CHAPTER II

Historical perspectives of INDO-US relations

Historically, the relationship between India and the United States has been very strong. This is reflected in the visit of Swami Vivekananda who introduced Yoga and Vedanta to America. Vivekananda was the first known Hindu Sage to come to the West, where he introduced Eastern thought at the World's Parliament of Religions, in connection with the World's Fair in Chicago, in 1893. Here, his first lecture started with the line "Sisters and Brothers of America,"

This salutation caused the audience to clap for two minutes, possibly because prior to this seminal speech, the audience was always used to the opening address: "Ladies and Gentlemen". It was this speech that catapulted Vivekananda to fame. first, from his large audiences in Chicago later at numerous other locations in the US, including Memphis, Boston, San Francisco, New York, Los Angeles, and St. Louis.

Swami Vivekananda in Chicago, 1893.
Despite being one of the pioneers and founding members of the Non-Aligned Movement, India developed a closer relationship with the Soviet Union during the Cold War. India's strategic and military relations with Moscow and strong socialist policies had an adverse impact on its relations with the United States.

After the dissolution of the Soviet Union, India began to review its foreign policy in a unipolar world, following which, it took steps to develop closer ties with the European Union and the United States. Today, India and the U.S. share an extensive cultural, strategic, military and economic relationship.

Long considered a “strategic backwater” from Washington’s perspective, India emerged in the 21st century as increasingly vital to core U.S. foreign policy interests. India, the region’s dominant actor with more than one billion citizens, is often characterized as a nascent great power and “indispensable partner” of the United States, one that many analysts view as a potential counterweight to China’s growing clout. Since 2004, Washington and New Delhi have been pursuing a “strategic partnership” based on shared values and apparently convergent geopolitical interests.

Numerous economic, security, and global initiatives, including plans for civilian nuclear cooperation, are underway. This latter initiative, first launched in 2005, reversed three decades of U.S. nonproliferation policy. Also in 2005, the United States and India signed a ten-year defense framework agreement to expand bilateral security cooperation. The two countries now engage in numerous and unprecedented combined military exercises, and major U.S. arms sales to India are underway. The value of all bilateral trade tripled from 2004 to 2008 and continues to grow; significant
two-way investment also flourishes. The influence of a large Indian-American community is reflected in Congress’s largest country-specific caucus. More than 100,000 Indian students are attending American universities.

Thus, during the tenure of the Clinton and Bush administrations, relations between India and the United States blossomed primarily over common concerns regarding growing Islamic extremism, energy security and climate change.

According to some foreign policy experts, there was a slight downturn in India-U.S. relations following the election of Barack Obama as the President of the United States in 2009. This was primarily due to the Obama administration's desire to improve relations with China, and President Obama's protectionist views on dealing with the economic crisis. However, the leaders of the two countries have repeatedly dismissed these concerns. In November 2010, President Obama visited India and addressed a joint session of the Indian Parliament, where he backed India's bid for a permanent seat on the United Nations Security Council.

**Historical Perspectives of Indo-U.S. Relations**

The historical links between the United States and India can be traced to the year 1492, the year when Christopher Columbus discovered America in the course of his search for a new route to India. But formal and official relations began after India gained independence. Prior to this, "American contacts with India had started before the American Revolution through soldiers and seamen who had lived both in the American colonies and in India."
During the last quarter of the eighteenth century, several American ships visited Indian ports in connection with trade. In 1784, the *United States* of Philadelphia reached Pondicherry; in the following year, the *Hydra* and the *Grand Trunk* were sent to India. Legal authority to Indo-U.S. trade was given by Jay's Treaty of 1794 between England and America. Benjamin Joy of Boston was appointed the first American Consul at Calcutta in 1792. The American businessmen who came out to India, being interested only in their trade, could hardly present a true picture of India to America. Later, both countries had mutual contacts through various agencies such as missionaries, tourists, intellectuals and Indian freedom fighters. In 1815, the American Mahratta Mission was established. Missionary activities gave first hand information about India to the Americans.

Their main interest was to establish schools and distribute religious literature. They worked among the poor. They did a lot of humanitarian work during the famines of 1897 and 1899. On their return home, the missionaries condemned India for lack of education, poverty and superstition. "The number of missionaries in India rose from 139 in 1885 to 2478 in 1922."

In the mid-nineteenth century, some American writers started appreciating India's cultural heritage. To quote Stephen N. Hay: "The writings of Emerson, Thoreau, Whitman and of the Sanskritists Hopkins, Lanman and Whitney, helped instill in 19th century Americans a respect for India's cultural heritage."

Gandhi and Nehru were deeply influenced by Emerson and Thoreau. "In 1883 the Brahmo Samaj leader P.C. Majumdar lectured in many American cities, and in 1893 both he and famous Swami Vivekanand earned the applause of the World Parliament of Religions in Chicago, and were
eagerly heard by many smaller groups interested in Indian religious thought."

Lala Lajpat Rai was the first to visit the United States. In 1905 he went there in order to tell the American people about the need for Indian Independence. *The United States of America: A Hindu's Impression* book written by him was published in America in 1916. He was much influenced by American life and American democratic institutions. He felt that the Indian student could learn a lot from the United States: "American conditions of life, physical, social and political, are such as to afford him more practical lessons for their application to life in India."

Katherine Mayo, an American lady, visited India during 1925-26. She wrote the book *Mother India*. She highlighted the social evils and religious superstitions of India in her book. Rabindranath Tagore visited the United States in 1912-13, 1916-17, 1920-21 and in 1930. During his stay in the United States, he left everlasting images of Indian life, literature and culture in that country. Stephen N. Hay observes, "On his part, Tagore carried back with him to India many ideas and impressions from the United States, and consistently advocated closer relationships between the Eastern most and Western most branches of the Indo-European family."

However, on the whole, the "role played by the U.S. in helping India's struggle for freedom is not generally known in this country. Yet it is true that since the early part of the 20th century, the Indian independence movement received the active moral and material support of the American people."

In 1906, some Indian political exiles landed in the United States. In 1913, a group of Indian patriots, in the leadership of Lala Hardayal, formed the Hindustan Ghadar Party at California to gain the United States’ support. They started a weekly called *Ghadar*. As observed: "The people of the
United States always sympathized with the aspirations of the Indian People for freedom. Indian political leaders always found a platform in this country to propagate their views."

Several societies and organizations were set up in America by the Indians and Americans to further the Indian cause such as India Home Rule League of America, National Committee for India's Freedom, India League of America, Society for the Advancement of India, Friends of Freedom for India, etc. Among the important figures of America who sympathized with the Indian cause were William Jennings Bryan, subsequently Secretary of State in President Wilson's Cabinet; Rev. John. Haynes Holmes, American evangelist and friend of Mahatma Gandhi.

Outstanding among India's friends in the U.S. House of Representatives was Henry H. Mason. Some other eminent Americans were Mr. Checker (founder president of the India League of America), Justice William O. Douglas, Senator Hubert H. Humphrey, Senator Mundt Philip Randolph, Albert Einstein, Congressman Celler of New York, Congressman James Fulton of Pennsylvania, Pearl Buck and her husband Richard Walsh, and others. The best-known Indian after Lajpat Rai to promote the cause of Indian freedom was Taraknath Das. He was the second man to become a U.S. citizen (1914), the first being Akshay Kr. Majumdar.

