

ECONOMIC DEVELOPMENT AND FOREIGN POLICY:
(A CASE STUDY OF INDIA 1947 - 1955)

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PREFACE

In this small dissertation I have tried to outline an alternate approach to the foreign policy of the developing countries. While the first two chapters are devoted to this purpose, the third chapter describes the interplay of India's economic conditions and the international situation during the eight years following the independence. I have wanted to convey the idea that any theory of foreign policy, must tell, not only, what has happened and is likely to happen, but also, what should be the right course to follow, in order to improve the socio-economic conditions of the common man and at the same time to meet the larger obligations to the world community. I cannot, however, claim, that I have entirely succeeded in this endeavour. What follows in the following pages is only a slight attempt at presenting a framework, which needs to be further elaborated for a real and penetrating analysis of the foreign policies of the developing countries.

In the first place, there is indeed an urgency to undertake the systematic research for adequately and correctly explaining the sources, purpose and means of foreign policy of the developing countries. But greater is the need to go beyond the explanatory level of analysis, and consciously evolve a methodology, which on the one hand, permits the researcher to critically re-examine

the basic principles those govern the external relations, and on the other hand, prescribe such measures which may bring harmony between the internal conditions and the actual external policies.

We are not therefore, concerned with merely discovering some 'scientific laws' of the external behaviour of the developing countries. Nor with only some empirical generalizations in regard to this behaviour. But, with evolvement of a critical approach for evaluating the policies, in terms of the socio-economic conditions obtaining in the country. Again and again I ask the question: What is the purpose of foreign policy in the context of the exploitative socio-economic conditions prevailing in the developing countries and a similar situation obtaining in international relations? What should be the interests of a developing country, which its foreign policy may promote? Is not it in its interest to fight against the remaining vestiges of the Western imperialism? To restructure the international system? To create the conditions for internal socio-economic development?

The ideas which I have tried to present in this dissertation have borne out of my long association with several professors of international relations. It would be difficult to name all of them here. In

particular, however, I wish to express my gratitude to Professor E. Krippendorff of Johns Hopkins Bologna Center, Italy. I am also grateful to my professor here in the School for encouraging me to think on these lines. Of all I am naturally grateful to my supervisor, Professor S.C. Gangal, who took keen interest in this work and helped me to improve my style. Also his suggestions were most valuable. I am thankful to Professor K.P. Misra, Head of the Centre for International Politics and Organization of the School for rendering me all kinds of guidance and assistance.

Among friends I must particularly thank Larry and Barbara without whose help it would have been extremely difficult to continue my studies in India. I am also grateful to Sasha, Uwe, Steffi, Per and Tono, who have been extremely kind to me throughout my studies. Lastly, I am grateful to my two children, Deepak and Ashok, who took great interest in the progress of the dissertation and allowed me to concentrate on it. It is my pleasant duty to thank Monica who has very carefully and patiently typed the dissertation.

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CHAPTER ONE

FOREIGN POLICY ANALYSIS AND THE DEVELOPING COUNTRIES

(a) Anglo-Saxon Tradition

The post 1945-period was marked by increasing tension between the two victorious powers: the United States of America and the Soviet Union, both of which came to be known as the two super-powers. The United States of America no longer wanted to be an isolationist, nor would her global economic and strategic interests allow her to follow the pre-war course in her foreign policy. The entire Western Europe looked up to her for help and reconstruction and to 'contain' and stop the Soviet 'expansion' in Eastern Europe. Great Britain, the Great Power, was no longer capable to play the old role of the defender of the imperialist interests of the Western world. The occupation of Japan by the American soldiers, the coming to power of the communists in China, the Korean war, the trouble over the status of Berlin -- all these indicated the global involvement of the United States of America. It was in this context that a public debate started on the purpose and means of foreign policy. What were the 'national interests' of the United States of America and how they could be protected? In the expansion of communism in the world, the Americans saw a real and

serious threat to their own social system and the world capitalist economy. Both of which are inter-dependent.

Though systematic foreign policy analysis developed in the United States only after the Second World War, serious writings had appeared even earlier.¹ But it was only after 1945 that attempts were made to define and redefine the objectives and means of foreign policy. The concept of national interest was not new for the United States.² What was new was the context and the need for conceptualization of these interests and elements of power in a realistic framework.

The first problem was the assessability of these interests. Were they (or are they even to day) assessable objectively? The earlier writers like Spykman believed that they were.³ We are quite familiar with Hans Morgenthau's definition of national interests in terms of power. The subjectivists on the other hand denied the existence of an objective reality. Atleast they pointed

1 Nicholas J. Spykman, American Strategy in World Politics : The United States and the Balance of Power (New York, 1942).

2 C.A. Beard, The Idea of National Interest (New York, 1934). For a general description see National Interest in International Encyclopedia of the Social Sciences, vol. 2.

3 Spykman, no. 1.

out the limitations of the use of this concept for describing and explaining the foreign policy.⁴ Furniss and Snyder, the other end of the spectrum, maintained that the national interests were what the decision-makers decided they were.⁵ This point is very much contended by authors like Arnold Wolfers, who argue that (a) state interests are the interests of the masses and (b) except in times of grave crisis the decision-making approach reveals only a part of policy.⁶

On the other hand, Rosenau, Modelski and Aron have altogether rejected the idea of national interest as an inadequate concept for explaining the aims and objectives of foreign policy.⁷ It seems that much of the Anglo-American thinking on foreign policy analysis, since

4 See Lester Morkel and others, Public Opinion and Policy (New York, 1950).

5 E.S. Furniss Jr. and R.C. Snyder, An Introduction to American Foreign Policy (New York, 1955). Also see Richard C. Snyder, H.W. Bruce and Burton Sapin, "The Decision Making Approach to the Study of International Politics" in: James N. Rosenau (ed.), International Politics and Foreign Policy (New York, 1969), pp. 199-206.

6 Arnold Wolfers, Discord and Collaboration: Essays on International Politics (Baltimore, 1962), pp. 5-8.

7 See James N. Rosenau, "Pre-Theories and Theories of Foreign Policy", in: The Scientific Study of Foreign Policy (ed.), (New York, 1971), George Modelski, A Theory of Foreign Policy (London, 1962). Joseph Frankel, National Interest (London, 1970), p. 19.

1945, has been preoccupied with two basic problems: (a) how to assess the national interest and (b) what other factors influence the decision-making. In this respect, Snyder was probably the first to emphasize the importance of domestic variables⁸ though we are more familiar with Rosenau's work.⁹ Aron has proposed three elements: geographical, demographic and ideological; similar ideas can be found in the works of Quincy Wright and others also.¹⁰

The point is that equal importance is given to both internal as well as external factors. Some theories emphasize the internal factors while the other, like the Systems Theory, the external factors.¹¹ These approaches are conceived within a broad philosophical framework, which includes, Hume's theory of balance of power;

8 Richard C. Snyder, "The Nature of Foreign Policy", Social Science 2 (April, 1952), pp. 61-69. Also see by the same author "Toward Greater in the Study of International Politics", World Politics 7 (April, 1955),

9 James N. Rosenau, Linkage Politics (New York, 1969).

10 Frankel, no. 7, p. 53. See Quincy Wright, The Study of International Relations (Chicago, 1955).

11 Internal factors are: geographic, cultural, social, economic, political, the press, pressure groups, elite attitudes, personalities, nationalism etc. The external factors include the structure of international system and the external behaviour of individual countries. For the Systems approach see: Morton A. Kaplan, System and Processes in International Politics (New York, 1957).

Bacon's, Hobbes' and Locke's empiricism and Wilson's idealism.¹² Add to this the Calvinistic ethics, Weberian sociology and an economic tradition based upon a rationalised system of exploitation and domination. What we see is a tradition which perceives the world through a prism of power, self-righteousness and money. Foreign policy is defined as a 'social process',¹³ a 'system of human action',¹⁴ a 'dynamic political process'¹⁵ 'an ideology' -- and above all a system of action to preserve the global political and social status quo. The world is perceived as it exists. Why it so exists and how it should be, receives scant attention from this tradition, which prospers on pure empiricism and positivistic notions. There have been in the recent period some critical writings by dissenting social scientists (dissenting within the existing system of power-relationships and those radical writers who advocate changes in the existing system.¹⁶ Nonetheless,

12 Arnold Wolfers and Laurence W. Martin, ed., The Anglo American Tradition in Foreign Affairs : Readings From Thomas More to Woodrow Wilson (New Haven, 1958).

13 Feliks Gross, Foreign Policy Analysis (New York, 1954), introduction xv, p. 3.

14 Ibid.

15 See definition given by the Brookings Institution in Gross, *ibid.*, p. 46.

16 See for a broad introduction to such writings, Irving Howe, ed., A Dissenter's Guide to Foreign Policy (New York, 1968).

the predominant trait of this tradition is to preserve the system rather than to allow changes on a global scale.

The preservation of existing dominant values and roles¹⁷ is closely linked to frantic search for security and influence and protection of foreign investments. In early and mid-fifties, after the Soviet Union exploded their first nuclear bomb, the main purpose of foreign policy became survival through deterrence, and simultaneously, coming to an understanding with the Soviet Union regarding the global status quo.

The search for security, a concept, not easily and rationally definable, has led to a tremendous growth of literature on military strategy, capability analysis and deterrence theories.¹⁸ The concept of national interest has become interchangeable with the concept of national security: the practice to explain foreign policy (as well

17 For a description of erosion of these values and roles see Anatol Rapoport, Conflict in Man-made Environment (Baltimore, 1974). Also the review of this book by the author in Social Scientist (April, 1976), pp. 72-78.

18 Recently a number of books have been published on this subject. It is needless to list them all here. But for an early penetrating discussion on the implications of nuclear weapons for foreign policy see Henry Kissinger, Nuclear Weapons and Foreign Policy (New York, 1957). Also see Glenn H. Snyder, Deterrence and Defence : Toward a Theory of National Security (New York, 1961).

as domestic policy) in terms of national security. The foreign policy analysis in such circumstances, focuses its attention on description and explanation of, what have been called, 'vital' and 'peripheral' security interests. And these interests are global. Any change in the status quo, any where in the world, if it affects the United States' so-called 'security interests', the change would be resisted. Even the changes in the internal social structure of other countries, are perceived as threats to its 'security interests'. Enough examples are available of this nature in which the United States, adopted, direct or clandestine measures to intervene, in the domestic affairs of other countries, chiefly Latin American but also West European (as it happened recently in Italian elections) to prevent such changes (political) from taking place.

What was earlier called the Anglo-American tradition, has in course of past thirty years, tended to become predominantly American tradition. Above, we have tried to point out some characteristics of this tradition. Generally, concepts and models, developed in this tradition (mostly in the United States) are used for explaining and describing a foreign policy, whether of a developed or a developing country. The same text books are read all over the world, written mostly by the Anglo-American authors. Very few attempts have been made by the scholars in the developing

countries to develop an alternative approach, which may reflect the historic conditions and the existing social, economic and political conditions in the developing countries. It is necessary because these conditions are basically different from those existing in the developed countries.¹⁹ Below we shall attempt to describe some concrete differences in the position of the two parts of the world.

The two positions can only be understood in a framework of reference of past historical conditions and the existing global dominance system. In order to understand the mechanism of existing dominance system, we must first explain the historical genesis of the existing international system.²⁰ How existing system has come to be as it is? An adequate understanding of these two interrelated facts of the structure of international system is necessary to explain the 'deviation' in the behaviour of the developing countries from the established Anglo-Saxon tradition. Before we formulate some hypotheses in regard to the foreign policy of the developing countries, we shall briefly describe the historic conditions and

19 See for a sociological approach to these conditions by a Latin American scholar: Gustavo Lagos, International Stratification and Underdeveloped Countries (University of North Carolina Press, 1963).

