

# **India and America: An Emerging Relationship**

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In late March 2000, Bill Clinton became the first president to visit India in over twenty-two years. At the core of his five-day stay was a brilliant speech to the Indian parliament that acknowledged India's civilizational greatness, noted its economic and scientific progress, and praised India's adherence to democratic norms. However, the speech tactfully set forth areas of American concern: Kashmir, India's relations with Pakistan, and nuclear proliferation. These led Clinton to state that South Asia was the most dangerous place in the world, a characterization that was publicly contested by India's President, K.R. Narayanan. During the trip, Clinton also signed a "Vision" document with Prime Minister Atal Behari Vajpayee, committing both sides to an expanded government-to-government interaction. During a five-hour stopover in Pakistan Clinton also delivered a "tough-love" (encouraging but critical) television speech to the Pakistani people.<sup>1</sup>

The visit was a triumph as far as images and symbols were concerned. Departing from his prepared speech to the Asia Society in New York on April 14, 2000, the Indian Finance Minister, Yashwant Sinha, said that Clinton swept away fifty years of misperception, and that the two countries appeared to be on a path of realistic engagement. This may be true, but it took Clinton seven years to make a journey to South Asia. His was only the fourth presidential visit to India and the first in two decades. This suggests that the long history of strained relations between these two democracies is based upon more than misperceptions.<sup>2</sup> This paper explores the possibility that major structural changes in the India-U.S. relationship are occurring, altering perceptions and policies in both Washington and New Delhi. This opens up a wider range of strategic choices for both countries, and the paper concludes with a discussion of American options concerning its relationship with India.

## **India and the United States: Distanced Powers**

The strategic distancing of the United States and the leadership of what was to become free India took place several years *before* the onset of the Cold War, when neither Americans nor Indian nationalists saw a close relationship as vital. Each side allowed other interests to deflect any plans for strategic cooperation.

Other than early humanitarian and missionary ties, and an interest in Mahatma Gandhi, the first important contacts between the United States and India began in 1942, five years before independence, when America first perceived a significant strategic stake in the Indian Subcontinent.<sup>3</sup> Support for the independence movement was especially strong among American liberals, and President Franklin D. Roosevelt needed Winston Churchill about India. The American media was very pro-nationalist, and Mahatma Gandhi and Jawaharlal Nehru received extensive publicity in *Life*, the *New York Times*, and other major American publications.<sup>4</sup>

The turning point in American policy, which anticipated later India-American disputes, was precipitated by the 1942 Indian decision of the Indian National Congress not to support the war effort and to launch the Quit India Movement. With allied fortunes then at their low point, the Congress action placed the Roosevelt administration in a position where it had to choose between Britain, the key ally, then under military attack and India, a potential friend. Not surprisingly, Washington chose Britain.

While disappointing, the loss of American support was not critical for Indian nationalists. Their overseas lobbying efforts had been focused on Great Britain, especially the British Labor Party. Many Indian leaders had been educated in Britain or in British-oriented institutions in India and had little personal or intellectual interest in America. If anything, they had absorbed leftist British views that the United States was the epitome of capitalism and they shared a prejudice that Americans lacked the cultural refinements of the British. Only a few Indian leaders of these years had ever been to the United States—not including Nehru—and the most prominent of these (J.P. Narayan and B.R. Ambedkar) were not members of the Congress Party.

### **Cold War and Containment**

The Cold War brought the United States back to South Asia in search of allies in a struggle against a comprehensive communist threat. It also led Americans to think again about the strategic defense of the region. South Asia had come under attack by Japanese ground and naval forces in World War II—what kind of threat did it face from Soviet and (after 1949) Chinese forces? America's containment policy, as implemented in South Asia, was to help India and Pakistan defend against external attack, to obtain bases and facilities from which the United States might strike the Soviet Union with its own forces, and to help both states meet the threat from internal (often communist-led) insurrection and subversion. Early American studies characterized India as the "pivotal" state of the region, and saw Pakistan as a likely place to base American long-range bombers as well as a potential ally in the tense Persian Gulf region.<sup>5</sup>

Ultimately Pakistan joined the then Baghdad Pact (later CENTO) and SEATO. It received significant military and economic aid from 1954 to 1965.<sup>6</sup> Although India declined to join any of the American-sponsored alliances because it was non-aligned, it received considerably more than Pakistan in economic loans and grants (although much less on a per capita basis), and purchased about \$55 million in military equipment from the United States. New Delhi also received \$80 million in American grant military assistance after the India-China war of 1962.<sup>7</sup>

America also pursued Cold War objectives in South Asia on the domestic front, often with the cooperation of regional states. As the internal vulnerabilities of Pakistan and India became more evident (especially in light of the Comintern's 1949 call for revolutionary uprisings throughout the world), Washington mounted a variety of developmental, intelligence and information programs. The Indian communists were seen to be under the influence of the Soviet Union, and America provided huge amounts of surplus food, economic aid, and technical and agricultural missions in an effort to help

India and Pakistan counter communist influence. Many of these programs assumed a correlation between poverty and susceptibility to communism: by encouraging economic growth (and redistributive policies, such as land reform) the communists could be beaten at their own game and democracy would have a chance, even in the poorest regions of India and Pakistan. Substantial information/propaganda campaigns were also developed, balancing the much larger Soviet operations. Although this ideological Cold War peaked in the 1950s and 1960s, Washington was still vigorously countering Soviet disinformation programs in the mid-1980s.

While Pakistan had become a useful ally in 1954, India was the main prize, and several American administrations believed that the most significant contest in Asia was that between communist China and democratic India. Echoing Leninist logic (that the vulnerability of the metropolitan country lay in its colonies), India was seen by some as a key battleground in the Cold War.<sup>8</sup> The extreme form of this argument was expounded by Walt W. Rostow who justified the American intervention in Vietnam because if Communist aggression succeeded then India, the most important of all of the dominos, would ultimately fall to communism.<sup>9</sup> (It came as something of a surprise to Indian diplomats to learn from Rostow that their country was the reason why had intervened in Southeast Asia).

John Foster Dulles once referred to Indian “neutrality” in the Cold War as immoral. Yet, he and other American officials eventually came to see Nehru’s non-alignment as less and less problematic. Indians were very difficult to get along with. Not unlike Dulles, they were moralistic and preachy, but Delhi’s influence in the non-aligned movement was an important fact of life and American critics concluded that as long as India was not an enemy, it need not be an ally. By the time of the “second” Cold War, 1980-89, Washington did not try to punish India for its close relationship with the Soviet Union, but sought an opening to New Delhi in the hope of luring it away from the Soviets and protecting Pakistan’s southern flank. By this time, India was no longer a strategic prize to be courted and cultivated; it was seen as a state that had, at best, nuisance value, not in the same economic or strategic league as the other two major Asian powers, China and Japan.

### **The Cold War as Seen from Delhi**

Indian interpretation of the regional impact of the Cold War are quite different than American. Nehru opposed the Cold War although he placed India into a position to receive assistance from both sides. There were many reasons for his policy, which remained a central feature of Indian foreign policy for forty years.

First, the Cold War was seen as excessively militarized. This militarization included an arms race that quickly became a nuclear arms race, endangering the entire world. Nehru was appalled by the bombing of Hiroshima, and while he permitted Homi Bhabha to develop the facilities that eventually produced an Indian bomb, he remained strongly opposed to nuclear weapons, to their testing, and to the risk of a global holocaust created by American and Soviet nuclear stockpiles.

Further, the division of the world into two heavily armed blocs meant less support for the peoples of Asia, Africa and Latin America. Nehru and other Indian leaders tirelessly criticized the Cold War for its detrimental effect on the economic development of the former colonies and poorer regions of the world, including India.

As for America and the Soviet Union, India had close ties to neither. At the time of independence the United States was seen as over-developed, materialistic, and driven by a Manichaeian view of the world. The Americans had stepped into the shoes of the British, and even non-communist Indians suspected that the United States wanted to undercut India's natural and rightful regional dominance. The Soviet Union was viewed as an errant but fundamentally friendly state. Nehru had written in 1927 that it was inconceivable for the foreseeable future that Russia could ever become a threat to India.<sup>10</sup> Indians believed that the Soviet Union "is not a colonial power, it doesn't have a colonial past," that the Soviets were not interested in colonial expansionism, and that "Indo-Soviet relations are free of irritants, such as territorial conflict, or historical antagonisms." As a leading Indian foreign policy specialist concluded, the Soviet Union was "a harmless country."<sup>11</sup> Further, the Soviet Union was admired for its economic accomplishments and defiance of the West, although Nehru and the Indian non-communist left understood its essentially totalitarian structure.

The Soviet Union was a dictatorship, but Indian advice to the United States was to avoid pressuring it. As Morarji Desai told President John F. Kennedy, "there is a possibility of converting them to some extent if the method of friendly persuasion is adopted."<sup>12</sup> Indians were thus highly critical of the American policy of containment. Indian policymakers ridiculed American fears of the Soviet Union and regarded Soviet military preparations as essentially defensive—a response to the provocative containment strategy of the West.

Thus, when the Soviet Union invaded Afghanistan on Christmas eve, 1979, New Delhi was taken aback. It had become highly dependent on the Soviets for military supplies and political support in the United Nations and other political fora. The Soviet invasion had precipitated a "second" Cold War, revived the Pakistan-U.S. military relationship, and brought the United States and China into South Asia on Islamabad's side. There had been no significant Pakistan-U.S. relationship for fifteen years, but in the decade after the Soviet invasion of Afghanistan, Pakistan was to receive over \$7 billion in loans and credits for military and economic assistance, as well as political support from Washington. Privately Indian officials acknowledged the damage to their position caused by the Soviet action, but the burden of their criticism fell on the United States and Pakistan for their failure to seek a "political" solution to the Afghan crisis.

### **Pakistan: Opportunity or Problem?**

While Indians had practical and conceptual difficulties with America's approach to the Cold War, the most persistent and important objection to American policy stemmed from the military aspects of American alliance policy. This was objectionable on every ground. It seemed to establish a strategic and moral equivalence between India and

Pakistan (at least in American eyes) that was not justified by the objective military, economic, and strategic capabilities of the two states, or India's stature as a free state with a liberal outlook. Indians resented this equivalence just as many Americans resented the way that non-aligned India seemed to equate the United States and the Soviet Union.

Further, by supporting Pakistan, New Delhi argued that America had forced India into an unnecessary and costly arms race.<sup>13</sup> The American arms program, agreed to in 1954, turned Pakistan into a lesser, but still significant military power. It enabled Pakistan to field an armored division equipped with first-line Patton M-48 tanks, to acquire a number of modern F-85 jet aircraft, and a small navy. The Pakistan military also received extensive training and technical support, including NATO briefings on nuclear war. These acquisitions, essentially completed by the end of 1959, made it unlikely that India could militarily dominate Pakistan. Until 1965, aid continued at a more modest pace and new weapons systems were not introduced. In 1981 a major aid package to Pakistan provided forty F-16 aircraft, old but upgraded M-48 tanks, modern artillery, and the loan of a several warships. While this did not tilt the military balance in Pakistan's favor, it neutralized India's ongoing arms build-up.

