Indo-US Relations under National Front Government & Prime Minister Chandra Shekhar’s period
CHAPTER: 4
INDO-US RELATIONS UNDER NATIONAL FRONT
GOVERNMENT & PRIME MINISTER CHANDRA
SHEKHAR’S PERIOD (1989-1991)

As Rajiv Gandhi was defeated in the general election held in November 1989, the Janata Dal emerged with 145 seats, in the lower House of Parliament, but did not have a majority of its own. V.P. Singh formed a minority government of “National Front” with the supported from the Bharatiya Janata Party (BJP) on the right and the communists on the left. Rajiv Gandhi became the leader of the opposition in parliament.

V.P. Singh and his new government chose I.K. Gujral who had greater experience in diplomacy and international relations as Foreign Minister. However, it suffered from two inherent disabilities. It was dependent for its survival on two opposite poles- the left and the right, two fundamentalisms which had temporarily combined in their enmity of the Congress. The Prime Minister had virtually no interest in foreign policy. Consequently, foreign policy lacked the vital input and active support that has necessarily to be the contribution of a prime minister. Moreover, constant political infighting took its toll of the initiative and dynamism in foreign policy.¹

During V.P. Singh’s period, the main foreign policy issues faced by the Indian Government were to adjusting to the evolving political uncertainties in the Soviet Union and coping with the consequent drift in economic and defence cooperation with that country, Secondly to deal with Pakistan in the context of the qualitatively increased Pakistan sponsored intrusive militancy in the state of Jammu and Kashmir, thirdly to tackle the ethnic crisis in Sri Lanka where President Ranasinghe Premadasa was bent upon scuttling the Indo-Sri Lanka Agreement and

¹ V.P. Dutt, India’s Foreign Policy in a Changing World, (New Delhi: Vikas Publishing House Pvt Ltd, 2003) p. 20
on pulling back from commitments given by his government to meet Tamil aspirations. However, the most important one was to deal with the Gulf War crisis.²

Apart from the above issue, V.P. Singh had to re-adjust relationship with the United States as it emerged the only superpower of the world in the post Cold War period. The post Cold War era provided an opportunity to India and America to re-assess and repair their bilateral relations, damaged by earlier Cold War perceptions. The erosion of irritating issues and emergence of conciliatory propositions opened a new vista of cooperative relationships.

The importance of the US for India was that India wanted US economic assistant for country’s development. But India was equally important to the US for the demographic, democratic, chess-board geopolitical aspects and as a big emerging economic market of the world.

Regarding to the foreign policy towards the neighbors, V.P. Singh made few overall changes except to adopt a less domineering approach with the exception of Pakistan. In a sense, the National Front government followed a “good neighbor policy”. Singh accelerated the withdrawal of Indian troops from the anti-insurgency struggle in Sri Lanka. Even though neither of these developments drew much reaction from Washington, this was not the case when the Kashmir dispute flares up early in 1990, threatening war between India and Pakistan.³

**Political Insurgency in the Kashmir Valley and the US Policy**

In 1989, the onset of a political insurgency and the rise of a secessionist movement in Kashmir Valley made the Kashmiri dissident turned to take up arms and switched to terrorist tactics, kidnapping the daughter of Home Minister in V.P. Singh’s government.⁴

Although the movement enjoyed massive popular support in the valley, the major militant groups including the Jammu and Kashmir Liberation Front (seeking the Independence of Kashmir and its unification with Pakistan-occupied Kashmir in

⁴ Ibid.
an independent state) and the Hizbul- Mujahideen (seeking the integration of Indian Kashmir with Pakistan), received both financial and military support from Pakistan. Not only did members of several Pakistani Islamic groups such as Harkat-ul-Ansar cross over to the Kashmir Valley to mobilize to local population, but they also recruited the local youth for arms training in Pakistan controlled Azad Kashmir. Encouraged by the complete breakdown of low and order and the collapse of the civil administration in the Valley, Pakistan carried out its military exercise, Zarb-e-Momin, in the winter of 1989. Pakistani troops were moved along the Line of Control which resulted in India moving three divisions from the eastern to the Western sector.

With the dissidents, allegedly aided by Pakistan, stirring mass disturbances, the Kashmir government collapsed and New Delhi imposed direct rule. As violence swept the state, Indian security forces responded harshly, triggering further alienation among Kashmiris and radicalizing the insurgency. Support for joining Pakistan or for an Independent Islamic Kashmir grew. As in the case of Sikh separatist revolt in Punjab, New Delhi met violence with violence. India blamed neighboring Pakistan for arming both the dissidents in Kashmir and in the Punjab.\(^5\)

The Indian objectives were two-fold to counter the border crossing of Pakistani jihad militants into both Kashmir and Punjab, and to respond to Pakistan’s enhanced military presence along the international border and the Line of Control. It is reported that Pakistan also had its nuclear arsenal on alert.\(^6\) India- Pakistan tensions rose to the highest level in years. In New Delhi, PM. Singh warned the country to prepare itself for possible war with Pakistan.\(^7\)

The US responded to this military exercise with great concern and felt that Pakistan’s involvement in the secessionist movement in Kashmir had the real potential to escalate into a nuclear conflict in the sub-continent. With regard to the Kashmir issue, the Bush administration reasserted its stance on the Simla Agreement as the only framework for the resolution of Indo-Pakistan differences.