20 Krippendorff has suggested Industrial Revolution as one point for developing a theory of present international system. See E. Krippendorff, "Peace Research and Industrial Revolution", Journal of Peace Research, vol. 10 (1973), pp. 185-201.

the mechanism of the existing global dominance system.

(b) The historic conditions

With few exceptions, the developing nations, had been in the past, the colonies of the European imperialist powers, including that of the United States.²¹ Latin America was colonised and exploited first by Portugal (Portugal itself would seem to have become a colony of Great Britain in mid-eighteenth century or even before that)²² and Spain until Great Britain, France and toward the end of the nineteenth century, the United States of America penetrated the area - the extent of penetration of each of the colonial power being largely determined by the power-relationships (or balance of power) among the European powers. The 'scramble for Africa' - for precious metals and the slaves - are facts of only recent past.²³ Asia was colonised and exploited, chiefly by Great Britain, France and Holland. What Frankel calls the western

21 Fenner Brockway, The Colonial Revolution (London, 1973). See Appendix for a complete list of the countries who were colonies or are still colonies.

22 For an excerpt from Marquis de Pombal's letter written in 1755 on Portugal's dependence upon Great Britain see Andre Gunder Frank, On Capitalist Underdevelopment (Bombay, 1975).

23 For how much this past is linked to the present see Mashood B.D. Danmole, The Heritage of Imperialism (Asia Publishing House, 1974).

'traditional pattern of foreign policy' is consequent upon the power-relations and rivalries, between and among these colonial powers (representing only about 20 p.c. of world population) - fighting with one another over the spoils of colonialism. The established pattern, its origins and assumptions, need to be critically re-examined by, above all the American political scientists, in order to liberate it from excesses of colonialism and neo-colonialism.²⁴ It is maintained here that 'The Debate' over the methodology (classical v. scientific), which occupies central position in Anglo-American tradition, has diverted attention from real issues in international relations, namely, the economic and social dominance of eighty per cent of world population by twenty per cent of people. How does the established tradition explain it?²⁵

24 For a critique of American Political Science see K. Sheshadri, Marxism and Political Science: Methodology (Unpublished paper, School of Social Sciences, Jawaharlal Nehru University, 1976).

25 It must be pointed out here that the study of international relations, specially the theoretical part of it, even in the developing countries, like India for example, is limited to description, explanation and discussion of these methodological issues, which have no relevance to our position.

Until recently, before the colonies attained independence, they were treated as objects of inter-European politics (what has traditionally been called international Politics). The international norms and system (which are economically, socially and politically stratified to reflect the needs and interests and power of the dominant western powers) have over the past three centuries been developed to maintain the power of the Western imperialist states.²⁶

In order to maintain their political control over the colonies and the trade with them, meant safeguarding the sea-lanes and the land-routes, from the opponent imperialist powers (for example, Britain's fear of Tzarist Russia). Traditionally, therefore, the security interests of the colonial powers, extended far beyond their own political boundaries. This practice -- apparently a hang-over from the past -- is even to day very much in evidence in the established pattern of foreign policy among the former imperial or colonial powers.

A vast amount of documented material is available now which pertain to the social, political and economic

26 See Andre Gunder Frank, "World Crisis and Latin America's International Options : A Note", Economic and Political Weekly, vol. ix, no. 27 (July 6, 1974), pp. 1069-70.

consequences of the colonial exploitation of Latin America, Africa and Asia. The existing stratified international system, consists of a few very rich and powerful countries and a large number of countries in a state of utter poverty.²⁷ The global economic structure which helps to perpetuate and re-strengthen the traditional exploitative relationships,²⁹ need to

27 See Reports of U.N.'s Economic Commission for Asia and Far-East and for Latin America and Africa. Also see Mac Nmara's famous Address to World Bank.

28 It is interesting to mention here that until the end of the Second World War, scant attention was paid to the poverty in the developing countries (see Gunnar Myrdal, An Approach to Asian Drama (New York, 1968) Prologue, p. 4. The little attention which was paid was singularly influenced by Anglo-Saxon positivistic sociology and cultural anthropology, which blamed, several cultural and geographical factors, such as religion, social customs and climate for the poverty in the colonies, (see Lucien Febvre, A Geographical Introduction to History (London, 1932); Ellsworth Huntington, Mainsprings of Civilization (New York, 1945); S.F. Markham, Climate and the Energy of Nations (Oxford, 1944); Trygve Mathisen, Methodology in the Study of International Relations (New York, 1959).

The nationalistic writings of Dadabhai Naoroji in India, Poverty and Un-British Rule in India and Poverty of India (London, 1888), in mid and late nineteenth century and the writings of his contemporary, Karl Marx (see On Colonialism specially), provided an alternate explanation of growing poverty in colonies.

Of late, however, the Latin American scholars (Dos Santos, Andre Gunder Frank, etc.), the African scholars (Smir Amin particularly) and North European and West German scholars, have undertaken a systematic analysis of these relationships. The reference to these works can be found elsewhere in this dissertation.

be understood and explained and analysed, by reference to these consequences. It is only then that we can understand the present state of social and economic conditions in the developing countries which underlie the so-called 'deviation' in their external behaviour. Without referring to antecedents, we cannot explain the present and predict the future. Those who have tried to understand the foreign policy of the developing countries (some of them categorised as 'nonaligned' or 'neutral') by ignoring the past and have treated the situation as given, have at best performed a partial operation.²⁹

"e cannot, indeed, with precision, measure the consequences of colonialism and its implications for the present state of economic and social conditions in the developing countries. However, a workable causal

29 See for mathematical and unhistorical analysis of the policy of non-alignment by the Center for International Affairs of Harvard University:

The "nonalignment" position in the international politics has the very practical effect of maximizing the power of neutralist nations in world diplomacy and is thus a response to their weakness.

Ideology and Foreign Affairs : The Principal Ideological Conflicts, Variations Thereon, Their Manifestations, and Their Present and Potential Impact on the Foreign Policy of the United States. Study prepared at the request of the Committee on Foreign Relations, United States Senate, by the Center for International Studies, Harvard University (Washington D.C.: GPO, 1960), pp. 60-61, Cf. Lagos, no. 19, p. 263.

relationship may be established with the help of the available data and other materials. The main argument is that as a result of colonialism, the structural conditions for permanent underdevelopment of underdeveloped countries were created. This has been scientifically proved by several scholars.³⁰ Not only were the colonies

30 Obviously we are referring here to the Latin American, African and other scholars who, though not so numerous as the American positivistic social scientists, have nonetheless, produced a logically consistent and coherent literature on dependency - structures (see below for references of this literature).

Krippendorff sums up some of these arguments as following:

With the West European expansion in the 15th, 16th, and 17th centuries, world society also begins to grow apart, divided into 'poor' and 'wealthy' nations, a process which has only recently been recognised in its full significance. At that time the prerequisites were created for the development of underdevelopment in Asia, Africa, and Latin America, as well as for the rapid takeoff of today's developed nations themselves. Even though West Europe as a whole was probably always a wealthier continent than Africa or Latin America even before the Industrial Revolution, we must point out that in the 17th century, say, the order of magnitude was still comparable. Today's dramatic gap between developed and underdeveloped countries remained relatively insignificant into the 19th century; the difference in niveau in culture, in military, political organisation, and in economics was actually first created in the course of colonialism, mercantilism, and imperialism and represents the price paid for the establishment of world unity which was determined in its substance by the expansive West European bourgeoisie. The destruction

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drained of their natural and material wealth,³¹ and their

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of African and South American political cultures is just as much a part of this process, as for example, the destruction of flourishing textile industries in India by weaker English competition. As late as 1819 a French scholar could write: 'in manufacturing, art, and industry, China and Hindostan, though inferior seem to be not much inferior to any part of Europe' (Cambridge Economic History, Vol. VI/I, p. 4).

Krippendorff, no. 20. Also see K. Wittfogel, Geschichte der burgerlichen Gesellschaft (Berlin, 1924).

The crucial point in the dependencia theory is that the existing international economic structure only re-strengthens the dependency structures. In other words the dependence of the developing countries on the rich, developed countries, for manufactured goods, for capital and for arms and technology only increases. Unless the international economic order is re-structured, the division of the world into rich and poor will continue. For reference see Dieter Senghaas, ed., Imperialismus und Strukturelle Gewalt (Frankfurt, 1972).

Also see F.H. Cardoso & Faletto, Dependencia y desarrollo en America Latina (Mexico, 1971); T. Dos Santos, Dependencia y cambio social (Santiago, 1970); Samir Amin, Le Developpment Inegal (Paris, 1973); A.G. Frank, Capitalism and Underdevelopment in Latin America.

31 There exist conflicting views as to how much wealth went out of the colonies to the imperialist masters during the period of direct political domination. Secondly, what was its contribution to capital accumulation in those countries. Thirdly, could they have industrialised without this contribution? Krippendorff's assessment based upon several works (particularly, Karl Marx, Wittfogel, op. cit., and E. Mandel, Die Marxche Theorie der ursprunglichen Akkumulation und die Industrialisierung der Dritten Welt, in Folgen einer Theorie - Essays uber 'Das

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economic, political and cultural structures des-

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Kapital' von Karl Marx (Frankfurt, 1967) is based and can be taken as a point of departure:

It would be wrong to link the process of original accumulation - the prerequisite for the later break-through of the capitalist mode of production - exclusively or even primarily to the riches wrung out of the conquered colonial territory, although they were quantitatively quite significant. It would also be false to place slave trade and plantation economy at the basis of West European capital accumulation, although this important aspect must not be overlooked, p. 189.

Compare this with Frank, no. 22:

There has been a long standing debate about colonialism/imperialism in general and about each colonial/imperialized country and period in particular as to how much they have lost/gained through colonialism/imperialism. The debate has been even more intensive with respect to how much the 'mother' or metropolitan countries have gained. There is of course more agreement on the colonies having lost than on colonisers having gained. A review of this whole literature cannot be undertaken here, nor does it have to be, since much of it is largely irrelevant to our problem since it deals with total and not with surplus income. This reservation must be made, for instance, with respect to much of the several chapter discussion which John Strachey (1959) pursues under the title 'Are the Empires Profitable? : This same objection must be raised against the contemporary argument that the United States cannot possibly be exploiting other countries such as Latin American because after all U.S. foreign trade put together only represents 3% of her G.N.P. In short, despite the already existing vast literature on the contribution of Latin American riches to Spain, Portugal and the rest of Western Europe, and thereby later also to its overseas off-shoots like the U.S., or of India and other parts of the Empire to Britain, etc., much of the evaluation of the real contribution to the developing countries' fund of surplus, that is of

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troyed,³² but the centuries long exploitation laid down the basis for 'development of underdevelopment' and for further exploitation. A permanent result of direct or indirect colonialism has been the division of world into two parts: one producing the primary goods and the other industrial goods. This structural division of world, which hinders industrialization in the developing countries, can be understood in the context of the historical conditions, which may be linked to the present: take for example, the imposition of tariffs by the industrialized

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investment, remains still to be done. I suspect that this contribution was not only large, but crucial.... p. 12.

We must here refer to Dadabhai Naoroji's 'drain theory' as illustrated in the works, op. cit., and discussed by M.L. Dantwala, Poverty in India : Then and Now 1870-1970 (Bombay, 1973).

Also see B.N. Ganguli, Dadabhai Naoroji and the Drain Theory (Bombay, 1965); R.C. Dutt, Economic History of India in the Victorian Age, Vol. II, Seventh Edition, Routledge & Kegan Paul, London, 1950. Augus Maddison, "Historical Origins of Indian Poverty", Banca Nazionale del Lavoro Quarterly (Rome), No. 92, March 1970.

Also see articles written by Marx and Engels in the period between 1850-1888 because they throw sufficient light on this aspect. Marx and Engels, On Colonialism (Moscow, 1974).