The United States was a sanctuary for Indian freedom fighters. These included scholars, journalists, scientists and thinkers. Important among them were Silendra Nath Ghosh, Dhangopal Mookerji, Syed Hussain, Haridas Majumdar, M.N. Roy, B.K. Sarkar, R.L. Bajpai, Judge Saund, Krishanlal Shridnarani and others. The war message of President Wilson delivered in the Congress was a source of great inspiration to the Indian freedom fighters. It reads: "America is prepared to fight for the ultimate peace of the world
and for the liberation of its people; for the rights of nations great and small
and for the privilege of men everywhere to choose their way of life and of
obedience; for the rights of those who submit to authority to have a voice in
their own Governments; for the right and liberties of small nations; for a
universal dominion of right by such a concert of free peoples as shall bring
peace and safety to all nations and make the world itself at last free."

In spite of the contribution of the American people towards India's struggle for freedom, the attitude of the U.S. Government was discouraging. The U.S. Government did not want to displease the British Government. But Mahatma Gandhi's emphasis on non-violence and his unique method of fighting British rule through Satyagraha attracted attention of the American people. The American press also showed a sympathetic attitude towards India's freedom struggle. Among them were the *New York Times, Baltimore Sun, Cleveland Plain Dealer, Philadelphia Inquirer, One World, Christian Science Monitor*. During the Civil Disobedience movement, the *New York Times* reported the speech of Professor L.P. Rushbrook Williams: "An English audience was told today that anti-British and pro-Indian feeling was far more prevalent in the United States today than pro-British opinion in connection with the present upheaval in India.

Louis Fischer, a prominent journalist, did great service to India by his journalistic writings. He carried the message of Gandhiji to Roosevelt. The Second World War marks the beginning of Indo-U.S. official relations. After the Japanese attack on Pearl Harbor in December 1941, Americans realized the need for India's co-operation in the war effort. The strategic importance of India as a base of operations against Japan was one of the chief factors which forced the Roosevelt Administration to take interest in the Indian political problem. In the summer of 1941, the U.S. Government agreed with
India and Britain for the exchange of diplomatic personnel. In October 1941, Thomas H. Wilson was appointed the first U.S. Commissioner in New Delhi. Sir Girja Shanker Bajpai was appointed India's Agent General in Washington.

He was to act under the overall supervision of the British Embassy. The United States thought that the political turmoil in India could endanger the American forces which were to be sent to India. In April 1942, the Government of the United States established the Office of War Information (OWI) in New Delhi. Henry, F. Grady came as the head of a technical mission to make a survey of India's industrial potentialities and to suggest improvements with a view to increasing production.

In due course, the United States supplied huge quantities of American goods to India under the Lend-Lease program. India also supplied goods to America in pursuance of its reciprocal aid program. American technicians took part in constructing roads, airports, factories, etc. American troops were also stationed in India in substantial numbers. President Roosevelt wanted some sort of a solution of the Indian problem but hesitated to involve himself directly in the efforts to evolve such a solution. "He sent a cable to Churchill on 10 March 1942, suggesting the formation of a Government in India representing the various religious, geographical, and occupational groups, as well as the British Provinces and native princes. He thought that such a Government could be treated as a "temporary Indian Dominion Government."

Roosevelt also sent Colonel Louis Johnson to India as his personal representative with the rank of Ambassador in April 1942. During the stay of the Cripps Mission in India, Colonel Johnson held unofficial talks with many important Indian political leaders. It was believed in many quarters
that Johnson held those discussions under express instructions from President Roosevelt.

Johnson's participation in the Cripps negotiations impressed many nationalists in India because the United States was, for the first time, showing an active interest in the solution of the Indian problem. Nehru wrote to Roosevelt: "Dear Mr. President, I am venturing to write to you as I know that you are deeply interested in the Indian situation today and its reactions on the war. The failure of the Cripps Mission to bring about a settlement between the British Government and the Indian People must have distressed you as it distressed us."

Gandhiji wrote to him: "The Allied troops will remain in India during the war under treaty with Free India Government that may be formed by the people of India without any outside interference, direct or indirect. It is on behalf of this proposal that I write this to enlist your active sympathy."

To this, President Roosevelt replied on August 1, 1942: "I am sure that you will agree that the United States has consistently striven for and supported policies of fair dealing, of fair play, and of all related principles looking towards the creation of harmonious relations between nations... I shall hope that our common interest in democracy and righteousness will enable your countrymen and mine to make common cause against a common enemy."

The Cripps Mission failed to produce the desired result. President Roosevelt was disappointed at the failure of the Mission. In his letter to the British Prime Minister dated April 11, 1942, he conveyed his feelings. Though the Cripps Mission failed to achieve any result, it heralded the beginning of Indo-American political relations. India became free from British rule on August 15, 1947. A new era began with the message that
President Henry S. Truman sent to Lord Mountbatten, Governor General of India, extending his good wishes on the occasion. The message said: "I earnestly hope that our friendship will in future, as in the past, continue to be expressed in close and fruitful cooperation in international undertakings and in cordiality in our relations one with the other."

Prime Minister Nehru in an address to an American audience remarked: "May I also say that all of us in India know very well, although it might not be so known in public, what great interest President Roosevelt had in our country's freedom and how he exercised his great influence to that end."

India and the United States, being separated from each other by thousands of miles, had few opportunities in the past to come close to each other. The British Government also did not want the two countries to establish direct contact, for it feared that India might get inspiration from the United States for intensifying its political struggle. Richard L. Strout, staff correspondent of the Christian Science Monitor, observed: "Until the sudden emergence of the U.S. as a leader of democracies and the unexpected assumption of a world role, few Americans knew very much or cared about India. Now India suddenly has sailed into their ken. Similarly, far off India, with teeming millions, is discovering the United States.

The two countries, though quite different from each other in their geographical setting, race, culture and habits, cherish common ideals. They have both lived under subjection to a common power for a long time. Both have fought vigorously for their independence, though with different methods. While the American people have on their freedom through violence and bloodshed, India has preferred the path of non-violence. Soon
after independence, India tried to develop very friendly relations with the United States.

The Indian leaders acknowledged with gratitude the positive role played by the American President. The democratic ideals of America also greatly fascinated the Indian leaders, specially Nehru, and they tried to develop intimate relations with the United States. However, after the second world war, the U.S. policy of containment of Communism and India's policy of non-alignment did not match together and became their major source of difference. The refusal of India to join the military alliances sponsored by the United States and different stands taken by it on various international issues like recognition of the Communist regime of China, the Korean Crisis, the American Vietnam war, and the Afghan Crisis, were quite annoying to the American leaders.

On the other hand the American support to Pakistan on the Kashmir issue in Security Council and grant of military aid to Pakistan with a view to meet the Communist threats, support to Portugal on Goa Crisis and Support to Pakistan on Bangladesh issue were quite irritating to the Indian leaders. Before the accession of the Jammu and Kashmir to the Indian Union, Pakistan invaded and captured large part of it. Nehru brought the matter to the notice of the Security Council at the UN, on January 1, 1948.

