



OVERVIEW A SHARED VISION

“Well before he took office, President George W. Bush set the goal of improving relations with India: a nation of over a billion people, a dynamic, multi-ethnic democracy; ancestral home of over one-and-a-half million Americans; a critical presence in Asia; a nation of enormous achievement and promise. When Prime Minister A.B. Vajpayee first met President Bush in November 2001, he embraced the objective of transforming our bilateral relationship calling the United States and India ‘natural allies.’ Prime Minister Vajpayee was right. Both our nations seek to stretch the bounds of human knowledge and seize the opportunities of a 21st century world. And both of us recognize that our cooperation can greatly benefit both of our nations and the international community.”

— Colin L. Powell, U.S. Secretary of State, March 2004

When India blasted its way out of nuclear ambiguity in May of 1998, it would have taken more than an optimist to predict that in a matter of a few years, the chain reaction from the Pokhran tests would reach critical mass with the United States and India signing a landmark agreement to work together in the fields of civilian nuclear technology, space, high-tech trade and missile defense.

The 2004 agreement on promoting high technology commerce between the U.S. and India, appropriately called the “Next Steps in Strategic Partnership (NSSP),” will spur cooperation on the “quartet” issues of civilian nuclear energy, civilian space programs, high technology trade and dialogue on missile defense. But most



Secretary of State Colin L. Powell interacting with university students in New Delhi during a TV dialogue

importantly, it puts the U.S.-India relationship on the strategic level and signifies the extent to which the two nations have traveled together. Even a few years ago, India was denied access to U.S. high technology, and it took both countries a couple of years of complex negotiations to open up a sector that has far-reaching implications for the new international order.

The transformation of relations between the U.S. and India is a story of two estranged democracies becoming two engaged nations, working together to carve out new opportunities in the world, based on common values and common interests. U.S. Ambassador to India David C. Mulford has said: "Over the past two years we have witnessed the beginning of a transformation that will open opportunities for our two countries that would have been unimaginable a few years ago. We have taken important steps forward to bridge previous mistrust and lay the foundation for what I believe will be a crucial partnership for the 21st century." He calls on the need to build the strategic partnership into a truly comprehensive alliance that spurs all sectors of both societies. And former External Affairs Minister Yashwant Sinha has said: "The vision of the two largest democracies, placed in different situations, but linked by strong bilateral ties, bringing diverse perspectives to address their increasingly common challenges, represents an exciting possibility in global affairs."

A guiding document in the U.S.-India transformation is the 2002 National Security Strategy of the U.S., which staked out the path for future cooperation: "The United States has undertaken a transformation in its bilateral relationship with India based on a conviction that U.S. interests require a strong relationship with India. We are the two largest democracies, committed to political freedom protected by representative government. India is moving toward greater

economic freedom as well. We have a common interest in the free flow of commerce, including through the vital sea lanes of the Indian Ocean. Finally, we share an interest in fighting terrorism and in creating a strategically stable Asia."

The 1998 nuclear tests pushed U.S.-India relations to a low point, and strong political and economic imperatives were needed to pull out of it. These were provided in the nine rounds of talks between former Indian Foreign Minister Jaswant Singh and former U.S. Deputy Secretary of State Strobe Talbott. Not only did they make the Indian Government more sensitive to the proliferation concerns of the U.S., conversely, they gave the Indian Government an opportunity to explain to the U.S. several key aspects of its unwritten strategic doctrine and its security concerns. The singular importance those year-long talks had for the future of U.S.-India relations was groundbreaking to say the least. After almost half a century of talking "at" each other, India and the U.S. grew accustomed to talking "to" each other. As Talbott said, "We're getting better at disagreeing without being disagreeable." It was the longest spell of high-level dialogue that the two countries had engaged in in their history.

The consequent understanding led to the first softening of the U.S. sanctions that had tightened against India following the tests. However, the Singh-Talbott talks floundered on one simple issue: India hesitated to sign the Comprehensive Test Ban Treaty (CTBT) after the CTBT ratification was voted

NARENDRA BISHT/INDIA TODAY



Dr. Manmohan Singh, the architect of India's economic reforms, is the country's new Prime Minister

down by the U.S. Senate in October 1999. The U.S., too, pulled back from freeing up high-technology exports to India.

