

**Difficult Legacies and Positive Trends:
Reflections on Relations between India and the United States**

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Acknowledgements

When I arrived in Harvard about a year ago, the subject of India's nuclear weapon tests was still relatively live. Although the attitude of the Cambridge pundits to these tests seemed sanguine, with Samuel Huntington even suggesting – on the usual analogy of the United States and former Soviet Union – that the development of an overt nuclear capability could serve as a stabilizing force in the sub-continent, so long as the countries involved developed robust nuclear capabilities,¹ the sharply hostile public response of the U.S. Administration impelled many of my colleagues at the Weatherhead Center to ask me why relations between India and the United States were so difficult when to them the two countries had so much in common.

This paper thus began as an exercise in responding to a straightforward question: what ails India's relations with the United States, and what can be done about it? Other questions followed. Were the tensions in this troubled relationship a result of insufficient interaction and misperceptions or due to a more basic conflict of interests? Do these factors have continuing relevance or today is there a new wind blowing? If so, where are India and the United States now headed?

The reflections that follow do not rest on chronological or episodic events. Instead, the focus is on a longer-term view of the subject in the light of the changed parameters of the relationship. The drawback is that the paper dwells on generalities not specifics, trends not events. Also, since I am neither a disinterested observer nor a scholar but, in Weatherhead Center parlance, a "practitioner," some readers may find my position somewhat partisan.

I would like to thank those who attended my presentations on the subject, especially those who quizzed me, both at the in-house gathering of the Weatherhead Center and the seminar held under the auspices of Modern Asia Series. Robert Pastor, Naresh Chandra, Kamalesh Sharma, T.P. Sreenivasan and Alok Prasad gave me some early leads. I borrowed the title from Jorge Dominguez. Charles Crawford, Mike Alvis and Pratap Mehta helped with their pointed comments and Tricia Hughes and Jason Lambert with their cheerful support. Steve Bloomfield and Devesh Kapur were generous with their counsel and did their utmost to protect me from the ire of readers: whatever criticism I attract will be entirely the result of my own obstinacy.

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¹ Stanley Hoffman, while not going as far as Samuel Huntington, suggested that the tests did not constitute a major threat to the wider world system. See Rapporteur's Report, *South Asia's Nuclear Dilemma*, a Conference held on February 18-19, 1999, Harvard University, Cambridge, pp. 1-2. To a degree, these remarks echo those of Henry Kissinger's just after the tests. Kissinger said that India and Pakistan live in a rough neighborhood and the United States need not exaggerate the effects of the tests by citing the increased danger of nuclear war. He added that American policy should move from treating the two countries as a problem, to incorporating them into a solution where they would be partners in a non-proliferation regime, all the while protecting, inter-alia, a second-strike capability and contributing to the prevention of accidents. See "India and Pakistan: After the Explosion," *The Washington Post*, June 9, 1998.

Difficult Legacies and Positive Trends: Reflections on Relations between India and the United States

I. Background

1. What constituted the bilateral interaction between India and the United States over the five decades of India's independence? Not much. All through these years the two countries used the cliché "the world's largest and oldest democracies," in referring to each other. This was largely rhetoric, and served as a convenient smokescreen for the vacuum in the relationship. Henry Kissinger was right when he spoke some years earlier of "the never-never land of India-U.S. relations." Thomas Pickering, the current Under Secretary of State, who served as Ambassador in New Delhi not so long ago, stated that for many years "South Asia has been on the backside of every American diplomatic globe." Finally, Strobe Talbott, Deputy Secretary of State, recently wrote, "relations between the United States and India had been in a rut throughout much of the Cold War."² In a public lecture at New Delhi he acknowledged the "air of mutual frustration and disappointment" that characterized relationship over the past 50 years and added, "India-U.S. relations have never been what they should be and what they can be."³

II. Images and Perceptions

2. What, then, has been the problem? To begin with, misperceptions and stereotyped images shaped minds and attitudes on both sides. Indians recall the pressure, albeit gentle, exerted by Franklin Roosevelt on Winston Churchill to get the British to promise independence to India. The American Declaration of Independence, the Bill of Rights and the U.S. Constitution became models for India. Many of the ideas and phrases of these documents were incorporated directly within in the Indian constitution, when it was framed after India's independence. Prior to this India and the United States had unfortunately remained virtual strangers to each other, and their public attitudes were informed by mutual ignorance.⁴ This unfamiliarity, bred by the absence of historical contact, was extended into the 1950s because of U.S. dependence on British assessments of the sub-continent. And when, as leader of the western bloc, the United States began to side with European powers anachronistically hanging onto their colonies, despite fighting the Second World War ostensibly to defend freedom, newly independent India felt let down. When Indian forces marched into Goa in 1961 and liberated it from the Portuguese, the event caused a new low in India-U.S. relations. Kennedy told the Indian Ambassador in Washington that from preaching morality to Americans for 15 years,

² Remarks of Karl F. Inderfurth before the House International Relations Committee, Washington D.C., October 22, 1997, and Strobe Talbott, "Dealing with the Bomb in South Asia," *Foreign Affairs*, March-April 1999, p. 111.

³ Transcript of a public address at the Indian International Centre, New Delhi, January 30, 1999.

⁴ S.L. Poplai and Phillips Talbot, *India and America: A Study in their Relations*, New Delhi, n.d., pp. 1-3, and W. Norman Brown, *The United States and India, Pakistan, Bangladesh*, Cambridge, Massachusetts, 1972, p. 390.

Inida had gone ahead and acted as any normal country would have done. “People were saying,” observed Kennedy, “the preacher has been caught coming out of the brothel.”⁵

3. With the developments in Asia, Latin America and Africa in the 1960s, instances of military intervention by the West in existing or erstwhile colonies began to multiply. Events like the Christmas bombing of Hanoi in 1972, when the war in Vietnam was already lost, and the overthrow of Salvador Allende in Chile made a mark on the psyches of many Indians. U.S. actions did not appear just. As a result, Indians grew oblivious to many of the benign aspects of America, such as the drive and communitarian impulse of its people to build large and successful institutions, private universities and hospitals, multinational corporations and centers of excellence that explore the frontiers of knowledge. The same qualities were applied in setting up the post-War inter-governmental institutions: the United Nations, the International Bank for Reconstruction and Development (the World Bank) and the International Monetary Fund (IMF). Some Indians viewed these actions as representative of an American drive to dominate the world. Many Jeffersonian ideas did find a resonance in India, but not the American interpretation of the phrase “life, liberty and the pursuit of happiness.” Ultimately, the United States, obsessed by the specter of communism, failed to acknowledge the positive aspects of the national liberation movements; and India, preoccupied with imperialism, remained generally suspicious of the capitalism that the U.S. seemed to represent.

