



INDIA'S RELATIONS WITH USA AND RUSSIA

After the Second World War (1945), the United States of America (USA or US in short) emerged as one of the two super powers, the other being the Union of Soviet Socialist Republics (USSR/ Soviet Union). These countries were militarily and economically so strong as compared to other states that they could project their power to every nook and corner of the world. When India attained independence in 1947, it wanted to have good relations with both the countries. It was widely believed that a natural tie would exist between India and the US since India seemed destined to emerge as the world's largest and Asia's first, fully democratic state. And the US was considered the most powerful and celebrated democracy of the world. So far as the relationship between India and the USSR was concerned, a number of commonalities were easily noticed. But the directions of India's relationships with these two countries took different courses.



Objectives

After studying this lesson, you will able to

- recognize US support for India's struggle for independence ;
- identify problems in Indo-US relations during the Cold War period ;
- analyse Indo-US relations in the light of contemporary issues ;
- explain the strong ties between India and the erstwhile Soviet Union in political and economic fields ;
- identify the areas of cooperation between India and Russia

27.1 Indo-US Relations

Diplomatic contacts between India and the US were initiated in November 1941, six years before our independence. There was a wealth of goodwill for India's independence in the US. The decision to establish diplomatic relations with India reflected the American unhappiness with the British approach to the question of independence. The United States



believed that Britain should promise self-government to India after the War, in exchange for India's participation in the struggle against Hitler. The Atlantic Charter, spelt out by the US and Britain, had offered hope of a new dawn to the suppressed people of the world once the War had been successfully concluded. America got a lot of credit in Indian eyes for this. However, Britain subsequently declared that the Charter applied solely to fellow Europeans under Hitler's Nazi occupation.

27.1.1 Relations in the Cold War Years

The relations between India and the US failed to achieve their full potential. Many factors were responsible in determining the actual course. This was due to the preoccupation of the United States with the 'containment of communism' which started the Cold War between the US and the Soviet Union. The newly independent India, led by our first Prime Minister Jawaharlal Nehru, refused to be drawn into the Cold War politics of competitive military alliances promoted by both the super powers. Nehru chose the policy of 'non-alignment' which aimed to give India the much-needed independence of action in the sphere of foreign policy and relations. America regarded India's refusal to collaborate as a sign of unfriendliness. The cause of better Indo-US relations received a blow in 1954. The US through Cold war brought rivalry to India's doorsteps by forming two military organisation SEATO and CENTO with Pakistan who joined these alliances as a key member. The US military aided Pakistan, given to check the spread of communism, was used against India contrary to initial assurances.



Intext Questions 27.1

Fill in the blanks :

1. Indo-US diplomatic contacts began in _____ . (1941) (1947)
2. Which was the military alliances US found in Asia? (SEATO) (CENTO)
3. Name the American President who visited India in 1977.
(Jimmi Carter) (Richard Nixon)

The October 1962 war between India and China introduced a new element in the Indo-US relations. Within India, there were for the first time many voices strongly advocating an alliance with the US against China. Many also wanted a drastic modification of the non-alignment policy. There was perhaps an expectation in the US too that India could now be prepared to head an anti-Chinese and anti-Communist alliance. When the Chinese invasion scaled up, the Government of India made an urgent appeal to Washington (US) for military supplies. In a speedy response, the US President John F. Kennedy provided India with small arms and equipment. The first batch of arms arrived even before the signing of a deal between the two countries. Further, the US agreed to payment for these arms in rupees.

However, the pro-American goodwill in India evaporated with the US reluctance to openly blame Pakistan for starting the 1965 war against India. In addition to US support to Pakistan, US war on Vietnam contributed to certain coldness in Indo-US relations in 1960s. In the beginning of 1970s, the US rapprochement with China (with Pakistan help) was another turning point.