Nevertheless, the visit of the then U.S. President Bill Clinton to India in March 2000 was a watershed in U.S.-India relations. Addressing a rare joint session of the Indian Parliament, Clinton talked about the lessons India teaches the world: "The first is about democracy. There are still those who deny that democracy is a universal aspiration; who say it only works for people of a certain culture, or a certain degree of economic development. India has been proving them wrong for 52 years now... a second lesson India teaches is about diversity... under trying circumstances you have shown the world how to live with differences ... that tolerance and mutual respect are in many ways the keys to our common survival."

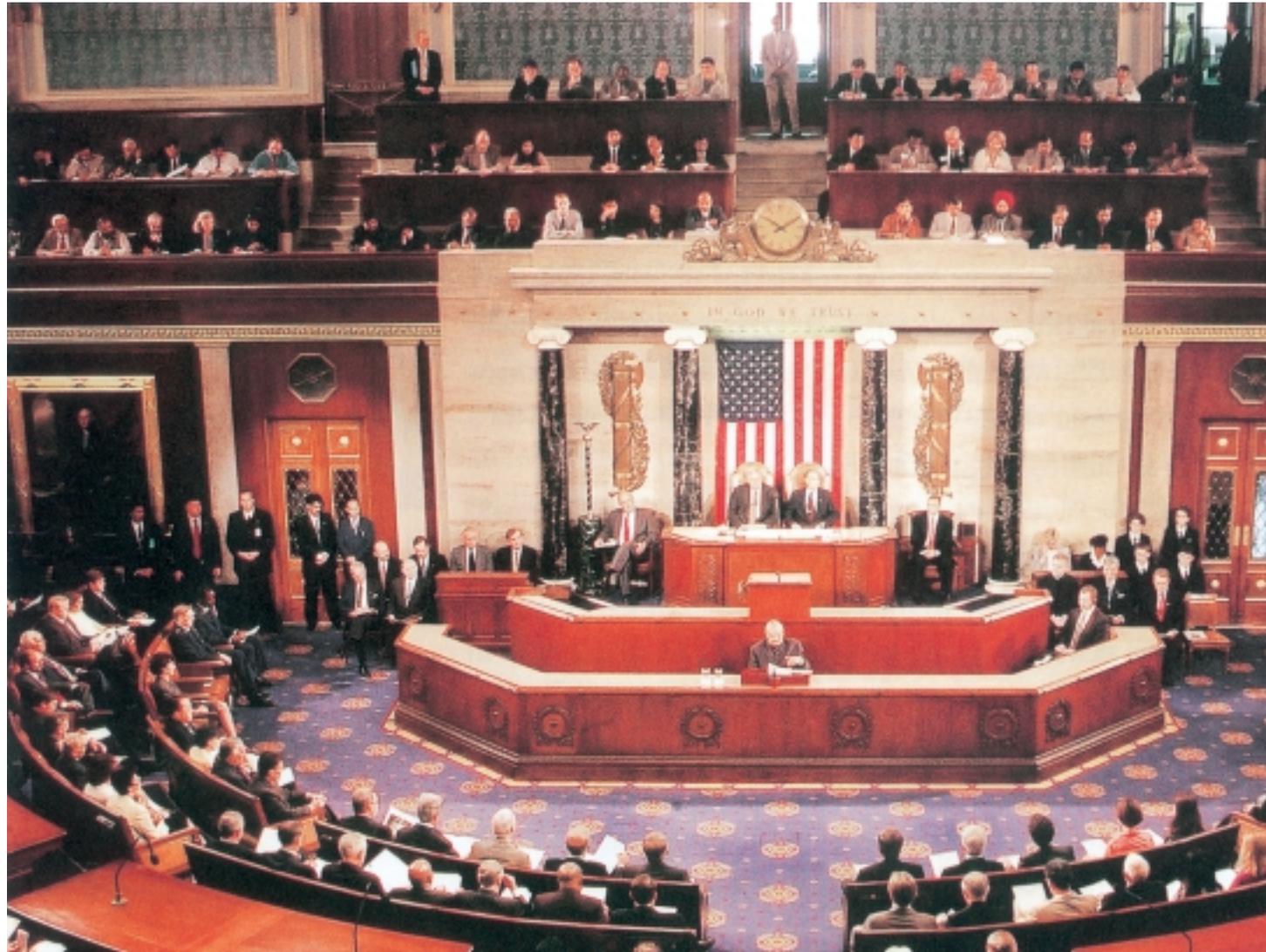
The process of transforming U.S.-India relations was speeded up under the Bush Administration. The new U.S. President decided early on in his tenure to "get the big relationships right" and counted India among them. The