4. The United States view of India mirrored these perceptions. At one level, there was admiration for Gandhi, who had borrowed the idea of civil disobedience from Henry Thoreau and perfected it as a political tool. With this, there were some positive endorsements. “At virtually every level of life and thought,” writes Professor Diana Eck, “India is polycentric and pluralistic; it has a cultural genius for embracing diversity, so that diversity unites, rather than divides.”⁶ Visitors marveled at the thriving democracy in a poverty-stricken land. Yet, a 1982 document concerning American attitudes about India revealed an emphasis on disease and illiteracy.⁷ Right up till the present, India was portrayed as a pitiful country. With little trade and investment between the two countries, there was no effective lobby in the United States projecting a positive image of India. When Mrs. Gandhi imposed the state of emergency in India in 1975 and suspended elections for a period of two years, Daniel Patrick Moynihan, then U.S. Ambassador to India declared that from that time on, all that India could export to the world were communicable diseases. Nathan and Sulochana Glazer who have examined the image issue at some length sadly concluded that indifference, hostility, resentment and disdain have characterized India-U.S. relations.⁸

⁵ Dennis Kux, *Estranged Democracies: India and the United States, 1941-1991*, Washington D.C., 1993, p. 198.

⁶ Diana L. Eck, *Darsan: Seeing the Divine Image in India*, Pennsylvania, 1981, pp. 17-18.

⁷ Brochure on *United States-Indian Cultural Relations*, Washington D.C., Bureau of Educational and Cultural Relations, 1982.

⁸ Sulochana Raghavan Glazer and Nathan Glazer, *Conflicting Images: India and the United States*, Glen Dale, Madison, 1990, pp. 1-4.

III. Clashes of Interest

5. Clashes of interest amplified existing biases between India and the United States. In a world divided by the Cold War, if you were not on the side of the United States, you could not be considered a friend. The John Foster Dulles dictum, “if you are not with us, you are against us,” viewed the world through a binary lens. India was lucky: it was never considered an enemy. The United States had become the leader of the Western alliance. India, pursuing an independent foreign policy, which was anchored in the ideals of India’s struggle for freedom, became a leader of the non-aligned movement. The abiding objectives of Indian foreign policy were the promotion of peace, international cooperation, disarmament, and particularly nuclear disarmament, progress towards the establishment of an equitable world order and contribution to the struggle against colonialism, racism and apartheid. The pursuit of these objectives became a *sine qua non* for safeguarding India’s autonomy and securing its development goals.

6. Since India refused to become part of the anti-Soviet coalition, and unlike during the First and Second World Wars, there was little hope of using the Indian army for Anglo-U.S. objectives in the Middle East and Southwest Asia, the United States opted for a military and strategic partnership with Pakistan. Pakistan’s unhesitating willingness to serve U.S. strategic interests in the Cold War period led to its quick co-option into the U.S.-led anticommunist military alliance. Following an agreement signed in 1953, Pakistan became the beneficiary of military assistance under the U.S. Mutual Security Act, despite Indian protests that these arms could be used against India. Pakistan became a member of the U.S.-sponsored Central Treaty Organization (CENTO) and South East Asia Treaty Organization (SEATO), besides providing listening post facilities and a base at Peshawar for U2 spy planes. It later became a front-line state against the Soviet Union, a role it played until Soviet withdrawal from Afghanistan and the dissolution of USSR. Steady U.S. arms transfers was the reward, which queered the pitch for India-U.S. relations right from the very early 1950s and became a major and recurrent point of contention between the two countries. When Pakistan attacked India in 1965 in an effort to wrest the Kashmir valley, President Eisenhower’s public assurance, of punitive action against Pakistan should Pakistan use U.S. military aid against India, came to naught.⁹

⁹ These assurances had been extended publicly and in communications to Prime Minister Nehru; see S.L. Poplai, *op. cit.*, pp. 87-88. Jagdish Bhagwati has an amusing anecdote, based on an oral account by Carl Kaysen, about the difference in assessment of Pakistan by India and the United States. Averell Harriman and Carl Kaysen had gone Delhi after the 1962 war. When they went to Prime Minister Nehru, conveying to him President Kennedy’s assurance that the United States would do whatever was necessary to repel the Chinese aggression, they asked him whether the United States should persuade General Ayub Khan, the military ruler of Pakistan, to withdraw his troops from the Indo-Pakistan border, so that the Indian troops could be redeployed to fight the Chinese. Nehru replied: “Well, General Ayub Khan is not exactly our friend; I doubt if you can get him to oblige us in this way.” They put the same question to the homespun and impolitic Morarji Desai, then Deputy Prime Minister, he said: “Ayub Khan is our enemy; he will not do what you suggest. But Professor Kaysen, don’t worry. Even if the Chinese come down and conquer us, it will only be for a few hundred years. We will eventually get them out.” This is from a transcript of a public lecture entitled “India and the United States: Issues and Opportunities,” by Jagdish Bhagwati at the Indian Embassy, Washington D.C., March 22, 1994.

7. China posed another problem, and in a markedly different manner. Initially, the United States had wanted to enroll India in the encirclement of communist China. Nehru not only refused, he annoyed the United States by his strong advocacy for the restoration of People's Republic of China's representation at the United Nations. India played the honest broker in Korea and the Indian Ambassador in Beijing, who had excellent contacts with China's leadership, became the back channel for the United States. Meanwhile, Nehru recognized Tibet as part of China and placed restrictions on the activities of the so-called government of the exiled Dalai Lama. Nehru signed the Panchsheel Accord with China, envisioning a relationship in which the two fraternal countries would together lead an Asian resurgence. Nehru forgot the old adage of statecraft that good deeds seldom go unpunished. When China blamed India for the Tibetan uprising of 1959 and attacked Indian border posts, Nehru was perplexed.¹⁰ He was devastated three years later when the Chinese defeated India in a wider border war in 1962.

8. From Soviet and East European documents translated under the Cold War International History Project by the Woodrow Wilson Center, it is clear that while India was being overly optimistic about China, the Chinese leadership held India in contempt, especially Nehru, who was described in their conversations as a "pro-American" and a representative of "the grossbourgeois." India and China had exchanged harsh words in 1950 when Chinese troops went into Tibet, and in autumn 1952, when India made suggestions on a cease-fire in Korea. In a 1959 document, Mikhail Suslov quoted Mao describing Nehru as "a double-dealer, half-devil, half-man, half-gentleman, half-hooligan." Earlier that year, in the context of China, Prime Minister Nehru had been quoted as saying, "we will hold on to the policy of co-existence, if no one else does."¹¹ Later, in 1962, Chou en Lai had told a visiting Mongolian leader, J. Zedenbal, the following:¹²

We think that Pakistan negotiates with us without submitting itself to America and England, although it belongs to an aggressive bloc. India, however, speaks the language of America, although it maintains that it does not belong to any aggressive blocs.

9. Following the Chinese invasion of 1962, there was a dramatic airlift of U.S. arms to India, which contrasted with the Soviet position, reflected in the TAS statement of October 27, 1962 urging "Chinese brothers and Indian friends" to settle the boundary dispute amicably. However, U.S. assistance was combined with efforts at arm-twisting. The combined U.S.-UK mission, headed by Averell Harriman and Duncan Sandys,

¹⁰ Curiously, the first CIA trained guerillas who parachuted into Tibet in October 1957 were flown in an unmarket B-17 from East Pakistan. See Melinda Liu, "A Secret War on the Roof of the World: Spooks, Monks and the CIA's covert gamble in Tibet," *Newsweek*, August 16, 1999.