At the United Nations, Britain and the United States managed to convert Pakistan's aggression on India into an Indo-Pakistani question. The United States maintained a cryptic silence about India's complaint. Instead of declaring Pakistan as the aggressor, the American delegate laid emphasis on the need to settle the issue by means of a plebiscite in Kashmir. The role of the United States in the Security Council all through the discussion of the
Kashmir question was that of supporting the case of Pakistan and was naturally not appreciated in India.

The United States, through direct negotiations (1953-56) was taking a very keen interest in the affairs of Kashmir. It realized the strategic importance of Pakistan to its plans for establishing military bases all around the Communist world. It was interested in solving the Kashmir question because this was the best way to oblige Pakistan.

Nehru and Prime Minister Mohammad Ali of Pakistan met in Karachi in July 1953 and later in New Delhi in August 1953 to solve the Kashmir problem. In the mean time, the U.S. proposal for military aid to Pakistan came up and queered the pitch. Grant of U.S. military aid to Pakistan at a time when India and Pakistan were carrying on direct negotiations made it clear that the United States was not interested in finding a solution for the Kashmir question.

The proposal for arbitration and a plebiscite by the United States was opposed by India. For such a proposal, a resolution was introduced on June 22, 1962 in the Security Council which was not passed and adopted due to the veto used by the Soviet Union. The U.S. press vehemently criticized India. It held India responsible for the stalemate over Kashmir. The New York Tribune issued an editorial entitled "India Hides behind Russia's Veto."

On the matter of Goa Crisis, and its accession to India, the United States supported Portugal since it is the member of NATO.

A resolution was moved in the Security Council against India but could not be passed due to the veto used by Soviet Union in favor of India. In the wake of the Chinese invasion of its northern territories in October 1962, India asked the UK and the United States for military assistance. To quote Bhagat Vats: "When the Chinese attacked India in October 1962,
America and Britain give nominal aid but with the sinister condition that India should settle the Kashmir question with Pakistan. They talked less of China but more of Kashmir."

Here the United States helped India in accordance with her policy of containment of Communist China. During the 1965 Indo-Pakistani War, Pakistan was flooded with American Arms. This led eventually a large-scale war between the two countries. The U.S.-made weapons, including Panton tanks and Sabre Jets, were freely used by Pakistan. Pakistan thought to get the help of the SEATO and CENTO in its design against India. Though Pakistan was the aggressor in the Indo-Pakistani War of 1965, the U.S. Government never seriously condemned it.

On the other hand, it equated India and Pakistan while deploring the misuse of the arms it had supplied. In the War of 1971 between India and Pakistan which resulted in the birth of Bangladesh, once again the United States adopted a partisan stand, and supported Pakistan. First of all, the United States sought to protect the interests of Pakistan by trying to secure a cease-fire through the Security Council. But after this move was stalled on account of use of a veto by Soviet Union.

The United States moved her Seventh Fleet towards the Bay of Bengal on the premise of evacuating U.S. citizens from East Pakistan. The dispatch of the nuclear powered aircraft carrier Enterprise for the evacuation of American citizens was clearly a move for the military blackmail of India. The U.S. move was stopped by the counter-threat given by the Soviet Union on the side of India. Thereafter, the relations between the two countries continued to operate at a very low key. On 18 May 1974, India tested its first nuclear device at Pokhran.
This alarmed the United States. India now stood in the line of those five powerful nuclear countries. In 1975, Indo-U.S. relations suffered a setback following the decision by the U.S. Government to lift the ten-year old embargo against sale of lethal arms to South Asia. This provoked a strong reaction from India and it cancelled the scheduled visit of its External Affairs Minister to the United States. The criticism of the declaration of emergency in India in June 1975 by the United States was also disliked by India.

But relations between the two countries showed an improvement after the formation of Janta Government in India in 1977 and the assumption of power by Jimmy Carter in the United States. In 1978, Carter paid a visit to India which was followed by return visit by the Indian Prime Minister, Morarji Desai. But before much progress could be made, Mrs. Gandhi staged a come-back to power in India. The Congress Government refused to rally on the side of the United States in its anti Soviet crusade over Afghanistan and advocated the withdrawal of Soviet troops from Afghanistan at the appropriate time.

The election of Ronald Reagan as President of the United States, and his tough stand towards Soviet Union, also hampered closer relations with India, which had shown leanings towards the Soviet Union. Because of their divergence of security and strategic interests, both India and the United States have manifested serious differences on several international issues. The Communist Revolution of 1949 in China was seen as a threat to the U.S. policy of containing Communism. India promptly recognized the new Communist regime of China on December 30, 1949. India always supported the move to admit Communist China as a member of the United Nations. This difference over China embittered the Indo-U.S. Relations.
Although the United States could not maintain its distance from China after 1971. Diego Gareia has been another irritant between the two countries. It is an island in the Indian Ocean, about one thousand miles from the Indian coast. The United States has established a navel base there. India felt that the base in the Indian Ocean might turn the ocean into a cockpit of super power rivalry.

Though a strong advocate of nuclear disarmament, India refused to sign the NPT (1968) on the ground that it is highly unequal and discriminatory. The United States did not look kindly to India's first nuclear test in 1974. Later on, she stopped supplying enriched Uranium for the Tarapore Plant, as provided under the bilateral agreement of 1963. However, the above mentioned differences should not lead to the impression that Indo-U.S. relations have been one of unrelieved tension; at times, it has been punctuated by brief intervals of warmth and friendly gestures well.

To illustrate, both India and the United States were on the same side on the Suez Canal issue in 1956, Again in 1959, when President Eisenhower visited India, he was given a tumultuous welcome and the President on his part observed: "The strength of India is our interest." Similarly, in October 1962, when China invaded India, America along with Britain came to support India and thereby saved her from a military disaster. Indo-U.S. relations became very cordial during the Kennedy period.

His successor, President Johnson also kept the cordiality intact by establishing the Tarapur Atomic Plant and by supplying a large quantity of food grains to enable India to fight over the acute shortage caused by the severe drought in 1966-67. Again in 1973, as a friendly gesture, the United States wrote off the largest amount of foreign debt ever cancelled in history.
by liquidating two-thirds of its accumulated rupee holdings ($2 billion) in India acquired in return for wheat shipments under PL-480.

It was a case of rare magnanimity on the part of Washington. Again, in 1978, President Carter paid a goodwill visit to India to register and restore American sympathy and amity for India. Its economic aid, suspended since the Bangladesh crisis, was resumed and the U.S. government agreed to supply the fuel for the Tarapur Plant.

Clearly, Carter was predisposed to look to India as the leader of South Asia, but unfortunately these brief intervals of warmth were soon followed by bouts of bitterness and disillusionment for one reason or another. However, since the early eighties, India has been pursuing a well-planned policy of improving and strengthening relations with the United States.