Indians had other problems with the U.S.-Pakistan relationship. American assistance gave Pakistan the means and the inspiration to challenge New Delhi. Air Marshal K.D. Chadha, a former Indian air force chief expressed the Indian view of the relationship when he wrote that Pakistan's affiliation with the United States aroused "ambitions and delusions of grandeur" in Pakistan's power elite. Military officers exposed to American training and doctrines, "began to see themselves as invincible superior beings. They held the Indian military forces . . . in derisive contempt. Arrogant, flamboyant and impregnated with American doctrinal proclivities, they were more than convinced that militarily India was a push-over."<sup>14</sup> When coupled with the predominant view (in Pakistan) that one Pakistani soldier was the match for eight, or ten Indians, the Americans had made it even less likely that Pakistan would come to a settlement of Kashmir, and more likely that they might pursue a military solution to the dispute, or use force to pressure India into dangerous concessions.

Further, India attributed the distortion of Pakistan's politics to the American connection after the army took power in Ayub Khan's 1958 coup. Delhi was concerned that the American-encouraged militarization of Pakistan might spread to India itself. This was an additional reason to restrict the ties between Indian officers and their Pakistani counterparts, and between the Indian and the United States military establishments.

Lastly, the Pakistan-U.S. relationship came to be seen in Delhi as not directed against communism, but against India. Formally, the only American commitment to Pakistan was to consult, should the latter be faced with "communist" aggression.

From Delhi's perspective America was supporting an enemy. The crowning event occurred during the final days of the 1971 India-Pakistan war, when Nixon ordered the nuclear aircraft carrier, *Enterprise*, to sail toward the Bay of Bengal. Kissinger has claimed that the *Enterprise* deterred India from attacking Pakistan in the west, but it was more

likely that it was a gesture to China, showing American support for a mutual friend, Pakistan.<sup>15</sup> From that day onward, this *Enterprise* episode influenced Indian naval and strategic policy, directing Delhi's attention towards the threat from the sea for the first time since World War II. The *Enterprise* sailed on for an additional twenty years in the pages of Indian strategic journals and books, epitomizing American hostility to India's rise as a major power.

### **The China Factor: From Ally to Betrayal**

While Pakistan was the longest-lasting irritant in U.S.-Indian relations during the Cold War, the wild oscillations in American ties to China were also distressing. After the communists seized power in 1949, Washington warned New Delhi of the danger from the "Chicomps." This did not deflect Nehru from a policy of trying to be neutral in Korea, and accommodating China in Tibet and along the disputed India-China border. But when the two Asian powers went to war in 1962, it appeared that the American view of China was correct, and for several years New Delhi and Washington entered into a close intelligence and strategic relationship.<sup>16</sup> In the early 1960s, in anticipation of an expected Chinese nuclear test, there was a discussion of providing India with a nuclear capacity of its own, but the idea never went very far.<sup>17</sup> Further the growing American involvement in Vietnam led to a shift in the area in which China (and the Soviet Union) was to be contained: the threat was now in Southeast Asia, not South Asia.

In 1965 the India-Pakistan war provided a good reason to end military assistance programs to both sides. This was seen by New Delhi as an unfriendly act, but was nothing as compared with the sensational news that Henry Kissinger had traveled to China, via Pakistan in July, 1971, on a secret mission, further normalizing American relations with the PRC and incurring some new obligations towards Islamabad.

Again, American Cold War calculations had bypassed India. After encouraging India to stand up to communist China, Washington was using Beijing to balance the Soviet Union, India's friend. Further, China and Pakistan had begun a military relationship that was to supplant Washington's, and which included nuclear and missile technology. Washington's flip-flop on China was devastating. Although Washington acknowledged India's regional dominance after the victory over Pakistan this meant little.<sup>18</sup> In the Indian view the United States has failed to act upon its own principles, and was now supporting a communist dictatorship that was a direct threat to the world's largest democracy. Washington had compounded its misjudgment of India with an excessively emotional approach to Delhi's Asian rival. V.P. Dutt, a leading China expert, mixed irony and sarcasm when he wrote that

The Americans. . . have finally come around to the policies that Jawaharlal Nehru pleaded with them for many years and which they spurned so haughtily and for which they described Jawaharlal Nehru as the "lost leader" of Asia. Suddenly they found everything Chinese unique. The Chinese food was the best in the world; Chinese art incomparable, Chinese acupuncture the most felicitous system of

treatment, and so on. The refrain in USA today was “there are no flies in Beijing.”<sup>19</sup>

## **A History of Good Intentions**

Finally, the Cold War saw a number of American efforts designed to help India and Pakistan resolve their disputes, especially over Kashmir, and the application of a variety of incentives and disincentives to India. These efforts continued beyond the end of the Cold War.

The first American effort at dispute or conflict resolution took place in 1948, the most recent in 1999, during the height of the Kargil war. These episodic interventions are ad hoc arrangements, not part of a thought-out regional American strategy. Like so many other aspects of the U.S.-Indian relationship, both sides regard them quite differently.

The Truman, Eisenhower, and Kennedy administrations each attempted to resolve the Kashmir conflict. Shortly after the first India-Pakistan war, Washington worked with Great Britain through the UN framework, and the UN undertook several peacekeeping missions, establishing a UN observer force along the ceasefire line in contested Kashmir. The Eisenhower administration worried about another India-Pakistan war, also failed to persuade India and Pakistan to come to a settlement on Kashmir. There was, however, a successful conclusion to the Indus Waters dispute during Eisenhower’s second administration. The negotiations were conducted under the auspices of the World Bank, with the United States providing half of the \$1 billion needed for construction projects. Washington had kept a low profile, but its financial support and diplomatic encouragement made the final settlement possible.

The last significant American effort on Kashmir came in 1962-63, during and after the China-India war, when the Kennedy administration mounted a major diplomatic effort. This also failed, despite high-level presidential interest and considerable pressure (and inducements) provided by the United States and Britain. Pakistan never took the China-India conflict seriously and believed that the Indians were exaggerating the threat in order to attract foreign support and military assistance.

All of these American conflict resolution efforts sprang from the calculation that a strategically divided South Asia would be vulnerable to communist pressure. India and Pakistan had to be encouraged to work out a settlement of Kashmir, lest they become targets of Communist aggression. Lyndon Johnson, who was less enamored of South Asia than Kennedy, broke the pattern. When the 1965 war between India and Pakistan began, he refused to become directly involved and backed efforts by the United Nations to broker a cease-fire. Johnson later supported the post-war peace conference at Tashkent that the Soviets had organized, “standing Cold War policy towards South Asia on its head.”<sup>20</sup>

Six years later, Richard Nixon tried but failed to avert another India-Pakistan war, this time over East Pakistan. Nixon urged Pakistan to reach an accommodation with the dissident East Pakistanis and offered refugee aid to India. Nixon wanted to preserve

Pakistan's integrity, less because of affection for Islamabad or dislike of India (although both were abundant) than to show the Chinese, his new strategic partner, that Washington would stand by its friends. The next fifteen years saw very little American interest in India. It was assumed that the 1972 Simla Agreement had provided a regional framework for conflict resolution.

Just as the Cold War was ending, Washington was again drawn into South Asia to deal with emerging regional crises. There were three such efforts, the first taking place in the waning years of the Cold War. When India's 1987 Exercise Brasstacks threatened to erupt into a full-scale war, the American assumption was that the crisis had been triggered by misperceptions. Washington reassured both sides that there was no evidence of hostile behavior or intentions by either. The American analysis was wrong, because Brasstacks was part of a larger Indian strategy designed to put pressure on Pakistan, but Washington's diplomatic intervention did no harm. During a second crisis in 1990 (that occurred during a mass popular uprising in Kashmir), Washington, aware of what had almost happened during the Brasstacks crisis, was concerned that India might strike across the LOC or the international border, triggering a Pakistani response, and even a nuclear exchange. This led to a very active diplomacy by the American ambassadors in Islamabad and Delhi and a high-level mission led by Deputy National Security Advisor Robert Gates.<sup>21</sup> In a third instance in 1999, there was a spurt of presidential intervention in regional security matters when the United States urged Pakistan to withdraw its forces from across the Line of Control. The Indians threatened retaliation, but held off until Clinton induced Nawaz Sharif during a July 4 meeting to pull Pakistan's forces back. The incident inadvertently contributed to Nawaz' downfall, as the Pakistan army regarded his turning to the United States, and subsequent pressure to stop the war, as a betrayal by Nawaz of a carefully crafted military strategy.

Although Washington was successful in helping to prevent the crises of 1987, 1990, and 1999 from escalating into larger wars, these attempts made no dent in the underlying India-Pakistan conflict—nor were these exercises in crisis-management intended to do so. Nevertheless, many Americans have concluded that their well-intentioned offers of mediation or conflict resolution were seldom appreciated and almost never accepted. In this regard no issue was more important, and more frustrating, than Kashmir. From the first year of independence (and the emergence of Kashmir as the most important dispute between India and Pakistan) American officials, private citizens, foundations, and scholars have pressed the two states to resolve, or at least suspend, the conflict. At first, Americans argued that this conflict made it hard for India and Pakistan to manage the joint defense of the Subcontinent from threats stemming from the Soviet Union and China. In the 1950s and 1960s, their conflict was seen as a diversion from urgent economic and developmental needs. More recently, the specter of a nuclear war has been the spur to American intervention.

All told, fifty years of American efforts to resolve the Kashmir conflict—and other regional disputes—yielded few positive results, even as the region moved to a more tense situation in 2000 than at almost any time in modern history. After the efforts of Eisenhower, Dulles, and Kennedy, American policymakers seem to have concluded that

these are unreasonable and intransigent states. After the first fifteen years of the Cold War there seemed to be no compelling reasons for the United States to enter the region, nor were there American domestic or economic interests there. In recent years a pattern of limited, sporadic American engagement, usually in response to a crisis, seemed to be adequate to protect what were perceived to be marginal American interests in South Asia.

### **From Carrots to Sticks**

The United States grew disillusioned with South Asia as the Cold War proceeded. It also moved from a diplomacy based on inducements designed to encourage Indians and Pakistanis to settle their differences on Kashmir to a diplomacy one where the chief instrument of policy was restrictions on economic and technical assistance, or the threat of such restrictions, amounting to sanctions. This tendency to use sanctioned (or to withhold scheduled assistance) increased as American differences with India over non-Cold War issues came to overshadow India's declining value as a player in the Cold War.