¹¹ *New York Times*, May 4, 1959. The comparison may be unfair, for Nehru's comments were public, while the Chinese leaders used the disparaging words in confidential conversations with their foreign interlocutors.

¹² The citations are from Mikhail Suslov's report on the visit of a Soviet delegation to China in October 1959, presented to the Central Committee of the Communist Party of the Soviet Union (CCPSU) Presidium, December 18, 1959, and other first hand record of conversations in "New East Bloc Documents on the Sino-Indian Conflict, 1959 & 1962," *Cold War International History Project Bulletin*, Issues 8-9, 1996-97, pp. 258-69.

attempted to sell solutions to India for settling the Kashmir conflict in ways completely unpalatable to Indian leaders. U.S. military advisers stationed themselves in India to ensure, inter-alia, that the military assistance provided was not diverted to the western front. The United States provided aircraft to assist in supply dropping to troops but did not approve transfer of three squadrons of F-104 fighters, which it had already sanctioned for Pakistan. Significant combat equipment was not forthcoming from the United States either, despite India's dire need for such equipment at the time. The U.S. and U.K. air forces conducted exercises over India, but it was the Soviet Union that commenced combat arms and fighter aircraft supply to India, not the United States.

10. While India's China policy was formulated more realistically after 1962, India's efforts to seek nuclear guarantees following the 1964 Chinese nuclear weapon test were spurned by the United States. Llewellyn E. Thompson, one of the shapers of the Johnson administration's non-proliferation policy, proposed in an internal memo on the proposal that India's neutrality precluded a formal U.S. guarantee, while the Joint Chiefs of Staff stated that any measures on behalf of India could alienate Pakistan.¹³ By the early 1970s India fell on the wrong side of Nixon and Kissinger's triangular Washington-Moscow-Beijing diplomacy, which led to what one of the most respected contemporary historians calls "dreadfully wrongheaded policies," and of which India became a victim.¹⁴ In March 1971, following the brutal military crackdown in East Pakistan, India, saddled with 10 million refugees, had received no official help from the United States. While the American people and Congress were on India's side, Kissinger and Nixon were tilting towards Pakistan in order to win China's favor. When war broke out in December that year, the United States sent the aircraft carrier *Enterprise* into the Bay of Bengal in an effort to intimidate India.

11. The recently published *Kissinger Transcripts* reveal that India's fears were not misplaced. Kissinger had misjudged the situation and convinced himself that China was on the verge of intervening in the Indo-Pakistan War of 1971. One week into the War, on December 10, he met Huang Hua, then Permanent Representative of China to the United Nations, in a CIA safe house in Manhattan's upper east side and conveyed to him that China had a *carte-blanche* if it wanted to step into the battle on Pakistan's side. He assured Huang Hua that if it did so, the United States would oppose the effort of other countries to challenge China's involvement. Meanwhile, Anatoly Dobrynin, the long-serving Soviet Ambassador in Washington, commented on the irony of the situation in a conversation with Kissinger: the Soviet Union was on the side of what everyone considered a pillar of democracy while the United States had aligned itself with China.¹⁵ The possibility of a Sino-American condominium in Asia, with the United States

¹³ Thompson's note is in the form of a State Department secret memorandum on "India's Nuclear Weapons Capability," January 30, 1965. The comments of the Joint Chiefs of Staff was forwarded by the Secretary of Defense to the Secretary of State on October 28, 1964. These documents were declassified in response to a Freedom of Information Act request and are available at *The National Security Archive*, The Gelman Library, George Washington University, with an excellent summary by Joyce Battle entitled "India and Pakistan – On the Nuclear Threshold."

¹⁴ Stanley Hoffman, *New York Times*, July 3, 1983.

¹⁵ For a fuller account see Chapter I of *The Kissinger Transcripts: The Top Secret Talks with Beijing and Moscow*, ed., William Burr, New York, 1999.

conceding South Asia as part of China's sphere of influence – and which seemed affirmed by the statement on South Asia issued during President Clinton's visit to China in 1998 – continues to create problems in India-U.S. relations even today.

12. Ancient texts of statecraft proclaim that the friend of the enemy is an enemy as well. Following this rationale, India and the United States ought to have experienced the worst relations imaginable. The United States viewed India as a friend of the Soviet Union, while India viewed the United States as the friend of Pakistan. Yet, relations between the two countries never went below a certain threshold. In fact, a minimal level of positive interaction was maintained even through the most difficult periods in their relationship, which was more estranged than confrontational, as Dennis Kux has correctly concluded. Early in his presidency, Eisenhower informed Congress that overseas assistance was to be allotted to areas where "the determination and the will to progress is greatest," and that among developing countries, India would get the "major share" of development loans.¹⁶ From the mid-1950s till the end of the 1960s, the United States provided impressive technical and financial assistance to India. It helped India build the Tarapur reactor under the Atoms for Peace Program. It provided significant assistance for agricultural development, directly and indirectly through the International Development Agency of the World Bank, to which the United States was at the time the chief donor. It helped launch the Indian institutes of technology on the lines of Massachusetts Institute of Technology. It shipped wheat to India during a food deficit (annoyed by India's stand on Vietnam, President Johnson held back food shipments on a 'ship to mouth' basis after ensuring that India had enough to ease urgent need) and helped launch the Green Revolution, which made India self-sufficient in food production.¹⁷

IV. New Parameters

13. The end of the Cold War has induced both countries to rekindle their relationship. What then are the imperatives of change and how far do they extend? First, the end of the Cold War shattered the lens through which India-U.S. relations were traditionally viewed, an occurrence that Pakistani observers interpret instead as a gradual confluence of interests between New Delhi and Washington. One Pakistani commentator has traced the turning point back to the visit to India in 1991 of Claude Kicklighter, the Commanding General of the U.S. Army Pacific Area Command (USARPAC). This led to a modest program of Indo-U.S. military contacts through information exchange and personnel training, which had the objective of pursuing "a common policy of gradually strengthening ties towards expanded cooperation and partnership by the end of this decade."¹⁸ Yet, the import of Indo-U.S. military cooperation need not be overstated. While it has certainly improved communication links, it has not evolved into shared responsibilities in areas of mutual concern to the two nations. It does not, for instance,

¹⁶ Quoted in the introduction, *India and the United States*, ed. Selig S. Harrison, New York, 1961, p. 1.

¹⁷ The state of Indo-U.S. development cooperation was such that Krishna Menon, who viewed American imperialism as "the pre-eminent evil force," agreed in a conversation with Michael Brecher in 1964-65 that "India had become virtually a vassal of the USA." See Michael Brecher, *India and World Politics: Krishna Menon's View of the World*, New York, 1968, pp. 207 & 304.

¹⁸ Afzal Mahmood, *Dawn*, August 9, 1999.

extend to organized assistance for maritime shipping in the Arabian Sea or the Persian Gulf, where both countries seek the security of oil supplies.¹⁹

14. The unobtrusiveness of the existing military cooperation program notwithstanding, the U.S. initiative and India's acceptance of it did reflect changed perceptions of the international situation on both sides. With the prospect of East-West conflict replaced by the integration of the erstwhile Warsaw Pact countries into the European Union (EU) and the world capitalist system, the United States began to identify new sources of conflict and threats to its security. These included international terrorism, the rise of religious fundamentalism, regional instability and aggression, proliferation of weapons of mass destruction (WMD), threats to routes of strategic supply (especially oil) and the export of narcotics. In a sense, India shares these concerns, but the two countries do not share a common perception of international and regional security. There is therefore little prospect of Indo-U.S. military cooperation developing into an alliance-like relationship that would entail the stationing of troops and the provision of base-facilities or staging posts for the pre-positioning of supplies. The fact that the United States is conscious of India's independent outlook and is nonetheless willing to explore closer military ties with it reveals a respect for India's freedom of action and independent judgement that was missing in the Cold War years.

