INTRODUCTION

India's foreign relations until 1947 were, in fact, Great Britain's imperial relations. The expansion of British India’s influence over South Asia and beyond was initiated and engineered by the British. India served as the major base for their political and military operations in Asia. After independence, India, led by those who challenged the concept of imperialism, had more limited ambitions; peace was preferred to power politics, free association to control. Yet the imperatives of national security had altered little. They quite often created policy dilemmas for new India: whether to follow the precedents established under the British rule or the principles laid down by the Indian National Congress before independence. Invariably, "the choice made did not fall uniformly on the side of consistency with the nationalist ideology or of the calculated requirements of national interest". 1

One of the striking developments of the twentieth century has been the change in India’s attitude towards the world. From an inward looking country, pre-occupied with

its own affairs, first it tested the British version of Western culture and then became an increasingly committed participant in international life-cultural, intellectual and economic. This unprecedented process was guided in the post-independence period the ideas and policies of one of the most internationally conscious of Indian leaders, Jawaharlal Nehru. 2

Jawaharlal Nehru also presided over the entrance of India onto the arena of world politics. Almost until his death, Nehru's dominance in the formation of India's foreign policy prevailed without any serious challenge. Even today, India's position in world affairs, is, by and large, the same, as was moulded and projected by Jawaharlal Nehru. The India of Nehru assumed an international posture that to Indians seemed comfortable and to foreigners appeared characteristic of Indian culture: non-alignment, a position of equilibrium between the two competing systems, is etymologically negative as are many of the principal Indian concepts. Non-alignment as a concept and a posture is perhaps equally important. 3

When Britain declared war against Germany on September,

2. Ibid, viii.
3. Ibid.
3, 1939, India was automatically involved in what afterwards became a global war. Britain was naturally anxious to utilize India's abundant resources for the prosecution of the war. The Indian peoples were thrown into the war against their wishes. In fact the Indian Legislative Assembly was not consulted when the British declared India at war with many nations with whom India had no quarrel.

The people of Germany followed India's freedom struggle with sympathy. And after India's independence, the people of Germany cordially granted India her reappearance on the stage of International politics and assisted her progress along the new road as far as was feasible with the initially modest means at their disposal. The German peoples are grateful to India for her efforts to prevent the outbreak of major conflicts in the perilous years of the cold war. The German people, who within the space of a few decades twice over found themselves defeated and overrun, sympathise fully with the pride with which India defends her newly won independence, free from all ill-will that a former colonial

4. Majumdar, H.C., Kaychandhuri, H.C. and Datta, Kalikinkar: An Advanced History of India, p.964
5. Chamanlal: Germany Reborn, p.140.
power might be expected to bear, it was perhaps the Germans who most speedily and effortlessly adjusted themselves to the new situation, which ushered an Asia composed of an array of single states back into the arena of world politics. It was Germany that sooner than many of nation in Europe realized that the age of colonialism was only an episode in the history of human race. And today the people of Germany are prepared to accept all the consequences ensuing from the present state of affairs. Amongst these are the hopes that all the countries which under India's leadership have pledged themselves to a policy of non-alignment, will succeed in ensuring a state of peace in the world. Secondly, there is the hope that Germany's industrial achievements opened the door to an intensive trade between the two countries, a commercial exchange conducive to the interests of both sides and conducted in such a manner as to offend the pride of neither.6

After the Second World War both India and Germany have experienced partition as also the suffering of the streams.

6. Zick, Hermann: Men will one day reach the point, pp.45-46.
of refugees which have decimated social, economic and cultural life of their peoples. The division has destabilised the political and industrial conditions in the two countries. They have also recent experiences of nationalism and they have to emerge out of the global confrontation resulting from the bipolarization of world politics. 7

When India became independent in August 1947, Germany was with a doubtful legal status. India also found that in the first two years of the occupation of Germany, the Four Allied Powers had shown their utter inability to carry out their policies in a united manner treating her as politically and economically an undivided whole. But slowly and to a certain degree, imperceptibly, the three Western Allies on the one hand and the USSR on the other created two states incorporated within their respective spheres of influence, owing to conflicts arising from the incompatibility of their purpose and interests in Germany and elsewhere. 8

India was one of the first countries to establish diplomatic relations with the Federal Republic of Germany

Shortly after it came into existence, January 1, 1951, is a date of special gratification to German friends of India. On that day the Indian Union first of all hostile and semi-hostile countries formally ceased to be at war with Germany. It was perhaps the traditional friendship that inspired the Indian delegation, under Mrs. Vijyalakshami Pandit to place proposals for the solution of the German question before the United Nations.

