

## **The Indo-US Relationship and the Road that Lies Ahead: A Retrospective Account through the Decades**

**Bipin Kumar Tiwary**

*Department of Political Science,  
Ramanujan College, University of Delhi  
New Delhi, India.*

### **Abstract**

The paper looks at the shifting dynamics of India-US relationship. From the evolution of issues like US-Pakistan or Nuclear proliferation ,to the role of leadership , international circumstances and watershed events which have shaped the relationship of the oldest and the largest democracy. The article will try to set a background which can shape the future of India-US relationship for the decade that lies ahead.

Traditionally when one thinks of India and the United States of America, one must assume it will be a cordial relationship. One being the oldest and other being the largest democracy, both former British Colonies. Unfortunately that did not foster a budding friendship one might have hoped.

A brief look at the relationship in the first four decades of India's independence is vital to understand why these two nations often find themselves at odds with each other. Starting from World War 2 the US President Franklin D roosevelt viewed India as vital to war efforts in terms of troops and resources. Roosevelt himself felt the hypocrisy that the war efforts against the Nazi regime were on the basis of Freedom, a promise denied to Indians by the Bristish. (1)The Americans were also concerned that Indians might be reluctant to join the allies if not granted the promise of Independence, to that end Roosevelt tried to appeal to his UK counterpart Winston Churchill who was passionately opposed to the prospect of India's Independence. The Indian representative Jawaharlal Nehru also appealed to the American masses directly by

writing articles in *Foreign Affairs* and *Atlantic Daily*. Churchill however remained stubborn about denying Indians the right to self determination, he believed that liberation was to be extended to just the Nazi-occupied Europe. Churchill got so agonised by the American interference in the issue that he threatened to resign.(1) Roosevelt prioritised American's oldest ally and withdrew from the cause of India's independence. Soon after Independence, the issue of Kashmir propped up between the newly independent nations of India and Pakistan, the United Kingdom could not be seen engaging in its former colonies and therefore the United States of America took on the mantle to try to resolve this issue amicably in the United Nations. Post the Arab-Israeli crisis the United States could not afford to further agonise the Islamic world and tilted its stance in favour of Pakistan. The United Nations resolution was more balanced, alas the suspicion in India US relationship had been set and was about to deteriorate in the coming years.(1)

The cold war period saw a polarised global stage, the world was divided into camps, the North Atlantic Treaty Organisation by the United States and Western European countries in 1948 and the Warsaw pact of the Union of Soviet Socialist Republic in 1955.(4) This posed a dilemma for the newly deconised world, where countries like India after decades of struggle revert back to political dependency, irrespective of the camp they joined? India, Ghana, Indonesia, Yugoslavia and Egypt came together in Bandung Conference in 1955 and inaugurated the Non Aligned Movement, whose aim was to ensure that the decolonised countries of Asia, South Africa in the coming time Latin America would have a meaningful way to participate in world affairs without compromising on their hard earned sovereignty. At that time India's biggest security concern was Pakistan who had joined the US led SouthEast Asia Treaty Alliance (SEATO) and Central Treaty Alliance (CENTO).(5) The United States of America initially understood India's desire to remain Non Aligned, after all the United States did follow the policy of of Isolation in the first one fifty years of its Independence. What irked the United States was India's closeness to the USSR.

Ideologically the leaders of Independent India were impressed with the USSR state led development and planning, they adapted the Five year planning system from USSR which continues to this date. The fact that Soviet Union did not have a colonial history also assured the Indian leadership that the USSR won't try to expand into the Indian territory. Above all it was the distaste of Market led development among the Indian leadership which fostered closer ties with USSR(1).

That is not to say that India and the United States did not have any high movement during the cold war. During the Indo-China war of 1962, the one period of the otherwise troubled history President John F. Kennedy extended support to India. However this was to be an isolated incident in the cold war period. Less than five years later the United Nations introduced Nuclear non proliferation treaty in 1967 which essentially prohibited anyone other than the five permanent members of the Security council from having access to Nuclear technology.(15) The second major issue was during the 1971 war between India and Pakistan which resulted in the breaking away of East Pakistan

and created a newly Independent Bangladesh. The war which was the largest military surrender in the history of the world greatly promoted the image of the first woman Prime Minister of India as decisive military commander had long term foreign policy consequences.(2)

The role played by the United States President Richard Nixon in supporting Pakistan via directly providing military aid to encouraging countries like China , Jordan and Iran to extend military aid to Pakistan urged the Indian Government to sign the Treaty of Friendship with USSR to counter the Pak-US-China alliance. (4)This treaty was received by many western scholars as India virtually joining the soviet pact. The United States involvement with Pakistan was based on multiple factors, the primary being to contain the influence of USSR in South East Asia.The second was the USSR-India ties. The Indian Government withheld criticism of Soviet Invasion of Hungary(1956) , Czechoslovakia(1968) and Afghanistan (1979).(4)The United States could also count on Pakistan as a base for its mission to counter the Soviet forces in Afghanistan.(11)

