CHAPTER 4
A HISTORICAL PERSPECTIVE OF INDO-U.S. AND SINO-U.S. RELATIONS

A brief historical review of the United States’ relation with India and China would reveal that there have been many difficult phases in both the relationships, interspersed with periods of warmth. Both countries have clashed with the U.S. over issues such as strategic security, economic and trade policies, and nuclear proliferation. However, the U.S. has employed different methods to deal with India and China, which would be elaborated in the present chapter.

INDO-U.S. RELATIONS

Arriving just as the battle lines of the Cold War were hardening, India’s independence threw into sharp contrast the differing world views of Americans and Indians. Few Americans appreciated either India’s preoccupation with independence or its insistence on sundering all ties that bound them to the will of other countries. America’s misunderstanding of India’s national priorities led directly to their failure to discern the depth of India’s insistence on non-alignment. U.S. ambassador Dennis Kux, in the title of his book, ‘Estranged Democracies’, had encapsulated the nature of relations between the world’s largest democracy and the most powerful, over the period which coincided with the Cold War — 1947-91.¹ He asserted that India and the United States were not at odds because, as some said, there was too little dialogue, or a lack of mutual understanding, or were serious misperceptions, or because Indians and Americans had trouble getting along

with each other. On the contrary, he said, “I believe that Washington and New Delhi fell out because they disagreed on national security issues of fundamental importance to each. In the late 1940s, India decided to pursue a neutralist foreign policy, staying apart from the two power blocs then emerging; then, after 1954, the U.S. decided to arm India's enemy Pakistan as part of a global policy of containing communism through a system of military alliances; finally, in the late 1960s and especially after the 1971 Treaty of Friendship, India decided to establish a close political-security relationship with the Soviet Union. India was thus lined up with America's principal foe while, at the same time, Washington was itself aligned with India's major enemy. Not a recipe for amicable relations.”

A Case of Differing Priorities

Human rights concerns were central to the Indian independence movement. Above all, the movement abhorred the systematic racial discrimination the British empire embodied. The Americans however viewed India’s struggle within the larger context of World War II. Not wanting to antagonize the British, Roosevelt refused to intervene in August 1942 over the “Quit India” movement and thereafter remained unwilling to press the British to make further political concessions. This first extended interaction between the United States and India foreshadowed the frustrations that would follow during the next five decades.

In India, Pandit Nehru, in addition to his duties as Prime Minister after 1947, when India gained independence, continued as Foreign Minister. In his many speeches and writings

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2 Ibid (Preface).
3 Ibid pp. 38.
on international issues over the years, and especially in 1946 and 1947, Nehru had already articulated the broad outlines of India’s foreign policy. India would support rapid decolonization. Free after its long struggle with the British, India wanted the rest of Asia and Africa to gain freedom from Western colonialism. Foot dragging by the West European colonial powers, especially by the Dutch in Indonesia and the French in Indo-China -- and U.S. reluctance to press its European friends too hard -- disappointed Prime Minister Nehru. The Indians, on the other hand, were pleased by consistent Soviet support on decolonization although they recognized that the motive was hardly altruistic. Nehru also desired that Asia’s destiny should rest in Asian hands and Europe should play a reduced role in the area and made South Africa’s policy of discrimination towards non-Whites India's top issue at the very first U.N. General Assembly in 1946. Finally, there was Nehru's desire that India play an active role in world affairs without joining either of the two power blocs. Therefore, post-independence, India forged a new path of non-alignment in foreign policy. In any case, as the strongest power in South Asia, India did not need external support to bolster its foreign policy position.4 Articulating his ideas of neutralism, Nehru told journalists in March 1946, "We want to be friendly with the three principal powers -- America, Russia, and England -- it is impossible for me to say what military and other alliances a free India may approve. Generally speaking, it would not like to entangle itself in other people's feuds and imperialist rivalries."5 The term "Non-Alignment" itself was coined by Nehru during his speech in 1954 in Colombo, Sri Lanka. In this speech, Nehru described the five pillars to be used as a guide for Sino-Indian

relations. Called *Panchsheel*, these principles would later serve as the basis of the Non-Aligned Movement (NAM). The five principles were:

1. Respect for territorial integrity
2. Mutual non-aggression
3. Mutual non-interference in domestic affairs
4. Equality and mutual benefit
5. Peaceful co-existence

**India Displays its Non Alignment Credentials**

Nonalignment, in Nehru’s view, did not imply inactivity and India could not avoid a central role in Asian affairs. Contemporary events lent credence to Nehru’s remarks. The Communist victory in China over Chiang Kai-shek’s Nationalists set off a wave of recriminations in the U.S. Indians generally perceived the Communist victory, if not as a triumph of democracy and liberalism, at least as inevitable, and in any event an improvement over four decades of war and revolution. China’s entry into the socialist camp increased the value of India to the West. A paper written for Truman’s National Security Council assessed the situation: “Should India and Pakistan fall to Communism, the United States and its allies might be denied any foothold on the Asian mainland.” However, it did not immediately alter U.S. policy towards the subcontinent. But the complacency vanished when in June 1950, communist troops from North Korea stormed across the 38th parallel into South Korea. While the Americans saw Korea as a test of

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7 NSC 48/1, 23 December 1949 National Security Council records (record group 273), National Archives.

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collective security, Indian officials viewed the fighting there as primarily an indigenous
dispute. Eventually, New Delhi came out in favour of the U.N. resolution calling for aid
to South Korea, but Indian support for the U.N. efforts remained tepid. Nonetheless, the
Truman administration's decision to cross the 38th Parallel brought the Chinese into the
conflict which launched a massive counter-offensive. India's actions during and after the
war were a demonstration of its policy of non-alignment. As a member of the U.N.
Commission on Korea and a non-permanent member of the Security Council, India voted
for the June 25, 1950 resolution naming North Korea as aggressor and calling for the
withdrawal of its troops to the 38th parallel. It opposed or abstained from voting for
subsequent U.S. sponsored resolutions including one naming China as the aggressor and
the Uniting for Peace resolution of September 1950. It also established an informal
grouping of Asian and Arab delegations for purposes of mediation. It was the Indian draft
resolution on the question of repatriation of prisoners of war that was ultimately passed.
The five-nation Neutral Nations Repatriation Commission subsequently established had
India's General K. S. Thimmaiya as chairman. While India had established its non-
aligned credentials by balancing U.S. interests with those of the Soviet Union and China,
the U.S. was not only unhappy with the loss of support but also perceived India as
moving away from the West but not from the communist countries.

Nehru also opposed the development of nuclear weapons publicly, a position that
accorded with his deep-seated opposition to the use of force to resolve international
disputes. There has, however, been some speculation during the last decade that, despite

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his public stance, Nehru wanted to keep India's weapons option open.\(^9\) Firstly, Nehru granted Homi J. Bhaba a free hand in the development of India's nuclear infrastructure. Secondly, according to analysts such as Bharat Karnad, India’s sense of well-being rested on the military safety net discreetly stretched underneath it by the British and the American governments.\(^10\) Playing the *moralpolitik* card helped India achieve its goal as nearly on its own terms as the situation permitted. The vociferous championing of disarmament and of a nuclear weapons-free world put nuclear weapons states on the defensive for a decade and a half (1945-1960). In particular, it afforded India the shield behind which to build up its own broad based scientific and technological competence in frontier technologies, including in the military application of atomic energy and space\(^11\).

Since 1954, the U.S. equipped and trained Pakistan’s armed forces and it became no longer easy to defeat Pakistan. During 1954 and 1955, the U.S. signed three different military assistance agreements with Pakistan. The U.S.-Pakistan Mutual Defense Assistance Agreement was signed on May 19, 1954.\(^12\) This was followed by a Defense Support Assistance Agreement on January 11, 1955, recognizing mutual interest ‘in the development of Pakistan’s capacity to maintain its independence and security’ and committing the U.S. to ‘furnish the government of Pakistan such commodities, services, or such other assistance as may be requested by it and authorized by a government of the

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11 Ibid, pp 69.

12 Denis Kux points out that the some senior Indian officials as well as Vice-president of India Dr. S. Radhakrishnan urged the US Ambassador Allen to seek a postponement of the military assistance pact to Pakistan as this would block the progress on the Kashmir issue. As Ambassador Allen remained unconvinced of Nehru’s sincerity of seeking a Kashmir solution, he did not pass on the Indian message to the US. See Dennis Kux, *India and the United States: Estranged Democracies 1941-1991*, (NDU Press and Sage, 1993), pp.118.
A third agreement of mutual cooperation was signed in Baghdad on February 24, 1955, followed by a bilateral cooperation agreement signed in Ankara on March 5, 1959. On February 24, 1954, Eisenhower wrote to Nehru and tried to assure him that the decision of the U.S. government to provide military assistance to Pakistan should not be viewed as aimed against India; the U.S. would continue to provide economic and technical assistance to India and if India required military assistance, such a request 'would receive most sympathetic consideration'. India vociferously protested against such aid and it also opposed U.S. acts of establishing bases in Asia as part of its containment policy. In terms of perception, while India's world-view was that of members of military alliances and non-aligned nations, the U.S. perception was that of allies and others.

Although political relations between the U.S. and India were marked by distrust and at times outright hostility, economic relations did not suffer the same fate. American investment in India was substantial compared to that by other countries. But the U.S. aid programme was described as having 'motivations ranging from pure humanitarianism to crass materialism.' Between 1950 and 1965 the U.S. provided 50 per cent of foreign aid received by India. More than half of this was in the form of food aid under Public Law 480. For the U.S. it was a politically convenient way of disposing its food surplus. In 1957 the U.S. established a Development Loan Fund to provide loans to enable India to procure capital goods from the former. It was also on a U.S. initiative that the World

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Bank established an Aid-India Consortium which provided substantial funds to India's Third Five Year Plan. An agreement on the construction of nuclear power plants was signed in 1963 beginning with the one at Tarapur near Bombay. A contentious aspect of economic relations was that with very few exceptions, the U.S. declined to invest in or assist Indian heavy industry. This was perceived as an attempt to prevent India from achieving self sufficiency in this sector as well as to ensure a market for U.S. products. For this, as well as the supply of military equipment, India turned to the Soviet Union.

**Cold War Ideology Gains Ground: U.S. Ties Up With Pakistan and China**

The election of Dwight D. Eisenhower in 1952 also led to the appointments of John Foster Dulles as the Secretary of State and his brother Allen Dulles as the Central Intelligence Agency (CIA) chief. Dulles had no sympathies with NAM. He labeled nonalignment as "immoral" as it did not take a stance between what the U.S. considered right and wrong. According to Dulles the idea of neutrality had “increasingly become an obsolete conception, and except under very exceptional circumstances, it is an immoral and shortsighted conception."¹⁵ India's argument that Nonalignment asserted "peaceful coexistence" was not enough to persuade Washington to the ideology or to India.¹⁶ The USSR and India forged close ties due in part to the Soviet Union's affirmation of Nonalignment objectives and in part to India's many socialist programs including the nationalization of several large industries. Furthermore, Nehru's "Five Principles" for good relations were also supported by the USSR.¹⁷ American suspicions of India were further heightened by Krushchev's 1955 visit to New Delhi and the 1971 signing of the

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Soviet-India Friendship Treaty, which pledged mutual support against antagonistic powers (U.S. and China). The U.S. retaliated by renewing relations with China, first by signing the Shanghai Communiqué, in the 1972 Sino-American Summit and later bestowing China with a seat in the Security Council rejecting Taiwan. India recognized this shift in American policy and realized that the U.S. had now allied with India's two main threats: China and Pakistan.  