India did not accord a similar treatment to the German Democratic Republic—India gave a defacto recognition to the GDR. And the relations between the two countries became in October 1970, as consulate level. It was, therefore, because the reunification of Germany was a historical necessity to India. It was reluctant to take any step towards the diplomatic relations, which might retard the forces of unification. Recognition of East Germany by India means the acceptance of the division of Germany as final. But in 1972 India recognized the German Democratic Republic.

The Indian economy was underdeveloped when India became independent in 1947. About 68 percent of the working population

was engaged in agriculture, 14 percent in industry both large and small scale, 8 percent was engaged in trade and transport and the remaining 10 percent in professions and services. The large proportion of the population was engaged in agriculture, but country was not self-sufficient in food, and raw materials for industry. The most important need of the country was rapid economic development. There was the problem of external assistance in relation to economic development. External assistance, the Indian planners thought would make available sufficient supplies of foreign exchange, very much needed for importing machinery, capital equipment and other producer goods as well as consumer goods and food grains, and also supplement the invisible resources of the country. The advisability of accepting external assistance for the economic development of India was accepted by the Government even before the First Five Year Plan was framed.

To accept or not to accept foreign aid: Prime Minister Jawaharlal Nehru tried to explain the dilemma before the Indian Parliament in the following words.

"I am quite clear in my mind that I would rather wish that our advance was slower than we become dependent on the aid of the other countries."

10. The First Five Year Plan, (New Delhi), 1953, p. 29.
11. Pillai, K. Ramani: India's Foreign Policy, p. 103.
After saying this, he realised that he might be misunderstood and hastened to add.

"I really do not see why we should be afraid. Provided we are strong enough ourselves, of taking this type of aid from other countries which obviously helps us to go more rapidly ahead. There are so many things which we could do with that aid which we have to postpone without that aid... After all, almost every country has gone ahead with help in various ways from other countries in the past and I do not see any reason why we should prefer not to take aid, even though that aid does not influence our policy or our activities in the slightest.".

While welcoming foreign assistance and foreign capital in general, the Government of India clearly indicated its preference for certain types of external aid. The planning commission noted that: 13

"Priority will no doubt go to such external investment as is available from institutions organised on an international basis. The resources of such institutions however are limited, and it would be short sighted to exclude without good reason investment of funds from advanced countries, either on an inter-governmental basis or on the basis of negotiations between individuals or corporations in the countries concerned".

India adopted a programme of development in the First Five Year Plan which far exceeded the internally available resources, and it was based on foreign aid. The First Five

Year Plan was a 'preparatory plan' for greater and more rapid progress in future.  

The countries who gave the substantial economic aid for India's development, the United States was on top in the list. India began to receive governmental aid from the United States in 1950. Soviet Union was the second largest supplier of economic aid to India. Soviet Union has given far more aid to India than to any other non-communist under-developed country. Apart from the United States and Soviet Union, other countries and some international organisations have also given economic aid to India for her development plans. Among them are 'The International Bank for Reconstruction and Development' (IBRD) and the 'International Development Association' (IDA). Colombo Plan was also a major international attempt at helping India's economic growth during the early years. A significant new development for multilateral economic assistance to India came into being in 1958 with the formation of the 'International Consortium' under the auspices of the World Bank.


* The Consortium (Aid India Club) is made up by the US, Canada, UK, W. Germany, France, Italy, Netherlands, Belgium, Japan and the IBRD and the IDA.

Germany was economically speaking, a developing country after the World War II. The Germans had to seek help from the US, under the Marshall Plan, in order to get back on their feet. Whole cities had to be rebuilt again, industry and economy generally had to be reconstructed. Simultaneously with all that, 13 million refugees, who as individuals were not responsible for the fate that had befallen them, had to be integrated both socially and economically into the western part of Germany. To be sure, the circumstances in the Federal Republic were in many ways more favourable to reconstruction. Yet, the record shows that without the assistance of others India would never have progressed so rapidly in the achievements of the status of a highly productive industrial nation.