15. With direct American access achieved throughout the Gulf region and with the Soviet threat attenuated, the strategic interests of the United States have shifted to new areas, obviating the earlier dependence on Pakistan. The "residue of a special relationship with a former ally" for services rendered, is not the only reason for Pakistan's continued relevance to the United States.²⁰ Pakistan was viewed not only as the underbelly of the Soviet Union, but also as the eastern rampart of what Sir Olof Carew described as "the wells of power," on the edge of the volatile oil-rich region. After the Cold War, the blowback from the Afghan battlefield that Charles Cogan, the CIA's operations chief for the Near East and South Asia from 1979 to 1984, calls the "unintended consequence" of assistance extended to the *mujahedeen*, which has entailed terrorists extending the unfinished *jihad* (holy war) to other lands, including India and the United States.²¹ This has resulted not only in continuing insurgency and destruction in the Kashmir valley but also in the bombings of the U.S. missions in Nairobi and Dar-Es-Salaam.²² As the sole backer of a regime that promotes drugs and terrorism, Pakistan remains the key for managing and mitigating the Afghan problem. The United States credits itself for Pakistan's move from total support of the Taleban regime to seeking of a political solution. India and the United States both have an interest in leading Pakistan along a more responsible path and in strengthening democracy within Pakistan's polity.

¹⁹ See excerpts from S. Rosen's intervention at the Conference, *South Asia's Nuclear Dilemma*, pp. 9-10.

²⁰ This phrase was used by Stephen P. Cohen in his testimony at the hearing on "Political and Military developments in India," Near East and South Asia Subcommittee, Senate Committee on Foreign Relations, May 25, 1999.

²¹ Tim Weiner, "Blowback from the Afghan Battlefield," *New York Times*, March 13, 1994.

²² Other than the humiliation in Iran, U.S. assets and personnel have arguably not been subject to sustained attack by societal elements as much as in Pakistan. The United States could not have forgotten the undercurrent of fundamentalist antipathy that resulted in the storming of its embassy in Pakistan in 1979, the molestation of women employees and the killing of security guards.

16. Another factor contributing to the changed parameters is that, in the post-Cold War era, Russia no longer plays a decisive role in international affairs. To borrow from the perceptive description but awkward phraseology of Samuel Huntington, in the present uni-multipolar system,²³ the United States is the preponderant power with which every nation necessarily has to concern itself. It is conceded across India's political spectrum that policy towards the United States needs to acknowledge U.S. emergence as the single Super Power, both in order to deal effectively with threats to Indian security and for economic and technological development. Improved relations with the United States have assumed even greater importance following India's economic reforms in the early 1990s, with the United States having emerged as its number one partner in both trade and investment.

17. Meanwhile, the political atmosphere is much improved with the muted voices of the 'apostles of righteousness' on the two sides. The moralizing element in the articulation of foreign policy has been moderated in recent years both in India and the United States. A poll-based survey of the decision-making elite in India conducted by Amitabh Mattoo of the Jawaharlal Nehru University in 1998 shows that there is a shift in emphasis from sentiment to self-interest as the guiding principle of policy.²⁴ While in the past neighbors never saw India's policies as ethic or value-based, and the Western elites viewed India's articulation of the principles of its foreign policy as sheer hypocrisy, it is nevertheless true that the element of *realpolitik* was weaker in earlier years and less so today. Few analysts, of course, remember that in the early post-independence years, there existed a natural coincidence of national interest and moral principles in India, and the divergence between the two only grew more recently.

18. Hand in hand with the evolution of an interest-based policy, there is a new effort in India to elaborate a strategic outlook²⁵ that has been absent thus far. This is demonstrated by:

- more in-depth media analysis and coverage of foreign policy issues;
 - the creation of strategic or security studies faculties and departments in Indian universities;
 - the setting up of a National Security Council and a broad-based Advisory Group of independent experts, cutting across party and ideological affiliations, to provide inputs to the NSC; and
 - public debate among members of the decision-making elite on key issues, a case in point being the publication of draft "India's Nuclear Doctrine" by the National Security Advisory Board, which has invited public comments on the document.
- This progress is likely to make policy formulation more deliberative and less arbitrary.

19. On the U.S. side too, there is are fewer sermons rendered. They have been replaced by a businesslike give-and-take style, more conducive to allaying fears and

²³ Samuel Huntington, "The Lonely Superpower," *Foreign Affairs*, March-April 1999, p. 36.

²⁴ Amitabh Mattoo, "India's Strategic Perceptions," paper presented at the Seminar on "South Asia's Nuclear Dilemma," Harvard University, February 18-19, 1999.

²⁵ Jaswant Singh calls this "strategic culture." See Chapter I in his *Defending India*, New Delhi, 1999.

resolving uncertainties. There is greater realism and a pronounced stress on mutual benefit, and a degree of circumspection in pronouncements, even though the two sides still manage to startle each other occasionally with lingering vehemence in their respective public diplomacies.

20. Internal developments in India in the economic and social sectors have also an important bearing on India's foreign and security policies. India's internal priorities include the challenges of development and demography, energy security, the claims of redistributive justice and problems related to the assertion of regional identities. With rising incomes and population, India's energy requirements are growing. With Bombay High running dry, and with inadequate indigenous oil or gas reserves, India has become even more dependent on external energy supplies. Security of the sea-lanes in the Gulf and stability in Central Asia are therefore vital for India's energy security, as much as it is for that of the United States. This provides a further point of congruence between the two sides. Moreover, the demands of redistributive justice imply that Indian foreign and security policy goals will have to be trimmed according to its fiscal cloth. Defense expenditure (currently at 2.5% of GDP and less than 15% of the central government budget) cannot change much, except incrementally, as a function of higher rates of GDP growth. There is therefore little danger of India destabilizing the international order through possible militarization.

21. The intensity of any relationship is based on whether the two sides pose a threat to each other or whether they present opportunities. These in turn define hostilities, affinities and apathies. The national aspirations and preoccupations of both Indian and the United States have diverged in the past and these will continue to remain different in the foreseeable future. Added to this is the problem of asymmetry. India's small market had remained relatively closed and insignificant, militarily it did not have reach beyond the sub-continent, and politically its influence was modest. The United States on the other hand has been a superpower and the leader of the industrialized world for over a half century. The scale of its global interests is different from that of India's. Asia, for the United States, meant Japan, China, the Koreas, and Southeast Asia. West Asia became important because of oil. India was never high on the agenda of U.S. policymakers. Indian non-alignment and self-respect ensured that India would not provide bases to any great power. Thus, besides not providing any strategic attraction, India did not threaten the United States either. Two factors have altered this situation. The first has been India's economic reforms, which resulted in India's recognition by the United States as one of the major emerging markets. The second, ironically, was India's decision to test nuclear weapons. While it undoubtedly shook the global nuclear status quo, it is self-evident that India and Indian nuclear weapons do not endanger the United States and, in that sense, they are similar to the nuclear weapons of the UK, France or Israel.