The first three instances of such American policies towards India, in the 1960s and early 1970s, were related to India's economic policies, although there was also irritation with Delhi's support for the Vietnam government. Economic pressures were applied on India in July 1965 to force it to change its agricultural policy when President Lyndon Johnson ordered the suspension of long term PL-480 food assistance, at a time when India was undergoing a severe famine. Though short-term food aid shipments to India were allowed, the threat of a more lasting grain embargo remained until 1967 and this ultimately influenced the Indian government to adopt a changed agricultural policy. Washington (or at least Johnson) saw the "ship to mouth" strategy as a clever way to bring about reform. This was not a "sanction" but it was extremely damaging to the U.S.-India relationship, which was not yet ready for an act of "tough love." The Indian response to these policies was deep anger, as Indira Gandhi and much of the Indian public felt that Indian sovereignty was under attack by a bullying America. Since America was then deeply enmeshed in Vietnam, many Indians came to see the policy not as well-meaning but the behavior of a bully, and one that had Asian blood on its hands at that. American military and economic aid to India (and Pakistan) was also suspended during their 1965 and 1971 wars.<sup>22</sup> Military sales and assistance to both countries were steadily reduced over the following years.

Jimmy Carter reintroduced the carrot in the American diplomatic repertoire when he and the World Bank offered massive assistance for an Eastern waters regional development program. This was and remains an important project, but Carter's broader regional goal was to contain proliferation. India never considered the proposal seriously, partly because it thought it could work out a bilateral agreement with Bangladesh and Nepal and partly because it did not want a repeat of the Indus Waters experience, which had been managed by outsiders. Carter was seen by some Indians as a friend turned hypocrite: he promised aid and praised India, but was really pushing a non-proliferation agenda that threatened vital Indian interests.

Thereafter, in response to the 1974 Indian nuclear test the United States turned to technology export controls as a central instrument of policy. These controls, often coordinated with other countries, have been entirely nuclear or missile related. After 1974 the restrictions of the Zangger Committee and Nuclear Suppliers Group reduced and eventually halted nuclear-related technology transfer not just to India but to several other states of proliferation concern.<sup>23</sup> In March 1978, Congress passed the Nuclear Nonproliferation Act (NNPA) that made approval of nuclear exports dependent on the buyer's acceptance of safeguards, with a two-year grace period. In 1980, President Carter approved a temporary waiver allowing 32 tons of uranium for India's Tarapur reactor, and in 1982, an agreement allowed France to supply Tarapur in return for India's accepting safeguards on the facility. Apart from nuclear sanctions, India also faced embargoes on missile-related technology from 1987 onwards after the advent of the Missile Technology Control Regime (MTCR). Under these, the United States blocked the transfer of a Russian cryogenic rocket engine to India in 1992-94, but eventually allowed its sale without the related technology.

While India was denied dual-use and sensitive technologies, it did not actually lose American or international economic aid until its 1998 nuclear tests (in contrast, Pakistan lost access to American aid much earlier).<sup>24</sup> The Glenn Amendment required Washington to vote against international loans to non-NPT states conducting nuclear tests. As a result India lost about \$2 billion in foreign aid from International Financial Institutions and Japan, and lost another \$300 million from other Western donors including the United States. Before its 1998 tests, India had received annual aid worth approximately \$2 billion from International Financial Institutions and \$1 billion from Japan, which together accounted for three-fourths of India's total aid. After the tests, Japan banned all new foreign aid commitments to India (causing Delhi to lose about \$1 billion in aid). Further, with American and G-7 coordination, the World Bank halted another \$1 billion in economic development and infrastructure-related loans to India, although it cleared approximately \$1 billion worth of social development loans.<sup>25</sup>

From America's perspective, these nuclear-related economic sanctions were not aimed at India's status as a great power, nor was the objective one of preventing its emergence as a major power. They were deemed necessary to maintain a common front against the worldwide menace of proliferation. India (and Pakistan) seemed to be clear violators; while the Iraqis could be dealt with by force, the North Koreans by offers of economic aid, and the Israelis ignored, India was ripe for sanctions and other forms of denial and punishment. These were believed to be a deterrent to India, a "lesson" to other possible nuclear violators, and as a part of the pledge that Washington had made to its allies and to non-nuclear states who had signed up to the constraints embedded in the NPT. Sanctions had earlier been used to cajole India into economic reform (they largely failed), and when they were applied to what many Indians regarded as a vital national interest—the maintenance of the nuclear option—they proved to be ineffective, and even counter-productive.

This history is seen quite differently from New Delhi's vantage point. These interventions are viewed as serving American interests, not Indian. Even Indians who

would have preferred a negotiated settlement with Pakistan on a wide range of issues found American interventions untimely and crude. The Indus Waters agreement, seemingly a satisfactory solution to a difficult problem, was criticized by some Indian officials who regard it as having diminished India's share of the waters. When coupled with American military support for Pakistan, American concerns for the security of South Asia and crisis aversion are regarded as exaggerated at best and deceptive at worst. In recent years, Washington's sanctions-led policy was seen as not only punitive, but designed to cripple a potential great state. For the more hawkish members of the Indian strategic community the purpose of these interventions was to prevent the dominant regional power, India, from achieving its natural dominance over Pakistan. They conveniently overlooked the fact that American sanctions on Pakistan were tougher still. In this regard, no other issue has been so important for Indian-U.S. relations than the downward trajectory in America's support for India's nuclear ambitions.

### **Some Cold War Lessons**

The United States and India drew very different lessons from their long, and usually frustrating engagement during and immediately after the Cold War.

Several generations of American policy-makers concluded that India and Pakistan were unable to compose their differences and that there was little prospect for a strategically united South Asia. The region had been torn apart by Partition and conflict was perpetuated by seemingly unreasonable Indian and Pakistani leaders, and Washington could not put it back together, even if it tried. There were times when American administrations toyed with the idea of choosing *between* India and Pakistan to help contain the Soviet Union or China (or, at times, both). However, no administration could bring itself to make such a choice—although Kennedy was ready to do so when he died—and stick with it. Thus, American economic assistance to India peaked in 1961-62, when military aid to Pakistan had reached a plateau. Later, when American military equipment began to flow to India, compensatory military hardware was supplied to Pakistan. Time and again a movement towards one or the other country was partially balanced by programs with the other as the United States responded to the zero-sum mentality prevalent in both Islamabad and New Delhi.

By 1965, the United States concluded that the greatest danger might be regional overcommitment: being dragged into a purely regional crisis by India or Pakistan, when no American interests were at stake. In that year Lyndon Johnson, frustrated by the outbreak of the second India-Pakistan war, suspended military aid to both countries and passed to the Soviet Union the role of regional conflict manager. The United States was not so much in opposition to India, but disillusioned with it. Delhi could not compose its differences with Pakistan and the Cold War had receded from South Asia. President Lyndon Johnson and his Secretary of State, Dean Rusk, concluded that there was little risk in letting the Soviets try their hand as a regional peacemaker.

It took a crisis to build a policy—or at least to rouse America's strategic interest. Absent a crisis (either a threat to the region by an outside power or a threat to regional

stability brought about by an India-Pakistan war), American officials tended to regard South Asia as a strategic sideshow. While it may have been the *site* of Cold War competition, it was not consistently judged to be vital territory—at least compared with the oil-rich Middle East or an industrially vital Europe and northeast Asia. For much of the Cold War the crisis was a threat from the Soviet Union, China, or internal communist threats; by the mid-1970s, this had been joined by the proliferation threat, which dominated American policy from 1974 on, except for the Afghan interregnum.

Finally, in the absence of significant economic, cultural, or ethnic ties, these strategic calculations—Cold War and proliferation—shaped the larger relationship with India but did not entirely crowd out two other American interests. One was support for Indian democracy and the hope that the United States and India—as democracies—had much in common. The other was the theme that ran through American policy from the 1940s, that India was deserving of economic and developmental aid because of its poverty.

For the Indian strategic community the lesson derived from America's Cold War policies was that Washington was an untrustworthy, sometimes-hostile state. This view was tempered only by the expectation (in 1989-90) that the United States itself might follow the Soviet Union into decline. While appreciative of large-scale American economic assistance in the 1950s and 1960s, both superpowers were judged primarily by their willingness to recognize India's regional dominance in word and deed. Did they refrain from supporting India's smaller neighbors in one regional dispute or another? Did they provide military hardware or other supplies, which encourages India's neighbors to pursue anti-Indian policies? Viewed through this prism mainstream Indian opinion perceived American policy during the Cold War as at best ambivalent, at worst malevolent.

The comparison between Washington and Moscow often came down on the side of the latter. India could not rely upon the United States as a military supplier; Washington was erratic and prone to imposing sanctions that affected military readiness. Even American economic assistance had strings and was manipulated by Washington, and the humanitarian interventions that Washington indulged in when the Cold War ended were seen as potentially threatening to India. Finally, well meaning or not, Washington's military assistance to Pakistan were directly threatening to India. When the Soviets experimented with aid to Pakistan in the late-1960s, Delhi was able to pressure it to terminate its program; the United States was not susceptible to complaints.

Compared with Washington, India's strategic highs and lows had a wider fluctuation. The highs ranged from an early expectation that the United States would be a staunch supporter of New Delhi, the low point came (and stayed there for a number of years) when many Indian strategists believed that the United States was India's major strategic opponent and that it had masterminded a coalition of hostile powers against India.

In sum, the U.S.-Indian relationship was asymmetric. America had preponderant military and economic power; it seemed to be insensitive to Indian concerns and

ambitions. The view from New Delhi, for much of the Cold War—and the decade that followed it—was that the United States was itself very concerned with India, and that it was bent on preventing India from “emerging” as a regional dominant state, and as a global political and strategic factor. The United States could be held responsible for many of India’s ills, a belief encouraged by Delhi’s quasi-ally, the Soviet Union. New Delhi’s difficulties with America were deeper than the Cold War.

## **A Transformed Relationship?**

Over the last twenty-five years, the dominant emphasis of American policy towards India has been on non-proliferation, and the primary tools of policy were not military force, sales, or assistance, economic aid, or even diplomacy, but technology embargoes and economic sanctions. These came to dominate American policy as American concern with the nuclear programs of India and Pakistan grew. This policy led to a strained American relationship with India, a relationship that was ultimately transformed because of the 1998 nuclear tests.

### **Proliferation Takes Command**

The elevation of non-proliferation concerns to the chief focus of American policy took place in 1974, when, stimulated by the Indian nuclear test, Americans concluded that the world was on the edge of a rapid burst of nuclear proliferation. Jimmy Carter made non-proliferation the centerpiece of his foreign policy (until the Soviet invasion of Afghanistan) and South Asia became a particularly important target of American nonproliferation legislation that included technology denials and sanctions. This concern with proliferation was partly suspended when the Soviets invaded Afghanistan, and Washington practiced a policy of “see no evil, hear no evil, and speak no evil” concerning Islamabad’s weapons program.