**U.S. Extends Limited Support to India**

The biggest test for the policy of Non-Alignment was the Sino-Indian border conflict of 1962, which brutally exposed the deficiencies of the policy, namely, the lack of economic and military strength. India requested, and received, military assistance not only from the Soviet Union but also from the U.S. and Britain. Although the apparent generosity of the U.S. and Britain received a lot of praise, the fine text brought out the reality of the commitment. Firstly, only a small amount of “emergency” assistance was actually committed. There was no offer of long-term military aid. Secondly, the U.S.-U.K. offer was conditional on the successful resolution of the Kashmir dispute in which India was expected to make substantial concessions. Also, the American military aid was provided on the condition that it ‘would in no circumstances be used against any adversaries but China’. This was in total contrast to the unconditional military assistance by the U.S. to Pakistan. In any event, the very limited military assistance came

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20 Cable from US Ambassador Bowles to Secretary of State Rusk, quoted in Surjit Mansingh, *India's Search for Power*, (Sage Publications, New Delhi, 1984), pp. 77.
to an end in 1965 with the beginning to the second Kashmir War between India and Pakistan.

On May 27, 1964, Prime Minister Nehru, severely shocked and unable to reconcile to the Chinese debacle, died in his sleep. A popular but aging leader, Lal Bahadur Shastri, took over the reigns of power. With the 1962 Sino-Indian War fresh in mind, Shastri's preference was to define nonalignment in terms of good relations with both the Soviet Union and the United States, or as some called it, bi-alignment against the threat posed by Communist China. America's prompt help in 1962 and the continued large amounts of economic and food assistance, running $1 billion annually, impressed the Indian leadership as a sign of U.S. friendship. Although Washington's unwillingness to sell the F-104s underscored the limits of the security relationship, Indo-U.S. relations seemed on solid ground. A turning point in the Indian foreign policy establishment's attitude toward defense spending came in the aftermath of the Chinese attack, which fundamentally called into question Nehru's varied attempts to court the Chinese. The need for an independent nuclear programme got reinforced after the first Chinese nuclear test at Lop Nor on October 16, 1964. Segments of India's political and scientific establishments evinced a greater interest in acquiring nuclear weapons. Sisir Gupta, one of India's best diplomats, spelled out the concerns of most Indian strategists: "... without using its nuclear weapons and without unleashing the kind of war which would be regarded in the West as the crossing of the provocation-threshold, China may subject a non-nuclear India

21 Ibid pp. 231-232.
to periodic blackmail, weaken its people's spirit of resistance and self-confidence, and
thus achieve without a war its major political and military objectives in Asia.23

During this period the U.S. and the Soviet Union, alarmed by the Chinese nuclear tests,
sought to forge a multilateral treaty to stop the further spread of nuclear weapons.24
Accordingly, in November 1965, the U.N. Political Committee adopted a resolution
detailing the guidelines for a treaty on nuclear nonproliferation. The Indian delegation to
the U.N. had played a key role in drafting the central provisions of the text, which
embodied two principles of special significance to India's concerns. First, the draft treaty
specified a balance of mutual responsibilities and obligations on the part of the nuclear
and non-nuclear powers. It offered the non-nuclear states access to peaceful nuclear
technology in return for their agreement not to obtain or develop nuclear weapons.
Second, the draft indicated that the attempts to promote nonproliferation would be merely
a first step toward the ultimate goal of universal nuclear disarmament. As discussions on
the proposed treaty progressed, India added another qualification: non-nuclear states
should be able to carry out "peaceful nuclear explosions."25 The U.S. firmly opposed this
last proposal on the grounds that no meaningful distinction could be made between
"peaceful" and "non-peaceful" nuclear explosions.26 The various Indian delegations to the
Eighteen Nation Disarmament Conference (ENDC) in Geneva in April and June 1965

24 John Simpson and Anthony G. McGrew, (eds.), The International Nuclear Non-Proliferation System:
nevertheless continued to press this distinction. As the proposed treaty started to take shape, Indian diplomats outside the ambit of the ENDC again raised the question of nuclear guarantees for non-nuclear powers but to little avail.

U.S. Follows Policy of No Direct Intervention

During the 1965 Indo-Pakistan war over Kashmir, despite the threat of all-out war, the United States held back from direct diplomatic intervention, continuing to rely on the United Nations as the main vehicle to stop the fighting. Finally, on September 22, 1965, the fighting stopped. India and Pakistan accepted a "demand" by the Security Council for a cease-fire. Although both sides lost heavily in men and materiel and neither gained a decisive military advantage, India had the better of the war. New Delhi achieved its basic goal of thwarting Pakistan's attempt to seize Kashmir by force. Pakistan gained nothing from a conflict which it had instigated. In January 1966, Ayub and Shastri met in the Soviet Central Asia city of Tashkent. Given the enmity between India and Pakistan, the Tashkent agreement was a considerable achievement. The conference came to a tragic end when Lal Bahadur Shastri suffered a fatal heart attack, just hours after signing the accord.

During the war, China provided diplomatic support to Pakistan and threatened to open a second front along India's Himalayan border. Although this ultimatum was never

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carried out, Indian decision-makers, still reeling from the debacle of 1962, took the Chinese warnings seriously. Just before the war ended a hundred members of the Lok Sabha wrote to Prime Minister Lal Bahadur Shastri calling for India to exercise the nuclear weapons option. Nehru's daughter, Indira Gandhi, continued the quest for a nuclear guarantee from the major powers against a future Chinese threat. However, she was not very successful in her quest to get a guarantee designed to deter a possible Chinese attack.

The Politics of Food Aid

During his first year and a half in the White House, President Johnson allowed the other main element of U.S. involvement with India the large economic assistance and PL 480 food programmes to continue largely unchanged along the lines previously established. In September 1964, at the expiration of the four-year PL 480 program approved in 1960, Johnson agreed to a new one-year food accord to supply 4.5 million tons of wheat. In the spring of 1965, the Indians sought a two-year PL 480 program for 10 million tons. Few expected difficulties in proceeding with the new food agreement or with the annual economic assistance request. However, in June 1965, the President called a halt to routine approval of new aid commitments for India (and also for Pakistan) and demanded a "hard new look ... before we spend a lot more money." Because he was unconvinced by India's efforts to solve its food problems, President Johnson put India on a "short-
At the President’s insistence the PL-480 commitments were renewed only on a yearly basis. Lyndon Johnson’s short tether policy worked. India announced a far higher priority on agriculture, marking a substantial shift from the earlier policy emphasis on industry.

In her initial weeks in office, Indira Gandhi followed in the footsteps of her predecessor, pledging support for the Tashkent Accords, reaffirming India’s adherence to the nonalignment policy established by her father, and accepting recommendations to implement the economic policy changes proposed by the World Bank. She visited the United States in 1966, establishing a good relationship with President Johnson but criticizing his decision to escalate the U.S. conflict in Vietnam. Following on U.S. suggestions, Mrs. Gandhi sent Planning Minister, Ashok Mehta to Washington where he and World Bank President George Woods worked out a tentative reform package that included Indian decontrol of imports and streamlined licensing procedure with detailed sector by sector target. In parallel talks with the IMF, the Indians agreed to a major devaluation of the rupee. Ignoring the objections of her party members, Mrs. Gandhi announced a large 57 percent devaluation on June 6, 1966. In India, the announcement led to harsh criticism from the Congress Party as well as the Left Front. As a damage control measure, Mrs. Gandhi agreed to a communiqué on Vietnam that shifted India from an essentially neutral stance to one that echoed the Soviet line. The July 16 communiqué also decried “aggressive action of imperialist and other reactionary forces against Vietnam.”

Predictably, this turn of events made Washington unhappy. Thus,

when India faced a food shortage, President Johnson refused to release 2.5 million tons of wheat to prevent a break in the grain pipeline. He wrote in a memo, "We must hold onto all the wheat we can. Send nothing unless we break an iron bound agreement by not sending."37 According to the then U.S. Ambassador to India, Chester Bowles, cables from Washington burned with comments about ‘those ungrateful Indians’, and the shipment of wheat was further delayed.38 When the American press became aware of Johnson's game, the New York Times and the Washington Post roundly criticized use of pressure tactics on an India confronted with the spectre of famine. Stung by the media criticism and with the recommendations from the teams in hand, Johnson finally decided to release some wheat. On December 22, Johnson finally authorized Freeman to announce the allocation of 900,000 tons of PL 480 wheat.39

The Indian general elections in February 1967 resulted in unexpectedly severe losses for the Congress Party. In addition to the affront from Johnson's tight-fisted approach to PL 480, the devaluation fiasco caused resentment in India, much of it directed against the United States. After the electoral setback, a weakened Mrs. Gandhi began to adjust her policies and her advisers. Liberalization was set back. Foreign aid advisers and like-minded Indian colleagues lost influence. Politically, Mrs. Gandhi was in the process of shifting to the Left.40

Nixon “Tilts” Towards Pakistan

37 President Johnson's handwritten comments on 24 August 1966 covering memorandum from Bromley Smith attaching a memo from Howard Wriggins in support of the State-Agriculture-AID recommendations
40 Ibid pp. 261.
Indo-U.S. relations further deteriorated after Richard Nixon assumed office in January 1969, especially when the administration moved towards a rapprochement with China. His main foreign policy concern lay on winding down the unpopular war in Vietnam. His dislike of India and its policy of non-alignment were strengthened after his visit to India in August 1969. The substantive discussions, mainly on Vietnam, lacked spark and animation. From New Delhi, Nixon flew to Lahore in West Pakistan, where he met President Yahya Khan, who had replaced Ayub Khan five months before. Nixon's discussions with Yahya were more substantive than his talks in New Delhi. Previously, Pakistan's close ties with China had caused great tension with Washington. Now Nixon took advantage of these good relations to ask Yahya Khan to convey to the Chinese leadership his interest in an opening to China. Thus began two years of secret diplomatic exchanges through the Pakistanis that led to the stunning Kissinger trip to Beijing in July 1971.41

Meanwhile, Mrs. Gandhi consciously shifted to the Left politically, toward more socialist domestic policies, positioning herself as the champion of India's poor masses. She nationalized India's major banks and abolished privy purses, among others. Not pleased with India's policies and wanting to do something for his Pakistani friends, Nixon in October 1970 approved what was called the "one-time exception" to the 1967 policy of not exporting lethal weapons systems to India and Pakistan. Washington agreed to sell Pakistan 300 armored personnel carriers and same aircraft worth about $50 million, at the same time reaffirming the intention to continue the 1967 policy.