The sticky issue of Nuclear proliferation again surfaced between India and the United States when the former held its first test on 18 May 1974 which was named as Smiling Buddha. The test which caught the United States by surprise according to a Declassified intelligence community staff post-mortem made public in 2011 by the US National Security Archive and the American Nuclear Proliferation International History Project .The reason given was the United states preoccupation with the ongoing Vietnam war.The United States in line of its non-proliferation project condemned the test. The United States doubled its efforts in urging countries like Japan ,South Korea and Italy to ratify the Nuclear Non Proliferation Treaty.(13)

The decade of 1980 saw a shift in the Indo-US relationship.Indira Gandhi's visit to the United states was called "Operation defrost" in 1982. This spirit continued under the Prime Ministership of Rajiv Gandhi ,the Memorandum of Understanding on Technology transfer was a landmark event between the two countries. (6)

The monumental shift however came after the end of Cold War.With the disintegration of USSR , India stood at a vulnerable position without its ally.Unipolarity emerged at the world stage, the United States of America became the sole superpower. At the same time India found itself in a situation of economic crisis. In 1991, Finance Minister Dr Manmohan Singh embarked on a project of Liberalisation, Privatisation and globalisation to open India's economy. This move was in symmetry to the United State's own Capitalist ideology which prevailed during the cold war. Russia which inherited the legacy of USSR

Itself was dealing with its own economic woes and was not in any shape to extend meaningful support to India.India had to look for alternatives, Prime Minister Narshima Rao launched his policy of Look East to foster Security Cooperation and Economic Integration with South East Asian Countries. (16)

Four trends shaped the India US relationship in this decade. First, the Malabar exercises in 1992. It was undertaken by the Naval forces of India and United States which included simulated war games and combat maneuvers. Over the years Navies of Japan and Australia have joined, they have not been formally induced. (12) In recent years the Naval enterprise is extremely relevant for India's security and economic interest in the Indian ocean region. For the United States it is an attempt to maintain its Naval superiority in the region. It also gives the Indian Sailors a much needed exposure to superior technology. The inclusion of Japan became an important aspect for India's foreign policy. As Prime Minister Manmohan Singh has reiterated that the India-Japan partnership was "essential for peace, prosperity and stability in the Asian, Pacific and Indian Ocean regions." (12)

The second development was Pokhran-2 India's second Nuclear Test conducted in May 1998. It was received harshly by the United States government. President Clinton imposed the following sanctions against the Indian Government: termination of assistance under the Foreign Assistance Act of 1961, except for humanitarian assistance for food and other agricultural commodities. Termination of sales of defence articles, defence services, or design and construction services under the Arms Export Control Act, and termination of licences for the export of any item on the United States munitions list, termination of all foreign military financing under the Arms Export Control Act, denial of any credit, credit guarantees, or other financial assistance by any department, agency or instrumentality of the United States government. The United States' opposition to the extension of any loan for financial or technical assistance by any international financial institution. The Prohibition of United States banks from making any loan or providing any credit to the Government of India, except for the purposes of purchasing food or other agricultural commodities; and prohibition of export of specific goods and technology subject to export licensing by the Commerce Department. Finally the suspension of Malabar Exercises. The Indian Foreign Minister deemed these sanctions famously as being part of the "Nuclear Apartheid" policy of the Permanent five members. (15)

The third development was during the Kargil war between India and Pakistan in 1999. The infiltration of Pakistani army backed militants in the Kargil sector threatened the lines of communication from India to the rest of the Kashmir region. The Indian armed forces reacted decisively and aggressively so much so that Pakistan's prime Minister approached the United States President Bill Clinton for a "peaceful resolution". Clinton denied any such interference until Pakistan would agree to withdraw its troops from Indian territory. President Clinton also kept the Indian leadership in loop about all the developments of Sharif's visit to the United States. This was a tectonic shift in the relationship for the United States since it had de-hyphenated India from the India-Pakistan lens. (14)

The fourth development of the decade became the Presidential visit of Bill Clinton to India culminated in the joint statement titled *India-US Relations: A Vision for the 21<sup>st</sup> Century*, 'Institutional Dialogue Between India and the United States,' which was

signed by President Clinton and Prime Minister Vajpayee, New Delhi, March 21, 2000. This was the first Presidential visit in India after two decades and was after the two year dull years following Pokhran 2. After his successful intervention in the Kargil war, Clinton was received very warmly by the Indian population. His speech in the Indian Parliament was met by uproar and applause by the Indian legislatures. The visit set the tone for engagements ranging from counterterrorism, to scientific collaboration even touching the sensitive issue of Proliferation. (12)

The decade of 1990s created the base for a successful and cordial India-US relationship, obstacles remained but now there were clear ways of communications established not just diplomatically but politically to remove them. For the first time in history India and the United States of America embarked on a meaningful bilateral relationship, slowly shedding the weight of third party engagement.