The visit of Indira Gandhi to America in 1982 worked as "operation defrost" between the two countries. The improved process continued after Rajiv Gandhi took over in 1985. His visit to America in June 1985 was a smash hit. The Memorandum of Understanding regarding technology transfer was a definite landmark. The dramatic improvement in the superpower relationship since 1986 removed the Cold War constraints on the upgrading of Indo-U.S. relations. This process acquired a new momentum after the end of the Cold War in 1989.

Several major changes took place in the world in the beginning of the last decade of the twentieth century. The Soviet Union disintegrated. The Cold War came to its end. The world became unipolar. The United States became a supreme power and the leader of this unipolar world. The Uruguay Round of GATT negotiations were concluded and the WTO came into effect since January 1, 1995. This marked a beginning of liberalization and globalization in the world. Narsimha Rao became the Prime Minister of
India in 1991, ad in 1992 Bill Clinton was elected as the President of the United States. All these changes, having a global character, affected one another and marked a new beginning in the Indo-U.S. relations.

The Finance Minister of India, Manmohan Singh initiated the liberalization of Indian economy in 1991, which attracted towards India the major world economic powers including the United States. For the economic necessities and strategic importance of India in South Asia after the Cold War, the United States looked towards India with a new approach.

In 1994 Narsimha Rao visited the United States. In March 2000, Bill Clinton came to India and in September 2000, Atal Bihari Viajpayee visited the United States. In January 2001, George W. Bush succeeded Clinton as the next President of the United States, who looked for a good relationship with India. From July 1998 to September 2000, ten rounds of talks were concluded between Jaswant and Talbott, top foreign policy leaders in both countries, to lay the new and intensified grounds of Indo-U.S. relations.

The nuclear tests conducted in May 1998 drew a sharp reaction from the United States, leading to a temporary disruption in the thawing Indo-U.S. relations, and the imposition of a broad range of U.S. restrictions on India. However, the generous offer of help from India to the United States following the September 11, 2001 terrorist attacks on the United States, as appreciated by Christina B. Rocca, U.S. Assistant Secretary for South Asian Affairs, was a splendid act of solidarity with the American people at a time of urgent need. President Clinton visited India on March 21-25, 2000, the first U.S. Presidential visit to India after a gap of 22 years. The five-day tour covering five cities was one of the most extensive visits undertaken by him to any country.
The two sides agreed to cast aside the doubts of the past and to chart a new purposeful direction in bilateral relations in order to build a closer and qualitatively new relationship between the two largest democracies in the world, on the basis of equality and mutual respect. President Clinton described the objective of his visit as "strengthening a friendship that indeed is critical to the future of the entire planet." Prime Minister Vajpayee and President Clinton issued a Joint Statement outlining their vision of the new relationship. The Vision Statement outlines the contours and defines the agenda of the partnership between India and the United States in the 21st century.

It expresses the shared belief that the relationship between the two countries could be a vital factor in shaping international peace, prosperity and democratic freedom and for ensuring strategic stability in Asia and the world in the era of globalization. On March 2, 2006 in New Delhi, George W. Bush and Manmohan Singh signed a Civil Nuclear Cooperation Agreement, following an initiation during the July 2005 summit in Washington between the two leaders over civilian nuclear cooperation. The successful passage through the United States Congress of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 was a landmark event in bilateral relations to enable the United States to extend full civil nuclear cooperation to India.

The 2.5 million strong Indian-American community in the United States has been growing in affluence and political strength and has developed into a force for closer and stronger ties between their adopted country and their nation of origin. Their active cooperation and interaction at different levels with the Government of India as well as with the U.S. Administration provides a bridge between the two countries.
The passage of the Henry J. Hyde Act by the U.S. Congress saw the Indian-American community coming of age in the United States. Their efforts in support of this Act were magnificent. Students from India continue to flock to the United States, especially for university level education. India is now the number-one country sending students to the United States, with approximately 80,000 students each year, far surpassing China. U.S. Under Secretary of State Karen Hughes visited India in April 2007 with a delegation of five U.S. university presidents and pledged that Indian students would find it easier to obtain visas to study in the United States.

Two Indian Americans Har Gobind Khorana of the Massachusetts Institute of Technology and the late Subrahmanyan Chandrasekhar of the University of Chicago have been awarded the Nobel Prize, in medicine and physics respectively. Indeed, NASA's premier X-ray observatory was named the Chandra X-ray Observatory in honor of the late Subrahmanyan Chandrasekhar. Known to the world as Chandra, he was widely regarded as one of the foremost astrophysicists of the twentieth century. The observatory was launched into space in July 1999.

Dr. Kalpana Chawla added a new chapter to the history of the Indian American community. In 1997, she became the first Indian or Indian American to fly in the U.S. space shuttle. She was part of the Space Shuttle Columbia Flight STS-87. And more recently is added one more Indian American astronaut, Sunita Williams, who served on STS-116 and 117, and on International Space Station (ISS) Expedition 14 and 15, achieving the world record for the longest space flight by a female astronaut, 195 days. Cultural ties between the two countries are largely driven by the private sector. Indian music, dance, art, and literature are widely appreciated in the United States. Indian cuisine is a favorite with many Americans, and Indian
films are reaching out to wider audiences here. Efforts are currently underway to spread Indian culture to a more popular level as well as ensuring that Indian artists are able to perform at mainstream theatres and halls.

Increasing economic and trade relations are the real reflection of the bond between the two countries. India-U.S. bilateral trade grew from USD$13.49 billion in 2001 to USD$31.917 billion in 2006. India’s major export products include gems and jewelry, textiles, organic chemicals and engineering goods. Our main imports from the United States are machinery, precious stones and metals, organic chemicals, optical and medical instruments, aircraft and aviation machinery. U.S. exports to India grew by 26.31 percent in 2006 to reach USD$10.091 billion, while Indian exports to the United States increased by 16.07 percent to hit USD$21.826 billion.

The United States is one of the largest foreign direct investors in India. The stock of actual FDI increased from USD$11.3 million in 1991 to USD$5.71 billion as of January 2007. FDI inflows from the United States constitute about 11 percent of total actual FDI inflows into India. The United States is the leading portfolio investor in India. As of December 2006, U.S.-based Foreign Institutional Investors have made a net investment of USD$17.8 billion of a total of USD$51.02 billion in Indian capital markets accounting for 33 percent of the total.

The United States is also the most important destination of Indian investment abroad: Between 1996 and July 2006, Indian companies invested USD$2.62 billion in the United States, largely in manufacturing and nonfinancial services.

While Hillary Clinton may have termed Indo-US relations as an “affair of the heart”, in reality these two greatest and biggest democracies of
the world have had a history of a chequered past. The reasons for this have been many. Firstly, before India’s independence in 1947, its external affairs were guided by, more or less, the foreign policy guidelines of the British Government and also because the two countries did not share any common linkages, except one – Columbus discovered America while he thought he had reached India. Still, when we scour the pre-independence historical annals, US finds only shadowy mention, mainly in the literature produced by the missionaries and, significantly, in cultural pretexts as in Swami Vivekananda’s famous speech in the Parliament of Religions where he draws the attention of the ‘Sisters and Brothers of America’ to the veritable treasure of Indian philosophy and its implications on modern life.