32 Karl Marx, no.31 (Particularly his article "British Rule in India"). Also see Naoroji, Krippendorff and Frank etc.

countries on manufactured goods from the developing countries and compare this practice with the past colonial policies.³³ A study done in 1970 shows how tariff protection increases with increasing level of process-

33 See for a criticism of British commercial policy, R.C. Dutt, Economic History of India in the Victorian Age, op. cit., To quote him:

The production of raw material in India for British industries and the consumption of British manufacturers in India, were the two-fold objects of early commercial policy of England. The miserable clothing of the miserable Indian labourer, earning less than 2-1/2d a day was taxed by a jealous Government to keep down and ultimately strangle a competitor.

cf. DANTWALA, op. cit., pp. 8-9.

Karl Marx, a contemporary of Dadabhai Naoroji, was most critical of the British commercial policy in India. See his Articles on India (Bombay, 1943). To quote him:

The East India trade underwent very serious revolutions, altogether altering the positions of the different interests in England.... The millocracy had acquired ascendancy over the aristocracy and moneyocracy.... India, the great workshop of cotton manufacturers for the world since times immemorial, became now inundated with English twists and cotton stuff. After its own produce was excluded from England, or only admitted on the most cruel terms, British manufacturers were poured into it at a small or merely nominal duty to the ruin of native fabrics once so celebrated. cf. DANTWALA, p. 10.

ing:³⁴

Table I
Tariffs on Goods Imported from
Developing Countries

Degree of pro- cessing of goods	Weighted average tariff imposed:		Percentage share in the exports of underdeveloped
	Nominal ¹	Real ²	
1	4.6	-	71.2
2	7.9	22.6	23.8
3	16.2	29.7	2.9
4	22.1	38.4	2.1

1) In percentage of the export value.

2) In percentage of the sales value.

Source: Bela Belassa: The structure of protection,
UNCTAD TD/B/C. 2/36, 1970.

(c) The global dominance system

The global dominance system may be defined in its
concrete aspects as a system in which global relationships

34 Helge Hveem, "The Global Dominance System : Notes
on a Theory of Global Political Economy, Journal
of Peace Research, Vol. 10 (1973), pp. 319, 340.
The Table is taken from this source.

are 'vertically integrated' in terms of economic control, accumulation and production of goods.³⁵ A system in

35 The analysis of the dominance system, an entirely different view of international relations (from what we find right from Morgenthau to Quincy Wright and Aron) occupies central position in peace research studies, whose origins may be traced to the early sixties (see Krippendorff, no. 20, also an unpublished paper by the author: Recent Trends in Peace Research in Europe, Division of West European Studies, School of International Studies, 1976. One of the most explanatory characteristics of this system is the vertical division of labour and hierarchical organisation of the international system. The following description from Helge Hveem, no. 34, is very comprehensive and therefore need to be quoted here:

We employ the term domination, and the resultant situation of dominance, to represent a social relationship where some unit exercises control over and accumulates value from some other unit. Dominance, in this rather general meaning, is a relatively permanent state where the patterns of control and accumulation systematically (if not on every single occasion of an exchange) favour the dominant unit. The dominance relationship is not only asymmetric, but often exploitative. That is, there are processes that work towards an unequal distribution among the units of the values produced by (the relationship between) them.

...The dominance system is entrenched and is reproduced in a strictly hierarchical structure of control and accumulation capacities. By control we refer to the capacity to influence some social unit to a degree where it acts according to the wishes of the influencing unit and where its behaviour becomes highly predictable. Accumulation is the process of growth through appropriation of the surplus value produced and distributed throughout the system. cf. Hveem, pp. 320-1.

The dominance system reflects in the dependency structures which characterises the relationship between the poor developing countries and the rich

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which one part, dominates, economically and socially the other part, through various forms of penetration, trade exchanges, tariffs and terms. Of this all economic penetration in the form of investment by the rich developed countries in the developing countries is the most common. Multinationals, banks and other financial institutions control the structure of production and production-relations in the developing countries who are dependent upon outside sources of capital and technology.³⁶

previous f.n.

developed capitalist western society. This relationship is also characteristic of intra-state structure (enough examples are available on this phenomena, what Sunkel calls 'double polarisation' - see O. Sunkel, "Integration capitaliste transnational et desintegration nationale en Amerique latine, Politique Etrangere, 35 (1970). Also see Johan Galtung, "A Structural Theory of Imperialism", Journal of Peace Research (1971). These relationships can also be explained in terms of Center and Periphery (if intra-state dependency structures exist in which one part accumulates more value and dominates the other, it has also been called as internal colonialism, See Frank, no. 22, pp. 72-80). See Klaus Jurgen Gantzel, "Dependency Structures as the Dominant Pattern in World Society", Journal of Peace Research, Vol. 10 (1973), pp. 203-215. Also see Dieter Senghaas, "Conflict Formations in Contemporary International Society", Journal of Peace Research, Vol. 10 (1973), pp. 163-184.

36 For a comprehensive account of the capital and the involvement of multinationals and other banking institutions operating in Europe, the United States and other countries see an article by Uolevi Arosalo and Raimo Vayrynen, "Industrial Financial Oligarchy", Journal of Peace Research, Vol. 10 (1973), pp. 1-35.

V,44;19 N55-3 N47:9 G-38099

Hveem has prepared a table which shows economic penetration by OECD metropolises in about 90 developing countries. His conclusions are worth mentioning here.

Table II

Underdeveloped countries classified (ranked) according to overall 'control penetration' by 'capitalist' metropolises (OECD)

Penetration Index Score:	<u>Country:</u>
12:	
11:	Balivia, Peru
10:	Gobon, Hon duras, Panama, Venezuela
9:	Centr. Afr. Republic, Congok, Ivory Coast, Liberia, Mauritania, Chile, Costa Rice*
8:	Libya, Zambia, Argentina, Colombia, Dominica*, Ecuador, El Salvador, Guatemala, Haiti, Nicaragua, Trinidad, Uruguay, Iran, Malaysia
7:	Algeria, Cameroon, Congob, Malawi, Morocco, Niger, Senegal, Togo, Tunisia, Brazil, Guiana", Jamaica, Paraguay*, Kawait, Philippines, Saudi Arabia, Taiwan, (Turkey).
6:	Chal, Dahomey, Kenya, Malagasy, (South Africa*), Uganda (Malta*), Israel), Thailand.
5:	Gambia*, Ghan, Guinea, Nigeria, Siera, Leone*, Tanzania, (Grcea), Mexico*, Iraq, South Koria*, South Vietnam*.
4:	Ethopia, Somalia, Swaziland*, Upper Volta, Ceylon, (Cyprus*), Jordan, Laos*, Pakistan.
3:	Burundi*, Cambodia, Indonesia, Yemen*.

- 2: Botswana*, Lesotho*, Mali, Rhodesia*,
Rwanda*, Sudan, (Spain*), Burma, India,
Singapore*, S. Yemen*.
- 1: United Arab Republic, Bahamas*, Bermuda*,
Afghanistan, Nepal, Syria.
- 0: (Yugoslavia*), Cuba*.

* Data missing one or more of the indicators.

Source: Hveem, no. 34, p. 337.

(a) Complete metropolitan control over these areas;
(b) the degree of penetration justifies calling them
'objects of domination'; (c) countries like Cameroon,
Gabon, Guyana, Jamaica, Kuwait, Liberia, and Saudi Arabia,
among others; (d) 'military penetration' seems to be very
effective in Brazil, Colombia, and several other South
and Central American countries, Iran, South Korea, South
Vietnam, Taiwan, and Thailand; (e) Brazil and Iran can be
classified as important 'sub-poles' of the system;
(f) very few countries can be said to be 'independents' -:
Afghanistan, Burma, Cuba, India, Nepal, Syria, and U.A.R.
Of Cuba, Syria and U.A.R. Hveem suggests that they are
objects of alternate domination by the Soviet system and
Nepal by India.³⁷ To this we may add Bangladesh by India.

37 I have summarised Hveem's conclusions. Hveem,
no. 34, pp. 336-7.

contd....

Enough evidence has been gathered by Latin American, African and other peace researchers in the Federal Republic of Germany, and data is available to demonstrate how this system works to keep the existing inequality in incomes of the developed and the developing countries. To sum up this phase of our discussion, the existing system leads to unequal distribution of incomes even when the productivity is equal in both parts of the world.³⁸ The imposition of tariffs and the

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See also Senghaas, no. 35, pp. 170-1. Senghaas employs an integrated approach to structure of international system. In his article we can find a good representation of ideas of dependencia theory and of the Center - periphery relations. Talking about 'capitalist' penetration he says:

Not only did the capitalist penetration during the past centuries destroy the more or less organic social structures which had been existing there and replace them with new ones created at the drawing boards of European cabinets or as a result of military conflicts carried out in the countries themselves: the colonies thus created were forcibly also oriented towards their metropolises in a manner that left little chance for an articulation and organisation of solidarity among themselves against the metropolises.

Also see author's article "Conflict in Angola", Frontier, Vol. 8, No. 40, February 14, 1976, pp. 6-7.

38 See Hveem, no. 34, p. 336.

worsening terms of trade for the agricultural commodities, on the one hand hinders industrialization in the developing countries and on the other the adverse balance of payments situation results into outflow of capital from them. Both of these tendencies further widen the economic gap between two unclearly divided parts of the world. As a result of this the power of the dominant nations increase over the economic and social life of the people in the developing countries. Foreign policy conceptions in the developing countries have been much influenced by this persisting colonial nature of the interactions with the western imperialist powers.

Though inequality in incomes of different classes exist within the developing countries also: some classes controlling the economic and social life of other classes, as a result of which the poor are getting poorer and the rich the richer, a phenomenon comparable to widening gap between rich and poor countries, the magnitude of the latter type of inequality is however more crucial from our point of view. Lagos has rightly pointed out that even if the entire wealth in the developing countries is distributed on an equal basis the standard of living in these countries would still be extremely low.³⁹ According to his

39 Lagos, no. 19, p. 4.

Table III

WORLD GROSS NATIONAL PRODUCT AND POPULATION, 1961

	GNP (\$ U.S. million)	% of World Total	Population (thousand)	% of World Total	GNP Real Terms (\$ US Mil- lon)	% of World Total	GNP Per Head (U.S. dollars)	Real GNP per Head
1	2	3	4	5	6	7	8	9
<u>Developed Countries</u>								
West Europe	284,774	20.6	260,999	8.7	384,898	22.0	1,091	1,472
Oceania	17,781	1.3	16,095	0.5	24,360	1.4	1,105	1,513
United States	515,000	37.3	184,566	6.2	515,000	29.4	2,790	2,790
Canada	37,506	2.7	18,313	0.6	27,506	2.1	2,048	2,048
Japan	36,326	2.6	94,791	3.2	58,122	3.3	383	613
South Africa	6,495	0.5	15,215	0.5	9,093	0.5	427	598
	897,882	65.2	589,974	19.7	1,028,979	58.7		
<u>Communist Bloc</u>								
U.S.S.R.	175,960	12.7	214,968	7.2	212,032	12.1	818	986
Eastern Europe	54,745	4.0	99,556	3.3	82,117	4.7	550	825
China	57,844	4.2	693,957	23.2	115,688	6.6	83	167
North Korea	989	0.1	9,418	0.3	1,978	0.1	105	211
North Viet Nam	1,749	0.1	15,661	0.6	3,323	0.2	105	199
	291,287	21.1	1,034,560	34.6	415,138	23.7		

contd.....

	1	2	3	4	5	6	7	8	9
<u>Underdeveloped Countries</u>									
Africa		20,565	1.5	205,814	6.9	33,657	1.9	100	164
America		65,292	4.7	210,145	7.0	89,344	5.1	311	425
Asia		65,309	4.7	779,800	26.1	119,765	6.8	84	154
Europe		20,943	1.5	66,845	2.2	33,509	1.9	313	501
Middle East		19,906	1.4	106,136	3.5	29,293	1.7	187	257
		192,015	13.8	1,368,740	45.7	305,568	17.5		
WORLD TOTAL		1,381,184	100	2,993,279	100	1,749,685	100		

Source: Gustavo Lagos, International Stratification and Underdeveloped Countries (1963), pp. 4-5.