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\(^{5}\) ibid., pp. 432-433

\(^{6}\) Bajpai, Kanti, P.R. Chari, Pervaiz Iqbal Cheema, Stephen P. Cohen and Sumit Ganguly, Brasstacks and Beyond-Perception and Management of Crisis in South Asia. (New Delhi: Manohar, 1995)p. 11.

\(^{7}\) Dennis Kux, n. 3, p.433
In a written statement to the congressional hearings on South Asia on 6 March 1990, John Kelly, US Assistant made the administration’s position clear. He wrote: “the United States thinks that the best framework for a resolution of this dispute can be found in the 1972 Simla Agreement, in which both India and Pakistan agreed to resolve their dispute over Kashmir peacefully and in bilateral channels, without prejudice to their positions on the status of Kashmir”  

In March and April 1990, US requested the governments of Russia, China, Japan and key European community governments to use their influence with India and Pakistan to avoid the escalation of Indo-Pakistan tensions relating to the Kashmir crisis. In April 1990, the US Undersecretary of State for Political Affairs, Robert Kimmett, called on both countries to avoid taking step which could lead events to spin dangerously out of control.  

In the following month, the Bush administration’s concern over the escalation of tensions resulted in his sending Robert Gates, Deputy National Security Advisor, and John Kelly, US Assistant Secretary of State, to Islamabad and New Delhi. Although Pakistan’s government and Benazir Bhutto’s advisors stressed to Gates that Pakistan did not want war but was concerned with the deteriorating conditions in the Kashmir Valley, Bhutto was out of the country seeking support from the major Islamic states for the Kashmiri secessionist movement. In addition, Bhutto’s provocative speeches supporting to the Kashmiri brethren did not fare well with the American envoys. Although he expressed grave concern over the situation in the Valley, Gates pointed out to the President and Chief of Army of Pakistan that there were inherent difficulties in the Pakistani stance and that if they were to start a war with India, they could not count on any help from the United States.  

Arguing against resort to force and proposing confidence-building measures, Gates warned leaders of both countries that relations with the United States would suffer badly if they went to war. 

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The New York Times reported that the aim of the Gates mission was not to seek the resolution of the Kashmir dispute but to accomplish the immediate task of heading off war.  

However, the Bush administration did urge the Indian government to enter into a dialogue with the Kashmiri secessionist groups, address the legitimate political and economic demands of the Kashmiris and restrain its security force against unarmed people. This US concern for the Kashmir population was balanced by the increased terrorist activity in the Kashmir region. Responding to a request from the Indian government, the American government suspended the visa of the chairman of the Jammu and Kashmir Liberation Front (JKLF), based in Azad (Pakistan-controlled) Kashmir, and labeled by the US State Department as a terrorist organization.

As the political insurgency took hold in the valley, India responded with an increased military presence. According to one estimate, in the early 1990s, there were more than half a million military and para-military personnel operating in the valley. Violence perpetrated by the militants as well as the army and the para-military forces permeated Kashmir region. While the militant groups, took the responsibility of killing the so-called informants (all belonging to the minority Kashmiri Hindu population). The government and ruling party officials, for their part, carried out their own repression on the local population through the military in the form of cordon and search operations, arbitrary detentions, and torture in detention centers, arson and rape. Pakistani and Kashmiri Muslim lobbies in the US, such as the Kashmir American Council (KAC), and Human Rights groups such as Asia Watch and the Amnesty International were able to place the violation of human rights by the Indian state in Kashmir on the agenda of the US administration and the American Congress.

However, at this time, it was seemed that India’s willingness to accept US intervention which looked different from its past practice. Concern about possible nuclear confrontation, the gradual warming bilaterally between India and the United States, and the emerging reality that, as the power of the Soviet Union faded, the

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United States was becoming the sole military superpower, helped explain this shift in New Delhi’s attitude. The US also made clear that Washington no longer backed a UN plebiscite as the preferred way to solve the Kashmir dispute, but instead supported bilateral India-Pakistan talks in accord with the 1972 Simla agreement between the two countries. The US Kashmir policy thus corresponded with India’s own strongly held preference for bilateral negotiations and was at odds with Pakistan’s traditional desire to involve outsiders in settling the dispute.

The tension between India and Pakistan as well as political insurgency in the Kashmir valley at this time had later increased the form of serious terrorist activities in South Asia in the following years which brought the US to get more involve in this region during the administration of President Bill Clinton.