22. Economic reforms and India's recent openness to trade and foreign investment have altered traditional patterns of India's external engagements. Economic ties between India and the United States have increased faster than between India and any other country. Since 1992, when the Indian reforms kicked off, the United States has accounted for between a quarter and a third of all foreign direct investment flows into India. And

only in five years, between 1992 and 1997, two-way trade between India and the United States doubled, from about \$5.5 billion to nearly \$11 billion. Though still a small fraction of American global trade, the recent rate of growth in India-U.S. commercial and economic exchanges has been impressive. According to the U.S. Embassy in India, half of the Fortune 500 companies are either already established in India or about to set up operations there.²⁶

23. Besides, several important points of friction, such as the question of protection of intellectual property rights, product patents or access to India's textile exports were addressed in the course of the Uruguay Round of multilateral trade negotiations, leading to a less contentious environment in the area of trade disputes. Important differences remain, including a whole range of market access issues such as non-tariff measures, anti-dumping, the balance of payments related phase-out of quantitative restrictions on India's imports; the timely enactment of an Indian patent law in India; India's retention on the priority watch list under the Special 301 legislation; issues arising out of the Kyoto Protocol on greenhouse gas emissions; but these are the type of differences that India and the United States have with many of their other partners and friends and will have to learn to take in their stride. With a greater range and diversity of issues that constitute a relationship between any two countries, such differences are only natural. The more the two countries will interact with each other, the easier these will be to manage, and sometimes even to resolve. A telltale sign of improvement is the mature handling of the ongoing bilateral dialogue by the playing down the differences and the airing of disagreements in a discreet way.

24. Another new plus in the relationship is the dynamism of the Indian community in the United States. Just as in the case of India's economic reforms, this is also a recent phenomenon. Since there was no significant segment of American population that originated in South Asia, the concern of policymakers and Congressmen with the region was minimal.²⁷ Until 1960, the number of Indians in the United States was less than 100,000. By 1980, it grew to 300,000. In the next ten years, by 1990, it nearly tripled to 850,000, and stands at 1.2 million today. The United States Census Department reports that 85% of the Indians have graduated from high school, 65% have gone to college, and 42% have graduate or professional degrees. In education and income levels, Indians constitute the leading ethnic group in the United States. Expatriate Indians have begun to take greater interest in local politics and community affairs, gaining respect and understanding in the country of their adoption and now find themselves in a position to contribute to the local political landscape. They have helped in setting up a bi-partisan India Caucus in the Congress, whose membership has now almost doubled from the initial 50 or so, and which has contributed to greater mutual understanding.

²⁶ The U.S. Ambassador to India, Richard F. Celeste, quoted in *The Hindu*, March 22, 1998.

²⁷ Arthur G. Rubinoff, "Missed Opportunities and Contradictory Policies: Indo-American Relations in the Clinton-Rao Years," *Pacific Affairs*, Vol. 69, No. 4, 1996-97, p. 501.

V. Strategic Dialogue

25. It is a cumulation of these factors that led to a reassessment of U.S. objectives towards India, and a policy of engagement was put in place by the United States towards end-1997. High-level exchanges between the two sides were initiated, together with a strategic dialogue of the type the United States conducts with China, when Under Secretary of State Thomas Pickering visited New Delhi in October 1997 and held talks with India's Foreign Secretary K. Raghunath. A second round was held in Washington on 1st May 1998. Prime Minister Vajpayee characterized these talks as "wide ranging and broad-based."²⁸ In a short period between mid-1997 to mid-1998, a number of visits of high-ranking U.S. officials to India took place, including the Secretaries of State, Commerce and Health, besides the visit of Congressmen, officials and special envoys. President Clinton was planning to visit South Asia in 1998, in what was officially projected as an effort to make "a quantum leap" in American relations with both India and Pakistan.²⁹ The nuclear tests in the sub-continent "derailed" this process. But the setback may not be of long duration, for reasons explained below.

VI. The Nuclear Issue

26. Paradoxically, it is after the nuclear weapons tests that Indo-U.S. dialogue truly intensified and reached a qualitatively different level. Due to the changed ground reality, India's position on the entire range of disarmament issues on the current multilateral agenda underwent a subtle shift. India's discord with the global nuclear order ended to the extent that the tests enable India to join the international mainstream by signing the Comprehensive Test Ban Treaty (CTBT) and participating in the negotiations on the Fissile Material Cut-off Treaty (FMCT). In order to seek common ground between India's national security interests and U.S. non-proliferation concerns, India and the United States began a new series of high-level dialogue between Foreign Minister Jaswant Singh and Under Secretary of State Strobe Talbott. As the interim results of the dialogue testify, there does not now appear to be a very wide gap between the positions of India and the United States.

27. What were the main features of India's pre-test disarmament position? India's nuclear and missile programs were subject to technology denial since the time India first tested a nuclear explosive device in Pokhran in 1974. India continued to keep open its nuclear weapons option, while seeking legally enforceable and time-bound commitments from the nuclear weapon states for the complete elimination of nuclear weapons and the creation of a nuclear-weapon free world. India remained opposed to the Non Proliferation Treaty (NPT), CTBT, and FMCT as partial disarmament measures that foreclosed India's options.

²⁸ Transcript of Prime Minister Vajpayee's statement in parliament on December 15, 1998 on "Bilateral Talks with United States."

²⁹ Phrase quoted by National Security Adviser Sandy Berger; see Elaine Sciolino, "Berger is Manager of Crises," *The New York Times*, May 18, 1998.

28. In reality, the Indian attitude to selective non-proliferation was benign – that of passive non-involvement, but only until 1995. The extension of the NPT in perpetuity and the compulsion on India to adhere to the CTBT, inherent in its text, meant that with or without nuclear weapons tests, India would come under sanctions, for the Treaty could not go into operation without India's signature and ratification. At the very end of the CTBT negotiations, China and some others successfully introduced an amendment which stated that if the nuclear capable countries mentioned in the Treaty, including India, did not all sign and ratify, the states party to the Treaty would meet together to consider further measures to bring the Treaty into effect. This was not only an example of coercive diplomacy, but contravened the Vienna Convention on Treaties which enjoins that a nation not willing to be a party to a treaty cannot have obligations arising out of that treaty imposed on it. India, which had shown nuclear restraint while keeping its options open from the time it had first tested a nuclear device in 1974 found itself cornered by the changed rules of the international game following the indefinite extension of NPT and the conclusion of CTBT.³⁰

29. What is the post-test situation? The possession of nuclear weapons imposes new obligations, primarily that of assuring other countries, both nuclear and non-nuclear, about the government's willingness to take on legal and moral commitments to reduce the risk of nuclear war. Arms control and deterrence are two sides of the same coin. India simply had to be more forthcoming in its commitments of restraint after the tests, even though India's objective of the elimination of nuclear weapons within a multilateral and time-bound framework continues to remain valid.