Tables, underdeveloped countries which comprise a population of 1,368,740,000 (45.7 per cent of the world total), produce only \$ 305,568 million of the real GNP (17.5 per cent of the world total). The average real per capita GNP in the developing countries is between \$ 154 and \$ 501. These two Tables show clearly that staggering inequalities exist in international society and the present dominance system only tends to sharpen the differences. The developing countries have increasingly become aware of these processes and the aims and objectives of their

Table IV

World Income Distribution

Countries with GNP Per Head	"Money" GNP		"Real" GNP	
	% of World Population	% of GNP	% of World Population	% of Real GNP
\$ 100 or less	50.1	8.5	0.4	0.1
(\$ 150 or less)	(57.1)	(10.2)	(26.6)	(6.3)
\$ 180-\$ 300	15.7	6.1	59.9	16.6
(\$ 151-\$ 300)	(8.7)	(4.4)	(33.7)	(10.4)
\$ 301-\$ 600	10.7	10.1	8.7	6.4
\$ 601-\$ 1,200	16.7	35.3	15.1	21.9
Above \$ 1,200	6.8	40.0	15.9	55.0

NOTES FOR TABLES I AND II:

The gross national product figures were taken from World Income, 1957, by Mikoto Usui and E.E. Hagen,

M.I.T., November, 1959, and from the U.N. Yearbook of National Accounts Statistics 1959, United Nations New York, 1960.

The gross national product estimates have been calculated as follows:

Western Europe: Derived from the 1958 figures of the U.N. Yearbook of National Accounts Statistics 1959 with the following growth rates:

Common Market (except Belgium)	5 per cent per annum
Belgium	3/2 per cent per annum
Free Trade Area	3 1/2 per cent per annum
Rest of Europe	3 per cent per annum

Oceania: Derived from Usui and Hagen, op. cit., with a 3 per cent per annum growth rate. These figures seem to underestimate Oceania's income. They show the GNP per family for Oceania equal to 72 per cent of those of Sweden, Switzerland, and Luxembourg, 8.2 per cent of those Belgium and the United Kingdom, 92 per cent of France, and less than that of Western Germany. With a real wage higher than that of Germany and the United Kingdom and a relatively more even distribution of income, as well as high farm incomes the GNP per family in Australia and New Zealand should come out at only slightly less than that of Sweden or Switzerland. The nominal and real income of Oceania should, therefore, be raised by 33 to 35 per cent.

Canada: Estimate taken from D.E. Armstrong, Canada's Prospects - A Reassessment, Moorgate & Wall Street, London, 1960, giving a 1960 figure. A growth rate of 2 per cent is assumed for 1960-61.

United States: Direct estimate of \$ 505 billion or 1960 and an assumed 2 per cent growth rate.

Japan: Usui and Hagen, op. cit., and a growth rate of 7 per cent per annum for 1957 to 1961.

South Africa: Usui and Hagen, op. cit., and growth rate of 3 per cent per annum from 1957-1961.

contd....

China: Calculated from a direct estimate for 1961 gross national product of \$ 83 per head.

U.S.S.R.: Calculated from a direct estimate for 1961 gross national product of \$ 813 per head.

North Korea and North Viet Nam: Calculated from a direct for 1961 gross national product of \$ 105 in both cases.

Eastern Europe: Calculated on the following direct estimates for 1961 gross national product per head:

Albania	\$ 240
Czechoslovakia	\$ 650
Bulgaria	
Poland	\$ 440
Rumania	
Hungary	\$ 475
East Germany (including East Berlin)	\$ 700

Real GNP per head (last column) indicates the purchasing power of the GNP compared to United States prices. It is a rough estimate of an order of magnitude. The purchasing power of various countries has been increased by rates varying from 20 per cent to 100 per cent. Western Europe, according to Milton Gilbert & Associates, comparative National Products and Price Levels, A Study of Western Europe and the United States, Paris, O.E.E.C., 1958. U.S.S.R. plus 20 per cent, India plus 100 per cent.... For an alternative calculation of "Real" GNP estimated globally, see Evertt E. Hagen, "Some Facts About Income Levels and Economic Growth", this Review, XII (February, 1960).

Source: Lagos, op. cit., p. 5.

foreign policy reflect this awareness as we would see in the next chapter. But first let us sum up the introductory part of this dissertation which we have just concluded. In this part, we made brief references to the Anglo-Saxon tradition in foreign policy analysis and found that it has developed according to the needs of the western world defined in terms of colonialism and imperialism. The system before the process of decolonization began in the early fifties and the system as it exists today, is most favourable to the dominant part of the world. It is therefore quite clear that the Anglo-Saxon tradition would tend to defend the existing 'unjust' social and political status quo which also partly explains their utter preoccupation with the concept of national security. The U.S. defense expenditures amounted in July 1955 (there is not much difference in percentage even now) to about 41 billion dollars or 10% of its GNP. This expenditure was higher than GNP of some underdeveloped regions, like West Asia (including Greece, Turkey, and Egypt), South Asia and Africa.⁴⁰ The point is that the 'national interests' of the dominant power include the continuance of existing system, any radical

40 Lagos, no. 19, p. 18.

change in it would directly affect the economic status and the life style of the people of these countries.

In other words, the stability of the existing system, the preservation of dominant values and roles (norms of a monopolistic market economy which rationalizes their high level of living standards); the protection of vast private investments abroad; support of the regimes which stabilize internal exploitative social-relationships (the most glaring example is those of South Vietnam and Brazil), and, opposition to those regimes which want to radically change them (exploitative relationships) through peaceful or revolutionary means (case of Chile and Cuba respectively), these or similar objectives, are the most important characteristics of this tradition. But the developing countries -- as we have seen -- are very differently situated. Hence, their approach to foreign policy must differ accordingly. We take it up in the following chapters.

CHAPTER TWO

THE FOREIGN POLICY OF DEVELOPING COUNTRIES: AN ALTERNATE APPROACH

Having placed the relationship between the economically developed Western nations and the poor developing countries in Asia and Africa and Latin America, in a proper historical perspective,⁴¹ as well as their

41 As we have said before, it would be unscientific to attempt to explain and describe the external behaviour of a developing country without first taking into account its colonial exploitation and the structural requisites which it produced for further exploitation (even after achieving independence) and under-development. How can we detach the present from past? Or how can we understand present by ignoring the past? As the philosophy of history teaches us, both the past and present are interwoven into each other, understanding of one helps to understand the other. Past has to be seen and interpreted in the light of present social and economic conditions and the progress of ideas. (See E.H. Carr, What is History? London, 1975).

The non-acceptance of and misinterpretation of the policy of non-alignment by the United States of America in fifties and early sixties stand out as a classical example of Anglo-Saxon-logico-positivism in regard to problems in the developing countries. Take for instance the civil war in Nigeria. The developing countries have often been accused of tribalism and regionalism and of internecine conflicts with neighbours. But rarely has it been attributed to colonial heritage which has been passed on to them by the past colonial masters, like the borders of the colonial empires. The partition of India and the continuing hostility between the two parts over Kashmir issue, need to be understood in the light of colonial policies which Britain pursued in India in order to weaken the nationalist movement. They did not succeed in completely dividing the nationalists but they did succeed in sowing seeds of communalism in India and religious nationalism which led to creation of Pakistan.

position, both economic and social, in the context of an unfavourable international economic structure, in which they found themselves after achieving independence, we may proceed to explain the elementary divergencies in source, purpose and means of their foreign policy. Our approach is based upon the basic assumption that Anglo-Saxon theories of foreign policy analysis cannot be applied to the foreign policy of the developing countries. There are fundamental differences -- economic, social and political -- between the two.⁴² Apart from that the developing countries are still part of a world dominance system which is structurally both exploitative and expansive, in terms of political and economic influence and therefore needs to be radically changed.

(a) Sources

The chief source of the foreign policy of a developing country is its immediate colonial past. It is in this period that the growth of nationalism took

42 Very rarely these differences are kept in view while analysing the foreign policy of a developing country. See author's: "Re-analysing India's Foreign Policy", Economic and Political Weekly, forthcoming.

place as a powerful force behind the fight for national liberation. Even after the achievement of independence it remains to be the most powerful factor to shape their attitude toward the outside world. The nationalism and the anti-colonial attitude, are also the factors which unite the developing countries, or atleast provide them with rationale for uniting. The growth of political and cultural consciousness, and the idea that the Western domination in the past had destroyed not only economic life structure but also soul,⁴³ the national bourgeoisie and to a certain extent perhaps the articulate masses, detest any idea of foreign domination.

43 Dadabhai Naoroji, Poverty in India (The Aidine Press, London, 1888), pp. 52-53.

Whenever there is discussion on neo-colonialism or neo-imperialism, it also includes the assessment of the impact of the culture of the dominant power over the life and culture of the dominated nation. Cultural imperialism is to subjugate other people culturally. It results in the weaker country adopting the dominant cultural and other aesthetic values. Like economic imperialism, it destroys, perverts and mutilates the local culture. One painful example of colonial heritage is the silent cleavage between former French and British colonies in Africa (led by Ivory Coast and Nigeria respectively). More ready examples can be drawn from the recent period in the case of South Korea, South Vietnam, Taiwan, Central American and other Latin American countries, where the U.S. economic, military and cultural domination has distorted the material and cultural life of the people. Moreover, cultural imperialism creates, what has been called Peripheri centers which have vested interests in collaborating with the Metropolises in controlling the economic life of the country concerned.

This is a very sweeping generalization which we have made, based upon the assumption that atleast the Government documents reflect this thinking. Also actual policies. For example, the refusal by a large number of developing countries to allow foreign bases on their territory. But in the economic sphere, as we see from the table provided by Hveem⁴⁴ the industrially developed nations, many of them former colonial powers, have succeeded in penetrating the developing countries.

Apart from nationalism, the main source of foreign policy of a developing country is its economic and social conditions. This is a more concrete and relevant source which should be differentiated from mere aspirational part which reflects in the resolutions of the national liberation parties, which were engaged in the freedom struggle. The foundations of the foreign policy of a developing country are laid, indeed, during the liberation struggle, but after liberation the principles so evolved serve only as guiding factors while the concrete socio-economic conditions determine the actual course of policies. This is not to say that the traditions or the geographical factors, have no role to play, which eminent publicists like Sardar Panikker in India

44 See Hveem, no. 34.

have emphasised. What we are saying here is that the low level of economic and social development provided a concrete basis, a perspective, which determine the actual course of policies. The role of national leaders (individuals like Nehru, Nasser or Nkrumah) is indeed considerable but not that vital as several authors have made it.⁴⁵ The socio-economic conditions in the

45 It is not possible to list all the authors here many of whom are familiar to us. A few works may be mentioned here: Bimala Prasad, The Origins of Indian Foreign Policy (Calcutta, 1962); Michael Brecher, India and World Politics : Krishna Menon's View of the World (London, 1968); Norman Palmer and Bozeman in K.P. Misra, ed., Studies in Indian Foreign Policy (New Delhi, 1969); Karunakar Gupta, Indian Foreign Policy : In Defence of National Interest (The World Press Pvt. Ltd., 1956); K. Raman Pillai, India's Foreign Policy (Meenakshi Prakashan, 1969); and most of the work done by A. Appadorai, specially see, Nehru's foreign Policy, in A. Appadorai Essays in Indian Politics and Foreign Policy (New Delhi, 1971), pp. 156-65.