By the time of the 1990 India-Pakistan crisis, many in Washington felt that South Asia was out of control. The assumption was that conflict over Kashmir could lead to a conventional war, which in turn could ignite a nuclear conflagration. Further, there was also a strong disposition for the United States as the sole superpower to assume the leadership role in heading off this chain of events. America was thought to have the best intelligence on these sensitive issues and it was thought to have the greatest leverage over India and Pakistan. Non-proliferation again became the centerpiece of American regional policy and was a bipartisan issue. This policy was the offspring of a liaison between strategic conservatives (who wanted to make the world safe for American nuclear weapons) and anti-nuclear liberals (who wanted to get rid of all nuclear weapons, and who thought that other countries would be more susceptible to pressure than the Department of Defense).

India was one of the few near-nuclear states with which the United States could have a dialogue. American officials were at liberty to travel to New Delhi to lecture their counterparts on the perils of nuclear weapons. They were unable or unwilling to do so in

Teheran, Pyongyang, or Tel Aviv. So, India (and Pakistan) received a disproportionate amount of official and unofficial attention aimed at “capping, freezing, and rolling back” their nuclear programs, very little of it addressed to the motives and causes of these nuclear programs. In this respect, the failure of the United States to take seriously, or even respond to, the 1988 “Rajiv Gandhi initiative” on regional and global disarmament when it was initially proposed, or when it was revived in 1992, was an egregious error, reflecting the assumption that Washington knew better than India what was right in the area of nuclear disarmament. The Rajiv initiative was one of several missed opportunities to engage the Indians on one of their central objections to the NPT and to work out an alternative formulation that might have obtained their limited adherence to the NPT (and subsequently, the CTBT) even if Delhi did not formally sign them. However, by the mid-1990s, American nuclear theologians were uninterested in compromise and in any case did not take the Indian position seriously.

Overall, American sanctions slowed but did not stop the development of India’s military nuclear program. They did have the secondary effect of convincing the Indian scientific and strategic communities that the United States, the world’s dominant power, regarded India as a threat. On balance, American opposition may have even hastened the program along, since the embargoes and technology denials that made it more difficult to build the capability also contributed to the incentive to go nuclear.

When India tested five nuclear devices in May 1998, there were predictions that Washington and New Delhi were on a collision course. Indian strategists talked of defying the United States, joining with Russia or China in an alliance to counter American power, and developing a nuclear capability that could reach American territory. In Washington, the immediate response mandated by law was to impose additional sanctions. Reconciliation between Washington and New Delhi seemed unlikely. The tests appeared to have erected an insuperable barrier to a more normal relationship between these two powers. Indeed, some Americans came to see New Delhi as a potential military opponent, taking seriously the claims of the BJP and its supporters that Delhi could join with others in challenging American hegemony.

None of these predictions have materialized or are likely to materialize in the near future. While the nuclear tests were traumatic, both India and the United States have backed away from a costly confrontation. Second and more importantly, the deeper links between the United States and India are being transformed as the two states find their economies and their populations coming into closer alignment. This has created a situation—despite the nuclear tests—where the strategic choices for both have become much wider than at any other time in the past fifty years, and the well-known points of disagreement are fading, while several important areas of agreement are emerging.

### **Recalibrating the Relationship**

Washington and New Delhi entered into a remarkable, prolonged high-level dialogue after India’s nuclear tests. On one side, there was the Deputy Secretary of State, Strobe Talbott, who had assumed control over America’s South Asia policy. His

counterpart, Jaswant Singh, was to become India's foreign minister in December 1998. In all, Washington held eight rounds of talks with New Delhi and nine with Islamabad between June 1998 and February 1999, and then resumed talks in November following Indian elections. These became the longest extended strategic dialogue between senior American and Indian officials, and they broadened out from questions of proliferation and nuclear policy to larger issues such as the shape of the international system, terrorism, and developing strategic cooperation between the two states. The talks proved to be surprisingly valuable in the summer of 1999, when India was confronted by the Pakistani move across the line of control at Kargil. Talbott and Singh had established the kind of relationship that persuaded India to respond cautiously to the Pakistani attack while giving Washington the chance to pressure Pakistan to withdraw.

On nuclear issues, Washington gradually accepted New Delhi's and Islamabad's nuclear programs but continued seeking to restrain them to mutually acceptable limits and would also not accord any official nuclear status to India or Pakistan. In terms of restraints, New Delhi and Islamabad mainly agreed to maintain a moratorium on nuclear testing (but did not sign the CTBT), and to strengthen their export controls. They did not agree to other arms-control measures such as a fissile material freeze or missile restraints, let alone non-deployment and non-weaponization.

The altered American relationship with China also affected Washington's perception of India. While the Clinton administration had sought a "normal" relationship with Beijing, this proved hard to define and difficult to maintain in the face of increased Chinese domestic repression and pressure on Taiwan during the 2000 elections. When added to the usual tensions in the China-U.S. relationship over trade and security issues, India suddenly seemed more attractive. While nuclear issues remains at the center of America's policy towards New Delhi, there also grew the realization that direct pressure might be counterproductive, and a more subtle, long-term strategy was called for to make New Delhi adopt tighter restraints on its nuclear program.

Such a strategy had been outlined in a number of non-governmental and think-tank reports written in the previous six years.<sup>26</sup> These studies, sponsored by the Asia Society, the Brookings Institution, the Carnegie Endowment for International Peace, and the Council on Foreign Relations were partly inspired by a concern with the single-issue approach to the region of the first Clinton Administration, and identified a number of themes that seemed to be overlooked by American policy-makers. These reports observed that South Asia was under-appreciated and that India's economic and strategic potential was not given enough weight in American policy. They were generally critical of the use of sanctions on the grounds that these were crude instruments of policy and that the region's problems demanded a more nuanced approach—incentives as well as punishment. Finally, they urged higher-level attention to India, including a presidential visit, on the grounds that only then would the American government be fully mobilized to deal with India and the rest of South Asia. Some participants in these studies urged an accommodation of India on the proliferation problem; others felt that the U.S.-India relationship should form the core of America's South Asia policy, and still others called for a more balanced approach to India and Pakistan. Yet, these studies were significant for

what they did not advocate: none felt that the United States should play a major role in settling the Kashmir problem or invest significant economic or military assistance resources in the region.

While such studies may have influenced American policy on the margins (there was a shift, in the second Clinton administration towards a broader approach to the region), non-proliferation was still *primes inter pares*.

These studies grasped the major changes then underway in Indian-U.S. relations. These were not in the area of strategy or security, but were taking place at a deeper social and economic level. Since they included a number of regional specialists, they were derided by some officials as too pro-Indian. However, after the nuclear tests of 1998, the administration began to consult regularly with many members of these study groups, and while they played no official role, the American understanding of Indian political and strategic compulsions seemed to have been strengthened. What Hans Morgenthau used to call a “policy of making faces” had to be replaced by a policy of engagement. This engagement was accelerated by other important changes in official America’s understanding of India.

### **New Social and Economic Ties**

For many decades, the image of Indians in the United States has been bimodal. At one extreme, there were pictures of hungry children, wandering cows, and teeming cities. At the other extreme, there are the saints and the sadhus, ranging from the revered Mahatma Gandhi (whose writings influenced a whole generation of Americans through Martin Luther King, Jr.), Mother Theresa, and an assortment of transient Indian gurus.<sup>27</sup> American policymakers and elected officials shared these images, which made it to come to a balanced assessment of Indian strengths and weaknesses.

However, the image of India has been transformed, literally acquiring a new “face” in the past twenty years. Instead of an abstraction, India has a visible and tangible presence in the United States through the 1.5 million-strong Indian-American community. The influence of this community on American images of India, and Indian images of the United States, has been generally positive and is likely to have an enduring impact on the bilateral relationship.

This transformation originated in the changes in American immigration law in 1965 which eliminated the Europe-weighted immigration system permitting a much greater flow of Indian immigrants, including extended families. By the late 1970s, Americans of Indian origin had begun to establish themselves. They fell into three broad groups. First, there were the doctors, academics and other professionals, especially engineers, who were evenly distributed through the United States. This brought many Americans into very close and positive contact with professionals of South Asian origin—indeed, American hospitals and emergency rooms would have collapsed without their contribution. Another group was the Indian business community, which pursued more or less traditional business interests, often in import-export, jewelry, or gems. These were concentrated in the eastern

metropolitan areas of the United States. Lastly, there were Indians who came to the United States to study and work in high technology fields. Many found employment in the aerospace industry, telecommunications, and (most spectacularly) in software and computer development. Concentrated in Silicon Valley and its Washington, Boston, and Austin counterparts, they have achieved fabulous personal and professional success.

Indian-Americans have been spectacular high-achievers in a few important fields. There are approximately three hundred Indian-American entrepreneurs with a personal net worth of at least \$5 million, many in the high-technology sector.<sup>28</sup> Nearly forty percent of start-up companies in the Silicon Valley and Washington, D.C. areas are Indian or Indian-American owned, and there are at least 774 Indian-American companies in Silicon Valley alone. These high-technology entrepreneurs have their own networks, one of which, “TiE” (The IndUS Entrepreneurs), has one thousand members in nine chapters in the United States, and operations in India.<sup>29</sup> Elsewhere, Indian-Americans have moved quickly into important managerial and administrative positions. Overall, the community is extremely prosperous, and its per capita income of over \$50,000 places it at the top of hyphenated-Americans.

The Indian-American community has also begun to organize itself along political lines and has become an important source of funding in several congressional and Senate races. It influenced the relaxation of sanctions legislation following the 1998 nuclear tests.<sup>30</sup> Leaders of the community regularly visited the Clinton White House. The 2000 election was the first presidential election in which they played a visible and influential role. This new activism complemented the growth of corporate American interest in India.

Only since 1991, and the transformation of Indian economic policy, has corporate America begun to take India seriously. In 1990, United States two-way trade to India was \$5.3 billion; it rose to \$8.5 billion in 1995, and \$12 billion in 1999—with \$9.1 billion in imports and \$3.7 billion in exports.<sup>31</sup> But India was still only America’s 25<sup>th</sup> largest trading partner (the volume of American trade with its four largest partners (Canada, Mexico, Japan and China) is over \$100 billion each.

Yet India interests American corporations. Its fleet of civilian jet aircraft (just over two hundred) is about the same size as China’s when that country had been liberalizing for about the same time. India has dramatically opened up the energy sector to foreign investment, and a number of American firms, notably Enron and Cogentrix, have entered the market—albeit with mixed results. Estimates are that India will require over \$100 billion investments in power, roads and transportation, and will have to make major investments to bring its antiquated ports, airports and air traffic control systems up to modern standards. And of course the recent great success in high-technology, especially software, has attracted many major American firms to India and also increases India’s exports with the United States—India’s software exports are growing at a rate of fifty percent annually, and could reach \$50 billion by 2008, of which \$30 billion would go to the United States.

While the size of the Indian middle class market, estimated to be anywhere between one hundred and three hundred million may be exaggerated, American firms understand the advantages of South Asia as a production site as well as a place to sell goods. This new perception of India has rippled through the bureaucracy and Congress. American corporations now actively lobby Congress for legislation favorable to the region, although they are reluctant to side with India or Pakistan on contentious issues if it might mean criticizing another country where they have important economic interests.