Problem of the Super 301

Even at that time, political relations were getting more productive, but a dispute over trade relations was also erupted shortly after George Bush entered the White House, i.e. the Super 301 problem. Dissatisfied with the Reagan administration’s handling of international commercial policy, the US Congress enacted tougher and more protectionist legislation in 1988 for dealing with trade disputes. Paragraph 301 of the Omnibus Trade Competitiveness Act of 1988 – known as Super 301 – required the President to take retaliatory action against countries that restricted US commerce in instances where, the United States was running a trade deficit. India was also included in this case.

The new trade law considerably strengthened Section 301 of the 1974 Act. Accordingly, the United States Trade Representative (USTR) is required to identify priority foreign practices, which if eliminated will have the greatest benefit for US commerce. The volume of Indo-US trade grew gradually during the 1980s to reach $5.8 billion in 1989, with India showing a $690 million trade surplus with the United States in that year. Over time, the United States had emerged as India’s most important trading partner, absorbing about 18 percent of India’s exports and

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14 Arvind Panagariya “India as Scapegoat: US Action under Super-301”, *Times of India*, June 23 1989
providing 11 percent of imports. India, in contrast, was a minor commercial partner for the United States, accounting for less than 1 percent of total US trade.

In June 1989, when the Bush White House issued the first Super 301 watchlist, Japan, India, and Brazil were cited as trade offenders with three complaints about India. The first concerned was India’s policy toward foreign investment, which in the US view, effectively excluded foreign companies by limiting their equity participation to 40 percent. Although the Indians vehemently denied the accusation, the extremely small size of foreign investment lent credibility to the charge.

The second complaint concerned insurance. Ever since New Delhi nationalized the insurance industry, including foreign companies, US concerns had complained about the amount of compensation and the denial of access to the Indian market. In view of the fact that India nationalized the entire industry, including domestic as well as foreign insurance companies, the basis for a complaint of discriminatory treatment was hard to justify. It appeared as if Washington raised the problem mainly as a sop to US insurance companies.

The third and most contentious dispute related to so-called intellectual property, specifically the length and character of certain types of patent protection, especially for pharmaceutical products. The US drug industry asserted that India’s policy of limiting patents to five years, instead of twenty, and of protecting the manufacturing process rather than the actual product, worked unfairly against sales of American pharmaceuticals in the Indian market. The Indian government countered that its drug patent policy had important social implications, enabling India’s vast, poor population to have access to medicines at far lower prices than US and other foreign pharmaceutical companies charged.\(^\text{15}\)

The stated objective of upper-301 actions against India, Brazil and Japan by the US is to open markets and expand international trade.\(^\text{16}\)

\(^\text{15}\) Business India, 28 November -11 December 1988, pp. 131-32; Indian Express, 15 December 1988; and India Abroad, 23 June 1989.
\(^\text{16}\) Arvind Panagariya, n.14.
The result of the US action to put India on the Super 301 list caused a stormy reaction in New Delhi. According to the Congressional Research Office, Washington’s move “offended India’s deep-seated sense of economic nationalism and long-held views that its status as a developing country entitled it to favorable treatment by the industrialized world.” The fact that India, with its low per capita income and almost *de minimis* $690 million trade surplus, was lumped together as a trade policy sinner with wealthy Japan, which boasted an enormous $60 billion trade surplus, further incensed New Delhi.

Unlike Japan or Brazil, India refused to negotiate or even to talk with the United States about the disputed policies. This stance irked US trade negotiators, already annoyed by India’s penchant for serving as a self-appointed spokesman for the interests of the world’s poorer countries.

US trade negotiator Carla Hills was upset by this Indian tactics, he took a tough line in a speech to the Indo-US Joint Business Council in Washington in mid-April 1990. Calling Indian economic policy shortsighted and flawed, Hills warned that the United States “would not hesitate to retaliate against India” if Super 301 issues remained unresolved. On 27 April, Hills removed Japan and Brazil from the Super 301 watch list, leaving only India. As New Delhi flatly refused to talk about the issues, an unnamed US trade official asked, “How can you not name India and maintain the credibility of our law?” New Delhi responded angrily. Rejecting trade talks, Arun Nehru, Commerce Minister in the V.P. Singh government, told parliament that India was not going to be “intimidated or policed by any body on the issue of sovereignty or economic independence.” In a display of bipartisanship, Rajiv Gandhi’s former Commerce Minister, Dinesh Singh, inveighed against the “sheer arrogance of power” of the United States.