The Bangladesh episode created a new crisis in Indo-US relationship too. The US administration (government) took the position that the East Pakistan's (present-day Bangladesh) revolt was a movement to break up Pakistan and that Pakistan's brutal attempts to suppress it were justified. During the Bangladesh war (1971) the US moved a anti India resolution in the Security Council and USA froze its economic assistance to India. The only assistance that continued was food distributed free by voluntary agencies. Not only that, Washington also made military moves. A part of the US Seventh Fleet was ordered into the Bay of Bengal. The nuclear-powered aircraft carrier *USS Enterprise* sailed towards the Bay of Bengal in a show of solidarity with Pakistan army which could be saved from defeat in Bangladesh. It took some time (a couple of years) for the US to recognize India as the major country in the South Asian region. It was in this spirit of reconciliation, India hosted President Carter's visit in 1977.

However, once again another blow struck. The Soviet invasion of Afghanistan in 1979 had thrown India and United States on opposite sides. Pakistan became the closest ally to facilitate military help to Afghan Mujahiddeen. No doubt India's initial sympathies with the Soviet action against Afghanistan harmed relations with America.

27.1.2 American Aid to India

There was a slow start to the economic assistance that India received from the US. India's food production at the time of independence was insufficient to feed its millions; its industrial and service sector were also quite backward. That is why, India was dependent on other countries for bilateral assistance. The first of the many food aid shipments to India from the US started in 1951. In 1954, the US Congress passed a Public Law 480 (PL 480) allowing the sale of surplus American wheat to India. India continued to receive foodgrains from the US under PL 480 till the early 1970s.

The story of suspicions in political relationship uses only one side of the coin. During the cold war, despite political differences, India received significant economic and food aid from the US, right from 1950s.

In addition to food assistance, the US had provided large bilateral developmental assistance to India. However, you must not forget that this assistance was not available for the development of heavy industry but in the field of agriculture, development of raw materials and minerals. For creating a heavy industrial base, India had to turn to the Soviet Union. The development assistance given by the US reached a peak of around \$500 million in 1962. During the Bangladesh war, the US froze its economic aid to India. However, the bilateral assistance started in 1978 after a long gap. But the importance of bilateral aid decreased from the late 1970s onwards because of the substantial increase in multilateral assistance given by the International Development Authority (IDA), the soft-money affiliate of the World Bank. Much of the IDA money was, of course, funded indirectly by the US. In the 1980s, the World Bank lending typically ran into \$2 billion (one billion is one hundred crores or one thousand million). So, for India, the US stance towards multilateral financial institution mattered more than the bilateral aid. US had no objection to clear India's request for a \$5.8 billion loan from the International Monetary Fund (IMF) in 1981 - the largest ever sought by a member country.

27.1.3 Contemporary Indo-US Relations

The end of the Cold War in 1990s left the United States as the lone super power. This new reality brought a reappraisal of the Indo-US relations. New opportunities came up to bring India and US close. Military-military contacts commenced; American investments started

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pouring in; and Indian skilled professionals in communication and information technology projected India to US in a positive light. President Clinton paid a hugely successful visit to India in 2000. On political front terrorism, non-proliferation have been major issues. One of the turning points of Indo-US relations in recent years was the American role in the Kargil crisis in 1999. India viewed President Bill J Clinton's role during the 1999 Kargil crisis in persuading Pakistan to withdraw its troops from the Indian side of the Line of Control (LOC) in Kashmir as an important milestone.

India tried to impress the importance of fighting the menace of terrorism, by highlighting Pakistan's role in Jammu and Kashmir. But the United States did not show much interest in acting against terrorism till the US cities (New York and Washington) were struck in a big way on 11th September 2001. India offered full cooperation to the US in counter terrorism campaign. However our plea to US that Pakistan's support to Taliban in Afghanistan, and Jihadists in Kashmir made it the 'epicentre' of international terrorism fell on deaf ears. The US needed Pakistan more than India to contact Al-Qaeda terrorists. So US distinguished 'good' terrorists and bad terrorists. They extended sympathy when terrorists attacked Kashmir Assembly and India's Parliament in October and December 2001 respectively. Anxious to enlist allies in the war against terrorism, USA reverted to Cold War partnership with Pakistan. Once highly critical of the military regime in Pakistan run by General Pervez Musharraf, Washington now welcomed Musharraf as a full-fledged partner in the international coalition against terrorism. The Bush administration lifted the sanctions against Pakistan, pledged to provide generous assistance and gave the Musharraf government a legitimacy it had never before enjoyed. India legitimately feared that Washington would tilt toward Islamabad once more.