I have for reasons of convenience and proximity cited only those references which deal with India's foreign policy, but this may be true of other developing countries in which the individuals and their personalities have been assigned the architectural roles. The Western authors, like James N. Rosenau and Snyder, who have emphasised the importance of domestic variables have tended to view the socio-economic conditions from a point of a country's military capability rather than their independent relation to needs and aspirations of masses in these countries. Rosenau has made a table of some domestic variables and has attached causal priority to individuals in developing countries. See, James N. Rosenau, The Scientific Study of Foreign Policy (New

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developing countries vary from region to region and country to country. Even among the developing countries there are some countries which are more developed than the others. Taiwan, Hongkong, Singapore, Israel, Argentina, Brazil, Mexico and some oil producing countries in West Asia and in Africa are richer than many other developing countries. The differences lie not only in GNP or per capita incomes but also in degree of industrialization, self-reliance, energy consumption and in political and social development.

In most of the poorer developing countries the rate of illiteracy, infant mortality, population growth and life expectancy are very high (in case of life expectancy very low). In some of the countries the standard of living is so low that people lead almost sub-human life. Then some countries are big some very small. Countries like India, China, Pakistan, Indonesia, Egypt, Nigeria, Mexico, Brazil and Argentina are large countries. Some like India and China are the largest countries in the world with durable political systems

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York, 1971). Very few books or articles on Indian foreign policy have in fact given sufficient importance to socio-economic conditions. One recent book by A.P. Rana, The Imperatives of Non-alignment (Macmillan, New Delhi, 1976), which though attempts to analyse India's foreign policy within an analytical framework, but fails to do so because of overemphasis on capability rather than stressing the independent role of socio-economic factors.

and well organised administrative services. But then there are also countries, in Africa particularly, which are politically weak and have no efficient administrative system, enough schools and hospitals. Though all the developing countries, with some exceptions, heavily rely upon export earnings to pay for imports needed for industrialization, some of them however, have only one or two agricultural commodities or ores to export and thus their national incomes depend very much on the international market prices of these goods. Because of fluctuations in the international market prices their national incomes also fluctuate. The point is that within the developing countries there are so many differences in the national incomes, literacy and death rates, in the levels of consumption and amount of industrialization, and in the degree of political development that it would be impossible to put them all in one category. We may however, still find some broad common criteria which binds these countries together. It is mainly in their common colonial past, their opposition to existing structure of international system and in the low level of socio-economic development that we see a common link between them. Economic development, which is closely associated with social development (abolition of poverty, ignorance, hunger, diseases, illiteracy and economic dependence) is

therefore the most important causative factor which may explain the external behaviour of the developing countries.⁴⁶ Political freedom, the essence of the liberation struggle, and the preservation of this freedom, have meaning only if it promotes socio-economic development in the country.⁴⁷ Economic development therefore

46 The following statement by Albert John Luthuli, an African Nobel Peace Prize winner in 1961, speaks about the needs of Africa:

Our goal is united Africa in which the standards of life and liberty are constantly expanding; in which the ancient legacy of illiteracy and disease is swept aside, in which the dignity of man is rescued from beneath the heels of colonialism which have tremped it.

See Thomas Patrick Melady, Western Policy and the Third World (Hawthorn Books, New York, 1967), p. 29.

47 The anti-colonial struggles in the developing countries of Africa and Asia were motivated basically by a desire for improvement in the economic conditions and the social relationships of the people. The masses were affected by the colonial economic exploitation and hence joined the elite nationalists in the struggle against the colonialists. One could hardly expect the poor masses to fight a liberation struggle merely for political rights which had no meaning for them unless it meant improvement of their economic conditions. See, Leo Mates, Non-alignment : Theory and Current Policy (Belgrade, 1972). Also as we know Gandhi's movement to free India had economic origins. We may mention here Champaran and the Ahmedabad textile strike.

occupies an important place as a causative factor in the developing countries for explaining their external behaviour.⁴⁸ Economic development is viewed here as an independent variable: the newly born states⁴⁹ formulating their domestic as well as foreign policies on efforts which would improve socio-economic conditions of the

48 We are reminded here of the oft-quoted speech of Prime Minister Nehru in which he said that ultimately foreign policy is an outcome of economic policy. See Jawaharlal Nehru, India's Foreign Policy (Publications Division, New Delhi, 1971), p. 24.

As a matter of fact, apart from the principles evolved during the liberation struggle, such as non-intervention in the affairs of other states and support of the liberation movements else where in the colonies of Asia and Africa, the essence of the thinking on foreign policy, however, reflected the concern for low levels of socio-economic development.

49 Particularly in Africa. See Dankwart A. Rustow, A World of Nations, Brookings Institution (Washington, 1967). Dankwart in this book deals with the problems of creation of states in Africa, like the colonial borders which these states inherited from the past colonial masters and which these states insist on maintaining even at the cost of civil wars. Also see Leo Mates, n. 47, pp. 88-90.

people,⁵⁰ the actualization of which however, depends substantially upon the external forces. Here we find foreign policy as an absolute extension of domestic policy - constrained by both internal as well as external systems. The role of individuals and geographical factors, very significant indeed, as are internal political processes and traditions, the economic development and the creation of requisite conditions for it within the country and outside of it, provide however, the material and ideological basis for having a foreign policy in the first place and secondly, to formulate it in such a manner that it reflects the needs and aspirations of the masses. The technological progress in the past hundred years or so has, if not altogether, considerably reduced the importance of geographical factors. Increasingly, generally speaking

50 Leo Mates, arguing that economic underdevelopment does not in itself provide basis for insistence on independence and nonalignment by the developing countries, maintains, that economic factors do not explain the external behaviour of the newly born countries. His thesis is that (he cites the example of India) foreign policy of the developing countries, like India, is the outcome of thinking developed during the liberation struggle. This is, however, an old argument. The book on nonalignment by the said author is a pioneering one but it fails to develop a coherent approach to foreign policy of developing countries (specially nonaligned countries) simply because of its over emphasis upon political aspect of the nonalignment movement. This point needs to be further clarified, though. See Leo Mates, no. 47.

the foreign policies, whether of a developing country or an economically developed country, are set in a global framework though not yet completely overcoming the significance of geographical variables (the fact that geography is no longer, strictly speaking, a constant factor, explains the declining role of geographical features). 'Symbolic environment', consisting of culture, language, mental images, attitudes and beliefs, not to mention the global net work of means of mass communications and transportation and the creation of weapons of mass destruction, has nearly replaced the original environment, made up of natural features of earth.

(b) Purpose

Every independent nation, whether big or small, is compelled by its very nature of existence as a nation-state to maintain its territorial integrity, political independence, its social system and values and to become economically and militarily powerful. The preservation of political independence, however, does not imply necessarily the preservation of physical boundaries. Out as long as the human society is organised according to territoriality - politically defined, the defense of

physical borders acquires first priority in the foreign policy conception of each and every country. It is assumed that safe and secure physical borders will automatically ensure the political independence. In practice, though only maintenance of territorial integrity is no guarantee for preserving political independence, particularly in case of the developing countries. Physical borders lose meaning when outside forces are allowed to control the economic and cultural life of the people and their social relationships. In the final analysis, therefore, despite the seemingly safe physical borders, the country so economically and culturally penetrated may not be actually politically independent. This is in fact the essence of neo-colonialism which characterises the relationship between a large number of countries in Africa and Latin America and the economically and militarily developed Western society (more cohesive and stable than the societies in developing regions).

The process of decolonization and the formation of new small states, in Africa particularly, though bestowed upon them all the characteristics of politically independent nations, with the membership of the United Nations and all the sovereign powers to conduct their foreign policy, in reality however, they have to depend upon outside sources of food, raw materials,

capital and above all military aid which tends to restrict their freedom of judgement in international affairs.

After attaining independence they found themselves in a peculiar situation. For all practical purposes the world was divided into two hostile blocs - two different social systems, each of which was intent upon extending its influence on these countries. In most cases the economy of these countries was structurally dependent upon the former colonial powers in matters of trade and investments particularly. In some cases they were also dependent upon them for the training of military personnel and equipment. Also culturally they were closer to the Western bloc. Ideologically however, their position was not clear. Countries like India and Indonesia had large communist parties. But their influence upon the domestic as well as foreign policy was minimal. In fact the communist movements in both these countries were suppressed. In India particularly after the Telengana uprising the membership of CPI dropped from an estimated 89,200 in 1948 to 20,000 in 1950.⁵¹

51 See author's article, "Indo-Soviet Relations and Chances of Peace in South Asia", Internationales Asienforum (July, 1974), pp. 335-51.

The political system in most of these countries was characterised by one party authoritarian military regimes.⁵² The element which was common to all of them was perhaps nationalism and the determination to develop economically, socially and politically.

Perhaps nationalism in its narrow sense is not the right word to describe the situation in Africa. Based upon the territorial divisions, passed on to them by the French and the British colonialists, the emerging 'nation-states' in Africa, faced immense problems arising out of long suppressed tribal antagonisms, within their 'national' borders. Nationalism in Africa has to be viewed, not in terms of the individual states, but as a movement of entire African people to shake off the yoke of colonial rule. While analysing the

52 Very few countries had adopted the western democratic system like India, Ceylon, Malaya, Tunisia, Lebanon, Nigeria, and Pakistan (in the beginning) did. Most of the countries came to be ruled by either a mass party like in Ghana or by civil-military coalitions in countries like Indonesia, Iran, Algeria, Syria, Jordan, etc. In Mali, Upper Volta, Cameroun, Ivory Coast, Guinea and Chad, authoritarian - mass party like in Ghana, ruled. In several other countries like Nepal, Morocco, Ethiopia and Saudi Arabia authoritarian-personal control was established. In still others, like in Egypt and Burma military oligarchy ruled. See Morris Janowitz, The Military in the Political Development of New Nations (Chicago, 1964), pp. 10-11. Also see Gabriel A. Almond and James S. Coleman (eds.), The Politics of the Developing Areas (Princeton, 1960), pp. 533-36.

foreign policy conceptions of the African nations we must however keep in mind that freedom came to many of these newly born states without an armed struggle or mass participation. The nationalist movement remained even after independence in the hands of bourgeoisie.⁵³ In these countries the national leadership retained the colonial type of social and economic structures while introducing some reforms. Like in India the abolition of feudal ownership of land. By and large, the national

53 "In the vast majority of the countries of black Africa, independence was gained through a combination of internal political activity and international pressure. In the absence of an armed struggle to radicalize and progressively purge the national movement, leadership remained in the hands of the bourgeoisie. Victory ended in the substitution of national bourgeoisie for the lower and middle strata of the old colonial system as middlemen between the population of the country and the big foreign interests." Manuel Bridier, "Notes on the Imperialist Counter-Offensive", International Socialist Journal 8(1967), p. 534 cf. Danmole, no. 23, pp. 12-13. The myth of sovereign status of these states is explained in the following quotation:

The rearrangement in the political equilibrium of colonial relationship which has created the illusion of political independence results in a tendency among the African intelligentsia not least the masses to concentrate attention too much on what is called the 'sovereign state'. But states are merely territorial groups within a larger political system in which their relations are defined by war or its possibility, treaties and international law. M. Fortes and E.E. Evans Pritchard, ed., African Political Systems (Oxford University Press, 1964), pp. xx-xxi, cf. Danmole, no. 23, p. 13.

contd....

bourgeoisie collaborated with the Metropolises in maintaining the dependency structures. This explains the foreign policy orientations of several African and Asian developing countries.

In these circumstances, what is the purpose of foreign policy of the developing countries? Or what are the objectives which the developing countries pursue in order to develop socio-economically and to decrease dependence upon outside sources of capital, food and technology, not to mention the military aid? In other words, what are the 'national interests' of the developing countries?⁵⁴ These interests need to be assessed in the context of the existing international system, particularly the economic structure of it.⁵⁵

previous f.n.

Also see, Andrew M. Kamarch, "The African Economy and International Trade", in the United States and Africa (a symposium sponsored by the American Assembly), N.Y., Columbia University, 1958, p. 126.

