national characteristics, negative images etc, main stress was laid on divergences in security interests.}

In fact, as pointed out earlier, while the US emerged as a global power after the Second World War and began to dislike the emergence of any country as an independent centre of power to pressure its global influence, India began to assert its independent foreign policy by pursuing the policy of non-alignment due to its vision of its leadership, geographical size and location, democratic political system and its cultural ethos rejuvenated by its struggle for freedom. Baldev Raj Nayer,
therefore, argues that the US policy of containment was directed not only against the USSR, but against all independent centres of power including India. According to him, India’s urge to emerge as an independent power center in international politics and the subsequent containment policy of the US aimed at all middle and independent power centers arising out of its compulsion of being a global power created the drift between these two countries.\textsuperscript{14} For instance, the US chose Pakistan as an artificial balancer against India by supplying it with arms and other military and economic support. The US also encouraged other South Asian neighbours against India. It encouraged the then Sri Lankan Prime Minister, John Kotelawala, to assert himself against Nehru. America also tried to support the anti-India Government of Ranas in Nepal.\textsuperscript{15}

While we cannot entirely agree with this thesis, as Nayar ignores other factors such as personality and internal milieu of India and the US, one can hardly deny an element of truth in his logic. In fact, it was India’s desire to play an independent role in international politics that led it to play a vital role in uniting Afro-Asian countries and thereby bringing down the threats of the Cold War. Further, it viewed the

\textsuperscript{14}Baldev Raj Nayer, \textit{American Geo-Politics and India} (New Delhi: Manohar, 1976).

Chinese revolution in 1949 sympathetically due to the above framework. Apart from the above, the two countries differed on the issues like the Korean War, the Japanese Peace Treaty, the Hungarian crisis, Indo-China problem and the representation of China in the United Nations. These along with the already existing Kashmir issue thus sowed the seeds of suspicion in the Indo-US relations.

III

It is to be observed that while India’s US policy rarely becomes an issue in US domestic politics, the USA’s India policy often generates spontaneous and emotional debate in India, bringing political forces to the forefront. This is simply because the US plays a vital role in both India’s domestic and foreign policies and not vice versa. The US, being a global power, quite naturally has diverse and multiple compulsions, while India as a regional power has its compulsions on a limited scale. And further, a global power’s domestic compulsions may not be directly related to any one regional power, while a regional power’s approach to international politics is invariably linked to the role of the global power in its internal and neighbourhood politics. It is, therefore, quite logical that the US perceives its national interest in a global context, while India’s immediate concern always hinges around preserving its internal autonomy.
In fact, India’s strategic perception is a corollary of its limited capability. There is always a feeling of insecurity within India that whatever limited autonomy it enjoys in its domestic and foreign policies may be endangered by the big powers, the US being the most ominous of them all. There is indeed, a very pronounced dichotomy in India’s domestic pressures, as while the country’s underdeveloped economy and social conflict do not enable it to compel the US to accommodate it, its geo-strategic location, history, culture and politics do not allow it to accept the status of a camp follower.

The anti-Americanism in India’s domestic politics also stems from the adoption of parliamentary form of Government, which has ensured a system whereby political parties engage themselves in a fierce show on one-upmanship for political gains. Due to widespread poverty and lack of education among a vast chunk of the electorate, finding foreign scapegoats and excessive use of rhetoric have always played an important part in India’s domestic politics. And undoubtedly, it is the US which has most often come under heavy criticism generating emotional debate both inside and outside Parliament.

Thanks to the dominance of scholars and politicians the Left-to-Centre approach in Indian polity, anti-imperialism in India has always revolved around anti-Americanism. Quite understandably, this sentiment
has found its way into India's US policy. It is also worth noting that the educated Indian elite, while striving for educational and economic linkage with the US, find it expedient to attack the US on public platform. This symptom is most glaring in the Indian press, which is controlled by the educated and economic elites in the country. Sensationalism has been the hallmark of the Indian press so far as the issues regarding Indo-US tensions are concerned. Most often the issues are blown out of proportion creating unnecessary tension between the two countries.\textsuperscript{16} Thus it may be argued that India's domestic political culture and the democratic system have complicated the tension in Indo-US relations.