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41 Ibid, pp. 280-282.
The Nuclear Nonproliferation Treaty (NPT) came into force on March 5, 1970. The three powers -- U.S., U.K. and the Soviet Union -- were signatories to the treaty. India refused to accede to the terms of the treaty because it failed to address India's misgivings, specifically, the continued nuclear abstinence of the non-nuclear states was not linked to explicit reciprocal obligations by the nuclear weapons states. Although India's argument was couched in moral terms, a more pragmatic consideration--namely, keeping its nuclear weapons option open--guided its decision not to sign the treaty. Unlike the world view prevalent in the U.S. between 1956 and 1965, India and the Third World had little importance in the Nixon/Kissinger power equation. Henry Kissinger commissioned a wide array of policy studies called National Security Study Memoranda (NSSM). In keeping with South Asia's low priority, it was not until NSSM No. 109 that policy toward the subcontinent received NSC attention. Reflecting South Asia's diminished role was the bland commentary in the 1970 report and a low-key three pages in the 1971 report. In these passages, the President made three main points: (a) U.S. strategic concerns in South Asia were limited to seeing that neither China nor the Soviet Union gained a dominant position in the subcontinent; (b) the U.S. accepted Pakistan's altered foreign policy and India's nonalignment. "We have no desire to press on them a closer relationship than their own interest leads them to desire," Nixon declared; and, (c) the main US interests in the

42 Sisir Gupta, "India and Non-Proliferation: Hard Choices Ahead," Times of India (Delhi), January 29, 1968.
subcontinent were to promote economic development, to respond to humanitarian concerns and to encourage India and Pakistan to put aside their differences.\textsuperscript{44}

But events did not allow South Asia to remain in the back waters. In 1971, the coincidence of the East Pakistan crisis and Nixon's China initiative unexpectedly placed the subcontinent at the center of US foreign policy concerns. While Indira Gandhi won a landslide victory in March 1971 during a mid-term general election, the result of Pakistan's December 1970 balloting gave the pro-East Pakistan autonomy Awami League a majority in the proposed National Assembly. On 25th March, 1971, Pakistan military forces cracked down in the east. Yahya outlawed the Awami League, sought to arrest its leaders as traitors, and tried to disarm Bengali members of the armed forces. Only gradually, as thousands of refugees began to flee into neighboring India, did the story emerge of the Pakistan military's harsh suppression, especially of Bengali Hindus, a sizeable minority in East Pakistan. The flood of refugees, India declared, transformed an internal Pakistani problem to one between India and Pakistan. U.S., because of its secret negotiations with China through Pakistan, refused to take a strong stand against Pakistan despite reports of human rights violations. In July 1971, Kissinger left Washington on a supposedly routine trip to the Far East and South Asia. Only a handful of people, including the Pakistani leadership but not the Secretary of State, knew his real mission was to slip away to China during the stay in Pakistan. After stopping for talks in New Delhi, Kissinger flew to Islamabad, ostensibly for two days of discussions. A week later, on July 15, Nixon astonished the world by announcing the Kissinger China mission and his own upcoming trip to Beijing. The news startled the Indians who, quite apart from a

U.S.-China rapprochement, were miffed that Kissinger's stop in New Delhi was only part of the cover for the China talks. Indira sprung her own surprise a few weeks later. On August 9, New Delhi and Moscow signed the Indo-Soviet Friendship Treaty.45

On December 3, 1971, Pakistan attacked eight Indian airfields in the western part of the country, and the next day declared war on India. The Indians countered, attacking in the east and mounting probing operations in the west to pin down Pakistan forces. On December 6, India recognized the Awami League government-in-exile as the government of Bangladesh. As tensions mounted, the United States perceptively hardened its stance toward India, which Kissinger and Nixon claimed was inciting the conflict. The diplomatic scene shifted to the UN Security Council in New York. Acting under direct orders from Nixon, US Representative George Bush criticized India as responsible for the war and urged support for an immediate cease-fire. India's Soviet friends vetoed the resolution. As badly outnumbered Pakistani forces retreated from the borders toward Dacca, the war in the east was for all intents over within a week. On 16 December, the Pakistanis ended the struggle, with some 93,000 soldiers surrendering. Nixon, wanting to save his "ally", West Pakistan, ordered a show of US naval force on December 10, directing the aircraft carrier Enterprise with supporting vessels to proceed as Task Group 74 from the Far East to the Bay of Bengal. The U.S. policy deeply angered the Indians. A few weeks later, journalist Jack Anderson enormously embarrassed Nixon by publishing minutes of secret White House WSAG meetings dealing with the Bangladesh crisis. These documents revealed that contrary to what the administration was publicly saying about an even-handed approach, Nixon was demanding "the tilt" toward Pakistan and

giving Kissinger "hell every hour" for not doing enough against India. The Anderson Papers\textsuperscript{46} were an appropriate postscript to a sorry chapter in US diplomacy. In early July 1972, India and Pakistan concluded a peace accord at Simla. Mrs. Gandhi agreed to the return of 5,000 square miles of West Pakistan territory, mostly desert, that India captured during the war; Bhutto, who replaced Yahya as the President of a shrunken Pakistan, agreed to settle all disputes, including the Kashmir issue, peacefully and bilaterally.

\textbf{Nixon Attempts to Build Bridges with India}

The first months of 1972 saw relations between Washington and New Delhi at low ebb. Later, Nixon made some overtures by replacing Keating with Daniel Patrick Moynihan as the American Ambassador to India. During the 1971 U.N. session, as a public member of the US delegation, Moynihan opposed U.S. policy toward the Bangladesh crisis. The Indians reciprocated in a lukewarm manner. It refused to take any food aid, preferring to buy PL 480 wheat on the market. Also, its drive towards self sufficiency led to the Green Revolution which impressively increased India’s food production. Another problem worrying Moynihan was the mountain of Indian rupees owned by the U.S. government, repayment for millions of tons of PL 480 foodgrain programmes. The possibility of writing off much of the rupee debt predated Moynihan’s arrival on the scene. After becoming ambassador, Moynihan pushed the idea with vigor arguing that if left untouched the rupee problem would become a permanent psychological burden to an

already shaky relationship. Moynihan was able to negotiate the package with the Indians in fairly short order. The formal signing took place in New Delhi on 18 February 1974.47

**Pokhran causes set back in Indo-U.S. Relations**

On May 18, 1974, the Indian Atomic Energy Commission (AEC) exploded an underground nuclear device at Pokhran. The explosion made India the world's sixth nuclear power. Billed as a "peaceful nuclear explosion," the test had a 15-kiloton yield. Subsequently, Defense Minister Jagjivan Ram argued that the test had few or no military implications and was simply part of India's ongoing attempts to harness the peaceful uses of nuclear energy.48 But India's explanation of the test found few adherents abroad. Of the great powers, only France congratulated the Indians on their success.49 The Chinese and Soviet reactions were muted, but critical. The U.S. reaction, however, was the most severe: in 1976 Congress introduced the Symington amendment to the foreign aid bill, thereby cutting off certain forms of economic and military assistance to countries that received enrichment or reprocessing equipment, materials, or technology without full-scope International Atomic Energy Agency (IAEA) safeguards.50 Further restrictions soon followed under the Carter administration, which had made non-proliferation one of the key elements of its foreign policy platform. Most important, the Carter administration introduced and passed the Nuclear Nonproliferation Act, omnibus legislation designed to severely curb nuclear sales to recalcitrant nations.51 The U.S. also undertook significant

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51 For a detailed discussion, see Chellaney, pp. 56-66.
efforts to limit proliferation at the multilateral level, taking the lead in the formation of
the London Suppliers Group, which sought to coordinate and limit the sales of sensitive
and dual-use technologies to countries outside the ambit of the NPT. The raft of
legislation that the U.S. Congress passed after the Indian nuclear test significantly
hobbled India's ability to further its nuclear weapons programme. This body of restrictive
legislation also had a perverse and unintended consequence: it made the Indian
programme increasingly indigenous. While the U.S. imposed sanctions on the transfer of
nuclear technology after the tests, it continued to supply fuel for the Tarapur nuclear
plant.\textsuperscript{52}

In August 1974, Richard Nixon resigned from the presidency rather than face
impeachment charges over the Watergate scandals. Gerald Ford took over as the
President of the U.S. President Ford nominated William Saxbe, Nixon's last Attorney
General and a former Republican Senator from Ohio, as the new Ambassador to India.
Pleased by the nomination and with Nixon no longer in the White House, the Indians
wanted to make a friendly nod toward Gerald Ford's emissary. However, relations slid
again when the U.S. lifted its arms embargo against Pakistan. By 1975, Prime Minister
Gandhi's political position was badly eroding. Delhi and north India were rocked by
demonstrations angry at high inflation, the poor state of the economy, rampant
corruption, and the poor standards of living. In June 1975, the High Court of Allahabad
found her guilty of using illegal practices during the last election campaign and ordered
her to vacate her seat. Mrs. Gandhi's response was to declare a state of Emergency, under
which her political foes were imprisoned, constitutional rights abrogated, and the press

\textsuperscript{52} Ibid, pp. 316-317.
placed under strict censorship. In early 1977, confident that she had debilitated her opposition, Mrs. Gandhi called for fresh elections, and found herself trounced by a newly formed coalition called Janata Dal. In a matter of weeks, Morarji Desai, Mrs. Gandhi's long-time opponent, moved from jail to become India's fourth prime minister. The U.S. administration avoided joining in the chorus of criticism of Mrs. Gandhi, despite chiding from India's one-time liberal supporters. Secretary Kissinger believed that the United States should not base its external relations on whether or not it liked the domestic political character of foreign governments. He also did not want to provide Mrs. Gandhi ammunition to blame the United States for her country's domestic troubles or to have gratuitous U.S. criticism serve as an impulse for an even further strengthening of Indo-Soviet relations. Because of the Emergency, President Ford, nonetheless, decided to postpone indefinitely a trip to South Asia talked about for late 1976.

**India Merits a Higher Priority**

The U.S. had also seen a change of guard. Gerald Ford’s presidency gave way to the Democratic candidate, Jimmy Carter in 1977. During the campaign, Carter stressed his desire for a tougher policy against nuclear proliferation. Within days of taking the oath of office, the new President ordered a major review of nuclear policy. The new President also pledged to make respect for human rights a cardinal principle of US foreign policy. Balancing human rights and nonproliferation as issues likely to have a negative impact on relations, Carter's National Security Adviser, Columbia Professor Zbigniew Brzezinski, sketched out a foreign policy agenda that gave India a higher priority than had been the case under Nixon and Ford. The overall strategy was to deemphasize Cold War or East-

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West concerns and to pay more attention to North-South issues, strengthening relations with nations likely to move into positions of prominence by the end of the 20th century. The restoration of democratic government and civil liberties seemed to reinforce President Carter's belief in democratic values and human rights as cardinal guides and objectives of U.S. foreign policy. Over the years, Morarji Desai had gained a reputation as friendly toward the United States and critical of the Soviet Union. President Carter initiated a friendly and extended correspondence with the new Indian Prime Minister. Confirming the exchanges in an interview with the New York Times, Desai commented, "From what he says, he believes in the same values that I believe in." A round of high-level talks took place in July 1977 when Warren Christopher, the Deputy Secretary of State and right-hand man to Secretary Cyrus Vance, visited New Delhi. In line with the administration's desire to upgrade relations with India, Christopher pointedly did not follow the usual practice of coupling a visit to New Delhi with a stop in neighboring Pakistan -- a practice that annoyed the Indians since it suggested that the United States equated relations with the two countries. On this occasion, Christopher further upset the Pakistanis by telling the press in New Delhi that the United States looked "to India as the leader in South Asia."

By the time the President arrived in New Delhi on New Year's Day 1978, the Janata government's version of Indian nonalignment had become clearer. The Janata Party emphasized to Kremlin that it desired good Indo-Soviet relations, but did not believe these needed to be at the expense of improving New Delhi's ties with Washington. In a

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major speech before the Indian parliament, the U.S. President drew attention to the triumph of democratic values in the two countries, praised India's achievements since independence, and proposed a broad effort to develop the economic potential of the major rivers of eastern India, Bangladesh, and Nepal. To emphasize the importance attached to the Indo-US relationship, the President and Prime Minister issued a "Delhi Declaration" at the conclusion of the trip instead of the usual communique.\(^{57}\) During this period, the U.S. resumed bilateral assistance to India after six years. On 26 August 1978, Ambassador Robert F. Goheen and the Indian Finance Secretary were able to sign three project agreements to use the $60 million. The improvement in the political relationship between the United States and India was real, but somewhat deceptive. According to Ambassador Goheen, relations remained "thin below the levels of broad principles and personal diplomacy."\(^{58}\)

The issue of nuclear non-proliferation however marred the good relations. The U.S. Congress adopted the Nuclear Non-Proliferation Act in 1978 with virtually no dissent. The U.S. refused to supply enriched uranium unless India agreed to IAEA safeguards. In India, Prime Minister Desai responded sharply, warning that if the United States blocked the enriched uranium shipment, India would regard it a breach of the Tarapur contract. Eventually, on July 12, the Congress voted to sustain the fuel export to Tarapur. A hoped-for expansion in the economic relationship remained largely unfulfilled. Two-way trade grew somewhat and the United States again became India's largest trading partner during


the Carter-Desai years. Expectations of increased US investment were, however, stillborn. In India, the Janata coalition, weakened by political infighting among rival leaders, finally collapsed. Morarji Desai resigned in July 1979, to be replaced by Charan Singh. Although in no position to negotiate on Tarapur, Charan Singh adopted a tougher line on nuclear policy than Morarji Desai. Talking with visiting Senator Charles Percy a few weeks after taking office, the new Prime Minister said India might reconsider its approach to nuclear weapons if Pakistan persisted in trying to get a bomb.  