USA was alarmed that events might go out of control. To show New Delhi that it took seriously India's accusations about Pakistan's collusion in these attacks, the administration of President George Bush placed the two Pakistan-based groups, India thought responsible for the attacks on the US list of terrorist organizations. While not publicly accepting India's claim that the Pakistani government itself was involved in terrorist activities, Washington's words and actions clearly implied that Islamabad could and must do more to crack down on terrorism.

US besides countries like Canada, helped India established nuclear power stations in 1963. But the cooperation came under a cloud in 1970s, because of India's peaceful nuclear explosion at Pokhran in 1974 and India's refusal to sign nuclear non-proliferation treaty.

In 1978, the US Congress passed the Nuclear Non-Proliferation Act in 1978. This law stipulated that uranium could be exported to those countries which allow all their nuclear plants to be inspected and safeguarded by the International Atomic Energy Agency (IAEA). It must not be forgotten that non-proliferation has been a steadfast goal of the US. And major differences between the two countries over nuclear issues persisted. The US hoped that India would sign the Comprehensive Test Ban Treaty (CTBT) of 1996, but India did not. When it detonated five nuclear bombs in May 1998 again at Pokhran and declared itself a nuclear weapons state, the US imposed military and economic sanctions. Bilateral relations seemed to have reached a new low, but India stood its ground. For two years, a number of discussions between Jaswant Singh, then Foreign Minister of India and Strobe Talbott, the US deputy secretary of state were held. Not since the early 1960s had the two countries engaged each other in such a serious and sustained fashion. These discussions transformed the bilateral relationship to a large extent. In 1999 US Congress lifted some of the sanctions against India. This was the first among many such subsequent instances

of easing of sanctions by Congress. Recently, there is a growing awareness in the US to recognize India as a responsible country with nuclear weapons.

With India opening up its economy in the 1990s, investment by American companies rather than the aid came to be looked up as more important. The role of the young Indians in the Information Technology (IT), i.e. computer hardware and software industry added a new dimension to the trade between India and the US. Further, those IT professionals who settled down in the US became the most successful single ethnic group there. They helped create a different image of India in America.



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Trade between India and the US in 2003 totalled around \$18 billion. The heartening thing about it is that Indian export to the US was around \$13 billion and the US export to India was to the tune of \$5 billion. But trade between China and the United States totalled around \$180 billion: Chinese export to the US was about \$152 billion, whereas US export to China was around \$28 billion. A point to note here is that the city of Shanghai in China draws more American investment than the whole of India.



Intext Questions 27.2

Tick (✓) the correct answer :

1. The American arms came to India without political conditions. (True/False)
2. The Bangladesh war of 1971 strained Indo-US relations. (True/False)
3. During the Clinton administration Indo-US relations improved. (True/False)
4. USA is against proliferation of nuclear weapons. (True/False)
5. USA reacted to India's nuclear tests in 1998. (True/False)

Fill in the blanks :

6. The American Congress passed _____ to allow sale of wheat to India.
(PL 480) (PL 408)
7. The development assistance from US to India reached a peak in _____.
(1962) (1965))

27.2 Relations with The Soviet Union

The relationship between India and the USSR was based on a number of common factors. India having won freedom from the British, the anti-imperialism ideology of the Soviet Union compared well with each other. That is why, in India, there was skepticism and often rejection of Western-inspired fears about Soviet designs and objectives.

The political relationship started dramatically improving after Soviet Communist Party's leader's visit to India in 1955. In the Security Council the Soviet Union supported India's position on Kashmir and vetoed unacceptable resolution moved by the Western countries. Highly significant was Soviet aid in developing a heavy industrial complex in India. During the late 1950s, the Soviet Union gave growing financial and technical assistance to India for the development of India's basic industries in steel, coal, machine-tool manufacturing, and other public sector areas. One of the landmark agreements that India signed with the Soviet Union was in February 1955 for the setting up of a steel plant in Bhilai.

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The terms of Soviet aid were favourable to India: when the western countries were charging 6 per cent as rate of interest, the Soviet Union charged only 2.5 per cent. In December 1953, India and the Soviet Union signed a long-term trade agreement. An attractive feature of this agreement was the fact that payment for Indian imports could be made in rupees and not in hard currency like dollar. Trade with the Western countries, by contrast, was in hard currency. For this purpose, accounts of the Soviet Union were opened and maintained in several Indian banks.