Although, the relationship between the US and India remained taut (tight) till the end of Cold War, yet the US maintained a shifting predilection towards India to meet its own foreign agenda. Here is a look at how the relations have risen to heights of amiable ecstasy and fallen to alienating depths between the two countries. It’s an interesting story:

**1947-1969**

After independence, though the decade of 50s was that of poverty and underdevelopment when a weak, divided nation was staggeringingly picking up its broken bits, yet, India earned respect internationally due to Pandit Jawaharlal Nehru’s calculative policy of Non-Alignment, at a time when the world had polarised into two blocs. This alienated it from America. The decision of US to sell arms to Pakistan further distanced the two countries. During his visit to US in 1954, Pandit Nehru strongly protested against this but to little avail. India’s strong socialist leanings and growing closeness
with the Soviet Union further strained the relations. Dwight Eisenhower, known for his India leanings was the first US President to visit us in 1959. A year later America signed a four-year food agreement with India to avert a crisis.

The reign of John F Kennedy (1961-1963), saw India as a partner against the rising power of communist China. This resulted in military and strategic assistance by US to India during its 1962 border conflict with China. During Kennedy’s period, US helped establish one of the first computer science departments at IIT, Kanpur. In 1969 Richard Nixon became the second American President to tour India, but not much came out of it.

1970-79

The decade of seventies saw a change in the foreign policy of the US. While it turned with warmth and support towards Pakistan, it attempted to woo China and decided to ignore India. The then President Richard Nixon’s dislike towards India and its people is often blamed for this worsening of relations.

During the 1971 war with Bangladesh, US clearly expressed its support in favour of Pakistan. Indira Gandhi’s visit to the US in the same year turned out to be completely fruitless. The 1974 Pokhara nuclear test resulted in increased suspicion and innumerable economic sanctions on India. 1975 was a significant year as an embargo on arms sale to India was lifted by the then President Gerald Ford. In 1978, President Jimmy Carter visited India.
1980-89

With the collapse of Communism, American interests and outlook towards the international order changed. Meanwhile its continued help to Pakistan kept India estranged from it. However, the 80s saw some sunshine and the bilateral relations began to improve due to numerous high level visits and inking of several economic, military and cultural agreements. Indira Gandhi’s visit to the US in 1982 resulted in the latter agreeing to supply fuel and spare parts for the nuclear power plant at Tarapur. Rajiv Gandhi’s visit to the US in 1985 was greatly successful as a bilateral agreement on scientific and technological exchanges was agreed upon by the two states. In 1988 India and the US signed a bilateral tax treaty.

1990-2000

With the disintegration of USSR in 1991, the Cold War ended, resulting in the rise of new geo-political equations and providing a much needed boost to Indo-US camaraderie. With the introduction of New Economic Reforms by Manmohan Singh, India opened its markets and the relations between the two countries got a fresh lease of life. In fact from 1991 to 2004, the stock of FDI inflow from the US increased from USD $11.3 million to $344.4 million. In 1994 PM Narasimha Rao visited America when several agreements were signed. He also addressed a joint session of the Congress. India and US signed an Extradition treaty in 1997. In 1998 the NDA government tested Nuclear bombs at Pokhran for a second time, resulting in US sanctions under the Glenn Amendment Act.
June 2010 Strategic Dialogue

In June 2010, the United States and India formally reengaged the U.S.-India Strategic Dialogue initiated under President Bush when a large delegation of high-ranking Indian officials led by External Affairs Minister S.M. Krishna visited Washington, DC. As leader of the U.S. delegation, Secretary of State Clinton lauded India as “an indispensible partner and a trusted friend.” President Obama appeared briefly at a State Department reception to declare his firm belief that “the relationship between the United States and India will be a defining partnership in the 21st century.”

The Strategic Dialogue produced a joint statement in which the two countries pledged to “deepen people-to-people, business-to-business, and government-to-government linkages … for the mutual benefit of both countries and for the promotion of global peace, stability, and prosperity.” It outlined extensive bilateral initiatives in each of ten key areas: (1) advancing global security and countering terrorism; (2) disarmament and nonproliferation; (3) trade and economic relations; (4) high technology; (5) energy security, clean energy, and climate change; (6) agriculture; (7) education; (8) health; (9) science and technology; and (10) development. Secretary Clinton confirmed President Obama’s intention to visit India in November 2010.

The 9/11 attack on America in 2001 became a new parameter that began to influence the politics world over including the Indo-US relations. Terrorism, nuclear proliferation, rise of China and economic and environmental concerns became major factors determining the ties between the two states at the dawn of the new millennium. While the terror attack on
Pentagon and World Trade Centre created suspicions against Pakistan, China’s rapid rise became a major cause of concern for the US. India began to be looked upon by the world’s only superpower as a safety valve in South Asia.

Bill Clinton’s love for India further catapulted us from the peripherals to the position of a ‘strategic partner’. In 2000, India and the USA agreed to establish a Joint Working Group on Counter-Terrorism. And in the same year Bill Clinton became the fourth American President to tour India on a highly successful trip that literally changed equations between the top leaderships of the two countries. The George W Bush years are argued to be the best for India, though not as much for the world at large. In 2001, Bush lifted post-Pokharan II sanctions imposed on India.

In 2002, the Indo-US High Technology Cooperation Group came into being. In 2005 an Open Skies Agreement signed between the two countries. In the same year Manmohan Singh visited America and many agreements, including the civil nuclear deal, were inked. In the 21st century, the US has become India’s largest investment partner with American direct investment of $9 billion accounting for 9% of total foreign investment into India.

**The era of Obama**

Just days into President Barack Obama’s term, Secretary of State Hillary Clinton and India’s external affairs minister agreed to “further strengthen the excellent bilateral relationship” between the United States and India. Soon after, President Obama issued a statement asserting that, “Our rapidly growing and deepening friendship with India offers benefits to all the
world’s citizens” and that the people of India “should know they have no better friend and partner than the people of the United States.” As part of her confirmation hearing to become Secretary of State, Clinton told Senators she would work to fulfill President Obama’s commitment to “establish a true strategic partnership with India, increase our military cooperation, trade, and support democracies around the world.”

Despite such top-level assurances from the new U.S. Administration, during 2009 and into 2010, many in India became increasingly concerned that Washington was not focusing on the bilateral relationship with the same vigor as did the Bush Administration, which was viewed in India as having pursued both broader and stronger ties in an unprecedented manner.

Many concerns have arisen in New Delhi, among them that the Obama Administration was overly focused on U.S. relations with China in ways that would reduce India’s influence and visibility; that it was intent on deepening relations with India’s main rival, Pakistan, in ways that could be harmful to Indian security and perhaps lead to a more interventionist approach to the Kashmir problem; that a new U.S. emphasis on nonproliferation and arms control would lead to pressure on India join such multilateral initiatives as the Comprehensive Test Ban Treaty and the Fissile Material Cutoff Treaty; and that the Administration might pursue so-called protectionist economic policies that could adversely affect bilateral commerce in goods and services.