60 The Statesman, January 3, 1980.
foreign troops and bases in any country. However, the Soviet government has assured our
government that its troops went to Afghanistan first at the request of the Afghan
Government on December 26, 1979 and repeated by his successor on December 28,
1979. And we have been further assured that Soviet troops will be withdrawn when
requested to do so by the Afghan Government. We have no reason to doubt assurances,
particularly from a friendly country like the Soviet Union with whom we have many
close ties.61 On learning of the Indian statement, Carter was livid. As in the case of
Hungary in 1956 and Czechoslovakia in 1968, India chose to stand apart from the world
community in not condemning the Soviet Union's use of force against another country. In
New Delhi, even if few Indians were pleased by Moscow's intervention, the prevailing
view was that the revival of U.S. military aid to Pakistan posed a greater threat to Indian
interests than the Soviet military presence in Afghanistan.

At the end of January, President Carter sent two separate missions to South Asia: a high-
powered group led by his National Security Adviser, Zbigniew Brzezinski, and Deputy
Secretary of State Warren Christopher to Pakistan and special presidential emissary Clark
Clifford to India. In New Delhi, Clark Clifford, adviser to Democratic presidents back to
Harry Truman and Johnson's former Defense Secretary, sought to allay Indian concerns
about renewed U.S. arms aid to Pakistan and to urge Mrs. Gandhi to use her influence in
Moscow to press for a Soviet withdrawal from Afghanistan. After the talks, Clifford told
the press: "The goal of our two governments is exactly the same--to have the Soviets
withdraw their troops from Afghanistan." The Indians, however, did not believe that the
US approach was the best course of action. "The Indian government," Clifford stated,

61 B.C. Mishra, General Assembly, Sixth Emergency Special Assembly, Plenary Meetings of the United
Nations, January 10-14, 1980, pp. 34.
"believes that negotiation, positive persuasion, might be more effective." Referring to U.S. arms for Pakistan, Clifford said, "We understand this is not a popular move with the Indian government and yet with the gravity of the threat we believe it is a helpful policy for us to follow."62

However, Carter was pragmatic enough not to alienate India completely. In the nuclear area, despite anticipated Congressional opposition, Carter decided to give the green light for two more enriched uranium fuel shipments for Tarapur. However, the tide had turned against New Delhi because of its position on Afghanistan in the Congress. It refused to approve any further fuel shipment to India. Relations between the United States and India at the end of Carter's term in the White House stood about where they were at the beginning. The intervening four years saw a period of high expectations in 1977 after the end of the Emergency and the return of democracy to India, followed by a renewed slump in 1980 after the Soviet invasion of Afghanistan and Mrs. Gandhi's return to power.63 Relations between the United States and India at the end of Carter's term in the White House seemed to have come a full circle standing about where they were at the beginning. The intervening four years saw a period of high expectations in 1977 after the end of the Emergency and the return of democracy to India, followed by a renewed slump in 1980 after the Soviet invasion of Afghanistan and Mrs. Gandhi's return to power. The Soviet Union's occupation of Afghanistan in late December 1979 had important ramifications for the security of South Asia. Under the Carter administration, Pakistan had been scorned because of its poor human rights record and its clandestine quest to

acquire nuclear weapons. Following the Soviet invasion, the Carter administration's offers of a limited arms and economic assistance package to Pakistan were dismissed by General Mohammed Zia-ul-Haq, the Pakistani military dictator, as "peanuts."

**Strategic Concerns Keep Pakistan in America’s Good Books**

On January 20, 1981, Ronald Reagan took the oath of office in the U.S. Although she disparaged Morarji Desai's attempt to bring greater balance in India's nonalignment between the two superpowers, Mrs. Gandhi pursued a similar goal after settling back into office in 1980. However, the U.S.-Pakistan joint front against Soviet Union got firmly established while India became increasingly marginal to American security concerns in the region. Pakistan was seen as the “frontline” state in providing support to the U.S.

General Zia managed to turn the potentially destabilizing civil war across the Afghan border to his advantage, becoming the beneficiary of significant American largesse in the process. Specifically, the Reagan administration offered his regime a package of concessionary loans and grant aid totaling $3.2 billion over five years. In return, the Pakistani regime was to give the CIA a largely unrestricted hand in organizing, training, and arming the Afghan resistance. In addition, to assuage Pakistani fears of Indo-Soviet collusion, the Reagan administration agreed to sell Pakistan several squadrons of F-16 fighter jets. India, vehemently lobbied against the sale of the F-16s to Pakistan, but with little success. The U.S. refused to take India’s concerns of an arms race seriously. Unimpressed by New Delhi's complaints, Washington responded bluntly, "Our aid to Pakistan is not aimed at India. The U.S. is not fuelling an arms race." At the same time,

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the State Department called attention to a recent Indo-Soviet arms agreement, and further justified the aid as"addressing those security concerns which have motivated Pakistan's nuclear program." Unhappy with the potential transformation of the South Asian security situation, India turned to the Soviet Union for military assistance. The Soviets were extraordinarily forthcoming in providing arms at concessional rates, but at another price: India had to refrain from publicly criticizing the Soviet invasion and abstain from the U.N. General Assembly resolutions condemning the Soviet invasion and occupation of Afghanistan.

As the arms transfer relationship between the U.S. and Pakistan was renewed and India's conventional military superiority eroded the clamour for India to exercise the nuclear weapons option resumed. Prominent newspaper commentators and security analysts argued that India needed to have a nuclear edge over Pakistan to cope with the emerging security situation in the region. The earlier preoccupation with Chinese nuclear capabilities was redirected toward Pakistan's growing nuclear status. The argument ran along the following lines: the United States, with full knowledge of Pakistan's nuclear ambitions, was supplying Pakistan with sophisticated weaponry and potentially nuclear-capable aircraft. Growing evidence of Chinese collusion in the Pakistani nuclear weapons programme fueled Indian concerns. Under these changed security circumstances India

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65 The Statesman, June 17, 1981.
had to reevaluate its nuclear policies. India's bomb-making capabilities expanded during this period.

Friction mounted between the two countries. The most serious substantive dispute arose over India's application for a $5.8 billion loan from the IMF. After U.S. Treasury Secretary Donald Regan spoke against the loan at the annual World Bank-IMF meetings, U.S. Executive Director Richard Erb criticized the proposal as not justified by India's financial situation. In the end, after President Reagan and Mrs. Gandhi met at Cancun, Mexico -- the U.S. softened its position to abstain rather than to vote against the loan. The fact that no other major economic power joined the U.S. created the impression that its position was as much politically as economically motivated. The Cancun meeting took place in October 1981, shortly before the new envoy arrived in New Delhi. Mrs. Gandhi, President Reagan, and other heads of government from key industrialized and developing nations met to consider global economic issues. The Indian and American approaches differed drastically. India pressed for concessions on debt, aid, and trade policy by the industrialized nations, vigorously supporting the call of NAM for a new world economic order that would favor the developing world. Strongly opposing these ideas, the U.S. stressed the importance of enlarging the scope for private enterprise and capitalism to spur economic growth for the Third World.

70 The Hindu, December 12, 1981.
Internally, Mrs. Gandhi was preoccupied by efforts to resolve the political problems in the state of Punjab. In her attempt to crush the secessionist movement of Sikh militants, led by Jarnail Singh Bindranwale, she ordered an assault upon the holiest Sikh shrine in Amritsar, called the “Golden Temple”. Bindranwale and his armed supporters had holed up in the temple and waged their campaign of terrorism not merely against the government but against moderate Sikhs and Hindus. “Operation Bluestar”, waged in June 1984, led to the death of Bindranwale, and the Golden Temple was stripped clean of Sikh terrorists. However, the temple sustained damages and it earned Mrs. Gandhi the undying hatred of the Sikhs who bitterly resented the desacralization of their holy place. On October 31, 1984, Mrs. Gandhi was assassinated at her residence by two of her own Sikh bodyguards leading to a wave of anti-Sikh riots in Delhi. The ruling Congress Party swiftly chose Indira's son, Rajiv, as its leader and India's new Prime Minister.

**India and U.S. Attempts to Overcome Mutual Distrust**

In foreign policy, Rajiv continued the policies inherited from his mother and grandfather. He accepted the Soviet Union as India's chief foreign partner and quickly made friends with its new leader, Mikhail Gorbachev. But Washington and New Delhi were still in the early stage of groping their way out of the impasse which had made their relations largely hostage to U.S. ties with Islamabad and India's with the Soviet Union. The immediate challenge was to overcome the obstacles to technology transfer from the United States to India by finishing up the negotiations for the technology MoU. In December 1984, little more than a month after Rajiv succeeded his mother, U.S. and Indian negotiators

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successfully reached agreement on the MoU.\textsuperscript{74} Also in May, the Pentagon's Under Secretary for Policy, Dr. Fred Ikle, paid a significant visit to New Delhi. A conservative strategist, Ikle's main purpose in coming to India -- in accordance with the overall approach of the Reagan administration -- was to try to enlarge the scope of Indo-American security cooperation in the hope of reducing Soviet influence. Ikle explored the possibility of technical cooperation in India's development of a next-generation fighter aircraft, the so-called Light Combat Aircraft (LCA). In keeping with the policy of creating indigenous defense production capabilities rather than relying on imported equipment, India hoped to produce the LCA as its Air Force mainstay in the 1990s. Ikle also discussed ways to speed up U.S. processing of Indian applications for exports of defense-related equipment, at the same time stressing Washington's concerns that India's system of internal controls needed strengthening to prevent diversion of items to the Soviets.\textsuperscript{75} Ikle's talks about the LCA and follow-on discussions later in May, involving Secretary of the Air Force Vern Orr, signaled an important shift in U.S. arms policy toward India: Washington was agreeing in principle--after a break of two decades—to cooperate with India's growing defense industry by providing technical assistance and high technology components for the production of advanced weapons systems. In his public remarks during his stay, Ikle urged U.S.-India military cooperation to see how the two countries “can work together much as we try to work together with other major powers now to enhance our long-term security aims.”\textsuperscript{76} Looking to the 21st century, Ikle said he envisaged possible security cooperation in which India together with the U.S.

\textsuperscript{75} Interview with Dr. Fred Ikle, June 6, 1991.
could contribute to world stability. "And that I think," Ikle stated effusively, "is an exciting possibility and perhaps a new chapter in United States-Indian relations."77

In June 1985, a month after the signing of the MoU implementation agreement and the Ikle trip, Rajiv Gandhi made an excellent impression on his American hosts during an official visit to Washington. With India in the mid-1980s, the test of credibility came in U.S. willingness to provide a highly sophisticated Cray supercomputer model XMP-24 to the Indian Institute of Science to help the country's weather research program. In March 1987, the Reagan administration -- after much delay -- finally decided on a compromise solution: it would approve the sale to India of a Cray model XMP-14 computer which had less capability than the Cray XMP-24 India wanted. Rajiv confirmed his decision that India would accept the Cray XMP-14 supercomputer.78

In October 1986, Caspar Weinberger became the first U.S. Secretary of Defense to visit India. His trip underscored U.S. interest in expanding contacts and dialogue in the security area -- and the lack of this in the first four decades of Indian independence. During Weinberger's four days in India, the Secretary met top Indian leaders to continue discussions about possible US cooperation in Indian defense production. Emerging from his talk with Prime Minister Gandhi, Weinberger was upbeat about the improvement in relations and the possibility of proceeding with the sale of the Cray supercomputer and the GE-404 engine.79 A few days later, in Pakistan, the Secretary of Defense managed to set relations back when he unexpectedly announced that the United States was in favor of providing Pakistan with the Boeing 707 Advanced Warning and Control System.