54 See Frankel, p. 19, no. 7. Frankel maintains that the concept is losing its importance in the developed countries but that in the new states it has become a basis for the formulation of the foreign policies.

55 For the position of the developing countries in the world economy, see from among the Reports of the United Nations and its economic surveys, the works by Pierre Jalee which are anti-imperialist in contents and forcefully argue for restructuring of international economic structure. Same ideas, though mildly formulated, are the corner stone of UNCTAD proceedings. See Pierre Jalee, Le Pillage due Tiers Monde (Paris, 1965); Le Tiers Monde dans l'economie mondiale (Paris, 1968); and L'imperialisme en 1970 (Paris, 1970).

The Anglo-Saxon tradition in which the concept of national interest, as an analytical tool for analysing foreign policy, has received much attention, may not be adequate for analysing the foreign policy of developing countries. In the first place, broadly speaking, the 'national interests' tend to be identified by the ruling-coalitions (parties or groups consisting of both civilians and military elements) with the interests of the propertied classes. This applies also to the economically developed Western countries, but its implications for the developing countries are far more critical because of very low level of their social and economic development and wider lack of understanding of foreign policy conceptions among the masses. In other words, the use of the concept of national interests may be made by both the politicians and the bourgeois 'social scientists' to promote the interests of a class in the name of the entire nation. Secondly, even if the ruling class, does not identify itself with the propertied classes, but with the interests of the masses, it may be difficult to assess these interests objectively. Thirdly, if each and every developing country has its own 'national interests' - how difficult it would be to think in terms of Asia or Africa or Latin America. If we want to establish the purpose of foreign policy of the developing

countries, broader meaning need to be attributed to conception of interests which should reflect the real needs and aspirations of the masses. As a tentative proposition, it is suggested that the use of simple term, such as 'in the interests of the entire people' is likely to be more useful in analysing foreign policy of a developing country. This of course, need to be adequately conceptualized.

This does not however imply that the interests of the common man and the interests of the state are necessarily different and contrary to each other. A point well argued by Arnold Wolfers.⁵⁶ The security of the state or of the system which governs the social and economic relationships of the people within a politically defined territory, is basic to the maintenance of a social organisation, more so when it is structured on territoriality. But the conception of state, as we know it, is of only recent origin, which in course of time has come to be identified with established dominant values and roles. The state has become the defender of class interests, at least in the Western countries

56 Arnold Wolfers, no. 6, p. 5.

and tends to play the same role in the developing countries.⁵⁷ To put it more mildly, the focus on state, on power-politics, on national security, on national prestige, on national sovereignty, has tended to compound the social economic problems of the developing countries. It is suggested here that the conception of state which the developing countries have borrowed from the Western liberal tradition, need to be critically re-examined in the context of the economic and social needs of the people in the developing regions.

In the given framework, in which the newly independent people of Asia and Africa have organised themselves, it may be suggested that the focus of enquiry may be shifted to the needs and aspirations of the masses. In a sense the 'minds of men approach' is being revived here, as far as the focus of attention on common men is concerned.⁵⁸ The state would remain as the main

57 For explanation of social or class content of the emergence of modern state see Ekkehart Krippendorff, The State as a Focus of Peace Research (Peace Research Society, Papers, XVI, The Rome Conference, 1970), pp. 48-50

58 See Wolfers, no. 6, pp. 6-7.

actor on international scene, based upon the assumption that it represents the interests of the masses, which in a way act as 'behind-the-scene actors'.⁵⁹ Therefore, while establishing the purpose of foreign policy of the developing countries, care has to be taken that the needs of the masses are duly emphasised. It is not that when the developing countries formulate the objectives of their foreign policy, the needs of the masses are not taken into account. But that in most cases the elite nature of foreign policy and overemphasis upon national security and national prestige tend to retard the socio-economic development.

In Asia except Ceylon the defense expenditure of other countries, particularly, Burma, India, Pakistan, Philippines and Thailand was between 13 and 39 per cent of total government expenditure in 1950. In the next eight years it went up in case of Ceylon, Burma, Federation of Malaya, Indonesia and Thailand. Various reasons can be attributed to high defense expenditure in the countries. In case of Indonesia, the increase was primarily due to conflict over the New Guinea territory that remained under the Dutch control.

59 Ibid.

TABLE V
 ECAFE COUNTRIES : NATIONAL EXPENDITURE ON DEFENSE,
 1950-1958

Country	1950	1951	1952	1953	1954	1955	1956	1957	1958
	1	2	3	4	5	6	7	8	9
	Per cent of total government expenditure								
Burma	24	26	29	32	29	26	27	28	28
Cambodia	-	24	30	35	63	45	35	28	25
Ceylon	1	1	1	3	3	3	3	2	5
China: mainland	42	43	26	26	24	24	20	19	12
Taiwan	-	42	33	32	38	37	36	34	35
Federation of Malaya	2	24	25	23	21	18	15	16	16
India	20	20	19	19	17	14	13	15	13
Indone- sia	-	16	19	18	16	13	14	15	20
Japan	12	9	9	9	8	7	7	7	7
Korea, southern	-	-	-	48	44	38	37	30	30
Laos	-	-	-	3	5	3	4	-	▼
Pakistan	39	36	32	29	26	37	31	18	20
Phili- ppines	15	19	20	18	17	16	14	14	15
Thailand	13	15	19	18	18	15	14	22	21

contd....

	1	2	3	4	5	6	7	8	9
	Per cent of gross national product								
Burma	3.8	3.7	5.0	6.2	8.3	6.9	6.9	6.8	7.7
Cambodia	-	2.8	4.2	4.7	13.5	8.8	4.4	4.0	-
Ceylon	0.2	0.2	0.3	0.6	0.6	0.5	0.6	0.6	1.1
China: mainland	6.7	10.2	7.2	8.2	7.9	8.3	6.9	5.9	4.0
Taiwan	-	10.7	9.0	8.7	10.0	10.0	9.9	10.1	11.5
Federa- of Malaya	-	-	-	-	-	3.3	2.9	3.1	-
India	1.9	1.9	1.9	1.9	2.1	1.9	1.9	2.4	2.1
Indo- nesia	-	5.0	3.7	4.5	3.8	3.2	3.0	3.6	6.2
Japan	2.8	2.1	2.2	2.3	2.2	1.8	1.6	1.8	1.7
Korea, southern	-	-	-	6.4	7.5	5.8	5.4	6.7	7.3
Pakistan	3.8	4.7	5.2	3.5	3.1	3.9	3.4	2.8	3.1
Phili- ppines	1.7	2.1	2.3	2.0	1.9	1.8	1.7	1.7	1.7
Thai- land	1.4	2.0	2.9	2.9	3.1	2.0	1.9	3.6	2.9

Source: United Nations, Economic Survey of Asia and the Far East 1960, p. 83.
Here c. Lagos, no. 19, p. 107.

In 1961 President Sukarno called for the liberation of territory. On the Indian sub-continent the rise was due to the dispute between India and Pakistan over Kashmir. In West Africa, the tension built up because of frontier disputes involving Ghana, the Camerouns and Gambia.⁶⁰ No doubt the main source of tensions in the developing countries has been the colonial heritage, like the division of West Africa into British and French spheres of influence,⁶¹ countries such as Indonesia and India and Pakistan tended to view the problems as national prestige issues and probably used these conflicts to divert the attention of the people from local social and economic issues. One may say then that the developing countries, though they do not ignore the primary needs of socio-economic development, yet they get involved in local politics to an extent that the national resources have to be diverted towards military purposes. As Table VI shows Argentina and Brazil spent in 1958 21.1 and 27.7 per cent of government expenditure on defense while

60 Lagos, no. 19, p. 108.

61 Ibid.

TABLE VI

GOVERNMENT EXPENDITURE OF UNDERDEVELOPED LATIN AMERICAN
COUNTRIES: SELECTED COUNTRIES, 1958
(in Millions)

Countries	Total	Defense		Education		Health Services		Other so- cial services		Other current Expenditure	
		Total	%	Total	%	Total	%	Total	%	Total	%
Costa Rica(colones)	314.5	12.1	3.9	61.1	19.6	7.2	2.3	74.3	23.6	159.2	50.6
El Salvador(colones)	181.0	18.5	10.3	27.9	15.4	-	-	19.2	10.6	115.4	63.7
Guatemala(quetzales)	74.5	9.4	12.6	12.5	16.8	10.3	13.8	-	-	42.3	56.8
Haiti(gourdes)	145.9	27.9	19.1	19.6	13.4	15.7	10.8	-	-	82.7	56.7
Honduras(Lempiras)	76.2	9.3	12.2	7.9	10.4	5.6	7.4	1.1	1.4	52.3	68.6
Mexico(pesos)	7,776.9	877.0	11.3	1,142.0	14.7	880.0	11.3	-	-	4,877.9	62.7
Panama(balboas)	93.7	-	-	12.3	13.1	11.0	11.7	-	-	70.4	75.2
Argentina(pesos)	40.702	8.584	21.1	5.822	14.3	1.321	3.2	606	1.5	34.369	59.9
Brazil(cruzeiros)	140.257.4	38.831.9	27.7	7.529.9	5.3	7.529.2	5.3	-	-	86.366.7	61.6
Chile(pesos)	378.2	83.0	21.9	59.4	15.7	42.0	11.1	-	-	193.8	51.3
Ecuador(sucres)	1.338	289	21.6	144	10.8	44	3.3	58	4.3	803	60.0
Peru(soles)	5.309.1	1.233.0	23.2	711.1	13.4	553.7	10.4	-	-	2.811.3	53.0
Venezuela(bolivares)	5.814.4	551.8	9.5	367.7	6.3	365.3	6.3	-	-	4.529.6	77.9
Colombia(pesos)	1.673.3	306.4	18.3	145.4	8.7	135.7	8.1	-	-	1.085.3	64.9

All figures are given in national currency. The denomination of each currency is indicated in the corresponding languages.

Source: Presupuesto de Colombia, 1960, Dirección Nacional del Presupuesto.
Here cf. Lagos, no. 19, p. 106.

only 14.3 and 5.3 per cent and 3.2/5.3 per cent respectively on education and health services. The expenditure on other social services was still less (in case of Argentina only 1.5 per cent). In case of Costa Rica, El Salvador and Guatemala, however, the expenditure on education, health services and other social services, was higher than the expenditure on defense. Costa Rica is perhaps the only developing country in the world which spends more on social development and very little, almost a negligible amount, on defense.

Local politics, power politics and prestige politics have complicated the problem of national security. The developing countries have to zealously guard their political independence and protect itself from external threats of aggression. But as we said before, this may not be accomplished merely by protecting the ill-defined political borders or by expanding armed forces. The poor countries, particularly the larger ones, with adequate resources which could be exploited for social and economic progress, tend to pursue policies which are aimed at attaining higher power/prestige status in regional and international politics. What happens is that two developing countries, blindly following a narrow concept of nationalism, generally based upon the class interests of middle and business classes, resort to war to resolve

their nationalistic or tribalistic conflicts. The result is: two developing countries fighting with each other with expensive weapons bought from outside. While establishing the purpose of foreign policy of developing countries, the concept of national security, needs to be critically re-examined and the emotive elements removed from it. This argument however require to be further elaborated.

Apart from national security, what is the purpose of the foreign policy of the developing countries then? When we talk here of one foreign policy for all the developing countries, we assume that they have more or less similar internal economic and social problems and they react identically to external forces. We also assume that they have therefore a common purpose and an identical assessment of the world forces. This does not mean, however, that political differences and cultural preferences do not exist. They do exist, and exert, as a matter of fact, strong influence upon their external orientations. And frequently these differences lead to violent and costly conflicts. But these contradictions manifest more on unit level of interactions than on world level. So far their conflicts have not been able to polarise the developing states on one or the other side. At least not permanently.