Arriving in Washington at just this time, new Indian Ambassador Abid Hussein had his hands full trying to prevent the Super 301 controversy from boiling over. An energetic career civil servant and economic specialist, Hussein was named by V.P. Singh to replace Karan Singh, the heir apparent to the last Maharajah of Kashmir and a Congress Party cabinet minister, whom Rajiv Gandhi appointed as

17 *India Abroad*, 9 February 1990.
India’s envoy in Washington in 1989. Hussain quickly developed good relations with US 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. Although in announcing this action, the White House criticized Indian trade practices, it declared retaliation “inappropriate at this time given the ongoing negotiations on services and investments in the Uruguay Round of global trade talks.” Hussain found US Special Trade Representative, Carla Hills “understanding,” but believed some Americans needed to realize that “India is a place where if you try to push in the door, the tendency is to push it right back.” The White House decision cooled off the Super 301 dispute even though the underlying issues remained unresolved.

Another issue was the tiny size of foreign investment in India. As bad as the figures were for 1989, they were worse in 1990. With political instability and rising violence further damaging the investment climate, foreigners out only a paltry $76 million in India. US investment shrank to a derisory $19 million. The only positive US investment note during 1990 was Indian government approval for PepsiCo to enter the Indian market in a food processing soft drink venture. Accepting the 40 percent ownership restriction, the US conglomerate agreed to a joint venture with Tatas to produce and market its soft drink and other food products.

The V.P. Singh government, as weak as it was, held fast against lobbying by domestic Indian soft drink interests, who were fearful they would lose market share to the better-known foreign brands.

Under the Congress and National Front government, the Indian economy remained relatively closed to the outside world with high levels of protection for domestic industry and an investment climate that foreign business judged as unfriendly. The lengthy and bitter legal controversy that followed the tragic 1984 industrial accident at the Union Carbide chemical plant in Bhopal— involving vast reparations claims and criminal charges against US-based Carbide executives—hardly reassured American investors.

20 Press Release by the White House Office of Special Trade Representative, 14 June 1990.
21 The Stateman, 15 June 1990.
Overall Indian economic growth more than kept pace with the increase in population, but was far less dynamic than that of the “young tigers” of Asia – Thailand, Malaysia, Indonesia, Hong Kong, Taiwan, and South Korea- or of Communist China. The large public sector industries, developed in the heyday of Nehruvian socialism, continued to run large deficits, proving a major drag on the economy. Much of the private sector, working in close harness with government officials and politicians, enjoyed large profits from a protected and highly controlled domestic market. The Economist spoke of India’s condemning itself to “the Hindu rate of growth.”

In the past, during the 1950s and the 1960s, when US aid represented a significant portion of India’s external financial help, Washington had unsuccessfully urged a more market-oriented policy approach. In the 1980s and 1990s, the United States limited its bilateral actions to dealing with instances where it believed US trade interests were being harmed.

Political Turmoil and the Coming of Chandra Shekhar

Domestic events in India during V.P. Singh’s period in office were dominated by a series of interrelated crises, which eventually overwhelmed the National Front Government, while confirming the new agenda of Indian politics.

Initially, Prime Minister V.P. Singh had a problem of holding his minority government together, the biggest problem came from the internal rivalries in his own Janata Dal. In an effort to strengthen his leadership position, Singh in mid 1990 precipitously announced acceptance of a plan-the Mandal Commission Report- to favor India’s backward social classes, the lower castes in Hindu society, by guaranteeing them a larger share of government jobs.

This has been established by the Morarji Desai Government in the late 1970s to consider how best to improve the welfare of the more deprived sections of society. It was, in particular, concerned with the so-called other backward classes’ (OBCs), who had not been eligible at the national level for the range of benefits in

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23 The Economist, 12 January 1991.
24 Dennis Kux, n. 3 , p.438
25 Ibid.,
education and employment that had been given after independence to the former untouchables (Harijans) or 'Scheduled Castes'. The OBCs had become increasingly powerful in political terms, as they utilized their electoral strength. The Commission had proposed, in the absence of any better criterion that jobs and other benefits within the central government sector should be allocated on the basis of caste. This recommendation, in fact, only reflected what was already being practiced at state government level in much of the country, but was regarded, nevertheless, as a symbolic attack on the position of the urban middle class, which is drawn disproportionately from the upper castes. V.P. Singh announcement provoked widespread unrest in northern Indian cities, and by early October 1990 about 40 students had, as a form of protest, committed suicide by self-immolation. Thereafter, attention shifted to the renewed BJP campaign over the disputed religious site at Ayodhya.\(^{26}\)