30. Immediately after the tests, India announced a voluntary moratorium on underground nuclear test explosions and willingness to move towards a *de-jure* formalization of this commitment. It also decided to join the negotiations on a treaty for a ban on future production of fissile material for weapons purposes and to make the existing system of export controls over sensitive materials and technology more stringent. It is this openness in India's position that provided the opening for creative negotiations with the United States. Meanwhile, India can now sign the CTBT having tested, and having the technological capability to conduct future sub-critical tests through computer simulation, allowed under the Treaty. The linkage of CTBT to nuclear disarmament is no longer a valid objection for India because the tests provide it with an insurance policy. India now has to ensure only that other nuclear capable countries join the Treaty without any conditions. At the Conference on Disarmament in Geneva, India is actively participating in the negotiations on FMCT, whose objective is to arrive at non-discriminatory obligations to end the future production of fissile material for weapons purposes. India has ruled out an immediate moratorium is ruled out without a global agreement. And though India has refused to formally join the selective restrictive regimes such as the Nuclear Supplier Group (NSG), the Missile Technology Control Regime (MTCR), and the Australia Group for chemical weapon precursors and feedstock, it has unambiguously reaffirmed its export control commitments for all weapons of mass

³⁰ Jaswant Singh, "Against Nuclear Apartheid," *Foreign Affairs*, September-October 1998, p. 96. The article contains a vigorous advocacy of India's nuclear tests.

destruction (WMD). The United States is aware that there is no risk of India-assisted WMD proliferation.

31. Following eight rounds of bilateral discussions, it appears that the United States has shown a degree of understanding for Indian concerns and requirements. For one, the long-articulated non-proliferation objective for the sub-continent, to cap, rollback, and eliminate the nuclear weapon potential of the countries of the region has been given up. It also appears logical to assume that the United States has accepted that India will maintain a credible minimum deterrence, the actual size and deployment to be decided on the basis of contingent factors. Although the United States continues to advocate India's adherence to NPT, it is referred to as a long-term objective. Thus while there is considerable progress in discussions on CTBT, FMCT, and export controls, differences remain in the area of defense posture, referred to by the U.S. side as "strategic restraint" on the deployment of weapons and missiles. India's position is that the defense posture will be decided on the basis of India's own assessment of its security environment.

32. In any case, India's nuclear doctrine stresses survivability and sufficiency in consonance with its declared policy of minimum credible deterrence and non-first use. The suggestion about de-escalation or de-mating of weapons made in some quarters is in line with India's own initiative in the General Assembly on "reducing nuclear danger" by urging the nuclear weapon states to move back from the hair-trigger responses reminiscent of the Cold War period. In case confidence building measures on de-alerting or de-mating and deployment limitations can be verifiably ensured in the case of nuclear weapons deployed in India's neighborhood, this could be a step in the right direction.³¹

33. Two other major stumbling blocs remain. These concern removal of the remaining sanctions imposed following the tests and the facilitation of high-technology exports to India which have been denied now for over two and a half decades. In fact, India has been excluded from supply of U.S.-origin defense related materials and equipment right from the time of India's independence. Not only has the United States deprived India of defense and scientific cooperation of the type that India desires, it has used the G-8, P-5, and the Security Council to put pressure on other countries to follow its example. As for the new sanctions, many of them have been dismantled for its own reasons by the United States.³² The 'punitive' sanctions had not hurt India materially, but have done "long-term cognitive damage" to Indo-U.S. relations, much in the same way as the short-tethering of food aid in the mid-1960s and the tilt towards Pakistan in 1971. The U.S. reaction alienated even the substantial minority of India's elite that was either opposed or ambivalent about the nuclear tests.³³ Sanctions have particularly strengthened the hands of anti-American groups and handicapped the U.S. diplomatic

³¹ The suggestion was contained in the statement of Richard N. Haass in the hearing on South Asia before the Subcommittee on Asia and the Pacific, U.S. House of Representatives, Washington D.C., March 3, 1999, and is perhaps under discussion in the ongoing high-level dialogue.

³² The United States has instituted sanctions so freely that many would assume that if a country did not have sanctions imposed against it, there must be something wrong with its foreign policy.

³³ Devesh Kapur, "The Domestic Consequences of India's Nuclear Tests," paper presented at the Seminar on "South Asia's Nuclear Dilemma," Harvard University, February 18-19, 1999.

effort, which seems armed only with “sticks and stones.”³⁴ It takes a particular skill to institute a policy that alienates every group in a political spectrum as large and as divided as India without any benefits to show for it.

34. While it may be easy to restore *status quo-ante* to the pre-May position, this will not be enough for India any more. India has been penalized already with technology denial for not subjecting itself to full-scope safeguards under Article III of NPT. Although India is not a signatory to that Treaty, the non-proliferation regime has developed in a way that India is debarred from access to many types of dual-purpose technologies. The United States is India’s chief trading partner, and denial of technology by it does affect India adversely. It is not impossible to find a way out of the legal difficulties in circumventing export controls, since in any case discrimination has been at the heart of the non-proliferation regime since its very inception.³⁵ Israel too is a de-facto nuclear weapon state and a non-signatory of the NPT but has remained a beneficiary of special and dual-use technologies of U.S. origin. Moreover, China, which is currently the only country in the world to have targeted its nuclear weapons at the United States, is readily importing from it nuclear and other sensitive technologies. After the removal of the new sanctions and the scrapping of the entities list targeting Indian scientific institutions, a smoother mechanism of case by case clearances would require to be put in place that does not place India at any particular disadvantage compared to the other partners of the United States. It will be extremely difficult for any government in India to justify accommodation with the United States in vital areas while discriminatory technology-denial rules against it remain in place.

VII. The Current Agenda

35. A larger issue in the bilateral relationship is the preoccupation of the United States in recent years on the non-proliferation issue to the exclusion of other components of a broad-based relationship of the type that should exist between any two friendly democracies. Because of the overall nature of Indo-U.S. interaction, several such areas of cooperation do exist, but conscious government policy has little to do with it. The involvement of the two governments has largely been limited to removing the roadblocks to normal exchanges that they have themselves set up in the first place. A broader, multifaceted and constructive engagement is now required,³⁶ and the policymakers seem to have accepted this proposition in recent months. While the nuclear issues have to be sorted out first, the two countries have promised to engage each other on a much wider range of issues than has been the case during the past 50 years.

36. The United States has made genuine efforts to accommodate Indian interests in the sub-continent, symptomized by the changed nuance in its attitude towards Kashmir,

³⁴ Stephen P. Cohen, testimony at the hearing on “Political and Military developments in India,” Near East and South Asia Subcommittee, Senate Committee on Foreign Relations, May 25, 1999.

³⁵ Richard N. Haass, “Our Misguided South Asian Nuclear Policy,” *The Washington Post*, September 13, 1998.