In the 1990s, after the breakdown of the Cold War, the United States presumed that in terms of defense and economic prowess it remained unchallenged, it need not concern itself too much with threats to its hegemony. Instead it could play the role of sole superpower and maintain its status quo. Despite some hiccups notably in Kenya and Tanzania in 1998 when the United States embassies were bombed, the United States was at ease. This tranquility was to be shattered soon. Nineteen terrorists, Fifteen from Saudi Arabia, Two from the United Arab Emirates, and one from Lebanon and one from Egypt, all of them part of an international terrorist organisation Al-Qaeda hijacked four United States airliners. Two crashed into the twin towers of world trade centers New York, One crashed into the heart of United States military base the Pentagon and the last crashed into a field in Pennsylvania. This event which took place on 11th September 2001 would be forever etched not only in the imagination of the United States but of the world as 9/11. One could hardly miss the symbolism, a trade center representing the economic superiority of the United States and the soft power associated with it in the form of "McDonaldization" and Pentagon. Famously the United States of America boasted the most superior armed forces in terms of technology and expenditure, having its military bases across the globe. (9)

The attack was compared with the Japanese attack on the pearl harbour in terms of casualties was the first of its kind on American Soil. The attack was not just on American civilians, indeed it was depicted as an attack on the American way of life. Just as Pearl Harbor became the catalyst of the American engagement in world war two, 9/11 launched its own military enterprise the *Global War on Terror*. (17)

Prime Minister Vajpayee offered his condolences and assured President George W. Bush of every support possible by India to counter terrorism. Two months later, on the other side of the Pacific the Indian Parliament was attacked by five terrorists who were identified by the Indian establishment as Pakistan backed terrorist organisations Lashkar-e-Taiba and Jaish-e-Mohammad. (10) All five terrorists were killed, around 8 security personal and one gardener was killed from the Indian side. The attack on the same lines as the United States was seen as a symbolic one, on the heart of Indian Democracy. What resulted was a year long stand-off between the Indian and Pakistan

troops on Line of Control depicted as Operation Parakram by the Indian armed forces. The standoff lasted for almost a year and Western media carefully covered it since both were Nuclear armed Nations.<sup>(8)</sup> Again American engagement was sought to deescalate the crisis between the two countries. Both these episodes 9/11 and 13 December terrorist attacks, created ground for Indo-US engagement on counter terrorism.

The decade of 2000s was off to a rocky start for both India and the United States individually. But it marked a golden period of cooperation between the two in at least three areas.

First was the economic relationship which escalated during this period between the two countries. Since 2004, Washington and New Delhi have been pursuing a “strategic partnership” based on numerous shared values and improved economic and trade relations.<sup>1</sup> India is in the midst of a rapid economic expansion, and many U.S. companies view India as a lucrative market and a candidate for foreign investment. The Indian government stands committed to the economic reforms started in 1991, aimed at transforming a quasi-socialist economy into a more open, market-oriented economy. The open Market policy is a catalyst to the Indo-US trade relationship. 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 to the United States include gems and jewelry, textiles, organic chemicals and engineering goods. India’s 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 non financial services. (Accessed from the official website of The United States Census Bureau)

The second issue is the Indo-US Civil Nuclear deal which was initiated during the Prime Ministerial visit of Manmohan Singh to the United States in 2005.<sup>(15)</sup> On 18th July 2005, Singh and the then US President George Bush, in a joint statement, announced their agreement to enter into a civil nuclear deal. This resulted in the then US President George W. Bush approved the legislation on the Indo-US nuclear deal into law on 8 October 2008. The law is now known as “United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act”. The deal ended India’s decades old Nuclear apartheid. India agreed to separate its civilian and military nuclear

activity. India also agreed to open up the former for inspection by the International Atomic Energy agency. In return India was now allowed to import Uranium from other countries. Symbolically this meant that India was now a legitimate Nuclear power.(13)

The final issue discussed has the potential to shape the India-United Relationship in the following years.

This is the mutual concern over the peaceful rise of China. One of the many changes that happened at the beginning of the 21st century was the rise of China as a global economic and defense power. Currently China is one of the fastest growing economies of the world, its defense is only third after the United States and America. Strategically its rise as a global power is a concern for both India and the United States. India and China have been at odds in the past over disputed territories of Arunachal Pradesh Aksai Chin, China's constant infrastructural ventures along the LAC is a concern for India. Most importantly it's the growing Sino-Pakistan friendship which raises alarm for India. India might find itself encircled in its neighbourhood.(12)

For the United States China's Maritime expansion can challenge its own Naval supremacy. China already a manufacturing giant is also catching up to the United States in terms of technological innovation across various powers. At this pace, the peaceful rise of China can very well challenge the US hegemony on the global stage. The evolution of Indo-US relationship has gone through various phases, the Obama term and his pivot to Asia has yet not focused sufficiently on India as a strategic partner in the region. It would be interesting to see if Obama will use his second term and achieve his foreign policy stance of using off-shore balancing of Asian countries against China. (18)

The Indo-US relationship would be vital for India in the coming years as the fate of the Indo-US civil Nuclear deal still hangs in balance and India has yet not reached its potential as a major regional and global player.

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