appreciation of the salience of India in the larger strategic picture of the new world was premised on several new realities. The Cold War was over. The growth of the Indian economy and its increasing importance in the new global knowledge-based economy also brought it closer to the United States. And India's strategic importance in the maintenance of Asian stability was clear to the Bush Administration from the start.

The Bush Administration embarked on an ambitious review of decades-old American policy to integrate India into its strategic doctrine. Soon it was evident that American and Indian leaders were thinking along similar lines and building a new partnership based on a shared commitment to freedom, prosperity and security.

The first signs were encouraging. The U.S. Government promised to lift sanctions on India without reference to the CTBT or any other nuclear benchmarks except an underlying assurance of tighter export controls. India, too, took the bit between its teeth when it announced an endorsement of Bush's national missile defense program unveiled on May 1, 2001. One of the first visitors to India from the new administration was Deputy Secretary of State Richard Armitage. His visit and a successful trip by then Foreign Minister Jaswant Singh to Washington helped to kick off a "feel-good" factor in the U.S.-India relationship, a factor that was strengthened after the September 11, 2001 terrorist attacks against the U.S.

While the U.S.-India relationship has acquired a life of its own, even during the ebb of official relations there have been strong people-to-people contacts between the two countries. The American Dream enthused many Indians, and today there are perhaps more than two million Indians in the U.S.—the second largest group of legal immigrants after Mexico. Indian students overtook Chinese to be the largest group of foreign students in the U.S., and the Indian Caucus in the U.S. Congress is the largest group of U.S. lawmakers friendly to any country.



Prime Minister A.B. Vajpayee addressing the joint session of the U.S. Congress in September 2000

JOHN WICART

With the Indian economy opening up, U.S. companies have established profitable linkages with India, Inc., and bilateral trade is progressing. However, there remain issues of market access and tariff barriers in India, which are gradually being addressed.

Technology and services have clearly been the drivers of the economic relationship, and many U.S. companies have taken advantage of India's huge pool of skilled brainpower. Even as Silicon Valley start-ups and American IT companies are being powered by expatriate Indians in India, the offshore business model is giving rise to political debate over a complex, multi-layered relationship spanning business process outsourcing that includes call centers, high-end software and product development for American companies.

U.S. officials have noted that the U.S. market remains much more open to Indian firms and their products than the Indian market is to U.S. trade and investment. And market access issues still need to be addressed. "While we are India's largest trading partners, our bilateral trade remains far below what it could be," said U.S. Assistant Secretary of State Christina Rocca, and added that "improving that situation is one of our primary objectives."

By the turn of the century, the U.S. and India were collaborating closely on a gamut of issues, including global security, the Persian Gulf, international terrorism, HIV-AIDS, counter-terrorism, cyber-security, environment and climate change, energy and WMD proliferation. Meanwhile, McDonald's has become India's favorite "Indian" fast-food chain and Seattle has put together a cricket team. Hindi films are being set in the U.S. and increasing people-to-people contact is becoming a barometer for improving ties. A typical example, the man symbolizing the new dynamic, is Chitresh Das, who teaches the Indian kathak dance form at San Francisco State University and has established the largest kathak institution in North America. But the transformation has affected other aspects of the relationship as well—with the United States Agency for International Development (USAID) working with the Indian Government to improve

the ambient quality of the Taj Trapezium Zone in Agra and the U.S. Embassy giving small grants to NGOs to jumpstart projects that then acquire a life of their own.