³⁶ Interview with Marshall Bouton, Executive Vice-President, Asia Society, *The Economic Times*, August 4, 1999.

which will continue however to remain one of the most sensitive issues on the Indo-U.S. bilateral agenda. Realism and the belief that the problem should be resolved through direct dialogue between India and Pakistan guide U.S. policy towards Kashmir. It is also not projecting itself as a mediator, even if it weighed in heavily on Pakistan to expedite the end of its misadventure in Kargil. Aware of the intractable positions of the two protagonists, which perhaps preclude any final status settlement in the very near future, the United States is encouraging the two sides to take small steps. And though it has a degree of sympathy with India as the victim of cross-border terrorism, it continues to view Kashmir as disputed territory and a problem that requires to be addressed, taking into account the wishes of the Kashmiri people. It believes, moreover, that the dispute constitutes a significant impediment to a climate of peace and stability in South Asia and reflects poorly on its role as the international crisis-handler and peacemaker. India requires to explore creative internal solutions, failing which the pitch could be queered again by excessive U.S. interest, which will continue to remain a function of the overall state of India-U.S. relations. The danger of an increased international focus of course is that the extremists would feel encouraged to escalate their insurgency, which will not only compromise any prospect of settlement, it could bring India and Pakistan again to the brink of war.

37. Another perennial issue is the lingering tendency to equate India and Pakistan and to box India within the South Asian region while considering global or Asia-wide issues. The treatment of China is a case in point. The United States has only grudgingly begun to see China as part of the problem in dealing with nuclear weapons in South Asia. It was American permissiveness of the steady Chinese nuclear and missile technology transfer to Pakistan all through the 1980s, when the focus was on Afghanistan, which led to the current situation in the sub-continent. Few experts will claim that North Korea's nuclear and missile program was driven by indigenous technology. Still, the United States has persisted in not viewing China as having contributed to the problem in the first place, because of both hope and fear: the hope of buying China's future good behavior, and the fear that any break in contact with China in the area of non-proliferation may entail heavy costs. U.S. officials have for several years now convinced themselves, despite evidence to the contrary, that China is not reneging on its non-proliferation commitments. China is privately advised to tell Pakistan to show restraint, but the United States does not hesitate to join hands with China publicly to lecture India.³⁷ India on its part is doing its best to build good relations with China but resents the double standards adopted by the United States in dealing with the two countries.

38. In the context of global and Asia-wide issues, India believes itself to be qualified for permanent membership of an enlarged Security Council, for membership of the Asia-Pacific Economic Cooperation (APEC) and for closer involvement in the solution of the problem in Afghanistan, with which India has vital security, political and historical links.

³⁷ There is some evidence that Indian sensitivities in this matter has made some impact on U.S. policymakers. In a Congressional panel hearing on March 4, 1999, Karl Inderfurth acknowledged the importance of China in India's security concerns, and stated that when Secretary of State Madeleine Albright had been in Beijing during the preceding week she had encouraged the Chinese to respond positively to Minister of External Affairs Jaswant Singh's call for opening "true communication" between India and China; see *The Hindu*, March 5, 1999.

There is some resentment that the United States has been reticent in extending support for these, though to be fair, neither has it been against. While the United States cannot be held responsible for the absence of strong support for India in regional and global forums, any accommodation of India's aspirations will go a long way in changing the climate of the bilateral relationship.

39. On multilateral issues, there is a degree of convergence of objectives in several areas, especially the promotion of values integral to the two societies, including democracy, pluralism, respect for human rights, and stability in the Asian region, even if there are differences in how to go about it. In the context of human rights, India has always maintained a vigorous democracy, backed up by an independent and assertive electorate, an unfettered press and strong judiciary. India has many energetic NGOs, social action groups and voluntary associations. Indian processes and institutions are open and transparent, perhaps only less so only when compared to a country like the United States and in contrast to some of the totalitarian and theocratic countries that surround it.

40. On the shaping of the international order, however, there are significant differences between India and the United States. India does not want this to be the prerogative of a small group of countries, howsoever powerful militarily or financially they may be. Instead, it would like such an order to be based upon universal participation and underpinned by strengthened multilateralism under the United Nations, democratization of decision-making, particularly in the Security Council, and the primacy of international law and the UN Charter. On environment, the United States would like India to bind itself to limit emissions. India insists on per-capita equity, the polluter-pays principle, the fulfillment of multilateral commitments already made in the area of technology and resource transfer, and higher emission reduction targets for the industrialized countries.

41. On the face of it, a similar divergence marks the consideration of regional issues. In terms of broad objectives in the Gulf, both countries want open sea-lanes and stability. The United States has shown it is willing to go to any length to ensure unfettered access to oil supplies. India's dependence on Gulf resources is even greater. Yet, in actual policy articulation, there is a gap between the two sides. The United States wants to maintain its high profile presence in the region by highlighting the threat from Iraq. U.S. policy also seeks to stymie and circumvent Russia and Iran in the region. In contrast, the two countries play a critical part in India's policy towards the Gulf and Central Asia. To the extent, however, that American relations with Russia and Iran stabilize in the coming years, there may be greater concordance in the positions of India and the United States in the Gulf and Central Asia.

42. In Southeast Asia there is an analogous situation. The U.S. presence there and in East Asia keeps a check on China. And should the United States seek to buttress its position in that context, its first choice would be to get Japan to increase its inputs in maintaining the containment policy. It could also seek a *modus-vivendi* with China. The Chinese themselves may not be averse to American presence, since it keeps potential

Japanese militarization in check. Neither the U.S., nor Japan, nor even China want a new player in the Asian game that can upset the finely tuned existing balance. With India's economic growth and its increasing links with Southeast Asia, and in consonance with the Indian government's initiatives in forging closer institutional ties with ASEAN and the Indian Ocean Rim countries, India is likely to play a greater role in the region. There is some evidence that the United States and some others are beginning to view India as a stabilizing factor in Asia and perhaps also in the global scheme of things.³⁸

43. The mutuality of interest is manifestly even greater on the bilateral economic agenda compared to some of the international and regional and any remaining differences can be more easily bridged through dialogue and adjustment. Here, the principal challenge is to find the right mechanisms to take the relationship to a new level, which both sides professedly desire.

44. In the area of energy development, India would welcome further U.S. investments in all areas. The U.S. preference is to focus on a partnership with India in the context of clean technologies. The hydel potential of Nepal and the gas potential of Bangladesh have been known for decades. These are clean energies and almost totally untapped. Were these to be developed, India would provide the natural market, which would also serve to reduce the trade deficits of these two countries vis-a-vis India. Neither the countries concerned nor India have the financial resources to optimally utilize these natural endowments. Not only would investment by U.S. and Western firms in India's neighborhood supplement India's growing energy requirements, such a stake would ensure that the cross border energy sales remain impervious to political vicissitudes between neighbors. A sub-continental power grid and energy linkages would also bind the countries in the region into a closer relationship and, just as the case of free or preferential trade arrangements, raise the threshold of intra-regional political relations below which it will not be allowed to fall. It would also free India from the embarrassment of asking its neighbors to do what is mutually good for them and for India.

45. India's efforts to build institutional contact between India-U.S. bodies at various levels and a more differentiated and professional approach to publicity work and lobbying over the past few years have already begun to pay dividends. There is now a greater measure of understanding about India amongst members of the Congress, the think tanks, and departments and agencies besides the State Department who also play a key role in the inter-agency process on national security issues. Since they exercise considerable influence on issues such as the restrictive U.S. policies on the transfer of dual-purpose technologies, India requires to do more in this area, particularly with the Pentagon and the Department of Defense as also with the intelligence agencies. These agencies and the Pentagon have allocated substantial new resources to acquire cutting-edge tools against terrorism, an area of prime interest. Wider and deeper contacts between the defense and intelligence establishments will also negate the efforts of those who may be averse to positive changes in the orientation of the United States towards India.