These developments open possibilities that were unimaginable ten or twenty, let alone fifty years ago. There is for the first time the possibility of a substantial economic relationship between the United States and India. The economic benefits of this interdependence are obvious, but the political ones are no less important: a strong economic relationship between the United States and India will provide an incentive to manage other issues more carefully. It is premature for Indians to envision the kind of reverse dependency relationship that China has achieved with the United States, but even a limited expansion of economic ties has changed the context in which contentious political, economic, and strategic issues are discussed.

This new economic relationship means, first, that differences on economic issues can be managed more cordially. The balance of trade favors India, but some Indians remain concerned that American capital and finance will come to dominate. Indian economic policies of the past twenty years have been based upon this “East India Company syndrome.” New ways of regulating and transforming these disparities have been developed, including the membership of both states in the World Trade Organization, enhanced bilateral contacts between commercial and economic officials on both sides, and the role of the Indian court system in ensuring compliance on both sides.

Further, better economic ties can create important political dependencies. Powerful economic ties lead to “lobbies” in both countries. These provide continuity and a balanced perspective when conflict develops in other areas. This has been the pattern in analogous cases, such as the United States and Japan, and between the United States and most of the “tigers” of South East Asia. In these cases labor unions, distributors, and others join American corporations in their quest for a balanced and positive relationship with the respective country. They all have direct and powerful access to the American political system. India lacks this access, but as it grows, it will change the overall relationship.

If the image of India is undergoing rapid change in the United States, that of America in India is also being transformed—at least for the moment. The hostility of the Indian leadership towards the United States—more persistent than in any other democracy—has declined.<sup>32</sup> Earlier, in the absence of much in the way of a positive connection between the two states, negatives (American racism, the Cold War mentality and aid to Pakistan, and a patronizing view towards India) tended to dominate Indian perceptions. These were not offset (indeed, perhaps they were exacerbated) by the ritual of all Indian-U.S. meetings nor by the cliché that Washington and New Delhi represented the world’s oldest and largest democracies (or, latterly, the world’s most powerful and largest democracies). These terms meant very little to either side: Washington was closely

engaged with dictatorships that were India's rivals, and India itself had close relations with a number of autocracies and its post-1970 policies definitely "tilted" it in the direction of Moscow.

For about the past ten years, an increasingly positive image of the United States as a country has evolved in sharp contrast to the strains in the Indian-U.S. relationship. Different Indian governments pursued various strategies to change Washington's policy. For a number of years, it was thought that stressing Indian culture and "high" civilization could shape American opinion. American scholars interested in India were encouraged to study Indian culture and society, and were actively discouraged from studies of contentious issues, such as caste, security policy or relations with Pakistan. A festival of India was held in the mid-80s, in the hope that this would broaden American understanding of Indian culture. As the Indian-American community grew in numbers, the India government tried to use it to influence Congress and the Executive Branch, and in 1998 the Indian Embassy in Washington finally hired a public relations firm to assist it in shaping American policy.<sup>33</sup>

However, none of these proved as important as the gradual increase in influence of the Indian-American community itself. While not subordinate to "official" Indian positions, and in some cases actually critical of Indian government policies, the community gained a foothold in American society and lobbied for India, especially versus Pakistan.

While there is no exact counterpart to this community in India, there are many Indians who have studied or worked in the United States, and they also bring a more realistic assessment of the United States to the Indian strategic and political community. A number of the reformist Indian economists have been trained in the United States, and such publicist/journalists, as Arun Shourie (once editor of the *Indian Express*, and now a BJP Minister), had extensive contact with Americans in the 1960s. This generation represents a major shift for the British-educated elites of the 1930s-1950s, and the trend to elite education in the United States was sharply accelerated in the 1980s when the Thatcher Government made it more expensive for Indians (and other ex-colonials) to study in Britain. The United States is the place of choice for higher education, and the result is a new generation of Americans of Indian origin and of Indians with American experience.

The tension between the image of a more benign America and that of a hostile American government was palpable. The success of the Clinton visit in March 2000 was due to his ability to convey to Indians that the United States respected India as a civilization and state, and that this view was shared by official America as well as private citizens.

The Clinton visit was a dramatic success because it reconciled (in the Indian mind) the great gap between the popular understanding of Americans as a friendly people, the United States as a country where Indians had succeeded beyond imagination, and the understanding of the United States as a country hostile to India. The major goal of the Clinton trip planners was to demonstrate that this dichotomy was no longer true. Both

governments wanted to use the trip to present a more balanced image of India's economy and society to America. To do the latter, Clinton not only visited such attractions as the Taj Mahal and a game preserve, he visited one of India's high-technology centers (Hyderabad), the major commercial center (Mumbai), and he spent time at a local village meeting in Rajasthan. These sites were carefully chosen to reflect a "new" India, and the close personal ties between the United States and India were reflected in the several dozen Indian-American businessmen and professionals who accompanied him, as well as the visible presence (on his staff), of several South Asian-Americans.

The strategic goal of the trip—from the American perspective—was to stress that American policy in South Asia was no longer steered by Cold War concerns, that such problems as terrorism, the expansion of democracy, and developing an equitable global economic order, were areas where the United States and India could work together. Nor did Indians overlook the message he gave in Pakistan—warning Islamabad that the Line of Control could not be transgressed by force, thus echoing Indian policy that the LOC's sanctity should be upheld. The fact that Clinton spent only five hours in Pakistan, as opposed to five days in India, was also meant to convey the importance Washington accorded to India—although Indian officials had foolishly tried to prevent the stopover entirely.

Although there were no major substantive agreements reached between the two states during the visit, the trip was correctly hailed as a breakthrough in Indian-U.S. relations. Clinton helped his Indian audience (which included nation-wide coverage on Indian television) reduce the gap between their increasingly positive views of the United States and their suspicion of America as a state. For the first time in thirty-five years, it became acceptable to view the United States in a generally positive way. The trip was largely symbolic, but provided few clues as to the shape and direction the relationship may take in years to come. This will depend largely upon whether the United States and India can manage their political and strategic disputes, as well as build upon their growing mutual interests.

## **Points of Difference**

India's nuclear tests shattered American policy and forced a reconsideration of relations with New Delhi. While the Clinton administration was reluctant to formally abandon its non-proliferation goals (officials were still calling for the capping, roll-back, and elimination of India's nuclear capabilities a year after the 1998 tests), there was widespread agreement that relations with India had to be more carefully managed and that the treaty-dominated, sanction-enforced strategy had not worked. By freeing the United States from a single-minded focus on proliferation, the tests had the ironic consequence of widening Washington's policy choices in its relationship to New Delhi.

On the Indian side, too, there is a new eagerness for a close relationship with the United States. Both countries seem to see eye-to-eye on one thing: that India might become a more significant power, and that they should explore the limits of cooperation, and conceivably restructure their relationship. While there are also important differences

between them on such issues as humanitarian intervention and the shape of a desirable world order, the Talbott-Singh dialogue led to a closer working relationship on international trade, terrorism, health and environmental problems and other subjects. There remains the common commitment to democracy, given some substance in Indian-U.S. cooperation on the Community of democracies hosted by Poland in June, 2000, and co-convened by India, the United States, and several other states. However, India demonstrated its independence of thinking—and angered officials in the Clinton administration—when it declined to assume the leadership of an informal caucus of democracies, representing some one hundred countries in the United Nations.<sup>34</sup> Indian officials were supportive in the abstract, but did not want to be put in a position where they are required to speak out against undemocratic states with which they have good strategic, economic, or political relations. Like the reversal of policy on the CTBT, where India had been one of the original advocates of a comprehensive test ban, India had pragmatic reasons for going its own way on the democratization initiative. Still, this baffled American officials who assumed that India would be a “partner” in one area (democracy) where there was a long-standing, shared commitment. As in the case of the CTBT, agreement on a lofty principle is not enough for either state when more pressing strategic calculations suggest a different policy.

Despite the convergence of some American and Indian interests, the shedding by both states of a whole range of Cold War assumptions and the growth of a “third force”—the Indian-American community, many real and potential conflicts between the two states remain. Their management will shape the overall relationship for the next decade or so and will be critically important for India’s role in South Asia and its emergence as something more than a regional power.

### **Economic Risks and Gains**

While trade between India and the United States is increasing, several contentious issues remain. These include the American practice of linking human rights issues with economic policies, the question of child labor, the disappearance of Indian brands, and the danger of a political backlash from uneven economic growth within India. These seem to be balanced by the benefits to India’s new high technology sector and the growing competitiveness of many Indian firms, but there remains the possibility that intense Indian nationalism (or American protectionism) might lead to an economic backlash. While this is a relationship that will require nurturing, there are now powerful economic forces on both sides interested in maintaining it.

Looking over the horizon, some economists have floated the idea of an Indian-U.S. free trade agreement, arguing that this would be of benefit to both countries. For India, such an agreement would be particularly important in reducing tariff barriers on textiles, and improving access to American high technology. Such a free-trade agreement is unlikely in the short run, but the growing ties between the two economies may make it easier in a few years, and the idea should be developed further.

On balance, the deepening economic relationship will create new problems, but more important will develop new ties and alliances, and on balance will be a stabilizing factor in the overall relationship—or as the Asia Society report has it, economics can provide the “ballast” for a closer relationship between the two states.

### **Containing Nuclear Differences**

The most important area of disagreement between the two states in the past fifteen or twenty years has been India’s nuclear program. This is likely to be a less-important issue for the rest of this decade, providing India keeps its nuclear and missile program within certain limits. New Delhi will no doubt continue its nuclear program, but it must avoid developing the ability to reach the United States or generating concerns about spread of nuclear technology to other regions and states. Theoretically, India could take either step without endangering its security versus Pakistan or China. These Indian nuclear restraint decisions will shape the way in which Washington views India—as a “responsible” nuclear power, or as a potential rogue, and will affect the degree to which the United States would engage in strategic cooperation with India, and even sell advanced military equipment or dual-use technology to New Delhi. India is not likely to become a “rogue” state, but American officials are likely to remain concerned about any expansion in the Indian nuclear program. However, from an Indian perspective, further nuclear explosions may be necessary, given the apparent failure of the thermonuclear device during the 1998 nuclear tests; and should Indian relations with the United States worsen or the CTBT break down, India has the option of additional testing, both to further validate the designs tested in 1998 and also to test a new generation of weapons.

### **Pakistan and Kashmir**

Without a more normal Indian relationship with Pakistan, the India-U.S. relationship will remain highly sensitive to Indian perceptions of Washington’s relationship with Islamabad. If America continues to play a constructive role in ameliorating the India-Pakistan conflict, that is one thing; but if Pakistan should deteriorate, Indian goals might escalate dramatically by attempting to dominate Pakistan and asking for American assistance in the process, perhaps by locating Pakistani nuclear weapons or neutralizing a possible Chinese involvement. Can a *via media* be worked out so that America maintains a close relationship with Pakistan, without it seeming a threat to New Delhi, but as supportive of an Indian strategy to normalize its relations with Islamabad, working albeit slowly, towards a resolution of the Kashmir problem?