Thus, for instance, the commonalities of the two states like democracy, free press, respect for individual freedom, shared language of elites, and a self perception of their world historical significance accentuated rather than alleviated conflicts of interest arising from their differing preoccupations, etc. The tendency of the US and India to display their disagreements and resentments openly and independent media and Government deliberations assured that major or minor

\textsuperscript{16}Nalini Kant Jha, "Reviving US-India Friendship in a Changing International Order", \textit{Asian Survey}, vol.34, no.12, December 1994, p.1035. Also his, \textit{Domestic Imperatives in India's Foreign Policy} (New Delhi: South Asian Publisher, 2002).
disputes receive a full, often impassioned airing. Thus, theirs is not so much a "dialogue of the deaf"\textsuperscript{17}, as too easily understood.

Furthermore, both countries are convinced of the correctness of their positions and therefore they often adopt a moralising and lecturing posture towards each other. Hence, the ability and willingness of India and the US to discuss their differences easily and passionately derive from their commonalities. One may, of course, ask that if similarities have paved the way for conflict in India-US relations, how has India been able to manage its relations with countries like Canada, the UK, Australia, etc., with whom India shares a lot of similarities. One may, however, observe that similarities between the US and India complicates their ties, though this is not the only root cause of Indo-US tensions.

Besides, one hears from both the capitals, for example, the need for good relations because of shared democratic values. While the goal and its basics are laudable, the over simplification does a disservice. For, such pleas not only misrepresent, by exaggeration, shared interests, but concurrently raise expectations, which cannot be fulfilled; the cycle breeds and sustains mutual disappointment.

In addition to this, there have been personality clashes and failure to understand the perceptions. Nehru’s relations with Truman, Eisenhower, Dulles and Kennedy and later Indira Gandhi’s with Johnson, Nixon and Kissinger failed to create a sense of cordiality and comradeship, which would have reduced the policy differences. For example, when Dulles was State Secretary, Nehru’s mistrust of the USA grew because of the fundamental disagreement he had over the treatment of certain international, and specifically Asian, problems. For instance, John Foster Dulles, speaking on Non-aligned Movement, declared that the conception of neutrality was largely “obsolete, immoral and short-sighted”\(^{18}\). Though leaders like Nehru and Chester Bowles enjoyed a great deal of personal relationship, this didn’t in any way soothe relations between the two states.

Unlike the US, India is not a significant factor in American politics due to obvious reasons, yet the American political system, too, influences Indo-US ties, albeit indirectly. The US is known for its presidential form of Government and its loose party system, which encourages and entertains the practice of lobbying. The lobby groups in the US are immensely powerful with long reach in the actual process of decision-making that gets reflected in both the country’s domestic and

foreign policy. It is this nature of the American polity that makes it vulnerable to anti-India lobbying by pro-Pakistan lobbies. The highly liberal, political and social mindset of the American society adds fuel to the fire by way of allowing vested anti-India interest groups to flourish and mould public opinion in the US. Understandably this has an effect both on the Congress and administration in taking an anti-India stance. The Congress remains particularly prone to such lobbying, where the politics of vote bank based on ethnicity such as the Sikhs plays an important role. It is however satisfying to note that of late this very factor of US politics has been contributing to bridging the Indo-US divides, especially since India's engagement of professional lobbying firms and active role of the Americans of Indian origin.

The foregoing discussion shows that several factors have produced tensions in India-US relations. It is therefore, unrealistic to explain discord in ties between these two democracies during the last five and half decades with the help of any single factor. It is a different matter that while a particular factor played more important role in influencing India-US ties during a particular period, another factor acted


20 "Banking on Defeat", *India Today* (New Delhi), 30 September 1992, p.179.

more forcefully during a different period. If India’s pursuit of an independent foreign policy, symbolised in its policy of non-alignment, for instance, was an important factor in motivating the US to contain India by assisting Pakistan during the early Cold war period, America’s dependence on Pakistan for bleeding Russians White was a more significant factor in tilting Washington towards Islamabad during the second Cold War, i.e., after the Soviet invasion of Afghanistan in 1979.

In the light of these observations, the present work will briefly discuss the evolution of India-US relations as a backdrop to the examination of their ties during the Clinton administration.