78 Interview with former Foreign Secretary Venkateshwaran, 14 January 1991
79 Washington Post, October 12, 1986
(AWACS) as part of a new multi-year military and economic aid package that was being discussed with Pakistan. Despite an informal understanding with the Indians to avoid springing surprises on each other, Weinberger said nothing about the AWACS during his stay in New Delhi. In Washington, Indian Ambassador P. K. Kaul, former Cabinet Secretary and successor to Shankar Bajpai, protested the AWACS in meetings with Weinberger and senior State Department officials. The administration's handling of the AWACS and the Cray -- as well as congressional sniping at India over bilateral assistance -- cooled off New Delhi's enthusiasm about the prospects for enhanced relations. However, Rajiv Gandhi's 1988 meeting with Reagan once again restored normalcy.

By 1988, the final year of the Reagan administration, growing domestic political troubles plagued Rajiv. The taint of corruption, acknowledged to be widespread within the Congress Party, for the first time threatened to touch the Prime Minister. Regionally, with fits and starts and continued friction over alleged interference in Kashmir and the Punjab, the Prime Minister pursued more normal relations with Pakistan. At the same time, Washington and New Delhi continued the expanded high level dialogue, especially in the security area. An important backdrop for the gradual improvement between Washington and New Delhi was the changing and less confrontational U.S.-Soviet relationship as Gorbachev's policy of perestroika took hold, and increasing signs that Moscow wanted out from Afghanistan.

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80 Interview with former Deputy Assistant Secretary Robert Peck, May 19, 1991
81 Ibid.
During Rajiv's tenure in office, India pursued contradictory policies on the nuclear question. On the one hand, he proposed a comprehensive plan for the gradual elimination of nuclear weapons, popularly referred to as the Rajiv Gandhi Action Plan. This plan, which he presented in an address to the U.N. General Assembly, called for the elimination of all nuclear arsenals by the year 2010. On the other hand, the scientific-military establishment received a considerable boost under Rajiv. A newspaper account based upon a conversation with M.R. Srinavasan, the chairman of the AEC and a prominent Indian anti-nuclear activist, confirmed that India had made substantial progress toward the acquisition of a nuclear weapons capability. Specifically, the report stated that India had stockpiled between 100 and 200 kilograms of plutonium, sufficient to build between twelve and forty weapons. According to K. Subrahmanyam, it was under Rajiv Gandhi that India made the decision to acquire the missiles and other technology to form an effective nuclear deterrent.

In 1987, India began a major initiative by sending several thousand troops against the insurgency mounted by Tamil separatists in the neighboring island republic of Sri Lanka. Meanwhile, reports of alleged human rights violations by India, especially in the Punjab, began to draw criticism in the U.S. Congress. Active lobbying by supporters of the separatist movement and disapproval of harsh Indian tactics by human rights groups, such as Amnesty International and Asia Watch, stirred Congressional interest. One of the most outspoken and persistent critics was Republican Wally Herger of California, whose

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district included Yuba City, the home of many Sikh immigrants. During 1989, Herger introduced legislation to eliminate US economic aid to India entirely because of human rights violations. Congressional perception of India as a country unfriendly to U.S. policy helped Herger come within four votes of winning in the House of Representatives. 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. 85

Relations Slacken Due to Global Events

In 1989, the impetus for better bilateral relations through an enhanced dialogue seemed to slacken. Bush and Secretary of State Baker had nothing against better U.S.-Indian relations, but their attention turned elsewhere, especially toward the startling whirl of events in Eastern Europe as Gorbachev allowed the Soviet Union's former satellite states freedom to discard communism and to end their security ties with Moscow.

In December 1989, general elections were held in India. The National Front formed a minority government headed by V. P. Singh. In foreign policy, V. P. Singh made few overall changes except to adopt a less domineering approach toward India's smaller neighbours, with the exception of Pakistan. The internal situation in Kashmir came to a head in December 1989 as the Kashmiri dissidents switched to terrorist tactics. As violence swept the state, Indian security forces responded harshly, triggering further alienation among Kashmiris and radicalizing the insurgency.

A nasty trade dispute erupted shortly after George Bush entered the White House in 1989 -- the Super 301 problem. Dissatisfied with the Reagan administration's handling of

85 Ibid, pp. 428.
international commercial policy, the U.S. 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. In June 1989, when the Bush White House issued the first Super 301 watch list, Japan, India, and Brazil were cited as trade offenders with three complaints about India. The upshot was that India, unlike Japan or Brazil, refused to negotiate or even to talk with the United States about the disputed policies. The situation was prevented from boiling over after new Indian Ambassador Abid Hussein developed good relations with U.S. trade policy officials and succeeded in convincing them that talks in the framework of the multilateral Uruguay Round of GATT negotiations provided a basis for postponing Super 301 penalties.\(^{86}\)

The V.P. Singh minority government was plunged into crisis due to the Mandal Commission agitation and later by the Ayodhya movement. A group of 50 deputies, led by Chandra Shekhar, formed yet another shaky minority government. India, thus, found itself in domestic political disarray throughout the Persian Gulf crisis. After the trouble began with Iraq's seizure of Kuwait in August 1990, the V. P. Singh government's first concern was the fate of nearly 200,000 Indian nationals trapped in Kuwait and Iraq. In the event, no special treatment was accorded Indian nationals -- though the Indian Air Force performed remarkably in ferrying thousands of stranded Indians out of the Gulf

\(^{86}\) Ibid, pp. 434-437.
without mishap. Chandra Shekhar's government also maintained India's support for U.N. action against Iraq and permitted U.S. military aircraft to refuel in Bombay. The refueling decision stirred such domestic controversy that the Chandra Shekhar government withdrew the refueling privileges in February 1991 to deflect the criticism of Rajiv Gandhi's Congress (I), which argued that India's nominal pro-United States tilt betrayed the country's nonaligned principles. Since the war ended just a day or so later, the loss of refueling facilities had little impact on the U.S. supply pipeline. In part as a way of expressing its thanks for the Chandra Shekhar government's cooperation, the U.S. played a positive role in supporting New Delhi's quest for a large emergency loan from the IMF to meet the financial drain caused by the Gulf crisis. The dire straits in which the Indian economy found itself was another factor.

India held its tenth general elections in 1991. Although intellectual and media circles were beginning to debate how India should shape its foreign policy in the changed circumstances, this question had no immediate spill-over politically. India's voters were completely absorbed in how to deal with the country's growing economic, social, and communal problems. The gruesome murder of Rajiv Gandhi at a rally in a small town in Tamil Nadu on May 21—presumably by Sri Lankan Tamil terrorist—stunned the nation and the world. Shaken by Rajiv's murder, the Congress Party chose as its leader—and hence India's new Prime Minister—P. V. Narasimha Rao.

**India undertakes Economic Reforms**

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87 Ibid, pp. 439.
88 Ibid, pp. 440-441 (The US aircraft in question was delayed in Bombay because of a technical malfunction and photographed outside a hangar at the airport).
89 Ibid, pp. 441.
90 Ibid, pp. 442.
Till the end of 1990, India pursued a two-tier foreign policy in respect of human rights. First, it made a distinction between "gross violations" of human rights and other violations. While it advocated international intervention in the case of the former, it invoked the doctrine of domestic jurisdiction in the case of the latter. It regarded racial discrimination, genocide and suppression of the right of self-determination of people under an alien rule as legitimate concerns of the international community, but did not take the same view of the other violations. This policy enabled the Government of India to espouse the cause of the non-White people of South Africa, as also the Palestine cause, at the international level while opposing any move to internationalize other, similar causes. Second, although India supported international measures for the implementation of human rights, it was not inclined to set up any strong machinery for the purpose. In contrast, it favoured a step-by-step approach. The U.S. also did not hesitate to use its economic or military powers to coerce India into submitting to American demands even if it led to a humanitarian crisis. For eg. the issue of PL 480 and the Bangladesh war.

The post Cold War era fore-grounded India’s relations with the U.S. in several ways. The demise of the Soviet Union deprived India of its chief strategic ally when the Kashmir situation began deteriorating, leading to a steady worsening of its relations with Pakistan, while its uneasy relationship with China persisted without much change. Simultaneously, India was forced to pursue the path of economic reform due to the onset of an economic crisis and its public finances reaching a perilous state because of the extravagances of several previous regimes. At the same time, the U.S. and India found it mutually

beneficial to explore the possibilities of a more normalized relationship between the world’s two largest democracies.

Prime Minister Rao confronted a severe financial and economic crisis, continuing unrest and violence in Kashmir, Punjab, and in the north-eastern state of Assam. In foreign policy, the new government faced the question of how to come to terms with the end of the Cold War and the emergence of the U.S. as the sole superpower. For the first time since independence, India thus had to consider the basic assumptions of its foreign policy. It focused on strengthening ties with Washington and, at the same time, a greater effort to build bridges to Western Europe, Japan, and the economically successful nations of Southeast Asia. Yet, despite satisfaction over the U.S. freeze on arms aid to Pakistan, uneasiness still lingered about American policy toward South Asia.\(^2\) In his first foreign policy statement in June 1991, Rao declared that India thought highly of American’s support for Indian’s economic reform and foreign relations. In December 1991, India supported the United States’ proposal of removing the U.N. resolution to identify Zionism as racialism, and established diplomatic relations with Israel. This was a significant turning point of Indian adjustment of its policy toward America. In the meantime, America changed its India policy, too. In January 1990, Richard Haas, Special Assistant to President George Bush and Senior Director for Near East and South Asia Affairs, spoke in an Asia Society’s conference that America wanted a more “developed dialogue” with India, “commensurate” with its “growing role”.\(^3\) Just before Bill Clinton took up the presidency, Carnegie Endowment released a report titled “India and America after the Cold War”, which urged the American government to give more priority to India.

\(^2\) Ibid, pp. 443-444.  
\(^3\) Ibid.
as the world’s largest democracy and as “a potential partner” in efforts to resolve global disputes. Its policy recommendations to the U.S. government said, “American foreign policy should give increased priority to India as the world’s largest democracy and as a potential partner in multilateral action to resolve global problems and maintain regional stability. The new post-Cold War emphasis on promoting democratic and secular values as a central American goal in world affairs has focused so far on helping authoritarian states to make the transition to democracy and market system. This goal should also embrace support for the preservation of an already-functioning Indian democratic system with a vigorous private sector....The United States should take the initiative in planning for an early visit by the Secretary of State to India and summit meeting between the new President and the Prime Minister of India in 1993.”