In the 1950s and 1960s the United States tried to be a regional peacemaker and offered a range of inducements designed to promote the peaceful resolution of Kashmir, the river waters dispute, and other issues. If the United States were to return to such a strategy of *conflict resolution or peacebuilding* there would have to be a more active American role in South Asia, not on behalf or in opposition to India, but to shape the regional environment in such a way that conflict between India and Pakistan could be averted. There have been no American efforts along these lines for many years, although

the interventions during the three recent crises demonstrated that America could be accepted by both sides if the conditions were right. One model for such a sustained American engagement is the Middle East peace process, but a peace process for South Asia would have to be constructed quite differently. For such an effort to succeed, the United States would have to assume a very low profile, there might have to be a careful restoration of military sales to one or both sides, and other technical assistance could be offered (technologies to verify agreements reached by the two countries, for example).

### **A New Global Order?**

Americans and Indians have very different conceptions of a just international order. The United States is comfortable with what it regards as a benign hegemony, India has long preferred a world of six or seven major powers, each responsible for peace and stability in its own region, each refraining from meddling in the affairs of other major powers. Presumably, such powers would work together in the United Nations Security Council in a cooperative fashion.

These differences have led to specific Indian-American disagreements in three important areas, the limits of humanitarian peacekeeping the make-up of the UN Security Council, and the emergence of China.

Most Indians have trouble accepting the principle, although they are willing to concede the need, for recent humanitarian interventions. When practiced by the United States, especially in Kosovo, this raised the fear that Kashmir might itself become the subject of international inquiry and that the United States might sponsor such an intervention in South Asia against India's wishes. Despite American denials, Indians are suspicious that Americans would support the principle of "self-determination" within sovereign states, and press for a plebiscite in Kashmir. Humanitarian intervention would seem like charity, a discretionary activity for the West; for India, it represents a direct threat to its control over Kashmir. The Kosovo operation and the earlier Desert Storm raised concern in New Delhi about America's behavior in a period when it was unconstrained by the need to balance Soviet power. Indians concluded that the major second-tier states (such as India, Iraq, and others) could be the object of American aggression, whether under the pretext of economic need or humanitarianism. Given America's overpowering military superiority, and the demonstrable inability of Soviet-era equipment to deter or defend against an American force, Indian strategists had to treat the United States as a potential enemy. With its new difficulties in Kashmir, there was widespread concern that the United States might seize upon that conflict and focus its diplomatic—and perhaps its military—resources on the dispute.

Finally, the two states have a major difference over the expansion of the Security Council and a permanent seat on it for India. Symbolically, a UN Security Council seat would amount to the full recognition of India as a great power, something that the Indian elite still craves. Indians also see a seat as having practical and political value. As a member of the Security Council, with a veto, India could prevent the UN from imposing upon it an unwelcome Kashmir policy. The very early UN resolutions on Kashmir still

stand, and India has for many years argued that these have been overtaken by events and by the Simla Agreement. With the distancing that has occurred between Russia and India, such a veto is more important than ever.

From the American perspective, the Indian demand for a Council seat is problematic. The justice of India's recognition is acknowledged, but without any history of strategic cooperation, many Americans are wary of admitting India into this particular club. Some Americans would regard it as a "reward" for India's nuclear program, and fear that this would further accelerate the trend towards nuclear weapons, even among allies such as Japan—who also seeks a council seat. Further, if India were made a member of the Council, would it become less sensitive to American interests? New Delhi's diplomacy reminds many Americans of that of France—contrary, oppositional, and sometimes destructive. But France is embedded in a European and NATO framework; would a veto-wielding India be a threat to UN and American policies, especially in the area of peacekeeping and humanitarian intervention?

Irregardless of American and Indian intentions, it is not likely that India's quest for a Security Council seat will be acceptable to other members of the Council. Russia has adopted the same "wait and see" attitude as the United States, the two European seat-holders would be opposed, especially if it weakened their position on the Council, and China, while publicly non-committal, would certainly find reasons to oppose an Indian seat. The Indian effort to obtain a seat has a strong positive payoff at home, and among non-resident Indians abroad, but unless India can propose an arrangement for the reorganization of the Council which did not lessen the influence of present members, and which allowed for several new members—probably an impossible combination,—India's efforts are likely to go unrewarded.

Finally, India and the United States are each groping for a strategy to cope with the emergence of China as a major world power. Thirty-eight years ago the United States viewed India as a major free, democratic and Asian power that could balance a threatening, expansionist China. Initially, China was reluctant to assume the role of balancer to China, and Nehru sought an accommodation with Beijing. After 1962 there was a de facto U.S.-India alliance directed against China, but that faded as America drifted away from India and engaged China in a strategic relationship aimed at the former Soviet Union. Yet, the wheel has turned once again, and both American and India find themselves again regarding China with a mixture of concern and uncertainty. China could be the threat that again draws the two together. The United States is especially concerned about China's threatening posture vis-à-vis Taiwan, India is especially concerned about China's support for Pakistan. Can these two threads be tied together? Probably not, as long as Chinese diplomacy does not press too hard on either front, forcing a response. This scenario of an aggressive China threatening force in the Taiwan Straits or egging Pakistan against India seems to be possible, but unlikely. However, it does suggest that both sides seek strategic "reinsurance" through a good working relationship that could allow for much closer ties if necessary.

## **Learning to Engage**

One of the few substantive agreements to come out of the Clinton trip to India was a commitment by both sides to explore the content of this relationship more systematically. From the perspective of both states, this was probably the wisest decision—rather than trying to reach some major agreement on areas where there has been significant policy disagreement. The “Vision” document pledged regular summit meetings, ministerial-level meetings, and working groups in a variety of subject-areas. For this reason, the subsequent visit of Prime Minister Atal Behari Vajpayee in October, 2000 was welcomed both in India and the United States. No new agreements were reached, but the two countries consulted further on a number of issues, and plans went forward for additional meetings—for example, shortly afterwards a joint official working group on intervention met in New Delhi, to explore steps that both states might take to ensure smoother cooperation in any joint international operations.

If the measures set forth in the document are implemented, there will still be no guarantee that the two states would engage in close cooperation or form anything resembling an alliance—it does mean that they will have a more “normal” relationship, with certain disparities between them either better understood, or not as painful as they were in the past. India will continue to pursue a complex and many-sided diplomacy. Shortly after the Clinton visit India had high level summit meetings with the leaders of both China and Russia, indicating that by the end of 2000, it had repaired much of the damage to its international position and was again being courted by as a lucrative market for arms and technology.

It is evident that the United States and India have been distanced from each other over the years. While there have been abundant misperceptions on both sides there were also fundamental differences between the two states on the best way to peacefully organize the international system, on the nature of the Soviet Union, on the virtue (or sins) of alliances, and above all, on the degree to which, in Indian eyes, the United States resisted India’s emergence as a major power. In the absence of many positive economic or human ties, it is surprising that the two states got along so well over the years, although even some of the positive dimensions of the relationship—such as the large economic aid programs to India—were seen as patronizing and condescending. It has been difficult to manage a relationship with such military and economic asymmetries when both sides view themselves as unique, major powers. The relationship will remain more important to India than to the United States for the foreseeable future, but the latter has come to recognize—in the past few years—that Indian power is balanced, that New Delhi’s many weaknesses are increasingly offset by new strengths. The degree to which the two states can act upon this better understanding of the possibilities inherent in a relationship between the “sole superpower” and an emerging great power will be a major determinant of India’s role in the world in the next twenty years.

## **America and a Rising India**

If India is becoming something more than a regional power, how should the United States respond? Traditionally, the great states of the world resist the entry of new members into the great power club. Japan and the Soviet Union, for example, found their way blocked after World War I. However, the world has changed, and the emergence of new “great” powers is not necessarily a threat to existing ones. Indeed, as the United States determined in 1945, once-defeated great powers such as Japan and Germany were not to be feared but revived once they gave up totalitarian and expansionist pretensions. The pattern seems to be repeating itself fifty years later in the case of Russia.

There are many incentives for the United States to learn how to deal with a rising India. India could make an important contribution to international peacekeeping, it is a critical country as far as non-proliferation policies are concerned, it could be a balancer to China, its newly-liberated economy has growing ties with America’s, and there are nearly two million Americans of South Asian origin, and above all, the success of the Indian democratic and social revolutions is an indirect but still important interest of the United States.

There are also negative reasons for the United States to reexamine its connection to India. India has the capability of behaving irresponsibly. Preemptive diplomacy is in order, to ensure that India does not conclude that it is in its interest to widely export sensitive technologies, either to earn hard currency or to tweak the nose of the West (and China). In addition, while India is unlikely ever to become an ally of China, it could side with Beijing (and Russia) to challenge the American-dominated alliance system in East and Southeast Asia. India could also pursue a riskier strategy for dealing with Pakistan.

### **The Core Policy**

Many years ago, Western observers saw that a great experiment had been launched in India. Its society was widely recognized as the most unequal in the world—in terms of social hierarchy, regional disparity, and economic distribution. Could India reduce these inequalities and achieve development by democratic means? Other ex-colonial states had become military dictatorships, some nationalist movements had slipped into autocracy and the People’s Republic of China was born totalitarian. Could India forge integrative institutions while simultaneously promoting economic growth under conditions of political democracy? This is a feat that no other large state except the United States has attempted (and then, under far more favorable geopolitical and economic circumstances). It is a task of awe-inspiring magnitude. It remains the strongest basis for an Indian claim on the support, sympathy, and assistance of the United States and other developed states.

The success of the Indian democratic approach to state and nation building should be at the core of regional policies of the United States and its democratic allies. In this regard, India resembles contemporary Russia. If either was to lapse into militarism, dictatorship, or break apart, the strategic consequences for American and Western

interests would all be negative. It is hard to imagine what would be worse: a region dominated by an extremist Indian government, thrashing about, crushing its neighbors, or an India broken up into five, ten, or twenty states in conflict with each other—and some within reach of a nuclear capability. Some Indians perceive the West as unsympathetic to this American interest in India's great experiment in state and nation building. To an Indian policymaker, beset by problems of staggering magnitude, the motives of outsiders are sometimes seen as sinister. Comments on India's human rights record, its actions in Kashmir, its restrictive economic policies, and even intellectual property rights are dismissed as "anti-Indian." Outsiders should continue these comments and criticisms, but should not be surprised by hostile Indian reactions.

This is why regular, high-level, symbol-rich state visits are important to convey the depth of American interests in India. These visits, such as President Clinton's March 2000 trip, can be used to convey America's interest in the broad range of human, social, and economic developments underway in India. They serve strategic purposes, of course, but in India's case (as in that of Russia and China), the long-term American interest lies in the orderly development of the societies of these countries and their increasing openness. One byproduct of the Clinton visit, the ambitious Vision statement, provided a blueprint, calling for regular summit meetings and high-level consultations. Given India's reluctance to engage America in the past—except as a critic—these dialogues are important to help reduce suspicion of America in Delhi and to acquaint American officials with Delhi's unique world view and the opportunity to influence that view.