IV

Even before independence, some sections of the US Government had suspicions of a Communist tilt in the new Indian thinking. On 14 January 1947, John Foster Dulles (a Republican Party adviser to the United States delegation to the United Nations) criticized the alleged Communist influence in the Indian interim Government in a speech which he gave to the National Publisher Association in New York City. Nehru reacted by telling the press that Dulles’ comments showed his lack of knowledge of facts and want of appreciation. Later, Dulles in his letter to an official named Henry Villard, explained that he did not mean to suggest that India was a Soviet puppet, but only conveyed his impression
of the Indian delegation to the United Nations and particularly of one delegate, Krishna Menon, whom he thought was a confirmed Marxian. This clearly shows that the United States did not like India to align with the Communist ideas, and this hampered the cordial relations between these two countries.

While India was trying to mend fences with the United States, the Indian attitude towards the Japanese Peace Treaty was not welcomed by Washington. India's refusal to sign the peace treaty, which was concluded in San Francisco on 8 September 1951, made the US believe that India was basically opposed to her interests. India, however, denied this charge. She claimed that her stance over the treaty merely reflected her disapproval of the US owning of Islands, which historically and ethnically did not belong to the US. Therefore, to "sign it as it stood seemed to Nehru tantamount to a somersault in India's foreign policy". This issue also created fissures in Indo-US relations.

India's formal independence in August 1947 did engender hopes for amicable and constructive ties. These hopes however were soon

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tampered with. The Indo-Pakistan war over Kashmir in 1948 caused the first significant disillusionment. On the advice of the British and American Government, India went in good faith to the United Nations with a complaint of aggression against Pakistan. But the Anglo-American 'experts' converted it into an Indo-Pak 'dispute' and enlarged its scope. Instead of asking Pakistan to vacate the areas forcibly and illegally occupied by it in the state of Jammu and Kashmir, which had duly acceded to India, they succeeded in imposing a cease-fire and appointing a UN Kashmir Commission. This was a device to bring both Pakistan and India under Anglo-American influence and if India proved 'obdurate', then to weaken her by supporting Pakistan. When India took the Kashmir case to the UN Security Council in January 1948, the US along with other members of the Western bloc, adopted an anti Indian attitude, creating irritation to India.

The Korean War in 1950, of course, brought direct collaboration between the US and India. India supported the UN efforts in Korea under which the US troops fought to repel the invading North Korean troops from South Korea. India did not contribute any combat divisions for the Korean actions, but did send a medical unit. However, when the US forces led by General MacArthur, under the UN banner crossed the 38th

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parallel line, India refused to support the US action. Similar divergences in foreign policies of India and the US appeared over the seating of Communist China in the UN. India not only extended diplomatic recognition to the Communist Government in mainland China, but also actively advocated seating of the new regime in the UN. But the US opposed any such move and did not extend diplomatic recognition to Communist China. These created fissures in the relationship between India and the US.

India and the United States did not disagree on every international issue. Despite the divergences on political, security and other issues, the reaction of both these countries to the Suez crisis of 1950s were more or less the same. During the Suez crisis, in which Israel, Britain and France launched an attack on Egypt, who had nationalised the Suez Canal, both India and the USA condemned this act – India supported whole heartedly a US-sponsored UN resolution, which demanded an immediate ceasefire and a withdrawal of forces behind the Armistice line. It was adopted by the General Assembly on October 2, 1956. Both countries assisted in the withdrawal of forces from Egypt. The point of differences however arose in the assessments. While India criticised it as

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being an "imperialist act", the US fear was that the Soviet Union might counteract the Anglo-French aggression.

The US launched a severe criticism of India's non-aligned policy and her subsequent attitude with regard to the situation in Hungary. The US alleged that the policy followed by India had a definite pro-Soviet tilt, inspite of the fact of Nehru's call for a withdrawal of Soviet troops and support of the Hungarian demand for self determination. In order to reverse the drift in relations, Nehru visited the US in December 1956. It proved to be in vain, as nothing came out of it\textsuperscript{27}. It only widened the growing gap and one can notice that whether it was the US or India, neither could engage in a course of action that would be detrimental to their respective national interests.