The result of this move was that the Hindu nationalist BJP, seeing Singh move as an effort to challenge its appeal to Hindu voters, launched a highly emotional campaign in northern India to strengthen overall Hindu consciousness against the Muslim minority. The BJP’s vehicle was a drive to replace a mosque at Ayodhya in the state of Uttar Pradesh—supposedly located on the birth site of the Hindu God Ram—with a Hindu temple. Massive demonstrations in favor of the demand brought the BJP leadership national attention, in the process heightening communal tension between Hindus and Muslims.\(^ {27}\) The campaign, at a time of political uncertainty, was designed to publicize the BJP’s Hindutva (Hinduness) slogan and its claim that it represented the interests of India’s majority. The means employed to convey this message was a ‘rath yatra’ (procession) across India to Ayodhya led by L.K. Advani, the BJP President. The procession itself was halted by government action before it reached Ayodhya, but there was a major confrontation between security forces and demonstrators at the disputed shrine on 30 October, and a number of people were killed. Many arrests were made elsewhere, in an attempt to contain the disturbances. As a consequence of the confrontation, there were riots in many northern Indian cities, in which Muslims were the principal victims.\(^ {28}\)

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\(^{27}\) Dennis Kux, n. 3, p. 438

\(^{28}\) David Taylor, n. 26, p. 157
When V.P. Singh tried to suppress the Ayodhya agitation, a BJP-Janata Dal showdown led to the collapse of Singh's government. It was against this background that the BJP withdrew its support of its 85 members of parliament from the National Front Government, V.P. Singh's own governing Janata Dal was then fell apart in a vote of 'no confidence', and a new Government was formed in November 1990 by Chandra Shekhar, the erstwhile President of the Janata Dal who had defected from the party with a small group of supporters to form the Janata Dal (S) (which merged with the Janata Party in April 1991 to become the Samajwadi Party). The new Government led by Chandra Shekhar, was able to form a minority government, but could stay in power only at the sufferance of Rajiv Gandhi and his 195 Congress Party deputies, the single largest group in parliament and arch-rivals of both the BJP and V.P. Singh.

The Shekhar's government was totally dependent, however, on the support of Congress (I). This was withdrawn in March 1991. And consequently there was no alternative other than to hold fresh elections, which were scheduled to take place over three days in late May. Unlike the situation in 1989, there was no co-operation on a nation-wide scale between the various political parties, except between the Janata Dal and the communist parties. Congress (I), the BJP and the Janata Dal each sought to exploit its particular appeal, on the basis of stability and experience, Hindutva, and caste based social justice, respectively, while other parties, particularly the Samajwadi Party, tried to strengthen their position in particular states.²⁹

Chandra Shekhar first achieved note in the 1960s as a young leftist leader in the Congress Party. By the early 1970s, he left the Congress and became an important figure in the Janata Party. When V.P. Singh put together the Janata Dal, Chandra Shekhar served as party president. Outmaneuvered by Singh in the contest for the prime ministership after the 1989 elections, Chandra Shekhar realized his ambition a year later. Opposed on the right by the BJP and to the left by V.P. Singh's Janata Dal and their Communist allies, the new government was extraordinarily weak. Chandra Shekhar staggered from crisis to crisis through the winter, as Rajiv and the Congress sought to pull the strings without the

²⁹ Ibid.
responsibility of office. The Prime Minister finally gave up, and calling for fresh general election in May.

Though the term of Chandra Shekhar was too short to make any definitive impact on Indian foreign policy, it must be admitted that he brought precision in the orientation of, and purposiveness in defining the objectives of, India’s foreign policy during his tenure. His approach to foreign relations, while underpinned by an ideological commitment to the basic Nehruvian terms of reference, was tempered by sound realism and common sense.\(^{30}\)

However, the short term in office of PM Chandra Shekhar was also coincided with the Gulf War crisis. During this crisis, Chandra Shekhar government tilted India’s policy towards anti-Iraq alliance and allowed US transport air-crafts to refuel at Bombay route to the Gulf. This policy continued until Rajiv Gandhi intervened and threatened to withdraw support from the Chandra Shekhar government.\(^{31}\) Chandra Shekhar eliminated the ambiguities in India’s overall political stance on specific issues related to this war. He firmly declared that India opposed the invasion of one Non-aligned country by another. India also joined the international community’s call for Iraq to vacate Kuwait.

**India and the United States at the Gulf War**

To the Gulf crisis, after the invasion and seizure of Kuwait in August 1990, the V.P. Singh government made the first concern at the fate of nearly 200,000 Indian nationals trapped in Kuwait and Iraq. Foreign Minister I.K. Gujral made an early visit to Iraq to seek favorable treatment for early evacuation of Indian nationals. As part of the diplomatic effort, Gujral effusively embraced Iraqi dictator Saddam Husseian, provoking controversy in India and abroad.

In the event, no special treatment was accorded Indian nationals – though the Indian Air Force performed remarkably in ferrying thousands of stranded Indian out of the Gulf without mishap.

\(^{30}\) J.N. Dixit, n. 2, p. 217
\(^{31}\) Hindustan Times, 1 June 1991.
The Indian government’s response to the Gulf crisis has been very cautious. The Gulf war found India confused and divided between support to Saddam Hussein and loyalty to the United States. It was contrary to the Indian tradition in such situations, which has been to take a principled stand and to play active role in defusing of the crisis.