### **Economic Ties**

An adjunct to a policy of supporting and strengthening India's democracy, but now a valuable goal in its own right, is a closer economic engagement with a newly-liberalizing India. India needs American investment and technology, which it is likely to get as it becomes a more attractive market for American businesses as well as a critical supplier of software and other computer products.

Economic ties will eventually provide the ballast for a more stable U.S.-Indian relationship. However, because the economic relationship is still fraught with distrust (on the part of India) and irritation (on the part of the United States), both countries should support and fully use the conflict resolution procedures available in the World Trade Organization. These can help resolve differences between the two states over allegations of discriminatory tariffs, unfair trade practices, and violations of intellectual property rights.

Washington should look for new ways to expand economic contacts between the two countries. India is not a member of any of the major free-trade agreements. The next administration should consider the possibility of negotiating the introduction of a phased free trade zone between the two countries. Along with India's active membership in the WTO, this would accelerate the liberalization of the Indian economy, and could have a major impact on the rate of Indian economic development. It would also enhance access of American firms to the Indian market.

## **The Strategic Approach**

Strategically, the United States should regard India not as another South Asian state comparable to Pakistan or Indonesia, but as a player in the larger Asian sphere, one of the five most important states in the world, whether from a strategic, political, or ideological perspective. India may not be China, but neither is it an insignificant “Third World” state. An India that continues to reform its economy and comes to terms with Pakistan could be a force for stability in Asia, a partner in humanitarian intervention in Africa and other war-torn regions. Should the contingency arise, it could be a partner in the containment of a threatening or expansionist China. Even an India that grows slowly and cannot solve its Pakistan problem will continue to have great influence in the non-Western world.

Treating India as a rising power would mean the expansion of American engagement with Delhi, including discussion of shared policy concerns (terrorism, narcotics, humanitarian intervention, political stability in fragmented, ethnically complex countries, and China). Treating India as a rising power also means Delhi should be one of the capitals—along with London, Berlin, Beijing, Moscow, and Tokyo—that senior American officials contact concerning important global developments. Like the French, Indians have a different and not necessarily hostile view of how the world should be organized, and regular consultation will temper their sometimes abrasive style.

Washington should also offer qualified support for India’s candidacy for a seat on the UN Security Council. A country of India’s size and importance should take its place on the Council, but only after the Kashmir problem appears to be on the road to resolution. This would provide an incentive to India to work with Pakistan and other countries on this dispute, and would ensure that it was not acquiring a seat merely to acquire a veto over international initiatives on Kashmir. Further, a decision to expand the Council to include India would force a debate on the future political role of the UN, and its place in American diplomacy. Recent American administrations have gone back and forth on this issue.

Holding India in higher regard does not mean abandoning important American interests in Pakistan. The United States can also do more than merely point out the virtues of regional accommodation. It should encourage a greater sense of realism in Pakistan about possible solutions to the Kashmir conflict, while also urging the Indians to accommodate Pakistan’s concerns about the treatment of Muslim Kashmiris. A more active yet low-key diplomacy is in order. It will not lead to an easy or rapid resolution of the Kashmir dispute, but it will enable the United States to retain influence in both countries should its services again be required to avert a war or even a future nuclear crisis.

This prescription for the U.S.-India relationship calls neither for opposition nor for alliance, but for something in between. There is no need to contain or oppose an India that is still struggling to reshape its economic and political order, especially since it is in America’s interest that those domestic reforms proceed apace. However, the United

States cannot expect, nor should it seek, a strategic alliance that Delhi would view as part of an anti-Pakistan or anti-China campaign. An “in-between” relationship would require developing new understandings in several areas: the conditions under which India and the United States might jointly engage in humanitarian intervention in various parts of the world; deploying new defensive military technologies (such as theatre missile defense) without triggering regional arms races in Taiwan and South Asia; and the joint steps that the two might take to strengthen fragile democratic regimes in Asia and elsewhere. A relationship with India provides an opportunity to influence directly the Indian worldview on issues that are of importance to the United States. It would also provide early warning of potentially harmful policies.

India is not a great power in the classic sense; it cannot challenge American military or economic power outside of South Asia, although it is increasingly able to resist American intrusion in its own region. However, in a transformed international order, its assets and resources become more relevant to a wide range of American interests than they have been for the past fifty years. They cannot be safely ignored in the future, as they have been in the past.

Nevertheless, it is premature for the United States to pursue a strategic alliance with India. India should be acknowledged as South Asia’s regional dominant power and as a major Asian power, and reasonable Indian ambitions can be supported. But America cannot let Indian hawks shape the relationship. Some of them would define India’s sphere of influence as including part of Pakistan, parts of China, and much of the Indian Ocean. It is inappropriate to write a blank check and let the Indians fill in the figure. Washington has strategic interests in these countries and in the Indian Ocean. These do not threaten India, and right now there appears to be no good reason to break with such states, pull out of Diego Garcia and the Indian Ocean, or subcontract to India a regional peacekeeping role. A strategic alliance must rest upon strong, enduring and shared interests and friendships—a degree of trust and identity of goals between strategic elites in both states. The United States does have a shared interest with Indian leaders in working towards orderly change and a peaceful region, but there remains disagreement on how to bring this about. Slowly, however, the perceptions of India and the United States are moving closer, and further dialogue, such as the strategic discussions held in the last two years of the Clinton administration, might lead to a greater convergence of policy.

If there is to be a new U.S.-India relationship, both sides will have to find a model that fits their idiosyncratic styles, withstand the scrutiny of Congressional and parliamentary democracy, and meet their respective strategic interests. Even then, in a world of regions—a world that lacks a core strategic rivalry—there might not be common permanent interests between members of different strategic regional groupings, as much as permanent friendships based on ideological, personal, and economic ties.

### **India s Nuclear Program**

Finally, the United States must put nuclear proliferation in its proper perspective. Many American officials remain embittered by what they believe to be Indian duplicity

over the Comprehensive Test Ban Treaty and the 1998 nuclear tests, and still favor tough sanctions against Delhi. Yet both countries are essentially status-quo powers when it comes to the proliferation of nuclear and other weapons and crises that could escalate to a nuclear conflict. The next American administration might strike a bargain with Delhi, obtaining Indian cooperation on nuclear proliferation in exchange for dual-use technologies such as advanced computers, aerospace technology, and even civilian nuclear assistance.

As far as the United States and other countries are concerned, the development of Indian and Pakistani nuclear programs raises three immediate and one long term concern. These are: discouraging the two nations from using nuclear weapons in a crisis; ensuring that nuclear weapons do not add to regional instability or cause an inadvertent detonation; and preventing the transfer of the technology to produce these weapons to other nations or non-sovereign separatist or terrorist organizations. Implicit in this enumeration is a recognition of the fact that nuclear disarmament or rollback is not a realistic option in South Asia. That had been the goal of American policy for more than a decade, and was ineffective and even counterproductive.

There are a number of ways to reduce the risk of accidental or inadvertent use of nuclear weapons. Some are technical: better command-and-control arrangements would enhance Indian and Pakistani confidence that nuclear weapons would be used only when intended. The best arrangement (from the perspective of crisis stability) would be if neither actively deployed its nuclear arsenal, perhaps by leaving warheads unassembled and separated from their delivery systems. The United States should be prepared to share its experience in developing command and control arrangements and nuclear doctrine to assist the two states in maintaining a credible nuclear deterrent with the fewest possible number of weapons and the highest level of stability.

Stabilizing the India-Pakistan nuclear relationship is all the more important since in a few years both may have medium-range ballistic missiles capable of reaching other countries. There is also an American interest in making sure that these new nuclear systems not interact with those of other Middle Eastern or Asian powers—Israel and Pakistan, for example, or India and China. The United States must also remain concerned about the transfer of nuclear weapons expertise, fissile material, and whole devices from South Asia to other states, legitimate or rogue. While both India and Pakistan have pledged to enforce legislation prohibiting such transfers, the fact is that four of the world's five declared nuclear weapons states (Britain being the exception) have assisted one or more other countries with their nuclear programs.

This situation calls for a strategy that moves beyond one of mere prevention to one that enlists India and Pakistan in limiting the further spread of weapons of mass destruction and the problems raised by the introduction of ballistic missile systems. This strategy will have to combine incentives with sanctions.

One incentive is status. India wants the legitimacy of its nuclear programs to be recognized. However, India cannot be a member of the Nuclear Nonproliferation Treaty

(NPT) which defines a “nuclear weapon state” as a country that tested nuclear devices before 1967. That said, India should be associated with the various international nuclear and missile control regimes and the larger effort to contain weapons proliferation, and the United States should be prepared to discuss various ideas for promoting nuclear stability, including a greater role for defensive systems with India and its stated preference for the eventual elimination of nuclear weapons. India should also be associated with the global dialogue on the reduction of strategic nuclear weapons.

Another incentive would be the provision of civilian nuclear technology to India. This would not violate the NPT once India’s civilian programs were separated from military nuclear programs. Affording India such assistance could also be part of a tradeoff that brought it into the various international nuclear and missile control regimes and encompassed the larger effort to contain weapons proliferation. The prospect of a continuing positive relationship with the United States provides another incentive for Delhi to restrain its military nuclear programs and join in global non-proliferation efforts.

In exchange, Washington should be prepared to provide early warning devices and technologies to help prevent accidental war; it should bring both states into nuclear and control regimes such as the Missile Technology Control Regime and the London Suppliers Group, and it should be willing to assist civilian nuclear energy programs that are under adequate international safeguards. Washington should also explore the possibility of selling defensive anti-missile technologies to India (or Pakistan) in exchange for limiting their deployment of offensive systems.

The development of theatre missile defense systems also provides a new opportunity for creative and useful American initiatives in South Asia. These technologies could be shared—or in the case of seaborne systems, loaned—to any state that helped in other ways to constrain a nuclear arms race, or that avoided provocative and destabilizing actions. TMD systems serve, to some extent, as substitutes for offensive nuclear weapons, and it is in America’s overall interest to see the world move away from nuclear and military doctrines based on the assumption that security rests on the threat of the destruction of millions of innocent people.

Second, military exchange programs with India need to be restored, and the practical aspects of military cooperation with India explored. India, along with other South Asian states, has been a major contributor to UN peacekeeping operations, but lacks air and sealift capabilities. The Indian and American military establishments need to work closely to prepare for contingencies where they can help stabilize war-torn or fragmenting states around the world.

These security ties cannot be expanded as long as the United States has military sanctions in place. A sanction-led policy must be supplanted by a grand bargain that would emphasize political incentives and mutual security rather than punishment. As part of such a bargain, India and Pakistan might agree to limit their nuclear systems, develop better command and control systems, institute serious confidence-building measures, and work closely with international agencies to ensure that their nuclear and missile technologies do

not leak to other states. These steps would bring the two states in alignment with many of the essential provisions of the Non-Proliferation Treaty.