As regards South Asia, Washington's assistance to Pakistan undoubtedly adversely affected India's security, economy and social harmony. The United States repeatedly assured that the arms supplied to Pakistan will not be used against India. Despite the assurance these arms were in fact used against India. The US arms supply to Pakistan as well its support to Pakistan in the UN on the Kashmir issue really created a non-conducive environment for India-US ties and thereby came as a

\textsuperscript{27}Abha Dixit, "Indo-US Relations: An Overview", \textit{Strategic Analysis} (New Delhi), vol.11, no.4, July 1987, pp.501-02.
blockade in the process of enhancing relationship between these two countries.

As discussed earlier, this was mainly the consequence of India’s policy of non-alignment, which did not permit her to join the US led military pacts, whereas Pakistan, which was in search of a “plus factor” against India gladly joined the American sponsored SEATO and CENTO and signed the bilateral defence agreement in March 1959.

V

It was only during the 1960s that India and the US could move towards rapprochement, because of growing tensions in India’s relations with China. Since Communist China posed a potent threat to the US supremacy, the Sino-Indian border war of 1962 provided a golden opportunity to the United States to co-operate with India on security matters. Accordingly, a high level co-operation, between India and United States marked this period. Nehru himself, voicing the concern of the Indian people, told in the Lok Sabha that India was stabbed in the back, especially against the background of “Panchsheel” and the “Hindi-Chini bhai bhai”28.

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India sought the assistance of the United States of America for the purpose of defending India against the Chinese aggression, to which the Government of the United States responded favourably. The US immediately sent aid worth $120 million and pledged worth $100 million aid for the next five years. Even when Pakistan threatened the United States that it would quit from CENTO and SEATO, the Kennedy administration continued to extend its help to India. India also received an economic assistance worth $2.5 billion for non-military capital goods and for technical assistance. The obliged Indians in all quarters were heard saying, "Now we know who our real friends are". The climate in Indian political circles from the top to the lowest level was most favourable to the Americans to start a new chapter in Indo-United States relations. The Chinese aggression thus provided a silver lining between India and the United States, which helped to strengthen a long-term co-operation between the two countries.

Indo-US relations from 1965 until the early 1970 have largely involved continuing, if discordant, economic ties. When the war broke out between India and Pakistan during 1965, the American response was to treat the aggressor and the victim of aggression alike. It immediately stopped economic and military aid to India as well as Pakistan. Of

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course, the American point of view was that the first concern of the US policy was to see that the two countries cease hostilities and in that direction the stoppage of aid was expected to have some impact. On the other hand, Pakistan policy makers were annoyed at the US for stopping aid to an ally of US-led alliance. A hue and cry was raised by both India and Pakistan that both the countries did use American weapons in fighting each other. The US provided weapons to Pakistan to face the challenges of Communism from the Soviet Union and China and to India to face the Chinese. But they were using the weapons against each other.

Yet another point of friction between India and the US during the 1960’s was the US policy of forcing India to live by “Ship to mouth” during the worst food crisis due to drought calamities. Therefore, India sought US food assistance in order to overcome the food crisis. But Johnson administration denied to India such assistance. At that time many Indians regarded the US treatment as an economic pressure. It was also viewed as a punishment for India’s criticisms of the US policy in Vietnam. However, in November 1965 when Indian Minister for Agriculture, Chidambaram Subramanian, met his US counterpart, Orville Freeman, they agreed to solve the Indian food crisis. They also laid

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Francine Frankel, *India's Political Economy* (Princeton: Princeton University, 1976), analysis of implications of food crisis on India-US relations during the 1960’s. Also see, Nalini Kant Jha, *Domestic Imperatives in India's Foreign Policy* (New Delhi: South Asian Publisher, 2002), pp.76-78.
emphasis on the need to evolve a strategy that would help India to be self sufficient in food production.

Another dispute between the two democracies occurred over India's refusal to sign the Nuclear Non-Proliferation Treaty (NPT) of 1968. Despite this disagreement, however, bilateral nuclear co-operation continued according to the terms of the 1963 Tarapur agreement, including the successful negotiation of a trilateral safeguards agreement with the International Atomic Energy Agency (IAEA) in 1971. Only a decade later, did India's refusal to sign the NPT become a major obstacle to nuclear co-operation.

Throughout these years, there was no significant improvement in Indo-US relations, despite the fact that in the economic and technological fields some improvements were made. Though the aspirations to improve relations emerged from time to time, divergences in policies and outlook blocked it.