Military supplies to India emerged as a prominent symbol of Indo-Soviet friendship. In 1962, just before the India-China war, the MiG (the fighter aircraft) deal was signed despite Chinese protest. The USSR replaced the British as the biggest supplier of fighter aircraft.

The Soviet Union hosted a meeting of leaders of India and Pakistan in Tashkent in January 1966 after the 1965 war. In August 1971, the Soviet and the Indian leaders signed the historic Treaty of Peace, Friendship and Cooperation, the first of its kind that India had signed. The Treaty provided for immediate mutual consultations in case either country was attacked from outside. This clearly signalled Moscow's commitment to stand by India on the Bangladesh question.

India, in a way, reciprocated with support to the Soviet Union after it invaded Afghanistan in December 1979. India was restrained in its public statements. For India, the Afghanistan issue had been somewhat overshadowed by the virtual military alliance between Pakistan and the US.

With the coming to power of Mikhail Gorbachev in 1985, the Soviet foreign relations went through a sea change. The emphasis shifted to the need for mutually beneficial relations with the US and the West. His efforts to build a "Common European Home" undermined the importance of the developing world like India. This along with the Soviet/ Russian rapprochement with China led to a temporary downturn in Indo-Soviet relations.



Intext Questions 27.3

Fill in the blanks :

1. Which steel plant in India was financed by the USSR _____?
(Durgapur, Bhilai, Rourkela)
2. In which year Soviet leaders visited India for the first time _____?
(1955) (1957) (1971)
3. When was the Tashkent Declaration signed _____? (1966) (1971) (1974)
4. In which year the Treaty of Peace, Friendship and Cooperation with USSR was signed _____?
(1971) (1979)
5. The Soviet terrorism policy shifted radically under the leadership of _____?
(Mikhail Gorbachev/Mr. Putin)

27.2.1 Post-Soviet Era

After the disintegration of the Soviet Union in December 1991, under the new Russian President Boris Yeltsin too continued with the policy of building close cooperation with the

US and the West, there were calls for a “pragmatic renewal” of ties with India. During Yeltsin’s visit to India in 1993, the Treaty of Friendship and Cooperation was signed between India and Russia. It replaced the 1971 Treaty of Peace, Friendship and Cooperation. The security clause of the earlier Treaty was abandoned while the two countries resolved to continue their peaceful and friendly relation. Another important breakthrough was the agreement on debts and Ruble-Rupee exchange rates. A Treaty on cooperation in military field was also signed and Yeltsin confirmed once again that India would receive cryogenic rocket engines despite US objections.

The Indo-Russian relations attained a new high and momentum with the signing of Declaration on Strategic Partnership during the visit of Russian President Vladimir Putin. The Indian Prime Minister Vajpayee’s November 2001 visit resulted in the signing of the Declaration on International Terrorism. This declaration condemned the double standards adopted by the west on terrorism.

Although Russia is not a super power any more, its significance for India cannot be underestimated. Being a permanent member of the Security Council of the UN, it has the power of veto. Further, as you already know, Russia is the only important world power that has consistently supported the Indian position on Kashmir and cross-border terrorism. It holds Pakistan responsible for the spread of religious extremism and terrorism in this part of the world. The most recent support for Kashmir came in the form of the joint statement issued at the end of three days visit of Prime Minister Vajpayee to Moscow in November 2003. It called upon Pakistan to prevent infiltration of terrorists across the LOC and at the other points of the border into the state of Jammu and Kashmir. It also asked Pakistan to dismantle the terrorist infrastructure in Pakistan and Pakistan-controlled territory as a condition for purposeful dialogue between the two countries. Among the permanent members of the UN Security Council, Russia is the most prominent and unequivocal supporter of India’s candidature for permanent membership in an expanded Security Council.