### **A More Active Regional Role**

With the nuclearization of the India-Pakistan relationship, Washington must find a role for itself in the Kashmir dispute somewhere between doing nothing and being an unwelcome intruder. While India officially rejects the idea of a mediator, many Indians would welcome a sympathetic outsider. While a South Asia peace process would have to be tailor-made for the region, there are useful ideas that can be borrowed from other peace processes, especially the Middle East and Northern Ireland. Such an American initiative should be low-profile but persistent, and should associate other countries, especially Japan, that are also influential in the region and concerned about the prospect of escalation and war.

Finally, the United States should work closely with other states (primarily Japan) that are concerned with stability in South Asia, who are regarded as friendly to India and Pakistan, and who have substantial economic and political interests in the region.<sup>35</sup> South Asia needs a process that will encompass, ameliorate, stabilize, and eventually resolve the core disputes between its major states. To some Indians this will seem to be an intrusion, but this indirect route may be the most effective way of enhancing Indian power and influence over the long term.

## Endnotes, India and the United States

1. The document is “India-U.S. Relations: A Vision for the 21st Century,” March 21, 2000, archived at [http://www.indianembassy.org/indusrel/clinton\\_india/joint\\_india\\_us\\_statement\\_mar\\_21\\_2000.html](http://www.indianembassy.org/indusrel/clinton_india/joint_india_us_statement_mar_21_2000.html). The Pakistan speech is: Remarks by the President to the People of Pakistan Islamabad, Pakistan, released by the Office of the Press Secretary, The White House, March 25, 2000, and archived at [http://www.state.gov/www/regions/sa/000325\\_pres\\_pakistan.html](http://www.state.gov/www/regions/sa/000325_pres_pakistan.html)
2. There are several excellent histories of India-U.S. relations; for an American perspective see Dennis Kux, *Estranged Democracies: India and the United States 1941-1991* (National Defense University Press, 1993); for an excellent recent Indian compilation, published just before the Clinton visit, see Kanti P. Bajpai and Amitabh Mattoo, eds., *Engaged Democracies: India-U.S. Relations in the 21st Century* (New Delhi: Har-Anand, 2000).-
3. The Grady Mission led to very heavy U.S. investment in India’s military capabilities, in part setting the stage for future India-Pakistan conflict. Martin Wainwright, *Inheritance of Empire: Britain, India, and the Balance of Power in Asia, 1938-55* (Westport: Praeger, 1994), p. 39. ~~-Xx [perhaps put this under Pak section]~~
4. There were also critics, the most persistent being the feminist and iconoclast, Katherine Mayo, whose views towards Gandhi and other Congress leaders, grew progressively more hostile and influential in the 1930s and 1940s. Mayo was not only angry at the poverty of India, but focused her attacks on the Indian political elite, which she regarded as hypocritical and arrogant. Katherine Mayo, *Mother India* (New York: Greenwood Press, 1969).
5. ~~———Robert McMahon, *Cold War on the Periphery: The United States, India, and Pakistan* (New York: Columbia University Press, 1994). McMahon for study of US interest in Pak as base. WW for “pivotal”~~
6. ~~———This included \$630 million in grant military assistance for weapons, \$619 for defense support assistance (construction of facilities, and salary support for designated units), and \$55 million worth of equipment purchased on a cash or concessional basis. For India, economic aid was considerable—during Eisenhower’s second term, American economic assistance grew from about \$400 million in 1957 to \$822 million in 1960, and in May 1960, Washington signed a \$1.27 billion PL 480 food agreement for a four year period with India. Kux, p. 150. Sourcee this? xx~~
7. ~~———Shivaji Ganguly, *U.S. Policy Toward South Asia* (Boulder: Westview, 1990), p. 97. The amount might have been much greater had John F. Kennedy lived, as he was sympathetic to India. Many of the Indian (and Pakistani) loans, especially those that enabled these countries to buy American grain, were to be paid back in rupees, and large amounts were subsequently written off.~~
8. The view was developed fully by Chester Bowles, who twice served as U.S. ambassador to New Delhi. For an authoritative account of Bowles’ views, and his impact on American policy, see Howard B. Schaffer, *Chester Bowles: New Dealer in the Cold War* (Cambridge: Harvard University Press, 1993).
9. W. W. Rostow, *The Diffusion of Power: An Essay in Recent History* (New York: Macmillan: 1972).
10. Nehru visited Russia in 1927. His views on the Soviet Union are found in Jawaharlal Nehru, *Toward Freedom, An Autobiography of Jawaharlal Nehru* (Boston: Beacon Press, 1941, reprinted 1958), pp. 229-

31; J.F. Horrabin, ed, *Jawaharlal Nehru: Glimpses of World History* (Delhi: Oxford University Press, 1985), pp. 844-64.

11. Interview with a prominent academic scholar of geopolitics, New Delhi, 1988.

12. Morarji Desai, *The Story of My Life*, Vol. II (New Delhi: S. Chand, 1974), pp. 171-72.

13. ~~(check accuracy of quote; xx)~~ The facts do not quite bear out this concern. India had begun significant arms purchases before the Soviet invasion, and was in the process of negotiating a number of major arms deals with the French, the Soviets and other states at least a year before the Reagan administration agreed to an aid package for Pakistan.

14. Air Marshal K.D. Chadha (ret.), "Indo-Pak Antagonisms: Why the Impasse," *Indian Defense Review*, January 1990, pp. 112-13. For another assessment see Stephen P. Cohen, *The Pakistan Army*, 2d ed (Karachi; Oxford University Press, 1998).

15. ~~Need reference: Sisson rose.???~~ For the perspective of the official who was most knowledgeable about the affair, see Christopher Van Hollen, "The Tilt Revisited: Nixon-Kissinger Geopolitics and South Asia," *Asian Survey* 20 (April 1980).

16. During this period the United States air force flew training missions into India and exercised with the Indian and Commonwealth air forces.

17. George Perkovich, *India's Nuclear Bomb* (Berkeley: University of California Press, 1999), pp. 93-95.

18. Kux, *Estranged Democracies*, p. 318.

19. V.P. Dutt, *India and the World*, p. 59.

20. Dennis Kux, "[U.S. Foreign Policy in South Asia: Some Lessons from History,](http://www.brook.edu/fp/projects/south_asia/events/19991204.htm)" archived at [The Brookings Institution website](http://www.brook.edu/fp/projects/south_asia/events/19991204.htm), ~~http://www.brook.edu/fp/projects/south\_asia/events/19991204.htm~~ ~~in web site~~ ~~Brookings note.~~

21. For a comprehensive study of the crisis see [Kanti Bajpai](#), P.R. Chari, Pervaiz I. Cheema, ~~and~~ Stephen P. Cohen, ~~xxx,~~ [and Sumit Ganguly](#), [Brasstacks and Beyond: Perception and Management of Crisis in South Asia](#) (New Delhi: Manohar, 1995) ~~cite Brasstacks book.~~

22. Gary Hufbauer, Jeffrey Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: Supplemental Case Histories* (Washington DC: Institute for International Economics, 1990; second edition), p. 324.

23.     In 1974 after India's nuclear tests, the Zangger committee drew up a list of nuclear technology that would trigger strict safeguards against states of proliferation ~~concern, and Washington suspended uranium supplies to South Africa.~~ concern. Subsequently in January 1976, a subgroup of the Zangger committee, the Nuclear Suppliers Group or London Club, adopted a stricter "Guidelines for Nuclear Transfers."

24.     Pakistan first lost aid briefly in 1979 under the Symington amendment and then again for almost a decade beginning in 1990 as a result of the Pressler amendment. The 1976 Symington and Glenn amendments required the suspension of economic and military assistance to countries buying and selling enrichment and reprocessing facilities who are not NPT signatories or do not have full scope safeguards,

and aid to Pakistan was cut off in 1979 but resumed upon the Soviet invasion of Afghanistan. The 1985 Pressler amendment was implemented in 1990 and resulted in the termination of cut-off almost all American economic and military aid to Pakistan. thereafter

25. Dinshaw Mistry, "Diplomacy, Sanctions, and the U.S. Nonproliferation Dialogue with India and Pakistan," *Asian Survey* vol. 31, no. 5 (September/October 1999), pp. 753-71. U.S. sanctions curbed \$20 million for economic and housing projects and a \$8 million greenhouse gas program (that went ahead after a November 1998 sanctions waiver); American humanitarian and food aid and PL-480 disbursements worth \$100 million to India were not held up by sanctions. U.S. sanctions also halted financing by American government entities (the Ex-Im bank and OPIC) for projects estimated at \$500 million, although this primarily hurt American investors rather than India. Small amounts of aid to India were held back by Australia (\$12 million), Canada (\$32 million), Denmark (\$28 million), Germany (\$168 million), the Netherlands, and Sweden (\$119 million). France and Britain did not cancel their (small) aid programs.

26. See, for example, *After the Tests: U.S. Policy Toward India and Pakistan, Report of an Independent Task Force, Co-sponsored by the Brookings Institution and the Council on Foreign Relations, September 1998.* List different studies and memos. CFR, Carnegie, Brookings, etc. Cite Varun Sawhny look at pivotal, did

27. A few spectacular Indian-American successes in academia (the physicist Professor S. Chandrasekhar) and business (Dr. Amar Bose) made a very small impact, compared with these dominant images.

28. Don Clark, "South Asian 'Angels' Reap Riches, Spread Wealth in Silicon Valley," *Wall Street Journal*, May 2, 2000.

29. TiE's website is <http://www.tie.org/>

30. Robert M. Hathaway, "Confrontation and Retreat: The U.S. Congress and the South Asian Nuclear Tests," *Arms Control Today* vol. 30, no. 1 (January/February 2000).

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31. Figures from the U.S. Trade Representative, "Foreign Trade Barriers," at [ustr.gov/reports/nte/2000/pdf](http://ustr.gov/reports/nte/2000/pdf).

32. It has been the case that India's American studies community was (until a few years ago) quite anti-American. For a discussion of the roots of anti-Americanism see, Ainslie Embree, "Anti-Americanism in South Asia: A Symbolic Artifact," in *Imagining India: Essays on Indian History* (Delhi: Oxford University Press, 1989). ~~\*\*\*\*\*~~

33. It eventually hired four firms, including the former Congressman, Stephen Solarz.

34. See Malini Parthasarathy, "India declines U.s. Proposal to head caucus of democracies," *The Hindu*, Sept. 21, 2000.

35. For a discussion of a peace process for the region, see Stephen P. Cohen, "A New Beginning in South Asia," *Brookings Brief No. 55*, (January, 2000) at [www.Brookings.edu](http://www.Brookings.edu). and "India Rising," *The Wilson Quarterly*, Vol. XXIV, Number 3 (Summer 2000), 32-52.

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