VI

The Indo-US relations in the 1970s opened on a very sour note. In 1971 the Nixon-Kissinger administration "tilted towards Pakistan during the Indo-Pakistani war over the creation of Bangladesh. The US failed

31 Limaya, n.8, p.7.
to condemn Pakistan’s suppression of East Pakistan’s struggle for independence, named India as the aggressor in the ensuing military conflict, and sent the Enterprise, a nuclear powered aircraft carrier of the US Seventh Fleet, to the Bay of Bengal, in order to give the impression that US would not tolerate India engaging itself in the dismemberment of West Pakistan.  

The episode severely strained Indo-US relations then and left a bitter legacy. It appeared to confirm many Indian suspicions that US policy in the region was designed to weaken, contain and balance India vis-à-vis Pakistan. The US tilt towards Pakistan did force India to sign the Indo-Soviet Treaty of Peace, Friendship and Co-operation on August 9, 1971. In essence, the early 1970s were an especially cool and discordant period of Indo-US relations. The emergence of Bangladesh in 1971 with the help of India marked a watershed in South Asian strategic environment. It led to the recognition by US and other major powers of the pre-eminent position of India in South Asia. Meanwhile, in the economic sphere relations moved towards disengagement. In late 1972, the US Agency for International Development Office was all but closed.

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32 Jha, *Domestic Imperatives in India’s Foreign Policy*, n.16, pp.143-172.

33 Dixit, n.27, pp.505-506; and Limaye, n.8, p.7.
During the next few years relations were generally quiescent. A small success was the negotiated end in late 1973 to the rupee debt owed by India to the US for previous credits and loans. It was agreed to write off some of the debt and use the balance to finance US diplomatic expenses and educational, cultural and scientific programs.

Unfortunately, however, there was a sudden downfall in the Indo-US relations due to the conduct of India’s peaceful nuclear explosions on 18 May 1974. Notwithstanding India’s claim that its atomic energy would be used only for peaceful purposes, the officials in the US administration and the Congress demanded for immediate cut down in the aid to India and sanctions be imposed. Misperceptions led America to break the contract of supplying fuel and spare parts for the Tarapur nuclear plant. The US further supported the Pakistan proposal which would declare South Asia as a nuclear weapon free zone, a concept India opposed as unviable even in other areas.

The Indian Emergency of 1975-1977 had relatively little impact on official relations. When Indira Gandhi proclaimed a State of Emergency in India in June 1975, Henry Kissinger of the US came under


5 Dixit, n.27, p.507.
intense criticism for his policy of restraint on the Emergency, which was seen as evidence of his failure to comprehend moral issues. Ultimately, the US President, Ford, postponed a vaguely scheduled trip to India and found it useful to express regret over the Emergency, referring to it as a "sad development" and expressing the hope that "in time, there could be a restoration of democratic processes". To this, there was a sharp reaction from the Indian Government and Mrs. Gandhi who objected to what they saw as interference in India's domestic affairs. Other problems arose when American reporters were accused of violating the stringent press restrictions imposed under the Emergency and were ordered out of India. These actions led to official protests but had no serious impact on Indo-US relations at the Government level.

VII

After the Tehran crisis defused within hours of the new US President Ronald Reagan becoming the President of the US on 20 January 1981, the new Republican Administration of the US was clear

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38 For details concerning India-US Relations during the Emergency, see Nalini Kant Jha, Internal Crisis and Indira Gandhi's Foreign Policy (Patna: Janaki Prakshan, 1985), Chapter-II.
about the policy that it wanted to follow towards South Asia. The Tarapur plant crisis erupted because of the passage of NNPA (Nuclear Non-Proliferation Act) in 1978 by US Congress. It stipulated that US could export nuclear materials such as enriched uranium fuel only to countries that placed all their nuclear facilities under IAEA safeguards. Because, the Reagan administration intended to cement its bonds with Pakistan, to contain the Soviet expansion and their ideology, the Reagan administration failed to fulfill the promise of the Carter administration (by holding the shipments) over the supply of fuel. Nevertheless, the Reagan administration maintained that there had only been a delay in shipments and not a denial of the fuel requirements of India.