India has vital national interest in the Gulf region. It has the best of relations with the Arab countries and has close trade links with them. Several lakh of Indians are working in these countries. But the crisis in Gulf has caught India just following the lead given by others. There was no clear articulation of what national interests were jeopardized by the war in West Asia. There was no clear policy formulated to protect, leave alone promote, these vital national interests.

Even India has a good relation with Iraq as well as a good friend of Saddam Hussein, but India did not want to be seen as rewarding aggression and decided to join the international consensus in support of UN economic sanction against Saddam. The fact that the Soviet Union was working in harness with the United States in the first post- cold war crisis doubtless eased India’s decision, which also reflected the improvement of relations with Washington.

At the early stage of the crisis, the first official statement on the crisis came one week after Iraq had occupied Kuwait. If too, merely, stated that India was in the process of formulating its policy. Iraq was not denounced for its act of invasion. Two further statements were lengthier but not more enlightening. Parliament, media and intelligentsia had all been critical of the government’s perfunctory response. Critics of the government’s low key handling of the crisis in the Persian Gulf blamed the Prime Minister V.P. Singh, and the then Foreign Minister, I.K. Gujral, for their failure to play a role and take an initiative in defusing the crisis in accordance with India’s tradition. I.K. Gujral had conceded in the Rajya Sabha that the Indian government had deliberately maintained a low-profile. India did not ‘condemn’ the Iraqi aggression against Kuwait, not even its annexation, in the beginning. The aggression of a member state of NAM by another was a serious

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enough matter to deserve an immediate denunciation than merely a silent or mild disapproval.³⁴

Congress President Rajiv Gandhi regretted that India had ‘lost the initiative’ and expressed that India should have been much more active right from the beginning when Kuwait was taken over by Iraq.

During the last phase of his government, the V.P. Singh made an important move by allowing US military aircraft on supply runs from the Philippines to the Persian Gulf to refuel at Indian airports. Washington appreciated the gesture which, by reducing the amount of fuel the planes needed to carry, increased cargo load. Since New Delhi did not publicize its decision, the media and most politicians were unaware that US military aircraft were refueling in India.³⁵

When Chandra Shekhar became Indian Prime Minister, his government continued maintaining India’s support for UN action against Iraq and agreed to continue US refueling even after diplomatic efforts to resolve the crisis failed and the bombing of Iraq began.³⁶

By this move of refueling, it was interpreted as being a violation of the diplomatic principle of neutrality towards belligerents in a war to which India was not a party. The government contention was that India was not neutral in this war but was very much part of its. As it was a war authorized by the UN through the Security Council resolution which India did not oppose, it was obligatory on its part to go by the UN decision. The trouble appeared to have been that the US had converted what was supposed to be a war by the UN into virtually an American war.³⁷

According to the provisions of the UN charter, under which this war was authorized, made it compulsory for any UN member to assist in the war when called upon to do so, although of course, the sovereignty of member nations placed some limit upon what could be demanded of them. But granting refueling rights did not

³⁵ Dennis Kux, n. 3, p.440
³⁶ Ibid.
violate these limits in any way and in fact to refuse the Americans to refuel their planes would have violated India’s obligations to the UN.\(^{38}\)

This Iraq action was regarded as a most indefensible aggression to resist which was the objective of all justice loving countries. India could not contribute any thing in money or material terms. Indian permission to refuel American planes was a small contribution to reverse the invasion militarily against Kuwait since Iraq had refused to accept peaceful withdrawal of its troops from the Kuwait territory. It was well understood that the UN resolution authorized action only for evicting Iraq from Kuwait and not for destroying Iraq or its military capabilities or for imposing upon the West Asia region a regime devised by the US for its own purposes. Financially, also it was not going to cost much to India as the US command had agreed to pay landing fees and to replace the fuel that would be supplied to the American planes.\(^{39}\)

Chandra Shekhar’s basically supportive stance drew that increasing criticism from his main bulwark, Rajiv’s Congress Party, which thought by taking a different tack it could bolster prospects for new elections anticipated in 1991. Rajiv felt restless about India’s being on the sidelines, playing not role in the Persian Gulf crisis, and calculated that his party would gain at the ballot box by playing to a combination of non alignment, Indian nationalism ( i.e. opposing superpower domination), and Indian Muslim support for Iraq. Like other countries in Asia, some Indian Muslim sympathized with Baghdad, especially after the air attacks against Iraq began in January 1991.\(^{40}\)

In a critical letter to the Prime Minister Chandra Shekhar, Rajiv charged the government with neglecting India’s vital foreign policy interests during the Gulf crisis and reducing the nation to the level of a “helpless spectator”. He urged the government to “come up with a creative and relevant response” to the crisis, so that a peaceful solution could be evolved through non-violent means.\(^{41}\)

\(^{38}\) ibid.