Hope for Indo-U.S. Bilateral Relations

The election of Bill Clinton as President in 1992, produced expectations that better relations would be forthcoming. The reason for the optimism was justified because of Bill and Hillary Clinton’s interest in the region. According to Strobe Talbott, former Deputy Secretary, U.S. Department of State, “When I visited Bill and Hilary Clinton at the governor’s mansion in Little Rock in 1987, they asked me, as usual about what was going on in the Soviet Union now that Mikhail Gorbachev was in charge. But somewhat to my surprise, they were eager to talk more about South Asia. That region was on their minds because it seemed to be a laboratory for experiments in grass-roots democratization and social entrepreneurship, such as the micro-credit banks and women’s self help

organizations that were taking hold in Bangladesh and northern India. Since her freshman year at Wellesley, Hillary had been interested in India and had considered spending a year teaching or studying there before she decided to go to law school instead.⁹⁵ In 1993, the State Department of U.S. established the Bureau of South Asian Affairs, which showed that India and whole area of South Asia were more important in America's foreign policy. India welcomed these changes. Therefore, both India and the U.S. spoke more and more "cooperative contact" and "strategic cooperation" after the Cold War.⁹⁶ Another significant development in February 1993, was the formation of the bipartisan "Caucus of Indians and Indian Americans" in order to counter the activities of "India Bashers" like Dan Burton (R-IN), Dana Rorbacher (R-CA) and Robert Dornan (R-CA) and improve bilateral relations.⁹⁷ Nearly fifty members of the House formed the Caucus. It was co-chaired by Frank Pallone (D-NJ), who had a district with a significant Indian population, and Bill McCollum (R-FL), who was critical of Pakistan's record on narcotics and terrorism, till October 1998. They were succeeded by Gary Ackerman (D-NY) and James Greenwood (R-PA). The caucus currently has 124 members and is the largest such caucus in the Congress.

However, New Delhi-Washington relations continued for a decade to be affected by the burden of history, most notably the longstanding India-Pakistan rivalry over Kashmir. Five issues commanded greatest attention during the Clinton administration: nuclear

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proliferation; the Kashmir dispute; promoting democratization and respect for human rights; economic liberalization and development; and the environment.

SINO-U.S. RELATIONS

The history of Sino-U.S. relations reveal that the ideological differences between the Unites States and China over issues such as political regimes, structural social organizations, cultural traditions, religions, and perceptions of democracy and human rights are factors that have influenced foreign policy-making processes and ways of handling bilateral and multilateral relations. However, ideological differences are not the fundamentals that determine the nature of U.S.-China relations. In fact, there has been many ups and down in the relationship since 1972, and the overall trend is moving towards the easing of strained relations and the setting up of a "strategic partnership." During the last fifty years, although both the U.S. and China have, on several occasions, altered their strategies, China’s consistent national interest has been to make itself into a Great Power having a worthy stature in international relations. On the other hand, the objective of the United States in this regard has been to contain China from rising into a powerful state that will change the power equation in the region.98

Containment Policy Leads to Hostile Relations

The successful Communist revolution in China, culminating in the establishment of the People’s Republic in 1949, resulted in a chasm between China and the United States that neither government was able to bridge for the next 20 years. To many Americans the new

government in China seemed dangerously radical and irresponsible, precisely the sort of regime against which the new post war containment policy was meant to be directed. To the majority of Chinese Communists, the U.S. was not only the country that had given the most economic and military assistance to Chiang-Kai-shek and the Nationalists, but had also become as a result of the 2nd World War, the leading capitalist power, and thus the greatest threat to the consolidation of their revolution. The Truman administration’s need to secure domestic support for the Marshall Plan made it imperative to appear to be resisting the spread of Communism in Asia. The United States hardened its policy towards China and this became evident in its approach towards political as well as economic issues. In its political attitude, the U.S. was willing to recognize only “one China”—that is, the Republican China that was under Chiang Kai-shek. It suspended economic aid to the mainland, restricted the export of strategic goods, and denied China the right to a seat in the U.N. The Chinese also responded in kind taking several hostile steps against the U.S. between 1949 and 50. It detained Angus Ward, the American consul in Shenyang, on espionage charges, seized the American military barracks in Peking, harassed U.S. diplomats seeking to leave China, and arrested American missionaries working in the country. On June 30, 1949 Mao issued his famous "lean-to-one-side" statement announcing the new China's special relationship with the Soviet Union: "Externally, unite in a common struggle with those nations of the world which treat us as equal and unite with the peoples of all countries. That is, ally ourselves with

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the Soviet Union, with the People's Democratic Countries, and with the proletariat and the broad masses of the people in all other countries."\(^{102}\) By allying China with the Soviet Union, Mao hoped to be in a stronger position to face a potentially hostile America.

The Korean War ended any hope that the passage of time would allow the dust to settle. On June 25, 1950, communist troops from North Korea stormed across the 38th parallel into South Korea. While the PRC had issued warnings that they would intervene if any non-Korean forces crossed the 38th parallel, President Truman regarded the warnings as "a bald attempt to blackmail the U.N."\(^{103}\) The Truman administration's decision to cross the 38th Parallel brought the Chinese into the conflict who launched a massive counter-offensive. The result was nearly three years of military conflict between China and the United States. Although General MacArthur, the U.S. Commander-in-Chief, Far East Command, was in favour of nuclear bombardment of mainland China, Truman wanted a limited war.\(^{104}\) The U.S. was successful in persuading the U.N. General Assembly to name China as an aggressor in the conflict. In addition, the Korean War also resulted in a very significant change in American policy toward Taiwan. In early 1950, the Truman administration had acknowledged that Taiwan was part of China and excluded the island from the American defence perimeter in the western Pacific. Immediately after the onset of hostilities in Korea, however, the administration changed its policy. In June 1950, President Truman ordered the Seventh fleet to patrol the Taiwan Strait, nominally to prevent the Korean War from expanding southward but actually to reestablish an


\(^{103}\) "The Korean War: Response to Communist China's Intervention, October 1950 – April 1951" (vol. 19) in Dennis Merrill, (ed.), The Documentary History of the Truman Presidency (Kansas City: University of Missouri, 1996).

\(^{104}\) General MacArthur was sacked on April 11, 1951.
American commitment to the security of Taiwan. The American naval patrols were soon followed by the resumption of military assistance to Taipei, and then in 1954, by a mutual defense treaty with the Nationalist government.\textsuperscript{105} The subsequent Formosa Resolution of 1955 extended American protection, if only implicitly, to the major groups of offshore islands still controlled by the Nationalists, as well as to Taiwan and Penghus. At the same time, in order to deny the Communist government in Peking any claim to sovereignty over the island, the U.S. also adopted the position that the legal status of Taiwan was undetermined.\textsuperscript{106}

The Korean War ended on July 27, 1953 with an armistice that was signed at Panmunjom. Korea has been described as a 'limited war', an exemplary case of containment in action. But, it also illustrates the fine line in American policy between containment and rollback. After the Korean War, the U.S. began to construct its overall strategy in the western Pacific around the containment of China. Policy planners in Washington regarded China’s invasion of Tibet in 1950, its support for the Communist revolution in Vietnam, its involvement in the Korean conflict, and its ties with revolutionary Communist parties in Southeast Asia as evidence enough that Peking’s ultimate goal was the Communist seizure of power across Asia. Although China signed a treaty of alliance with Soviet Union in February 1950, U.S. policymakers consistently assumed that a Sino-Soviet split was inevitable. Thus, American policy, as stated in a NSC document in May 1951, was not just to contain China, but to detach it from its

alliance with Moscow and “to support the development of an independent China which has renounced aggression.”

Some American officials and China specialists advocated seeking to lure China away from the Soviet Union through an accommodative policy towards Peking by such gestures as establishing diplomatic contacts and relaxing the trade embargo. But the prevailing view in the Truman and Eisenhower administrations was that a wedge could more readily be placed between China and the Soviet Union through pressure rather than accommodation. As John Foster Dulles explained in 1952, “My own feeling is that the best way to get a separation between the Soviet Union and Communist China is to keep pressure on Communist China and make its way difficult so long as it is in partnership with Soviet Russia.” However, the U.S. was extremely cautious about provoking renewed military conflict on the Asian mainland. Instead, the main thrust of American policy was the deliberate and sustained isolation of the PRC. Washington not only refused to establish diplomatic relations with Peking, to support China’s admission to the U.N., or to relax its ban on trade with the mainland, but also urged its allies to follow suit. By the early 1960s, there were clear signs that the Sino-Soviet was indeed collapsing. However, the U.S. still did not move towards accommodating Peking. Both the Kennedy and Johnson administrations began very tentatively to consider some kind of military action against China’s nuclear capabilities, possibly in conjunction with the Soviet

107 Ibid.
108 Ibid.
109 The Eisenhower administration adopted the rhetoric of liberation from time to time, with Secretary of State Dulles defining the objective of American policy in 1957 as hastening the passage not only of the Sino-Soviet alliance but of the Chinese Communist government itself. The U.S. however devoted limited resources to such an endeavour, helping the Nationalists undertake periodic raids against the mainland, providing supplies to remnant Nationalist forces in northern Burma, and training anti-Communist refugees from Tibet.
Union. Prior to his presidency, Kennedy had blamed Roosevelt’s and Truman’s administrations for the Chinese Communist Party’s victory in China. Nevertheless, a mood of restraint prevailed in Kennedy’s presidency, due to a complex set of factors. His narrow margin of victory in the 1960 election weakened his mandate for any dramatic policy change. The continuing debate over the loss of China in the early 1950s, the Bay of Pigs fiasco (1961), the Cuban Missile Crisis (1962), the lingering issue of Laos, the Sino-Indian border war (1962), Vietnam and concerns about repeating the Korean War were in the minds of Kennedy and Dean Rusk, his secretary of state. This might explain why his intent to stage a preemptive strike against China’s nuclear R&D facilities in 1963 did not move beyond the stage of discussion.\textsuperscript{110} Lyndon Johnson became the U.S. president in 1963, hours after the assassination of President Kennedy. Between 1964 and late 1966, international events posed a serious challenge to longstanding American support for the Taiwanese seat in the United Nations. As American officials attempted to deal with the rising status and power of the PRC and the concomitant decline of Taiwanese prestige, they undertook an extended review of Chinese representation policy. During this period, administration policy underwent no less than four reviews, and Johnson changed strategy in three separate instances, dramatically reversing policy twice before eventually settling on a stance that represented a modest—though not insignificant—deviation from the administration’s Chinese representation inheritance.\textsuperscript{111}

In February 1964, France decided to support PRC’s bid for representation in the U.N. The successful PRC nuclear test on October 15, 1964, also seemed likely to bolster the

\textsuperscript{110} Noam Kochavi, A Conflict Perpetuated: China Policy During the Kennedy Years (Westport, CT: Praeger, 2002).
mainland's international position. Shortly thereafter, the New China News Agency released a statement from Premier Zhou Enlai that trumpeted Beijing's nuclear capability as an important counterweight to American "imperialism." While downplaying the military impact of atomic energy, Zhou foresaw the achievement of the bomb as a boon for Beijing's foreign policy. "The mastering of the nuclear weapon by China," the announcement read, "is a great encouragement to the revolutionary peoples of the world in their struggles and a great contribution to the cause of defending world peace."112

However, the Great Proletarian Cultural Revolution113 of 1966-69 led to great domestic upheaval within mainland China. Increased radicalism within the country spread to the communication of foreign policy, as PRC pronouncements grew more strident and provocative. The rise of "Red Guard diplomacy," which asserted that the Cultural Revolution must spread beyond Chinese borders, alienated both communist and non-communist supporters alike.114 The Johnson administration did not change its policy of supporting Taiwan in the U.N.

However, the two sides were able to avoid military confrontations on anything like the scale of the war in Korea. The Kennedy administration in 1961-62 made it clear that it would not support any Nationalist military operations against the mainland. And, during the Vietnam War, although the U.S. bombed Chinese troop concentrations in Vietnam and Chinese anti-aircraft batteries fired on American planes, the two sides were able to

reach tacit agreement to limit the extent of military engagement: the Chinese would not enter the war in force as long as the U.S. refrained from invading China or North Vietnam and bombing the dikes along the Red River.\footnote{115} In the final analysis, these occasional signs of flexibility represented little more than marginal adjustments to an essentially confrontational relationship. Trade between the U.S. and China in the early 1960s amounted to less than $500,000 a year.\footnote{116} Investment, cultural relations, and scholarly exchanges were non-existent.