After Mrs.Gandhi’s visit to the US in July 1982, the two countries came to an understanding on the issue of the Tarapur power plant. They agreed to invite a third party to supply fuel to Tarapur under the 1963 agreement. For, the US felt that allowing a substitute fuel supplier was the only way to bypass Indo-US differences over this issue. Accordingly, on 26 November 1982, Sethna and Andre Rose, the French Ambassador to India, signed an agreement for the supply of fuel to Tarapur atomic

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As per this deal, France agreed to sell 200 tons of low enriched uranium to Tarapur every year in lieu of the US supply within the framework of the 1963 agreement. Thus, India received fuel, without agreeing to any new conditions; the US managed to keep IAEA safeguards at the Tarapur plant, whereas France by supplying fuel to India received several million dollars in return.  

Though, Mrs. Gandhi and President Reagan differed widely on global economic issues, as reflected in 1981 Cancun summit, the intense negotiations over an issue that is sensitive to both countries, helped to avert the Tarapur issue becoming a permanent obstacle in Indo-US relations.

During the Reagan Presidency, anti-Sovietism once again became a major factor in US foreign policy. On the Afghan operation, Pakistan had agreed to act as the middleman to the US supply of arms to the Afghan Mujaheedins, who were also based in Pakistan's territory, and in return the US agreed to supply the latest weaponry worth $2.5 billion (a few days after Narasimha Rao had visited Islamabad) including the supply of advanced F-16 Aircraft. The US aid package to Islamabad was

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40 Indo-French Agreement Signed between Homi N. Sethna, Principal Secretary, Department of Atomic Energy, Government of India and Andre Ross, Ambassador of France on November 1982.

severely criticised by Mrs. Gandhi more than the Soviet occupation of Afghanistan, because the aid greatly impinged on India’s desire for regional autonomy in South Asia. In terms of power and status, India always equates itself with China and not Pakistan which is seen as a minor challenge to India’s hegemony. India is certain that Washington is to be blamed for Islamabad’s constant challenge to its role.42

By mid-1984 India formally announced that it would seek only $1 billion rather than $2 billion in loans from the Asian Development Bank (ADB).43 Whether India’s decision was motivated by the desire to make it easier for the US to approve the loan is difficult to say with certainty. But this consideration and, perhaps more important, India’s realisation of the funding constraints on the ADB undoubtedly played a part in its acquiescing in a much smaller amount of loans. In general, Reagan administration policy towards multilateral assistance did not accommodate India.

The sign of improvement in Indo-US ties were discernible during the second term of Reagan administration which was corroborated by the following events. In December 1984, a month after Rajiv Gandhi


assumed charge, India and the US had finalised a Memorandum of Understanding (MoU) on technological co-operation. It was eventually signed in May 1985.

The aforementioned Memorandum of Understanding on technological co-operation had envisaged that the US would supply the high technology super computer XMP-24 to the Indian Institute of Science, Bangalore to enhance India’s weather research capacity programme, and assist India in manufacturing its Light Combat Aircraft (LCA). The scientific, intelligence and defence establishments of the US argued that this computer need not be given to India because its capacities could be extended beyond the professed objective. Consequently, the United States pulled back from the commitment of giving this super computer and offered a computer with lesser capacity, known as XMP-14.

The extensive military assistance being given to Pakistan by the US with the prime objective of pushing the Soviet Union out of Afghanistan ran contrary to Washington’s willingness to have a closer relationship with India. New Delhi’s desire for expanded bilateral relations with the US cooled off in the context of the US reactions mentioned above.\(^4^4\) Though basic policy differences continued and a

\(^4^4\)Washington Post, 1 November 1986. See also Dixit, n.42, pp.173-174.
legacy of mutual distrust remained, by 1988 both countries seemed more realistic about what they could expect from each other.

Reports of alleged human rights violations by India, especially in Punjab, began to draw criticism in the US Congress. During 1989, Republican Wolly Herger introduced a legislation to eliminate US economic aid to India entirely because of alleged human rights violations. The ban on aid to India was narrowly defeated 204-208, but only after Congressman Stephen Solarz saved the day by mounting a last minute counter attack.45 With the assistance programme already reduced to just over $20 million annually, the measure had merely symbolic importance. But it underscored India’s public relations difficulties in the US Congress.