³⁸ See interview with Jaswant Singh, *The Business Standard*, July 13, 1999.

46. Hand in hand with this, the policy of increasing interaction between the academic and strategic communities requires to be widened.³⁹ India paid a heavy price of neglect of U.S. campuses when, in the early 1970s, the Indian visa procedures had been tightened, forcing the Rudolphs and Weiners of the American academic world and their students specializing in South Asia to wait for months before entering India. As a result, the number of specialists on India in U.S. campuses dwindled. Already small-sized, due to India traditionally having been an area of lower priority for the Americans compared to the East Asian countries, South Asian studies further contracted, and funding became increasingly tight.⁴⁰ That lost ground must be recovered and intellectual and cultural contacts enlarged. American institutions could also be encouraged to enlarge their India-related programs.

47. The encouragement and activation of some high-profile U.S. funded projects in India and a full menu of activities by the existing institutionalized mechanisms will keep up the momentum of two-way economic exchanges. Corporate bodies such as the Indo-U.S. Commercial Alliance, the Indo-U.S. Joint Business Council and the India Interest Group have helped in forging business contacts between potential partners. The promotion of similar bodies on a regional basis could also be useful. Together with the national-level organizations, they could also exercise a moderating influence on contentious bilateral issues.

48. In the area of high technology, past initiatives such as the 1984 Memorandum of Understanding have largely failed to deliver, including the project on the light combat aircraft, because they were grounded on government-to-government interaction. A recent success has been the phenomenal growth of India-U.S. commercial exchanges in the area of information technology, fuelled by the presence of Indians who play a key role in this industry in the United States. According to Anna Lee Saxenian of the University of California, Berkeley, between a quarter to a third of all new investment in information technology in the Silicon Valley are going to firms set up by Indian or Chinese entrepreneurs.⁴¹ It is many of these Indians who have established links with India and launched Bangalore and Hyderabad as the major software exporting centers of the world. Similar potential exists in at least two other areas, new materials (covering construction technologies for housing, bridges and road building; telecommunications; and the whole range of micro-technologies) and biotechnology (for pharmaceuticals and agriculture), both of which are vital for India's progress. Here again, the pool of Indo-American expertise could be tapped for mutual benefit. However, in these two areas appropriate mechanisms would need government support, for the costs of start up and research are

³⁹ Despite 1998-99 having been a recent low-point in Sino-U.S. relations, scores of Chinese experts, sponsored by the Chinese government, came to U.S. campuses, including over two dozen senior Chinese PLA officers, for a special program on strategic and security studies at the John F. Kennedy School of Government, Harvard University. In contrast, during the same academic year, there was not a single government sponsored scholar or expert from India present at the Kennedy school.

⁴⁰ The late Myron Weiner, Professor at the Massachusetts Institute of Technology, told the author how disheartened American students got off South Asian studies and he was constrained to encourage them himself to look for a different specialization.

⁴¹ *Wall Street Journal*, June 24, 1999.

higher compared to the software sector. These could be included as the focus areas in whatever new mechanism is set up to galvanize scientific and technological cooperation between India and the United States, whether in the form of a revamped science and technology initiative or a new body like a Science Forum. Other areas of scientific cooperation could include the safety requirements in those of the Indian civilian reactors that are operating under IAEA safeguards and, subject to further progress in the bilateral dialogue, perhaps also civilian nuclear technologies. In addition, an institutional framework is also required in India to attract and utilize the expertise of the scientific community of Indian origin in the United States, which has a significant presence in the areas of high technology. Many of them desire professional openings or business opportunities in India, which could catalyze growth in niche areas.

49. A common agenda on high technology can, in fact, provide the driving force of the new relationship that the two sides are seeking. This will catalyze the Indian economy, strengthen India's indigenous scientific capabilities, and buttress development efforts in the industry, agriculture, energy, environment, and health sectors. And unlike in the past, the equation between the two sides will not be one of donor and recipient, but that of partners, where mutual benefit and the private enterprise will drive the exchanges (even if the public or government sector is associated in it). The United States could significantly lower its development costs in key areas, as indeed is happening in the information technology sector, and gain easier access to the Indian market. More important, both sides will develop a strong stake in a better overall relationship. Since this can of course only build up over a period of time, given the complex legislative and procedural hurdles to be crossed, quick and demonstrable results may generally be slow, but patience and commitment should produce results.⁴²

VIII. Conclusions

50. At present, Indo-U.S. relations are still narrowly focused. The differences over their security policies overshadow the current dialogue and impede progress in other areas. Without minimizing the obstacles that stand in the way, the situation seems hopeful nevertheless because both sides seem, in principle, committed to a meaningful upgradation in their relations. Prime Minister Vajpayee spoke recently of his belief that India and the United States were "natural allies," and that India looks forward to "a more stable, equitable and productive" relationship with the United States.⁴³ The U.S. interlocutors engaged in the strategic dialogue with India since 1997 have in turn talked of taking the bilateral engagement to a new level. President Clinton has spoken of a partnership in the 21st century, and Indians are treating this as a serious statement.

51. The past continues to cast a shadow on the future prospects of India-U.S. relations. Besides the surviving ideological orthodoxies, there are many individual actors

⁴² For a fuller consideration of these ideas, see Virginia Foran, "The Case for Indo-U.S. High-Technology Cooperation," *Survival*, Vol. 40, No. 2, 1998, pp. 71-95.

⁴³ Transcript of speech at the Asia Society, New York, September 28, 1998 and his intervention in the Rajya Sabha, cited in *The Hindu*, December 17, 1999.

who harbor deep suspicions about the objectives of the other side. Nevertheless, the underlying structures of India-U.S. relations have changed, leading in turn to modest and incremental gains. The attractions of an expanding market, made more accessible by openness to foreign investment and lowering trade barriers, as also India's pattern of responsible behaviour on matters affecting the vital interest of the United States, without compromising on its own principles, such as in the Middle East, the Gulf, Afghanistan and in the SAARC region, is shaping this improvement in relations. There is a more ready realization in both India and the United States that their way of life and manner of thinking, the shared commitment to democracy, multiculturalism and the rule of law provide deeper affinities in the present context, even if they did not do so in the past. The waxing and waning of Sino-U.S. relations will also have its inevitable impact on relations with India, given its countervailing utility, but this will be U.S. inspired and not part of India's strategic design. India seeks a more intense engagement with the United States for its own sake, in recognition of its relative stability and potential as a reliable, long-term partner. Both sides need to show consideration for each other and acknowledge their commitments and frailties. They will have to put up with the uncertainties of their domestic politics and compulsions of geopolitics. With mutual interests far outweighing their differences, the overall current picture of the relationship is one of guarded optimism. If, as current projections seem to indicate, India continues to grow in the next decade as it has since the early 1990s, the thickening of interlinkages between the two countries is likely to be far greater.