Moving towards Rapprochement

As early as 1959, the U.S. Congress commissioned a San Francisco research firm, Conlon Associates, to reassess American policy towards Asia. The Conlon report proposed abandoning the policy of isolating China in favour of a two-stage approach. In the first stage, China and the U.S. would expand unofficial cultural exchanges and conduct informal discussions on the future of their relationship. If those discussions were fruitful, the U.S. could, in a second stage, relax restrictions on trade with China, support Peking's admission to the U.N., and establish some form of official relationship with China.\footnote{117} Although not immediately adopted, these proposals set the stage for the most searching reassessment of U.S.-China policy since 1949. In the early 1960s, the Council on Foreign Relations sponsored a major series of study groups and publications on Sino-American relations. Similar efforts were undertaken by the new National Committee on

\footnote{116}{Ibid. pp. 33.}
\footnote{117}{Ibid. pp.34.}
U.S.-China Relations, formed in 1966. In the course of the debate, a new consensus began to emerge on China policy: Chinese foreign policy was seen as much more defensive and cautious than adventurous and aggressive, presenting an opportunity for a significant reduction of tension with Peking. The U.S. thus moved towards a policy best described by Doak Barnett before the Senate Foreign Relations Committee as "containment but not isolation." But such gestures failed to appease the Chinese.

Eventually, international developments encouraged Peking to reconsider a more conciliatory policy towards the U.S. The Soviet invasion of Czechoslovakia in August 1968, accompanied by the enunciation of the Brezhnev Doctrine, suggested that Russia was prepared to use military force to defend socialism in neighbouring Communist states. Soviet descriptions of China during the Cultural Revolution as having abandoned socialism, the sustained buildup of Soviet military forces along the Sino-Soviet frontier, and especially the vigorous Soviet escalation of the clashes that broke out along the border in 1969, implied that Moscow had the intention and the capability to impose similar military pressure against China, at a time when the chaos of the Cultural Revolution made the country particularly vulnerable to external attack. The Chinese began to identify Soviet Union, now described as "socialist in words, imperialist in deeds," as an even greater threat to Chinese security than the U.S. and proposed resuming the Sino-American ambassadorial negotiations in Warsaw, which had been suspended earlier that year.

118 Ibid.
119 Ibid.
120 Ibid. pp. 35.
International developments also encouraged the U.S. to consider a rapprochement with Peking. When Nixon entered the White House in January 1969, he was committed to seeking an end to the American involvement in Vietnam and to promoting détente with the Soviet Union. An improvement of relations with China could promote both these objectives by raising doubts in Hanoi about the commitment and reliability of one of its principal supporters and by raising alarms in Moscow about the possibility of an accommodation between its two principal adversaries. Over the long term, Nixon viewed China as one of the five emerging international power centers with whom it was imperative that the U.S. develop greater contact. Shortly after Nixon’s inauguration, the U.S. and China began the cautious minuet that ultimately led to the normalization of their relations. In effect, the Nixon administration adopted a two-track strategy toward Peking. Publicly, it announced a steady series of unilateral gestures toward China and privately, the administration opened several lines of communication with China, not only by reactivating the ambassadorial talks at Warsaw, but also by using France, Romania, and Pakistan as intermediaries. Through these channels, the U.S. passed several consistent messages to China. The White House began using the name “People’s Republic of China” when referring to the mainland, it gradually relaxed the restrictions on trade with and travel to China, and took several steps that suggested a more benign strategic posture toward China. It ended naval patrols of the Taiwan Strait and halted reconnaissance flights over Chinese territory. In early 1970, the Nixon Doctrine or Guam Doctrine implied not only that Washington had decided to begin to withdraw its forces from Vietnam, but also that the U.S. would never again be involved as deeply in ground conflict in Asia as it had been in Vietnam.\footnote{The Nixon Doctrine was articulated in a press conference in Guam on July 25, 1969 by Richard Nixon.} The U.S. also assured China that it would
oppose any Soviet military or diplomatic initiatives that threatened Chinese security and was interested in opening contacts with Peking. China responded to the American strategy in kind, with a combination of private communications and public gestures.\textsuperscript{122}

The conciliatory gestures from both sides achieved results. In April 1971, the Chinese formally invited a high-level American envoy to visit China. Nixon decided to propose two visits: a public presidential visit to Peking, preceded by a secret visit by a lower level envoy to arrange the agenda. Due to potential opposition, Nixon and Kissinger were obliged to conduct the negotiations with China in the greatest secrecy. The negotiations culminated in Kissinger's secret visit to Peking in July 1971, his subsequent trip in October, and then the highly publicized visit by Nixon in February 1972. The Chinese made it clear that they welcomed the American disengagement from Vietnam and abandonment of any attempt to establish a hegemonic role in Asia. They also indicated that they were concerned about Soviet expansionism in Asia and to some extent about Japanese and Indian ambitions as well, and hoped that the U.S. would be prepared to cooperate with China in maintaining a regional balance of power. In turn, the Americans sought Chinese support for the network of military alliances and deployments in Asia.\textsuperscript{123}

Taiwan was also discussed in some details. Zhou demanded that the U.S. acknowledge that Taiwan was a province of China, set a deadline for withdrawal of troops from Taiwan, and abrogate the mutual defense treaty. Kissinger replied that the U.S. now acknowledged that Taiwan belonged to China and no longer considered its status to be


\textsuperscript{123} Ibid. pp. 41-42.
undetermined. He also said that the U.S. would be prepared to withdraw two-thirds of its troops from Taiwan shortly after the end of the war in Vietnam and would reduce the reminder as Sino-American relations improved. On the mutual defense treaty, Kissinger said that history would take care of that problem. Washington also promised to support the restoration of China's seat in the U.N. as long as Taiwan's representatives were not expelled.\footnote{Ibid. pp. 42.} Finally, Nixon's visit resulted in signing of the Shanghai Communiqué on February 27, 1972, which identified the common interests of the two countries as opposing Soviet expansion in Asia, reducing the prospects of bilateral military confrontation, and expanding Sino-American economic and cultural relations.\footnote{The Shanghai Communiqué, February 27, 1972 (available at http://edition.cnn.com/SPECIALS/cold.war/episodes/15/documents/us.china/)} Nixon's new China policy came as a shock to Japan and India. Neither had even been notified. India-U.S. relations became more strained because of Nixon's "tilt" towards Pakistan during the India-Pakistan War in December, 1971. It propelled India to strengthen its ties with the USSR. After Washington and Hanoi signed the Paris accord, which led to a ceasefire in Vietnam, Kissinger visited Peking in February and November 1973. There was increasing cooperation between the two countries on the most pressing issues in Asia. The Chinese also reportedly began inquiring about the possibility of arms purchase from the U.S.\footnote{Harry Harding, \textit{A Fragile Relationship: The United States and China since 1972} (Washington D.C.: The Brooking Institution, 1992), pp. 45.}

Despite the enormous differences between the Chinese and American political and social systems, human rights was not a principal issue in Sino-American relations until the mid-1980s. In 1969-70, when the rapprochement between the two countries began, China was
at the height of the Cultural Revolution—a violent period in which several hundred thousand Chinese lost their lives and tens of millions were persecuted. These events did not prevent the Nixon administration from seeking an improvement in relations with China, or even from telling Chinese leaders that human rights would not be an important consideration in American policy toward China.  

**Relations take a Nosedive, Recovers Later**

By early 1974, the promising momentum in Sino-American relations had begun to dissipate. Three factors combined to sap momentum from the relations between the two countries: differences over strategy toward the Soviet Union, the inability to find a mutually acceptable solution to the Taiwan issue, and the mounting domestic political difficulties of the Chinese and American governments. Although both shared a concern over Soviet expansionism, their policies increasingly diverged. China wanted an alignment with the U.S. for confrontation against Moscow whereas the U.S. wanted an alignment with China in order to promote Soviet-American détente. As Kissinger puts it, “Whatever our motive for negotiating with the Soviets, however sophisticated our explanations, Peking could see no advantage in deferring a showdown.” Secondly, Kissinger’s hopes that the U.S. could normalize relations with Peking while maintaining some kind of official relations with Taiwan never came to fruition. Deng Xiaoping, who succeeded Mao in China, took a rigid stand over the issue of Taiwan. To achieve diplomatic relations with Peking, Deng declared, the U.S. would have to meet three conditions: break diplomatic relations with Taipei, abrogate the mutual defense treaty

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127 Ibid. pp. 198.
128 Ibid. pp. 49.
129 Ibid. pp. 50.
with Taiwan, and withdraw all troops from the island. However, Gerald Ford could not accept the Japanese formula regarding Taiwan because of domestic factors. Any hint of abandoning Taiwan so soon after the collapse of South Vietnam would have given Ronald Reagan, Ford’s competitor in the elections, a massive advantage. Also, the Ford administration was unprepared to endorse arms sales to China, either by the U.S. or its allies but it did allow technology transfer in 1975 and 1976 which it had not been willing to sell to Moscow.130

Sino-American economic ties developed fairly rapidly in the early 1970s before declining sharply in the middle of the decade. Two-way trade, which had amounted to only $5 million in 1971, rose to about $90 million in 1972, fueled largely by rapid growth in Chinese purchases of wheat and other agricultural commodities. Trade increased another tenfold over the next two years, reaching nearly $800 million in 1973 and more than $900 million in 1974, as China began to purchase American machinery. Such rapid growth proved unsustainable. Although American purchases from China continued a gradual increase, two-way trade fell to $462 million in 1975 and leveled off at around $350 million a year in 1976 and 1977.131 The cultural and academic ties between China and the U.S. were also disrupted by political factors. There was some American euphoria about China in the early and mid-1970s among academic specialists and the short-term visitors. As a result, China’s abuses of human rights, which would become such a prominent subject for Americans in the post-Tiananmen period, were largely ignored in scholarly

130 In October 1976, U.S. allowed China to purchase advanced computers for oil exploration and seismological research. The U.S. also encouraged its allies to sell even more advanced dual-purpose technology to China, including the transfer of British Spey jet engines in December 1975.
analysis and journalistic reportage in the mid-1970s. But by and large, both sides could not get over their misgivings about each other’s intentions during this period.

Sino-American relations stagnated for another year after the death of Mao Zedong in September 1976 and the election of Jimmy Carter in 1977. Shortly after taking office, Carter commissioned a formal review of U.S. policy towards China. The result, know as Presidential Review Memorandum 24 (PRM-24) reviewed the options for the president with regard to the overall Sino-American relationship, U.S. policy toward Taiwan, and strategic ties with Peking. PRM-24 attached some urgency to completing the normalization of Sino-American relations because it reasoned that American cultural and economic ties with China might stagnate, Chinese confidence in American credibility would gradually erode, and China might reorient its foreign policy around a reduction of tension with the Soviet Union. The report also concluded that U.S. would have to work within the three conditions for normalization that Peking had laid out in 1975. The PRM adopted a more cautious approach to the issue of arms sales to China and the president decided against the sale of American weapons to Peking.