The development of the nonalignment movement in the last twenty years has helped to formulate a common strategy of the developing countries. Collectively, therefore, the developing countries represent a common phase in human history.

The objectives of their foreign policy are clearly explained in documents issued after several non-aligned countries' conferences and at other places.⁶² These objectives may be considered from the perspective of socio-economic problems in these countries, arising out of colonial exploitation and their emergence as new states in a pre-structured world which is dominated by the same past colonial powers. The objectives therefore aim at breaking up of the dominance system and restructuring the international order. In brief they appear to be: (1) opposition to colonialism, imperialism and neocolonialism in all their manifestations; (2) achievement of fuller political and political independence; (3) reduction in the world armaments and elimination of nuclear

62 See, (a) Final Communique of the Asian-African Conference, held at Bandung from 8th to 24th April 1955; (b) Documents of the Belgrade Conference of the Heads of State or Government of Nonaligned countries, Belgrade, September 6, 1961; (c) Cairo Declaration of Developing Countries, Cairo, from July 9-18, 1962, and the Lusaka Declaration of 1970. All Documents available in Mates, no. 47.

weapons; (4) promotion of peaceful co-existence in order to reduce the international tensions; (5) restructuring the international economic order based upon cooperation; (6) establishment of conditions for mutual assistance and cooperation among themselves; (7) promotion of intra-regional trade; (8) stabilization of commodity trade, prices and demands; (9) establishment of international peace and social justice.

Some basic contradictions exist in these objectives. A brief reference may be made to them. In order to grow economically and socially and to achieve fuller political independence, the developing countries or their foreign policy makers have two alternatives: for stable economic and social progress they require a peaceful and cooperative world order which minimizes conditions of international conflict. On the other hand, in order to grow economically and socially and to actualize the realization of political independence, it is necessary to re-structure the international order. This implies gradual (if not radical) destabilization of established capitalist order (destabilization of economic order in the capitalist countries and the life styles of the people). This would create conditions of confrontation. What really happens and will continue to happen is that the position of the developing countries

will oscillate between these two conditions: cooperation and confrontation.

The other contradiction relates to relations among the developing countries themselves: the pursuance of foreign policy at the unit level. Their outward actions are more oriented towards economically developed western countries, including trade and communications. Take a simple example of flow of personal and business mail from and to the developing countries. This will indicate in most cases far more communication between them and the western developed countries than among themselves. This does not fulfil their objective of mutual assistance and cooperation. Good beginnings have been made in this direction but the progress has been slow.

Secondly, disunity and disharmony in relations between the developing countries, less meaningful communication and less mutually beneficial trade and violent conflicts, result in dependence upon outside sources of arms and capital on the one hand and in the deterioration of internal economic and social conditions, on the other hand. This process needs to be reversed.

(c) Means

In Table III it can be seen that in 1961 the population of underdeveloped countries was 1,368,740,000 (45.7 per cent of the world total) and it produced only \$ 305,568 million of the real GNP (17.5 per cent of the world total). The average per capita real GNP in the developing countries is roughly between 100 and 500 dollars. This indicates both low level of living standards of the people in these countries and their weak position in terms of their power and status in the world. Traditionally economic factors determine the power of a nation. These factors include the available natural resources or their reserves which are known, the population in numbers and in quality (education and health etc.) and the level of scientific knowledge and technology available in the country. Apart from economic factors, the level of social development, political organisation and skillful management of national resources also affect the power status of a country. Spykman, Quincy Wright and Harold Sprout among many other American social scientists have dealt extensively with this problem.

Generally, the economic factors are used to determine the formal status of a country from military purposes. In the western tradition the capability to

exert influence on other countries is measured in economic and military terms. A country is powerful if it has a large military and modern weapons. Only that country which has strong industrial base and which is technologically advanced, may be able to maintain a superior military might. After the Second World War, England and France experienced loss of power status because their economies were no longer strong enough to support large military establishments. Moreover, with the emergence of the United States of America and the Soviet Union as two super powers, England and France could barely compete with them on equal footing. Their first concern was to restore their economies to pre-war level. In the past thirty years, though both England and France have been able to modernize their armed forces and acquire nuclear capability, they are far behind the two super powers. According to Lagos they have experienced partial atimia, or partial loss of status.⁶³ Not because lack of any technological immaturity or weak economy but as a result of the evolution of international relations along hierarchical lines.

63 Lagos, no. 19, p. 25.

The position of developing countries is different. We may divide them into three categories according to their origin as states. (a) Most of Latin American countries which have been independent states as long as the United States of America. At a time the military might of the USA and some Latin American countries like Brazil was equal. But in course of time the real status of Latin American countries declined, as a result of which the United States of America is today the dominant power on the American continent. American military budget is several times greater than the gross national product of Brazil.⁶⁴ Why the real status of the Latin American countries declined in relation to the United States or the real status of England and France which also experienced the same loss though less in degree when compared to Latin America, is a very complex question. We are here concerned with the consequences of the process which led to the lowering of the real status of Latin American countries. (b) Most of Asian countries, like India, Egypt and Indonesia, which though did not exist as states as they do now but were as developed as the western states before they were colonised in 17th and 18th cen-

64 Ibid.

turies, after attaining independence about twenty five years ago, found their real status at much lower level than the real status of the western powers. The lowering of their status and power is due to consequences of colonialism which resulted into stratification of international relations. The position of these countries in terms of power and prestige has been so structured that their real status continue to experience, to use terminology of Lagos, partial or total atimia. This is because of the ever widening gap in real GNP of these and the western countries. In technological advancement countries like India may reach maturity but this would barely change its real power status. (c) Though countries in Africa are in the similar position as the Asian countries, the real status of several of them is however at much lower level, many of them did not exist as states before, they were born as poor and underdeveloped. This may be due to both colonialism and political fragmentation which the continent suffered at the hands of European powers. The unwilling acceptance of imperial borders has resulted into artificial states not based upon natural human and physical divisions. Like all other developing countries their real power status in international hierarchy is very low, perhaps lowest.

If the developing countries lack both power and prestige what means do they have to pursue their foreign policy objectives? Even if their GNP is combined together (in 1961 it came to only 17.5 per cent of world total) their status in terms of economic power would remain much lower than the status of the western countries.

Formally however, the developing countries have the same status as the western developed countries in international law and in the United Nations. Irrespective of their size, population, economic resources and the level of social development, all are sovereign within their borders and are free to conduct their domestic as well as foreign policy as they want. Formally they can no longer be subordinated by any other nation. The vote of a smallest and weakest developing country in the United Nations counts as much as the vote of the United States.

The means available to the developing countries to influence the course of international events are not measurable in terms of economic and military power in the traditional sense.

Despite its very weak economic position and even dependence upon Britain, India was able to play a very significant role in international affairs in fifties and gained high prestige in the world. Its status in inter-

national hierarchy went up. What means did India use in influencing the international politics to promote its interests?

The answer may lie in the policy of nonalignment which at later stage several more developing countries adopted as a reaction to highly power saturated and stratified international system. This policy, and the conditions of bloc hostility which then existed, allowed India and other non-aligned countries to acquire power and prestige without the essential elements of them. What happened is that the credibility of India as a peace loving nation and one that wanted to establish international peace, helped it to achieve a higher status commensurate with its role and ideology.

The means available to the developing countries are then the historical forces which are against the established powerful western nations in so far as the re-structuring of international system is concerned.

It is not that these forces are merely automatic processes which are self-generating but ones that have been shaping international relations consciously at the diplomatic level, at the level of people (more and more younger people in the economically developed western countries support the demands of the developing countries) and at the level of cultural exchanges. Take a simple example of an exhibition of African art in

New York. The artistic appreciation of the exhibition by the New Yorkers does enhance in their eyes the prestige of Africa.

These and several other factors are likely to upset the existing stratification and create growing sources of power and prestige for the developing countries.

We cannot overlook the fact that the developing countries are still dependent upon the western powers for food and capital and for technology. This has an adverse effect on their hard won power and independent status. Several developing countries engaged in local power politics and driven by narrow nationalism seek the power and prestige through establishing costly military establishments.

CHAPTER THREE

THE FOREIGN POLICY OF INDIA 1947-55

In the previous two chapters we have tried to develop an alternate approach to the analysis of foreign policy of developing countries. This has, indeed, been done with several reservations with regard to dissimilarities in socio-economic and political conditions among the developing countries themselves. The approach is based upon the assumption that the developing countries as a whole are objects of domination by the economically developed western countries. None of the developing country is however prepared to accept this status. The anti-colonial or anti-imperialist revolt which seeks to change the world social and political status quo, however, undermines the dissimilarities which characterise their societies. In this chapter this approach will be applied to the foreign policy of India during the eight years following independence in 1947.

Of over hundred or so developing countries, India though rich in natural resources and large in size and population, has been the poorest of them. Of the propositions that have been put forward in the previous chapters, we shall examine here mainly two, namely, (a) the chief source of foreign policy of a developing country is its socio-economic conditions, (b) the

objective of foreign policy is to break up the dominance system in order to achieve fuller economic and political freedom and to promote socio-economic development at home. We may also examine other propositions which relate to the creation of conditions for mutual assistance and cooperation among the developing countries themselves. In other words, how far India's foreign policy is rooted in her socio-economic conditions and secondly, did it promote the socio-economic development in India during the period under consideration? We cannot of course ignore the examination of other important objectives, such as opposition to imperialism and colonialism and the establishment of international peace and social justice, but only brief references would be made to them here. These two objectives along with the objective to promote peaceful co-existence and the reduction of international tension may be directly linked to the prime objective of creating appropriate conditions externally for the promotion of socio-economic development at home. It is assumed that the achievement of fuller economic and political independence is dependent upon the realization of the prime objective mentioned above.

(a) India and the developing
countries

India occupies an important place in developing

world. Firstly, geographically she enjoys a pivotal position in regard to communications between south and south-east Asia and with west Asia and the African continent. Her commanding position in the Indian Ocean gives her additional importance in world politics. It has repeatedly been maintained that by virtue of her position vis-a-vis the Indian Ocean, India is potentially a great world power.⁶⁵ In reality though the importance attributed to India by the western countries, immediately after independence was not so much due to her geographic position⁶⁶ (in relation to power status) but more on account of her approach to international relations and her domestic political system. Her nonaligned position between the two hostile power blocs did in the beginning create difficulties for India. In view of the fact that she was the second largest country in the world and by joining either of the bloc she could upset the world balance of power, both the super powers wanted

65 See K.M. Pannikar, India and the Indian Ocean (London, 1945).

66 See Jagdish Chandra Kundra, Indian Foreign Policy, 1947-1954 : A Study of Relations with the Western Bloc (J.B. Wolters, Groningen, Djakarata, 1955), pp. 4-10. Also see K.P. Misra, ed., Studies in Indian Foreign Policy (Vikas, New Delhi, 1969).

to have or 'keep India' on their side.⁶⁷ The geographic and the strategic position of India and the fact that unlike other developing countries she was a large country with a long cultural and political history, enhanced the importance which she had gained through her conscious efforts.

Secondly, her fight against the colonialism at home since late nineteenth century and her increasing support for the liberation movements elsewhere in Africa and in the Arab world, made her a champion of the rights of the colonial peoples and later on a precursor of the movement for Afro-Asian unity. It would be wrong to assume that there exists today or existed in the past anything like pervasive Afro-Asian unity, India however did conceive these ideas and has continued to promote them. Because of this role which India played historically and after attaining independence, she came to be recognised as a leader of the Afro-Asian nations.