Russia remains India’s most reliable supplier of high-quality military equipment. Russia supplies more than seventy per cent of India’s defence need including the state-of-the-art weapon systems and the technologies. The major Russian defence export include fighter aircraft (such as MiG-21), main battle tanks (like T-72MI), helicopters, anti-tank missiles, anti-ship missiles, submarines, nuclear submarine (of Akula-2 class) and aircraft carrier (such as Gorskho). In a “landmark deal” in January 2004, India agreed to buy the refurbished Admiral Gorskho along with 12 Mig-29 fighter aircraft. The aircraft carrier will be delivered to India by 2008. Defence co-operation between India and Russian is not limited to procurement but includes production of many of these weapon systems in India (e.g. Mig-27M, Sukhoi- 30MK, T-72 tanks, etc.). It also covers areas like joint research and development and service to service co-operation. One of the most striking examples is the Indo-Russian joint endeavour to develop, manufacture and market the supersonic (flying faster than the speed of sound) Anti-Ship Cruise Missile Systems, BrahMos.

India and Russia have enjoyed strong historical ties. In the present international scenario, their views of the world coincide to a large extent. This is further complemented by the mutuality of their security and economic interests. Indo-Russian trade is the weakest link in an otherwise excellent relationship. But the economic interaction between the two countries is brightened by cooperation in new areas like energy and security.

There are certain areas in which the bilateral cooperation between the two countries is

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looking up. Energy Cooperation is one of them. India is emerging as a large consumer of energy. Russia's oil and gas reserves and its expertise in thermal, hydropower and nuclear energy sector will be crucial in ensuring India's energy security in future. A number of thermal and hydropower projects have already been built with Soviet/ Russian collaboration. India's ambitious goals in the field of nuclear energy need Russian help since it is the only important nuclear power which is ready to co-operate with India in the atomic energy sector.

**What You Have Learnt**

India and the US are two great democracies. But for a long time the relationship between them was far from smooth. The containment of communism was the major goal of the US policy during the Cold War. But India did not want to join the Cold War politics. So India followed the independent policy of non-alignment. And this was not to the liking of the Americans. The relations between the two got strained when the US supplied arms to Pakistan in the mid-1950s, despite the fact that the US was providing the bilateral economic aid including PL 480 food assistance to India. The American support to India in the early sixties during the Chinese invasion did bring about goodwill for the Americans. But it was short-lived. The conditions attached to the food aid later in the decade created problems in Indo-US relations. The open support for Pakistan in the Bangladesh War and the sending of *USS Enterprise* to the Bay of Bengal brought about the lowest point in the relationship. The post-Cold War period saw a change in the relationship, especially when America pressurized Pakistan to withdraw troops from the Indian side of the LOC during the Kargil War in 1999. Further, American acceptance of India as a responsible state with nuclear weapons did lift up the relationship.

Indo-Soviet Union relationship was based on a number of common grounds from the beginning. The support of the Soviet Union on the Kashmir issue added depth to the relationship. Further, the Soviet aid came in for the building of a self-reliant economy including infrastructure projects like the Bhilai steel plant. Indian armed forces received a lot of Soviet arms and ammunition. The Soviet Union allowed the production of fighter aircraft like the MiG in India. The high point of Indo-Soviet relationship was reached during the Bangladesh crisis in 1971 when India and the Soviet Union signed the friendship treaty. The immediate post-Cold War period did see some downturn in the relationship but recently it has been put on track.

**Terminal Exercises**

1. Write a note on the Indo-US political relations during the Cold War.
2. Describe the Indo-US relations with regard to the nuclear issues.
3. Analyse the Indo-US relations with regard to terrorism.
4. Write a note on Indo-US economic relations.
5. Highlight the major achievements of Indo-USSR relations during the Cold War.
6. Analyse the Indo-Russian relations in the post-Cold War phase.



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Answers to Intext Questions

27.1

- (1) 1941
- (2) SEATO & CENTO
- (3) Jimmy Carter

27.2

- (1) True
- (2) True
- (3) True
- (4) True
- (5) True
- (6) Public Law 480
- (7) 1962

27.3

- (1) Bhilai
- (2) 1955
- (3) 1966
- (4) 1971
- (5) Putin

Hints for Terminal Exercises

- 1. Refer to Section 27.1.1
- 2. Refer to Section 27.1.3
- 3. Refer to Section 27.1.3
- 4. Refer to Section 27.1.2
- 5. Refer to Section 27.2
- 6. Refer to Section 27.2.1