“The range and frequency of the India-U.S. dialogue has increased considerably in recent times. But most significantly, it is the atmosphere of our dialogue that has changed. We now address each other with the confidence and candor of friends. This dialogue, based on respect and equality, is successful precisely because we have recognized that there is no fundamental conflict of interest between us,” said Prime Minister Vajpayee.

The transformation of relations between the U.S. and India straddles several sectors. For instance in the area of law enforcement, a new level has been achieved after the events of 9/11. This entailed not only increased information sharing, but also a growing convergence of views on terrorism.

Former External Affairs Minister Sinha enunciated the areas of cooperation when he said, “We have, for the first time, entered into substantive defense cooperation. Our armed forces have established contact, and there are regular exercises and exchanges of growing complexity. Our common concerns on terrorism, transnational crime and cyber crime have led us to establish ties in these areas as well.” Even in the field of aid, relations have taken a new turn, as USAID is now more involved in sharing technologies and building sustainable capacities rather than in the old-fashioned method of giving development assistance.

And this has been most clear in the frequency of high level visits between the two nations. Over the past six years, cabinet-level and senior military officials have traveled back and forth halfway across the globe while tourists, scholars and business people have rapidly filled up the flights in and out of India.

The September 11, 2001 attacks spurred the new understanding between India and the U.S. to the next level. Soon after the attacks, India, which lost some 250 people of Indian origin in the carnage, promised unconditional help to the U.S. Government in the war on terrorism, even the use of Indian military facilities. During Operation Enduring Freedom in Afghanistan, the Indian Navy took up the important mission of escorting and protecting high value shipping through the Strait



U.S. Ambassador to India David C. Mulford speaks at CII

SIPRA DAS



REUTERS/LARRY DOWNING

The vision of global peace and prosperity shared by President George W. Bush and Prime Minister A.B. Vajpayee led to the strategic partnership between the U.S. and India

of Malacca. This invaluable contribution freed U.S. ships to refocus on other global commitments in the war on terrorism. Moreover, by allowing transiting U.S. Naval ships to use Indian ports for rest and refuelling, India gave the U.S. Navy the logistical flexibility required to conduct its trans-oceanic operations. Allowing over-flight for U.S. Air Force aircraft was another force-enabler contribution by the Indian Government that saved operational planners countless hours.

As the global war on terrorism got under way, it became even more important for an intensive military relationship to develop between the U.S. and India, with the goal of maintaining stability in Asia as the driver. Since 2002, the two militaries have been in ever-closer contact with exercises, exchanges, joint doctrines and procedures and the U.S. emerging as a major defense supplier to India, something that could only be imagined a few years ago. Acknowledging India's terrorist challenges from across its border, the U.S. has also offered to sell sophisticated border management systems while intelligence sharing has reaped benefits in counter-terrorism efforts of both countries. The fact that America's war on terrorism was closely intertwined with India's became

1998



- India conducts five nuclear tests at Pokhran.
- Pakistan nuclear tests.
- U.S. imposes sanctions on India in accordance with the Glenn Amendment.
- First strategic U.S.-India dialogue between Jaswant Singh and Strobe Talbott.

1999

- Strategic dialogue continues.
- India formulates a draft nuclear doctrine.
- A.B. Vajpayee's NDA government comes to power.
- Indo-Pak conflict over Kargil. Forces withdraw following Prime Minister Nawaz Sharif's visit to Washington.

2000



- India and U.S. decide to set up joint working group on counter-terrorism.
- U.S. President Bill Clinton visits India.
- India and U.S. set up Science and Technology Forum.
- Vajpayee visits Washington, addresses joint session of Congress. Signs agreements to cooperate on arms control, terrorism and AIDS.

2001



- President Bush takes office.
- President Bush announces Robert D. Blackwill as U.S. Ambassador to India.
- Jaswant Singh is the first Indian leader to meet the Bush Administration leaders.
- India says Bush's missile defense proposals are "significant and far-reaching."
- Deputy Secretary of State Richard Armitage visits India to talk missile defense.
- National Security Advisor Brajesh Mishra visits Washington. Frequency of high-level visits on the rise.