\(^{39}\) ibid.

\(^{40}\) Dennis Kux, n. 3 , p.440

The charged atmosphere exploded the accidental discovery by an Indian press photographer that a US military transport was refueling at Bombay airport. Once the Indian media revealed that refueling was taking place on a regular basis, a political storm broke over Chandra Shekhar's head. With Rajiv Gandhi taking the lead, the entire Indian political spectrum, except the BJP, denounced the government's continuing to grant the United States refueling rights when bombs were storming down on Baghdad.\(^\text{42}\)

India, though formally aligned itself with UN sanctions, it did not join the naval blockade of Iraq. It also refused to send military troops. Several factors can be attributed to the low profile policy; First and the foremost factor was the safe evacuation of Indian nationals from Iraq and Kuwait. Indian government believed that to condemn Iraq for aggression would be risking Indians to harassment, humiliation or even worse. It was not an easy task to evacuate this huge humanity from a war zone. In the greatest airlift in history since the Berlin blockade in 1949, the government had flown back home or in safety all those nationals willing to leave the crisis zone.\(^\text{43}\)

Secondly, Indian government wanted to protect its economic interests. It made an effort to ensure that the flow of petroleum to India does not dry up as a result of the UN sanctions against Iraq. India was getting around 8.5 million tones of oil and oil products from Iraq and Kuwait.

Thirdly, the Indian government at that moment was too preoccupied with the domestic problems. The delayed reaction might have been the result of the Devi Lal crisis which rocked the government at the time, followed by the horrendous fall-out of the Mandal Commission's Report. The government was evidently taken unawares, as the intelligence agencies once again let it down.

Fourthly, because of the internal and regional situation, the Indian government perhaps could not afford to commit itself or involve actively in the Gulf crisis. Its armed forces were to occupied to help the civil administration in tackling the various internal crisis like in Punjab, J&K, Assam and UP etc. Not very cordial

\(^{42}\) Dennis Kux, n. 3, p.440
\(^{43}\) A.P. Venkateswarn, "Losing Face on Gulf", The Hindustan Times, 3 October 1990
relations with the neighbouring countries required constant vigilance on the borders. Moreover, India did not like to contribute to the naval armada in the Gulf because it was not set up under UN flag. Above all, India’s experience of sending troops in Sri Lanka had not been a very happy and successful one.\textsuperscript{44}

Lastly, India could not be a ‘self-appointed’ mediator as no sensible government would poke its nose unless its interests were directly threatened.

With the charging betrayal of nonalignment, Gandhi threatened to withdraw Congress support from the government. The Rajiv who criticized US bombing attacks on Iraq in 1991 hardly sounded like the man that, as Prime Minister from 1984 until 1989, was eager for better relations with Washington. A cornered Chandra Shekhar had no choice but to ask the United States to end refueling. Understanding the political bind in which the Prime Minister found himself, Washington agreed quickly, seeing no advantage in trying to force the issue. Since the war ended just a day or so later, the loss of refueling facilities had little impact on the US supply pipeline.\textsuperscript{45}

The US pay back for the Chandra Shekhar government’s cooperation, by playing a positive role in supporting New Delhi’s quest for a large emergency loan from the International Monetary Fund (IMF) to meet the financial drain caused by the Gulf crisis. This 180-degree switch from the negative stance the United States took when India sought help from the IMF in 1981 was also facilitated by the Indian government’s promise to undertake major economic reforms. The dire straits in which the Indian economy found itself were another factor.

In the United Nations, after India joined the UN Security Council in January 1991 as one of the rotating, non-permanent members, New Delhi gained an important voice in deliberations on the Persian Gulf crisis. India’s weak government also found itself-like all Security Council members- under great pressure from the Bush administration to join the consensus for keeping Saddam’s Iraq out in the cold. In a show over Security Council votes, Secretary Baker announced cessation of US aid to Yeman, after Yeman along with Cuba- supported Iraq and voted against US

\textsuperscript{44} The Financial Times, 4 May 1989
\textsuperscript{45} Dennis Kux, n. 3 , p.441.
favoured resolutions. To Washington’s annoyance, India seemed to be on the side of Yemen and Cuba in its initial 1991 vote to oppose proposed reparations.\textsuperscript{46}

In subsequent vote on 3 April, however New Delhi changed its position, dropping its opposition and voting for the key resolution that spelled out the ground rules for dealing with Iraq. This important switch in the Indian stance, for which the US government pressed hard, came only after a tough internal struggle within the by-then caretaker Chandra Shekhar government between those who stressed good relations with the United States and others leery of doing the US bidding and worried about the precedent of UN infringement of Iraq’s sovereignty.\textsuperscript{47}

However, as regards the American reactions to the India’s stance during the crisis, which contrary to expectations in some quarters, there was no open expression of resentment by the Bush administration because it appreciated the fact that India with the policy of nonalignment and a big Muslim population was under severe compulsion to take at a particular line of action. They felt that India helped them at a critical moment and they wanted to respect its sensitivities at a difficult juncture to its domestic politics.\textsuperscript{48}

**General election of 1991 and the assassination of Rajiv Gandhi**

In May 1991, India had to face another general election as Rajiv Gandhi withdrew his party’s support to Chandra Shekhar, over a seemingly trivial issue, viz, that he was put under surveillance by the Intelligence Bureau.\textsuperscript{49} India’s tenth general election since independence, and the second in two years focused almost entirely on domestic issues. It seemed likely that no party would win an outright majority and that the political stalemate would continue.