Despite internal and external difficulties, the two countries have been striving for new horizons in a technologically determined future. While the Germans have rebuilt what was destroyed and dismantled industry, India too have begun the process of scientific and industrial development and are now trying to reach the commanding heights of modern technology. Both made a fresh start in the economic, industrial

and technological spheres, the beginning of a reconstructed state were as recent in the country having had centuries of colonial value, as in the other country which enjoyed few brief years of military supremacy under the Nazis.\(^1\)

West German aid programme in India started with the credit agreement signed in 1955, for the setting up of the Pourkela Steel Plant.\(^2\) In strengthening India's economy Indo-West Germany cooperation tended to be concentrated upon capital aids that is, on selected undertaking financed by longterm credits at low interest rates. The greater part of the aid granted to India had been for project that have since been completed and which today represent internationally recognised milestone of progress Pourkela, Wayvili, Bhadravati to name only a few of the most famous.\(^3\)

Germany's share in India's trade had become insignificant in the era of nationally conditioned merchant system. Many Germans held posts in foreign trade companies, but there they were little more than tools in the monopolizing endeavours of other nations.\(^4\)

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The official termination of war against Germany and the independence of India in Aug. 1947 ushered a new era of Indo-German trade ties. But it was only at the beginning of the fifties that the Germany became one of the major trading partners of India. India in 1951 had launched the First of her Five Year Plans with it her demand for capital goods begun to grow steadily and rapidly. While West Germany, at the same time having recovered from the breakdown of her economy during the war, could offer high quality goods at competitive price. 23

There is a field of cooperation between the two countries, having more scope of development, which pertains the benefits derived by the Indian enterprises through German collaborations to make her products easily measure up to the requirements to the German consumer. One would like to see this area of cooperation given the due attention so that it contributes, among the various other measures, towards the transformation of Indo-German relations from the one way affair of development assistance to a fruitful mutual communication leading to balanced trade and shared prosperity. 24

23. Chamanlal: Germany Reborn, p.140.
India extended her relations with German Democratic Republic also in economic and trade fields. The Indian Prime Minister Pandit Jawaharlal Nehru, told Parliament in 1961 that "...we have trade relations with the East German Government Defacto we recognise it." But the sense of this and other similar statement made by him was factual rather than legal by virtue of the ambiguity India contrived to benefit from good relations with both parts of Germany.  

India participated annually in the Leipzig industrial fair, signed periodic trading agreements with the G.D.R., and accepted a resident trade representative from the county, though the gesture was not reciprocated. East Germany financial and technical assistance was used in setting up chemical and raw film industries in India, and by mid-1960's the two countries were important trading partners.

The trade relations between India and the German Democratic Republic has been increasing. A longterm and payments agreement between the two countries for the period up to 1971 was signed in New Delhi on January 23, 1969. Within the last 10 years, the volume of foreign trade between the two countries has multiplied more than three times.

26. Ibid. p.434.
There is a long history in the field of cultural relations between India and Germany. It started in the nineteenth century, since then the relations between the two countries has been increasing.

The cultural relations between India and the Federal Republic of Germany extended into many areas today. In the Federal Republic of Germany there are many professorships for Indology. They are dedicated not only to the field of classical Indological research, but their scientific efforts are also devoted to present day India and its languages, literature, art, economy and legal system. The South-Asia Institute in Heidelberg, which even maintains a branch in New Delhi, in the Max Muller Bhavan. In seven cultural institutes, the seven Max Muller Bhavans, places of Indo-German encounter have been established which are now extremely active. The cultural Agreement of 1969, provided a large scale exchange German and Indian universities, archives museums. There are a wide ranging contacts of the media, adult education and sports. German guest professors hold lectures in India. Indian professors visit Germany. Lecturers from the German Academic Exchange service teach German language and literature at Indian universities. Numerous Indo-German joint research projects
have been in operation. There are many scholarship from the German Academic Exchange Service are meant for Indian scholars.28

India being a large complex and culturally plural country, its approach to GDR is likely to be different in nature than the GDR's approach towards India. Taking this fact into account, it is surprising how strongly broad circles of the Indian population are interested in the social and cultural life of GDR. The Indo-GDR friendship societies established by the All-India Association of friendship societies in New Delhi in 1966 combining 20 organizations in the different states, with approximately 150 branches for promoting and evaluating the cultural and scientific link with foreign countries. The work of the friendship society is supported by GDR. A view, a periodical published by the German Friendship Society, as part the League of Friendship among the peoples. The friendship societies also support the publication of books, features and reports about the GDR in the different languages spoken in India.29

In the last, it can be said that since independence, Indian leaders have urged a policy of peaceful co-existence of all nations irrespective of the Government or social system. For many years, it seemed that the world would remain divided in hostile camps. The Indian foreign policy has been a "protest against power politics." Her policy of non-alignment bore an inherent implication for the rejection of some of the basic tenets of power politics. Therefore, India extended her relations with both GDR and FRC on more or less similar pattern. Historic cultural affinities facilitate the development of political and economic relations.