Congressional concerns focusing on India’s space programme added to the problem. The fact that in April 1989 India was on the verge of launching an intermediate-range rocket, the Agni, prompted Senator Jeff Bingamen, a Democrat from New Mexico, to call the development “profoundly disturbing to the countries of the region and intended to the world community” and urged the US government to end “co-operation with their space programme”.46


46 India Abroad, 2 April 1989; and The Statesman (Calcutta), 4 May 1989.
The licensing for export of a $1.2 million Combined Acceleration Vibration Climatic Test System (CAVTS), a sophisticated rocket testing device that simulated the heat and vibration of re-entry into the earth’s atmosphere, became an issue. Although Washington initially leaned toward approval, after India successfully tested the Agni in June, the Bush administration refused to approve the export on the grounds that CAVTS could aid in developing a nuclear missile system.47

Another nasty trade dispute erupted shortly after George Bush entered the White House – the super 301 problem. The US Congress enacted tougher and more protectionist legislation in 1988 for dealing with trade disputes. Paragraph 301 of the Omnibus Trade Competitiveness Act of 1988 – known as Super 301 required the President to take retaliatory action against countries that restricted US commerce in instances where, as in the case of India, the United States was running a trade deficit. The volume of Indo-US trade grew gradually during the 1980’s to reach $5.8 billion in 1989, with India showing a $690 million trade surplus with the United States in that year.

In June 1989, the US action to put India on the Super 301 list along with Japan and Brazil caused a stormy reaction in New Delhi. According to the Congressional Research Office, Washington’s move

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47Washington Post, 28 May 1989; and India Abroad, 10 November 1989.
“offended India’s deep seated sense of economic nationalism and long-held views that it status as a developing country entitled it to favourable treatment by the industrialized world.\textsuperscript{48}

However, the Indian Ambassador Abid Hussein succeeded in convincing US Trade Policy officials that talks in the framework of multilateral Uruguay Round of GATT negotiations provided a basis for postponing Super 301 penalties.

The fact that the Soviet Union was working in harness with the United States in the first Post-Cold War crisis doubtlessly eased India’s decision, which also reflected the improvement of relations with Washington. In the fall, the V.P.Singh Government took another step toward the United States, secretly allowing US military aircraft on supply runs from the Philippines to the Persian Gulf to refuel at Indian airports. Washington appreciated the gesture which, by reducing the amount of fuel the plane needed to carry, increased cargo load.\textsuperscript{49}

When Chandrasekhar replaced V.P.Singh, his Government maintained India’s support for UN action against Iraq and agreed to continue US refueling during Gulf War I.


\textsuperscript{49}\textit{India Abroad}, 8 February 1991.
An accidental discovery by an Indian press photographer that a US military transport was refueling on the tarmac at Bombay airport, however created a political storm with Rajiv Gandhi taking the lead, the entire Indian political spectrum, except the BJP, denounced the Government's continuing to grant the United States refueling rights when war was on. Charging betrayal of non-alignment, Gandhi threatened to withdraw Congress support from the Government. Chandrasekhar had no choice but to ask the United States to end refueling stops. Understanding the political bind in which the Prime Minister found himself, Washington agreed quickly seeing no advantage in trying to force the issue. The loss of refueling facilities had little impact on the US supply pipeline.

VIII

After the end of the Cold War, there were a lot of expectations for a better and brighter relationship between India and US. Several factors generated these expectations. These factors included:

(1) The collapse of the Soviet Union and subsequent change in international political and security milieu;

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(2) India's shift from a hitherto closed economy to a liberalised open market economy;

(3) A stable democratic Indian polity that can best serve the US interests in South Asia;

(4) A rapidly rising English speaking middle class that suits American business interests in India. Prof. Ramesh Thakur of the Australian National University in his article identified some of these factors, among others, as positive causes for the warming of Indo-US relations after the Cold War.

To India, the US was now no more a filthy capitalist country playing one nation against the other. On the other hand, India gradually began to perceive the US as the strongest world power, economically and militarily, that would play a significant role in the world politics in the foreseeable future. This changed perception, certainly a product of the post Cold War environment generated hype about bringing India and the US closer.52 But did these expectations materialise during the Clinton administration? The present work attempts to answer this question in the forthcoming chapters beginning with Indo-US policies towards the Kashmir, human rights and terrorism issues in the next chapter.

52 Aneek Chatterjee, "Indo-US Relations in the 1990's: on a Path to no Where", Politics India (New Delhi), vol.2, no.1, July 1997, p.41.