The 1991-polling was unprecedented in that three major and distinct political grouping were viable contenders. The right wing BJP appealed to Hindu nationalism and fundamentalism. V.P. Singh’s center-left grouping of Janata Dal and the Communists urged radical social change to help the middle and lower castes. Straddling the center, the once all powerful Congress Party campaigned on a

\textsuperscript{46} Ibid.
\textsuperscript{47} Ibid.
\textsuperscript{48} Shri Ram Sharma, n.37, p.142.
\textsuperscript{49} J.N. Dixit, n. 2, p. 217
platform of stability and support for international secularism and opposition to Hindu / Muslim communalism.

In the election campaign, all major parties pledged to continue the principle of nonalignment; none defined what this meant in the post-Cold War world. India’s voters were completely absorbed in how to deal with the country’s growing economic, social and communal problems as well as country development needed.

On 21 May 1991, after the first day’s polling had taken place, Rajiv Gandhi was assassinated while campaigning in the southern state of Tamil Nadu. The assassination was carried out by members of the Liberation Tigers of Tamil Elam (LTTE)’s suicide bomber, which had suffered most as a result of India’s intervention in Sri Lanka in 1987-90. As a result, the remaining elections were postponed while the funeral of the former Prime Mister took place.

A wave of sympathy voting in the remaining two days of election was enabling the Congress Party to emerge as the electoral victor. The final results gave Congress (1) 227 of the 511 seats contested, this was short of majority but enough to form a government. This was a significant increased on the predicted figure. More remarkable, was the success of BJP as it won 119 seats.\textsuperscript{50}

The death of Rajiv had left his party without any immediately obvious successor. Finally, P.V. Narasimha Rao, a long-standing Gandhi family loyalist who, enjoyed wide respect within Congress was chosen as interim party President and assumed the prime ministership\textsuperscript{51} as a new Prime Minister of India. After Jawaharlal Nehru, he was the first politician with a foreign policy background to become the head of the government. His political experience was integrated in that he was knowledgeable about both foreign policy and national security affairs because of the responsibilities which he had shouldered for nearly a decade before he reached the helm of affairs.\textsuperscript{52}

As regards to the new era of the post Cold War period, for Washington, George Bush’s first two years as president brought the enormous satisfaction of

\textsuperscript{50} David Taylor, n. 26, p. 157
\textsuperscript{51} Ibid.
\textsuperscript{52} J.N. Dixit, n. 2, pp. 217-18
seeing the end of the Cold War and the threat posed by the Soviet Union. The Unites States emerged as the sole superpower, its ideology of democratic capitalism victorious over Marxist communism. The successful conduct of the Gulf crisis was further source for satisfaction, even if Saddam Hussein remained in power.

Despite the US global success and India's economic policy shift toward market forces, the Bush administration showed little inclination for closer bilateral engagement even though Washington wished India well in dealing with its enormous domestic problems. In contrast to the heavy traffic during Ronald Reagan's second term, not a single US cabinet level officer visited India in the first two years of the Bush presidency. Vice President Dan Quayle represented the United States at the funeral of Rajiv Gandhi in May 1991, although that hardly counted as an official visit for substantive talks. The one issue that continued to get high-level attention in Washington was the threat of nuclear confrontation between India and Pakistan.

Till the end of Chandra Shekhar's government, it was a half century of diplomatic relations between the United States and India that concluded in the summer of 1991, the end point of this history. In New Delhi, there was a desire for better relations with the United States after the end of the Cold War. The Indian authorities seemed unsure how to go about this and more broadly how to define India's foreign policy after the collapse of the Soviet Union. In the United States, there was a similar lack of clarity about US policy towards South Asia and toward India. Washington seemed unsure how it wanted to relate to India in the changed global environment and where India fit into President Bush's "New World Order". Bilateral ties between Washington and New Delhi were thus superficially friendly, but considerable uncertainly.

However, Indo-US relations in the post Cold War era could be more positive if the two governments would take advantage of this opportunity on the right direction. Even though past problems were for the moment out of sight, they were out of mind. New Delhi and Washington at this time should study and absorb the lessons of the past five decades for re-establishing a more constructive relationship with each others in the years ahead.