New Delhi has long sought the removal of Indian companies and organizations from U.S. export control lists, seeing these as discriminatory and outdated. Assistant Secretary of State for South and Central Asian affairs Robert Blake contends that much progress has been made in this area,
with less than one-half of one percent of all exports to India requiring any license. India also continues to seek explicit U.S. support for a permanent seat on the U.N. Security Council, support that has not been forthcoming. The Obama Administration recognizes a “need to reassess institutions of global governance” and asserts that India’s rise “will certainly be a factor in any future consideration of reform” of that Council.

Secretary of State Clinton was widely seen to have concluded a successful visit to India in July 2009, inking several agreements, and also making important symbolic points by staying at Mumbai’s Taj Mahal hotel (site of a major Islamist terrorist attack in 2008) and having a highprofile meeting with women’s groups. While in New Delhi, Clinton set forth five key “pillars” of the U.S.-India engagement: (1) strategic cooperation; (2) energy and climate change; (3) economics, trade, and agriculture; (4) education and development; and (5) science technology and innovation.

In November 2009, President Obama hosted his inaugural state visit when Prime Minister Singh dined at the White House. Despite the important symbolism, the resulting diplomacy was seen by many proponents of closer ties as disappointing (if not an outright failure) in its outcome, at least to the extent that no “breakthroughs” in the bilateral relationship were announced. Yet from other perspectives there were visible ideational gains: the relationship was shown to transcend the preferences of any single leader or government; the two leaders demonstrated that their countries’ strategic goals were increasingly well aligned; and plans were made to continue taking advantage of complementarities while differences are well managed. Perhaps most significantly, the visit itself contributed to ameliorating
concerns in India that the Obama Administration was insufficiently attuned to India’s potential role as a U.S. partner.

President Obama’s May 2010 National Security Strategy noted that, “The United States and India are building a strategic partnership that is underpinned by our shared interests, our shared values as the world’s two largest democracies, and close connections among our people”: "Working together through our Strategic Dialogue and high-level visits, we seek a broad-based relationship in which India contributes to global counterterrorism efforts, nonproliferation, and helps promote poverty-reduction, education, health, and sustainable agriculture. We value India’s growing leadership on a wide array of global issues, through groups such as the G-20, and will seek to work with India to promote stability in South Asia and elsewhere in the world."

While U.S.-India engagement under the Obama Administration has not (to date) realized any groundbreaking initiatives as was the case under the Bush Administration, it may be that the apparently growing “dominance of ordinariness” in the relationship is a hidden strength that demonstrates its maturing into diplomatic normalcy. In this way, the nascent partnership may yet transform into a “special relationship” similar to those the United States has with Britain, Australia, and Japan, as is envisaged by some proponents of deeper U.S.-India ties.

As the U.S. President planned his November 2010 visit to India, an array of prickly bilateral issues confronted him, including differences over the proper regional roles to be played by China and Pakistan; the status of conflict in Afghanistan; international efforts to address Iran’s controversial nuclear program; restrictions on high-technology exports to India,
outsourcing, and sticking points on the conclusion of arrangements for both civil nuclear and defense cooperation, among others.

According to some foreign policy experts, Obama's India visit was going to change US approach towards India permanently. This was later proved when President Obama saw India as prominent Future Power on world stage and declared it as one of the important ally to US. US President Obama openly Supports India's Bid for a permanent Seat in the United Nations Security Council.

Analyst expressed their views immediately that US now sees India with the same trust as it sees its main ally Briton, Australia and Japan. Obama's India Visit is seen by Foreign relation experts as the most successful US Presidential Visit.

In November 2010 Obama became the second U.S. President after Richard Nixon (in 1969) to undertake a visit to India in his first term in office. On November 8 Obama became the 2nd U.S. President ever to address a joint session of the Parliament of India. In a major policy shift Obama declared U.S. support for India's permanent membership of United Nations Security Council. Calling India-U.S. relationship a defining partnership of 21st century he also announced removal of export control restrictions on several Indian companies and concluded trade deals worth $10 billion which are expected to create/support 50,000 jobs in the U.S. during this visit.

Initially, it was believed that due to Obama administration’s excessive emphasis on China and the promises made on Iraq & Afghanistan, relations with India would take a backseat. The fears were supported by the fact that
in February 2009 India was excluded from the list of countries that the US Secretary of State Hillary Clinton toured during her first South Asia visit. But Mrs Clinton allayed the fears when she visited India in July in the same year and called India a “key partner”. She institutionalized what is known as ‘Strategic Dialogue’ between the countries.

In the same year India strongly criticized Obama administration’s decision to limit H-1B visas and that issue continues to be a thorn for the two sides. In May 2009, Obama reiterated his anti-outsourcing views and criticized the current US tax policy for favoring companies who outsourced jobs. The ties in his reign have been highlighted by symbolisms – Dr Manmohan Singh was the first head of the state that Obama hosted after becoming President, this is his biggest state visit to any country, he calls Singh a ‘guru’ and has spoken glowingly about Mahatma Gandhi and enviously about India’s knowledge and economic prowess.

Singh’s visit of 2009 was marked by a new Knowledge Initiative, launch of US-India Financial and Economic Partnership etc. With this visit of President Obama, touted as his largest in his presidency term till now, there is a potential of correcting the chart which seems to be going away from the path set by his recent predecessors. It is a chance for India to showcase warmth which is at once symbolic of its love for the Americans and is also an indicator that they can depend on their partner in the East. That partner may not be China if everything goes well.

After Indian independence until the end of the cold war, the relationship between the U.S. and India was often thorny. Dwight Eisenhower was the first U.S. President to visit India in 1959. He was so
supportive of India that the *New York Times* remarked "It did not seem to matter much whether Nehru had actually requested or been given a guarantee that the U.S. would help India to meet further Chinese communist aggression. What mattered was the obvious strengthening of Indian-American friendship to a point where no such guarantee was necessary."

During John F. Kennedy's period as President, he saw India as a strategic partner against the rise of communist China. He said "Chinese Communists have been moving ahead the last 10 years. India has been making some progress, but if India does not succeed with her 450 million people, if she can't make freedom work, then people around the world are going to determine, particularly in the underdeveloped world, that the only way they can develop their resources is through the Communist system." The Kennedy administration was disturbed by what was considered "blatant Chinese communist aggression against India" after the Sino-Indian War. In a May 1963 National Security Council meeting, the United States discussed contingency planning that could be implemented in the event of another Chinese attack on India.

Defense Secretary Robert McNamara and General Maxwell Taylor advised the president to use nuclear weapons should the Americans intervene in such a situation. Kennedy insisted that Washington defend India as it would any ally, saying, "We should defend India, and therefore we will defend India".

Kennedy's ambassador was the noted Canadian-American economist John Kenneth Galbraith. While in India, Galbraith helped establish one of the first Indian computer science departments, at the Indian Institute of Technology in Kanpur, Uttar Pradesh. As an economist he also
presided over the largest (to that date) US-Foreign Aid program to any country.

From 1961 to 1963 the U.S. promised to help set up a large steel mill in Bokaro but the U.S. later withdrew the offer. The 1965 and 1971 Indo-Pakistani wars did not help U.S.-India relations. During the Cold War, the U.S. asked for Pakistan's help because India was seen to lean towards the Soviet Union. Later, when India would not agree to support the anti-Soviet operation in Afghanistan, it was left with few allies. Not until 1997 was there any effort to improve relations with the United States.