- 9/11 terrorist attacks on World Trade Center in New York and the Pentagon.
- Vajpayee says, "I have assured President Bush that we stand ready to cooperate in the investigations into this crime and to strengthen our partnership in leading international efforts to ensure that terrorism never succeeds again."

2002

- U.S. and India engage in unprecedented joint military cooperation.
- U.S. contracts to supply 12 AN-TPQ/37 Firefinder counter battery radars to the Indian Army.
- U.S. actively engaged in helping to reduce tensions in South Asia.
- NRC Chairman Richard Meserve visits India to discuss civil nuclear cooperation.

2003



- U.S. and India start new India-U.S. Global Issues Forum.
- Launch of High Technology Cooperation Group.
- In Kashmir, Vajpayee extends "hand of friendship" to Pakistan.
- CJCS General Myers visits India.
- Deputy Secretary of State Armitage and Assistant Secretary of State for South Asia Rocca visit South Asia in an effort to further ease tensions and help foster bilateral dialogue between India and Pakistan. Also, Indian National Security Advisor Mishra meets senior U.S. officials in Washington to discuss security issues.

2004

- U.S. State Department welcomes announcement that Indian and Pakistani leaders will launch a composite dialogue.
- Prime Minister Vajpayee and President Bush announce the Next Steps in Strategic Partnership.



- New U.S. Ambassador Dr. David Mulford assumes office in New Delhi.
- Senior U.S. officials, including Secretary of State Powell, Secretary of Health and Human Services Thompson and U.S. Trade Representative Zoellick, visit India.
- Indian voters elect Congress Party coalition and Dr. Manmohan Singh takes office as Prime Minister. U.S. officials congratulate the Congress Party and express their desire to continue building a strong bilateral relationship.

clear when the U.S., not only banned terrorist groups like the Lashkar-e-Toiba, but also India's underworld mafia leader Dawood Ibrahim.

But just as 9/11 transformed U.S.-India relations so, too, did it bring into focus the need for a halt in the flow of cross-border terrorism emanating from Pakistan. During 2002, when India and Pakistan were spiraling toward conflict, the U.S. was actively engaged in defusing the crisis. Both Secretary of State Colin Powell and his deputy, Richard Armitage, carried the clear message to Islamabad and New Delhi that the United States wanted to see a permanent end to crossborder terrorist infiltration targeting India. The U.S. Government also stressed that as India and Pakistan work to resolve their differences, the United States will remain a steadfast friend and supporter of the peacemakers on both sides, and will continue to build strong bilateral ties with each country in its own right.

The U.S. Government welcomed wholeheartedly the subsequent warming of relations between India and Pakistan. "The U.S. has been working very hard to turn our parallel improvement of relations with India and Pakistan into what Secretary Powell has called a 'triangle of conflict resolution.' We do not impose ourselves as a mediator, instead, we try to use the trust we have established with both sides to urge them towards conciliation by peaceful means," said Rocca.

U.S. State Department Spokesman Richard Boucher said in January 2004, "We're pleased that the parties came out with a roadmap for future discussions, and we are pleased that they're committed to increasing their engagement."

The transformation of U.S.-India relations is work in progress, and though tremendous strides have been made thus far, the momentum and quality of this bilateral relationship need constant nurturing. It will take more progress on issues such as economic relations, high-tech and other trade and both countries' commitment to minimizing protectionist tendencies for political gain that will determine the pace and scope of the relationship.

Ultimately, the phrase "natural allies" refers squarely to the fundamental principles of the United States and India: large and functioning democracies committed to political and economic freedom.

Looking at where the relationship can go, Secretary Powell has concluded: "A thriving, peaceful, democratic India is taking its place on the world stage, and the United States looks forward to acting in close partnership with her. In the years ahead I see the U.S.-Indian relationship becoming as rich and vibrant as a 'Bollywood' blockbuster. To be sure, there will be twists and turns of plots and some challenges for the characters to overcome, but I have no doubt there will be a happily-ever-after result for India, for the U.S. and the world community."