However, it was only in the middle of 1978 that U.S.-China relations began to recover some of the vitality that had been lost earlier in the decade. Deng Xiaoping was able to establish his dominance over Hua Guofeng, who was the nominal successor of Mao, and secured support for a more pragmatic programme of economic development. At the same

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132 Ibid. pp.61-62.
134 (a) End official relations with Taiwan, (b) Abrogate the mutual defense treaty with Taipei, and (c) Remove the remaining American troops from the island.
time, the continued inflexibility in Soviet foreign policy provided a renewed impetus to Sino-American cooperation. Russia's failure to make substantial concessions to China's post-Mao leadership, its intervention in the Horn of Africa, its refusal to accept deep cuts in strategic arms, and its support for Vietnamese ambitions in Cambodia, led Peking and Washington once again to view each other as partners in an international alignment against Soviet expansionism. During a visit to Peking in May 1978, Zbigniew Brezinski, the national security adviser to President Carter, told Chinese leaders that the U.S. had "made up its mind" to achieve normalization as quickly as possible. After six months of intensive negotiations, the two countries reached an agreement on establishment of diplomatic relations, under which the U.S. ended official ties with Taiwan, terminated the mutual defense treaty with Taipei, and withdrew its remaining troops from the island. The U.S. also informed the Chinese that it intended to continue arms sales to Taipei after normalization, that it planned to make a unilateral statement on a peaceful future for Taiwan, and that the mutual defense treaty would remain in effect for one year after normalization. In order to complete the normalization process by the end of 1978 (before the SALT treaty could normalize Soviet-American relations), the Chinese finally accepted all of the most sensitive conditions for normalization presented by the U.S. The Joint Communique, issued on December 15, 1978, declared that the two countries would establish diplomatic relations on January 1, 1979, and would exchange ambassadors at the beginning of March 1979.

136 Ibid. pp. 68
However, such a unilateral decision by Carter aroused sharp debate in the U.S. Congress, which felt that Carter had neither secured a pledge that China would not use force against Taiwan, nor provided an adequate reiteration of the residual American commitment to the security of the island. The Congress compelled Carter to sign the Taiwan Relations Act on April 10, 1979, and added a series of statements about arms sales to Taiwan and the ongoing American interest in a peaceful future of the island. Although the Chinese were dissatisfied with the Taiwan Relations Act, the Soviet invasion of Afghanistan in late 1979 gave renewed impetus to the Sino-American strategic relationship. There was regular exchange of Chinese and American military personnel along with a more active programme of intelligence sharing. The transfer of American technology to China was also liberalized. Peking also downplayed its earlier call for a new international economic order and argued instead that the third world should be more concerned with resisting Soviet expansionism.

Economic interest became paramount in Sino-US relations, each having the common perception that domestic prosperity is essential for exerting influence in the international arena. Immediately after establishing diplomatic relations with China in the year 1979, the U.S. signed its first trade agreement, the base of which was mutual granting of Most Favoured Nation (MFN) status, the first of such status granted to any Communist country outside the GATT. This status favoured China with exporting goods to the US at the lowest tariff rates applied to U.S. imports. But the MFN status was put under annual renewal. China was required to adhere to the specific requirements of the U.S. Trade Act of 1974 for consideration for renewal of MFN. Moreover, this was linked to certain

139 Ibid.
140 Ibid. pp. 92.
domestic policies of China and was subjected to annual concurrence by the US Congress. Despite these provisions, the U.S. never withheld renewal of MFN status during 1980-89. Although violations of basic human rights remained widespread in China, the Carter administration, which made promotion of human rights one of the cornerstones of its foreign policy, did not emphasize human rights in relation with China. The State Department did issue a mild criticism of the imprisonment of Wei Jingsheng, one of the activists in the Democracy Wall movement of 1979-80, but its annual human rights reports did not single out China for condemnation, and it successfully barred the Dalai Lama from meeting any American officials during his visit to the U.S. in 1979. Continuing restrictions on freedom of emigration did not prevent the Carter administration from proposing, and Congress approving, the extension of most-favoured-nation status to China as part of the bilateral trade agreement of 1980.

Sino-American Honeymoon

After achieving rapid progress in the first two years after normalization, U.S.-China relations suffered a severe loss of momentum in the early 1980s. Ronald Reagan’s campaign rhetoric regarding upgradation of U.S. ties with Taiwan had alarmed the PRC. Despite an explanatory visit by vice-presidential candidate, George Bush and “clarifying” statements by Reagan after taking office, Chinese leaders were not reassured. Further, alarming news came via Washington press reports that U.S. was planning a massive upgrading of arms sales to Taiwan, to be balanced and supposedly made acceptable to the

PRC by approval of substantial arms sales to China as well. In order to stop these alarming trends, China issued an ultimatum in September 1981: the U.S. must set a date for terminating all arms sales to Taiwan or diplomatic relations would be downgraded. Discussions ensued and after eight months of negotiations the U.S.-China Joint Communiqué of August 17, 1982 was signed. The third communiqué did not set a date for stopping arms sales but promised a gradual diminution, with the proviso that there must be a peaceful situation in the Taiwan Strait if reductions were to continue. The Chinese attained their objective of alerting the Reagan administration about the importance of maintaining good relations with each other. High-level exchanges continued to be a significant means for developing U.S.-China relations in the 1980s. There were reciprocal visits by President Reagan and Premier Zhao Ziyang in 1984. In July 1985, President Li Xiannian traveled to the United States, the first such visit by a Chinese head of state. Vice President Bush visited China in October 1985 and opened the U.S. Consulate General in Chengdu, America’s fourth consular post in China. Further exchanges of cabinet-level officials occurred from 1985-89, capped by President Bush’s visit to Beijing in February 1989. Tensions within the relationship remained. First, there came the problem of a defecting tennis player, who, the Chinese insisted, should be repatriated. Second, in early 1983 a bilateral textile accord lapsed without renewal,

causing shrill Chinese complaints when the U.S. instituted unilateral controls as a stopgap.\textsuperscript{146}

\textbf{Tiananmen Square Causes Setback}

The Chinese leadership had shown sporadic concerns over the years about unwanted foreign influences, "spiritual pollution", decline of the prestige of the Communist Party and the like. In 1987, China not only tightened restrictions on democratic ideas but also dismissed party chief Hu Yaobang, sharply disrupting his efforts to plan and execute smooth succession-of-power arrangements. In 1988, a programme of severe retrenchment was imposed on the economy in order to stop the runaway growth that had led to rapid inflation and other problems. The new restrictive policies did not cure inflation or corruption. Popular discontent was rising and came to a head, when, on June 4, 1989, the Chinese Army massacred more than 2,200 unarmed, innocent, pro-democracy student protesters at Tiananmen Square in Beijing. This event caused a major set back to Sino-U.S. relations. Since the issue of protection of human rights had gained prominence with the U.S. Congress, George Bush promptly imposed certain selective sanctions against China. Thus, military sales of $500 million worth advanced avionics for 50 of China's F8 fighters proposed to be sold in 1985 were suspended. Similarly, high level contacts between officials of the two countries were discontinued. The U.S. also ended support for China in international financial institutions.\textsuperscript{147} However, the Bush administration tempered the negative sanctions on China by positive references to China's importance to the US and world peace. In December 1989, President George Bush also sent his

\textsuperscript{146} Ibid.

\textsuperscript{147} P.M. Kamath, "U.S.-China Relations under the Clinton Administration: Comprehensive Engagement or the Cold War Again?" \textit{Strategic Analysis}, vol. 22, no. 5, August 1998, pp. 691-709.
National Security Advisor, Brent Scowcroft and Deputy Secretary of State, Lawrence Eagleburger on a secret visit to Beijing to reassure the Chinese leaders as to the limited intentions of the U.S. in their public diplomacy.\textsuperscript{148}

After the Tiananmen incident and the increasing trade deficit,\textsuperscript{149} the U.S. Congress opposed renewal of MFN status and resolved to evaluate China's human rights record before granting MFN status. President Bush, however, prevailed over the Congress and renewed MFN. But regarding its extension, opinion in Congress was divided: one favouring revocation and the other conditional extension of MFN. The issue of MFN became linked to the ideas of morality and good politics. It was believed that the "compelling reason to renew MFN and remain engaged in China is not economic, it's not strategic, but moral. It is right to export the ideals of freedom and democracy to China...It is wrong to isolate China if we hope to influence China."\textsuperscript{150} As a matter of fact, MFN status became the principal ploy to pressurize China by linking it with matters such as violation of Intellectual Property Rights (IPR).

**China Factor in Bush Administration**

The Gulf War began in early 1991, as a consequence of Iraq's occupation of Kuwait. China also did not want to antagonize U.S. therefore it fully cooperated with the U.S. in the U.N. Security Council decision making. Even where China did not agree with certain U.S. policy perceptions, it abstained rather than using its veto power on behalf of the

\textsuperscript{149} "Since 1990, U.S. imports from China were as high as 27.5 per cent. Simultaneously, U.S. exports to China came down, which accounted for 10.3 per cent U.S. trade deficit with China," *New York Times*, May 4, 1991.
Third World country. From July 1991, the Bush administration's policy toward China centred around what came to be known as 'constructive engagement'. The essence of such a policy was the continued interaction with China while using diplomatic leverage to address certain concerns. This policy of constructive engagement was based upon three fundamental issues: first, the question of Chinese trade practices; second, concerns over the sale of arms and issues relating to the proliferation of nuclear weapons; and third, that of human rights. On the issue of trade practices, U.S. used the threat of sanctions to make China comply with its IPR regime. China's practice relating to IPR came under investigation after it was put on the "priority watch list." However, the U.S. was not satisfied with Chinese copyright law enacted in 1991 and was successful in making China join the Berne Convention and enact extensive legislation to protect intellectual property through an imposition of sanctions affecting an estimated $700 million worth of China's exports.

On the issue of arms sale and nuclear non-proliferation, the U.S. resorted to a mix of sanctions and diplomatic negotiation to get China to agree to its demands. China was involved in the sale of M-11 missiles to Pakistan in violation of the Missile Technology Control Regime (MTCR). The U.S. insisted that China adhere to the MTCR regulations, which prohibited export of any missile technology or assembled missiles capable of carrying a pay load of 300 kg and with a range of 500 km at a given time or with inherent capability which could be used later. China considered them as conventional missiles, while the U.S. did not accept their present status but focused on future capabilities. In

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June 1991, the U.S. imposed sanctions, limited to two Chinese weapons' companies. However, in keeping with its policy of "constructive engagement", the Bush administration sent James Baker, the Secretary of State, to Beijing to hold talks with the Chinese leaders. In these talks, Baker insisted that China adhere to the MTCR. Chinese leaders were unwilling to either adhere to the MTCR or respect various other non-proliferation regimes like NPT under the threat of sanctions. The U.S. agreed to lift sanctions on December 20 and the Chinese People's Congress, on its part, voted to sign the NPT on December 29, 1991. The Chinese formally acceded to the NPT on March 9, 1992, while the U.S. effectively lifted the sanctions on March 23.

Bush again deployed a mix of sanctions and diplomacy on the issue of convict labour. China allegedly used prison labour in the manufacture of export items such as hand tools, elephant brand and golden double horse brand socks. In 1991, the U.S. customs service announced that it would hold up all shipments of certain goods produced by at least four Chinese factories, which employed convict labour. Legislations were enacted in the U.S. Congress in order to block import of such products and to sue suspected Chinese convict labour facilities to ensure that prison labour is not employed for the manufacture of goods meant for export. In October 1991, China introduced a law banning export of prison goods. But the U.S. was not satisfied with the steps taken by China and in September 1992, Bush signed a MoU on the prison goods issue, which required China to release suspected political prisoners. Though initially hesitant, China agreed to the U.S. proposal

153 P.M. Kamath, "U.S.-China Relations under the Clinton Administration: Comprehensive Engagement or the Cold War Again?" Strategic Analysis, vol. 22, no. 5, August 1998, pp. 691-709.
155 P.M. Kamath, "U.S.-China Relations under the Clinton Administration: Comprehensive Engagement or the Cold War Again?" Strategic Analysis, vol. 22, no. 5, August 1998, pp. 691-709.
of inspection of its prison labour facilities, which was a "rare instance of China backing off from its long proclaimed principles of inviolability of its sovereignty."

With the disintegration of the Soviet Union in December 1991, it was President Bush who set the tone for the post-Cold War relations with China. China now ceased to be important to the U.S. from a strategic perspective. But its economic importance was not diminished. This was reflected in Bush's policy: while stressing upon the need for China to comply with human rights, the main thrust was on increasing economic and security cooperation between the two states.

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