Embassy of India in Washington, D.C.

Soon after Atal Bihari Vajpayee became Indian Prime Minister, he authorized a nuclear weapons test in Pokhran. The United States strongly condemned the test, promised sanctions, and voted in favor of a United Nations Security Council Resolution condemning the test. United States President Bill Clinton then imposed economic sanctions on India. These consisted of cutting off all military and economic aid; freezing loans by American banks to state-owned Indian companies; prohibiting loans to the Indian government for all except food purchases; prohibiting American technology and uranium exports to India; and requiring the United States to oppose all loan requests by India to international lending agencies. However,
these sanctions proved ineffective. India was experiencing a strong economic rise, and its trade with the United States only constituted a small portion of its GDP. Only Japan joined the U.S. in imposing direct sanctions, while most other nations continued to trade with India.

The sanctions were soon lifted. The Clinton administration and Vajpayee exchanged representatives to help build relations. In March 2000, President Bill Clinton visited India. He had bilateral and economic discussions with Prime Minister Vajpayee. Over the course of improved diplomatic relations with the Bush administration, India has agreed to allow close international monitoring of its nuclear weapons development while refusing to give up its current nuclear arsenal. India and the U.S. have also greatly enhanced their economic ties.

After the September 11 attacks against the U.S. in 2001, President George W. Bush collaborated with India to control and police the extremely crucial Indian Ocean sea-lanes from the Suez to Singapore. The December 2004 tsunami saw the U.S. and Indian navies cooperating in search and rescue operations and reconstruction of affected areas. An Open Skies Agreement was made in April 2005. This helped enhance trade, tourism, and business by the increased number of flights. Air India purchased 68 U.S. Boeing aircraft, which cost $8 billion.

Former U.S. Secretary of Defense Donald Rumsfeld and U.S. Secretary of State Condoleezza Rice have made recent visits to India as well. After Hurricane Katrina, India donated $5 million to the American Red Cross and sent two plane loads of relief supplies and materials to help. Then on 1 March 2006, President Bush made another diplomatic visit to expand relations between India and the United States.
Military Relations

President of the United States of America Richard Nixon and Prime Minister of India Indira Gandhi in 1971. They had a deep personal antipathy that colored bilateral relations.

The U.S.-India defense relationship derives from a common belief in freedom, democracy, and the rule of law, and seeks to advance shared security interests. These interests include maintaining security and stability, defeating terrorism and violent religious extremism, preventing the spread of weapons of mass destruction and associated materials, data, and technologies and protecting the free flow of commerce via land, air and sea lanes.

In recent years India has conducted joint military exercises with the U.S. in the Indian Ocean. Recognizing India as a key to strategic U.S. interests, the United States has sought to strengthen its relationship with India. The two countries are the world's largest democracies, both committed to political freedom protected by representative government. India is also moving gradually toward greater economic freedom. The U.S. and India have a common interest in the free flow of commerce and resources,
including through the vital sea lanes of the Indian Ocean. They also share an interest in fighting terrorism and in creating a strategically stable Asia.

There have been some differences, however, which include U.S. concerns over India's nuclear weapons programs and the pace of India's economic reforms. In the past, these concerns may have dominated U.S. thinking about India, but today the U.S. views India as a growing world power with which it shares common strategic interests. A strong partnership between the two countries will continue to address differences and shape a dynamic and collaborative future.

In late September 2001, President Bush lifted sanctions imposed under the terms of the 1994 Nuclear Proliferation Prevention Act following India's nuclear tests in May 1998. The nonproliferation dialogue initiated after the 1998 nuclear tests has bridged many of the gaps in understanding between the countries. In a meeting between President Bush and Prime Minister Vajpayee in November 2001, the two leaders expressed a strong interest in transforming the U.S.-India bilateral relationship. High-level meetings and concrete cooperation between the two countries increased during 2002 and 2003. In January 2004, the U.S. and India launched the Next Steps in Strategic Partnership (NSSP), which was both a milestone in the transformation of the bilateral relationship and a blueprint for its further progress.

In July 2005, President Bush hosted Prime Minister Manmohan Singh in Washington, DC. The two leaders announced the successful completion of the NSSP, as well as other agreements which further enhance cooperation in the areas of civil nuclear, civil space, and high-technology commerce. Other initiatives announced at this meeting include: an U.S.-India Economic
Dialogue; Fight Against HIV/AIDS; Disaster Relief; Technology Cooperation; Democracy Initiative; an Agriculture Knowledge Initiative; a Trade Policy Forum; Energy Dialogue; and CEO Forum. President Bush made a reciprocal visit to India in March 2006, during which the progress of these initiatives were reviewed, and new initiatives were launched.

In December 2006, Congress passed the historic Henry J. Hyde United States-India Peaceful Atomic Cooperation Act, which allows direct civilian nuclear commerce with India for the first time in 30 years. U.S. policy had opposed nuclear cooperation with India because the country had developed nuclear weapons in contravention of international conventions and never signed the Nuclear Non-Proliferation Treaty. The legislation clears the way for India to buy U.S. nuclear reactors and fuel for civilian use.

In July 2007, the United States and India reached a historic milestone in their strategic partnership by completing negotiations on the bilateral agreement for peaceful nuclear cooperation, also known as the "123 agreement." This agreement, signed by Secretary of State Rice and External Affairs Minister Mukherjee on October 10, 2008, governs civil nuclear trade between the two countries and opens the door for American and Indian firms to participate in each other's civil nuclear energy sector. The U.S. and India seek to elevate the strategic partnership further to include cooperation in counter-terrorism, defense cooperation, education, and joint democracy promotion.
Economic Relations

The United States is also one of India's largest direct investors. From 1991 to 2004, the stock of FDI inflow has increased from USD $11.3 million to $344.4 million, totaling $4.13 billion. This is a compound rate increase of 57.5% annually. Indian direct investments abroad were started in 1992. Indian corporations and registered partnership firms are allowed to invest in businesses up to 100% of their net worth. India's largest outgoing investments are manufacturing, which account for 54.8% of the country's foreign investments. The second largest are non-financial services (software development), which accounts for 35.4% of investments.

Trade Relations

U.S. President George W. Bush and Indian Prime Minister Manmohan Singh during a meeting with Indian and American business leaders in New Delhi.
The United States is one of India's largest trading partners. In 2007, the United States exported $17.24 billion worth of goods to India and imported $24.02 billion worth of Indian goods. Major items exported by India to the United States include Information Technology Services, textiles, machinery, ITeS, gems and diamonds, chemicals, iron and steel products, coffee, tea, and other edible food products. Major American items imported by India include aircraft, fertilizers, computer hardware, scrap metal and medical equipment.

The United States is also India's largest investment partner, with American direct investment of $9 billion accounting for 9% of total foreign investment into India. Americans have made notable foreign investment in India's power generation, telecommunications, ports, roads, petroleum exploration/processing, and mining industries.

In July 2005, U.S. President George W. Bush and Indian Prime Minister Dr. Manmohan Singh created a new program called the Trade Policy Forum. It is run by a representative from each nation. The United States Trade Representative is Rob Portman and the Indian Commerce Secretary is Minister of Commerce Kamal Nath. The goal of the program is to increase bilateral trade, which is a two-way trade deal and the flow of investments.

There are five main sub-divisions of the Trade Policy Forum which include: Agricultural Trade group- This group has three main objectives: agreeing on terms that will allow India to export mangoes to the United States, permitting India's Agricultural and Process Food Products Export Development Authority (APEDA) to certify Indian products to the standards
of the U.S. Department of Agriculture, and executing regulation procedures for approving edible wax on fruit.

Tariff and Non-Tariff Barriers group- Goals of the group include: agreeing that insecticides that are manufactured by United States companies can be sold throughout India. India had agreed to cut special regulations on trading carbonated drinks, many medicinal drugs, and lowering regulations on many imports that are not of agricultural nature. Both nations have agreed to discuss improved facets on the trade of Indian regulation requirements, jewelry, computer parts, motorcycles, fertilizer, and those tariffs that affect the American process of exporting boric acid.

The two nations have discussed matters such as those who wish to break into the accounting market, Indian companies gaining licenses for the telecommunications industry, and setting policies by the interaction of companies from both countries regarding new policies related to Indian media and broadcasting. This group has striven to exchange valuable information on recognizing different professional services offered by the two countries, discussing the movement and positioning of people in developing industries and assigning jobs to those people, continuation of talks in how India's citizens can gain access into the market for financial servicing, and discussing the limitation of equities.

The two countries have had talks about the restriction of investments in industries such as financial services, insurance, and retail. Also, to take advantage of any initiatives in joint investments such as agricultural processing and the transportation industries. Both countries have decided to promote small business initiatives in both countries by allowing trade between them.
The majority of exports from the United States to India include: aviation equipment, engineering materials and machinery, instruments used in optical and medical sectors, fertilizers, and stones and metals.

Below are the percentages of traded items India to U.S. increased by 21.12% to $6.94 billion.

1. Diamonds & precious stones (25%)
2. Textiles (29.01%)
3. Iron & Steel (5.81%)
4. Machinery (4.6%)
5. Organic chemicals (4.3%)
6. Electrical Machinery (4.28%)

Major items of export from U.S. to India: For the year 2006, figures are available up to the month of April. Merchandise exports from U.S. to India increased by 20.09.26% to U.S. $2.95 billion. Select major items with their percentage shares are given below

1. Engineering goods & machinery (including electrical) (31.2%)
2. Aviation & aircraft (16.8%)
3. Precious stones & metals (8.01%)
4. Optical instruments & equipment (7.33%)
5. Organic chemicals (4.98%)

**Foreign policy issues**

According to some analysts, India-U.S. relations have strained over Obama administration's approach in handling the Taliban insurgency in
Afghanistan and Pakistan. India's National Security Adviser, M.K. Narayanan, criticized the Obama administration for linking the Kashmir dispute to the instability in Pakistan and Afghanistan and said that by doing so, President Obama was "barking up the wrong tree". *The Foreign Policy* too criticized Obama's approach towards Asia saying that "India can be a part of the solution rather than part of the problem" in Asia and suggested India to take a more proactive role in rebuilding Afghanistan irrespective of the attitude of the Obama administration.

In a clear indication of growing rift between India and the U.S., the former decided not to accept a U.S. invitation to attend a conference on Afghanistan. *Bloomberg* reported that since 2008 Mumbai attacks, the public mood in India has been to pressure Pakistan more aggressively to take actions against the culprits behind the terrorist attack and this might reflect on the upcoming general elections in May 2009. Consequently, the Obama administration may find itself at odds with India's rigid stance against terrorism.

Robert Blake, assistant secretary of United States' Bureau of South and Central Asian Affairs, dismissed any concerns over a rift with India regarding United States' AfPak policy. Calling India and the United States "natural allies", Blake said that the United States cannot afford to meet the strategic priorities in Pakistan and Afghanistan at "the expense of India".
Economic relations

President George W. Bush shakes hands with India's Prime Minister Manmohan Singh during his visit to India in 2006, at Hyderabad House, New Delhi.

India strongly criticized Obama administration's decision to limit H-1B visas and India's External Affairs Minister, Pranab Mukherjee, said that his country would argue against U.S. "protectionism" at various international forums. The Vishwa Hindu Parishad, a close aide of India's main opposition party the Bharatiya Janata Party (BJP), said that if the United States continues with its anti-outsourcing policies, then India will "have to take steps to hurt American companies in India." India's Commerce Minister, Kamal Nath, said that India may move against Obama's outsourcing policies at the World Trade Organization. However, the outsourcing advisory head of KPMG said that India had no reason to worry since Obama's statements were directed against "outsourcing being carried out by manufacturing companies" and not outsourcing of IT-related services.

In May 2009, U.S. President Barack Obama reiterated his anti-outsourcing views and criticized the current U.S. tax policy "that says you should pay lower taxes if you create a job in Bangalore, India, than if you create one in Buffalo, New York." However, during the U.S.-India Business Council meet in June 2009, U.S. Secretary of State Hillary
Clinton advocated for stronger economic ties between India and the United States. She also rebuked protectionist policies saying that "[United States] will not use the global financial crisis as an excuse to fall back on protectionism. We hope India will work with us to create a more open, equitable set of opportunities for trade between our nations."

In June 2009, United States provided diplomatic help in successfully pushing through a US$2.9 billion loan sponsored by the Asian Development Bank, despite considerable opposition from the People's Republic of China.

**Strategic and military relations**

"As part of that strategy, we [India and U.S.] should expand our broader security relationship and increase cooperation on counterterrorism and intelligence sharing."

**Hillary Clinton, United States Secretary of State**

In March 2009, the Obama administration cleared the US$2.1 billion sale of eight P-8 Poseidons to India. This deal, and the US$5 billion agreement to provide Boeing C-17 military transport aircraft and General Electric F414 engines announced during Obama's November 2010 visit, makes the U.S. one of the top three military suppliers for India, following Israel and Russia.

India expressed its concerns that Obama administration's non-military aid to Pakistan will not be used for counter-insurgency, but for building up its military against India. However, Robert Blake, assistant secretary of Bureau of South and Central Asian Affairs, said that the Pakistani Government was increasingly focused at fighting the Taliban insurgency and
expressed hope that the people of India would "support and agree with what we are trying to do".

Concerns were raised in India that the Obama administration was delaying the full implementation of the Indo-U.S. Nuclear Deal. The Obama administration has also strongly advocated for the strengthening of the Comprehensive Test Ban Treaty and has pressurized India to sign the agreement. India’s special envoy, Shyam Saran, "warned" the United States that India would continue to oppose any such treaty as it was "discriminatory". In June 2009, U.S. Secretary of State Hillary Clinton said that the Obama administration was "fully committed" to the Indo-U.S. civil nuclear agreement.

U.S. Chairman of the Joint Chiefs of Staff Mike Mullen encouraged stronger military ties between India and the United States and said that "India has emerged as an increasingly important strategic partner [of the U.S.]". U.S. Undersecretary of State William Joseph Burns said, "Never has there been a moment when India and America mattered more to each other."