Economically, however, India does not occupy a significant place in the developing world. Though

67 See Lawrence K. Rosinger, India and the United States : Political and Economic Relations (Macmillan, New York, 1950), p. 51.

technologically more advanced than most of the developing countries, India is poorest of them. If we classify the developing countries, according to their gross national product, we have (a) very poor, (b) poor, and (c) middle income countries. India comes in the very poor category. In 1965 her per capita GNP came to only 88 dollars.⁶⁸ It was slightly higher than that of Afganistan, Burma, Pakistan and several other African countries and lower than that of Sudan, Togo and North Vietnam. Algeria, Bolovia, Brazil, Cambodia, Cameroun, Ceylone, Ghana, Iraq, Iran and Jordan etc., classified as poor countries had higher per capita GNP than those of the countries listed above. The third group classified as middle income countries, such as Barbados, Bulgaria, Chile, Colombia, Costa Rica, Cuba, Cyprus, Greece, Hongkong, Jamaica, Lebanon, Maritius, Mexico, Nicaragua and Yugoslavia had much higher per capita GNP than that of India's: a difference of about 1.7 roughly.⁶⁹

68 Barbara Ward, The Lopsided World (New York, 1968), p. 106.

69 According to World Bank Atlas published in 1975, India's GNP at market prices in 1974 was estimated at 78,990 million dollars (or Rs. 71,091 crores approximately at the current rate of exchange). This amounts to about 130 dollars or Rs. 1,170 as per capita income. Pakistan and Sri Lanka have the same figures, while Nepal (110) and Bangladesh (100 dollars) have lower figures.

(b) Socio-economic conditions

In order to establish the relationship between the economic development and foreign policy, we shall in this section, make a brief survey of economic conditions prevailing in India at the time of independence. The point is whether or not these conditions affected significantly the formulation of foreign policy objectives during the period under consideration.

India inherited from British rule a backward and lopsided economy. Contrary to the assertions by the British government and its spokesmen, the economic conditions in India, during the century preceding the independence, had been steadily deteriorating.⁷⁰ Though in this period the per capita income rose at 1948-49 prices from Rs. 169 to Rs. 275, or at an average rate of about 0.5 per cent per year, the per capita availability of foodstuffs, however declined markedly between 1891 to 1947.⁷¹ The resulting rise in the prices of foodstuff further impoverished the poor masses. It was already in mid-forties that India had become a net importer of foodgrains. Between 1935-36 and 1939-40,

70 See Dantwala, no. 32, pp. 21-23.

71 Ibid.

the average net import of foodgrains into India stood at 1.38 million tons. In 1948 and 1949, it was 2.08 and 3.06 million tons respectively.⁷² Since then, despite the rise in the indigenous production of foodgrains the share of imports in the total supply of foodgrains steadily increased at least until 1966.⁷³ Between 1956, a year in which India signed her first agreement with the USA under the U.S. Government Public Law 480, and 1966, there was a steady increase in India's dependence upon imported foodgrains. The share of imports as percentage of net available quantity however began to decline in 1967.⁷⁴

After partition of the country, the provision for over 8 million refugees from Pakistan, cost the Indian Exchequer about one-third of the initial cash balances which the Indian Government received from the departing Britain.⁷⁵ Along with the rise in prices, inflation was rampant. Though partition decreased India's population by 18 per cent, yet the import of

72 Twenty Five Years of Indian Independence, An Indian Oxyzen Publication (Oxford University Press, Bombay, 1972), pp. 96-97.

73 Ibid.

74 Ibid.

75 Ibid.

foodgrains increased by about 36 per cent in 1949.⁷⁶ More than 70 per cent of India's labour force was employed in agriculture and yet it was in a most primitive state, characterised by very low productivity. The destruction of Indian handicrafts industry by Britain systematically, led to excessive dependence of the labour force upon agriculture resulting into low productivity. This partly explains the causes of low incomes in India then and now.⁷⁷

TABLE VII

INDIA'S DEPENDENCE UPON OUTSIDE SOURCES
OF FOOD
1947-1967

<u>Year</u>	<u>Quantity</u> (in million tons)
1947	2.7
1948	2.8
1949	3.6
1950	2.1
1951	4.8
1952	3.9
1953	2.0
1954	0.8
1955	0.6
1956	1.4
1957	3.6
1958	3.2
1959	3.7
1960	5.1
1961	3.5
1962	3.6
1963	6.3

cond.....

76 Ibid.

77 See Dantwala, no. 32, p. 25.

1964	4.6
1965	7.5
1966	10.4
1967	8.7

Source: Twenty Five Years of Indian Independence,
An Indian Oxygen Publication (Bombay, 1972),
p. 121.

More than this, the entire structure of Indian economy, to say least, was lopsided. Out of nearly two million factory workers, which India had on the eve of the Second World War, over 75 per cent could be counted as engaged in light and processing industries.⁷⁸ Only 200,000 workers were employed by engineering industry.⁷⁹

78 Twenty Five Years of Indian Independence,
no. 72, p. 21.

79 A comparison of factory employment in India and Britain at the close of fifties shows that textiles accounted for 40 per cent of workers in India (cotton and jute) and 6.5 per cent in Britain (cotton, woollen, worsted); engineering, iron and steel and related industries for 15.1 per cent and 47.3 per cent (for Britain) respectively; and chemicals for 0.7 per cent and 5.6 per cent. See Twenty Five Years of Indian Independence, no. 78, p. 21.

TABLE VIII
 PRODUCTION OF CHIEF INDUSTRIAL GOODS
 1949

Goods	Total	India	Pakistan
1	2	3	4
1. Iron and Steel	18 works 1,959,000 tons ingots 978,000 tons finished	18 works 1,959,000 ingots 978,000 tons finished	nil
2. Textiles	389 mills	380 mills 5 billion yards 1/1-2 billion lbs. of yarn	9 mills
3. Chemicals	-	42,000 tons of sulphuric acid 22,000 tons of ammonium sulphate	very little
4. Paper	-	73,138 tons	very little

Source: India and Pakistan Year Book, 1949, Bombay, p. 4.

The position in regard to mineral resources was as shown below.

TABLE IX
MINERAL RESOURCES IN TONS
1949

Ore	Quantity
Coal	28,118,000
Petroleum (gallons)	65,968,951
Chromium	22,100
Copper	288,100
Iron	2,743,675
Mica (cwts)	123,169
Gold (ounces)	321,138
Silver (ounces)	22,300
Magnesite	25,611
Saltpetre (cwts)	148,824
Bauxite	14,768
Manganese	992,795

Source: India and Pakistan Year Book
(Bombay, 1949), p. 4.

The overall position in regard to agricultural production in cash crops was broadly as following.

TABLE X
CHIEF FOOD CROPS IN TONS
1949

Cereals	Quantity India	States
Rice	17,154,500	43,200
Wheat	6,901,000	100,000
Jowar	6,020,000	1,227,000
Bajri	3,672,000	166,000
Maize	2,518,000	52,000

Source: India and Pakistan Year Book
(Bombay, 1949), p. 4.

TABLE XI
POSITION IN REGARD TO CASH CROPS
1949

Cash crops	Quantity India	States	Pakistan
Jute (in bales)	1,455,700	-	6,535,400
Cotton(in bales)	2,059,000	321,000	1,118,000
Rubber (lbs)	4,695,000	30,835,000	-
Linseed (tons)	382,000	43,000	7,000
Sesamum (tons)	426,00 (states included)	-	-

contd...

1	2	3	4
Castor seeds(tons)	105,000	-	-
Groundnut(tons)	3,702,000	-	nil
Coffee(lbs)	34,822,000(including states)		nil
Tea(lbs)	4,63,881,000(including states)		nil

Source: India and Pakistan Year Book
(Bombay, 1949), p. 4.

According to the 1951 census, the population of India was 361.0 million. Of this 298,644 million lived in the rural areas and about 62,444 in the cities.⁸⁰ The distribution of population by religion was as follows.

TABLE XII

PERCENTAGE OF DISTRIBUTION OF POPULATION
BY RELIGION IN INDIA, 1951

Hindus	Muslims	Christians	Sikhs	Buddhists	Jain	Others
84.98	9.91	2.35	1.74	0.05	0.45	.52

Source: Population in India : A Study of Inter-State Variations, Vikas, 1976.

80 Population in India : A Study of Inter-State Variations(Vikas, 1976), p. 72.

Though India has been a secular state the existence of a large number of Muslims has played a significant part in formulating India's attitude towards the outside Muslim world. In terms of education in 1951, the percentage of literates to the total population was as follows:

TABLE XIII

Persons	Males	Females
16.7	24.9	7.9

As far as higher education was concerned as the table below shows a very small number of institutions existed and only a small percentage of students were able to obtain higher education. India particularly lacked institutions imparting technical education. Also the number of science colleges was small.

TABLE XIV

NUMBER OF EDUCATIONAL INSTITUTIONS
1946-47

Type of Institutions	<u>No. of Institutions</u>		<u>Scholars</u>	
	for males	for females	males	females
<u>General Education</u>				
Universities	16	-
Art and Science Colleges	359	59	1,40,452	17,648
High Schools	3,061	576	13,81,038	1,78,341
Middle Schools	7,083	1,187	9,44,818	1,77,784
Primary Schools	1,20,536	14,330	76,92,847	28,33,096
<u>Special Education</u>				
Professional and Technical Colleges	76	3	37,182	1,768
Training Colleges	22	11	1,814	660
Training Schools	339	188	23,522	10,483
Other Special Schools	8,596	594	2,78,437	27,864
Unrecognised Institutions	6,324	537	2,38,220	46,604
Total:	1,46,396	17,485	1,07,38,330	32,94,284
Grand Total:	1,63,897		1,40,32,578	
	Not counting university students			

Source: India and Pakistan Year Book (Bombay, 1949),
p. 53.

The educational facilities differed from region to region and as the table shows the facilities for technical and vocational education were altogether inadequate. After independence, therefore, expansion of educational facilities was undertaken by the government of free India. The health facilities were also very scarce as the table below shows.

TABLE XV

MEDICAL FACILITIES
1950 - 51

Hospital and dispensaries (000)	9.2
Hospital beds (000)	113
Registered doctors (000)	56
Registered nurses (000)	15

Source: Twenty Five Years of Indian Independence, An Indian Oxygen Publication (Oxford University Press, Bombay, 1972), p. 109.

Broadly speaking these were the economic and the social conditions which existed in India when she attained independence. One can go still further and analyse the socio-economic structures which plays so important a role in foreign policy making in the

developing countries, but here we shall confine ourselves to some broad problems of economic development, such as improving the standards of living of the masses. Indian foreign policy objectives reflected these needs while being formulated at different stages. The proposition is that in the period under consideration, i.e. from 1947 to roughly 1955 the Indian foreign policy while reacting to international situation, pursued two apparently opposing objectives, namely, (a) express independent judgement of international events, and (b) obtain external supplies of food, capital and military equipment.

The first objective was formulated even before the independence as revealed in the National Congress party resolutions, but which became operative only after independence. It received priority over the second objective. In course of time, however, the latter objective, became more important, though, India did not give up her right to follow an independent foreign policy.

The second proposition is that while emphasising national sovereignty in conducting an independent foreign policy, India gradually increased her dependence upon external powers. In the following analysis of India's foreign policy the two propositions will be examined.

(c) Indian Foreign Policy
1947-1955

A writer has discerned three stages of development of India's foreign policy in the period between 1947 to 1954.⁸¹ The first period which began with India's independence in 1947 and lasted until January 1949, the time when India and Pakistan agreed to a cease-fire in Kashmir; this was followed by the second stage which lasted up to December 30, 1949 when India accorded recognition to the People's Republic of China and the third stage followed this event until 1954.⁸² To this we may add the fourth stage which began roughly in 1954 and lasted until 1960. In this dissertation we shall confine the analyses only upto 1955.

The first period 1947 - January 1949

In this period which begins with independence of India in 1947 the Indian foreign policy emerged as a major force in international politics. The concept of non-alignment as an expression of national sovereignty and

81 J.C. Kundra, Indian Foreign Policy, no. 66, p. 52.

82 Ibid.

of desire to concentrate on national consolidation and to promote internal economic development, evolved through different stages. Faced with critical economic situation -- the problem to feed the millions of refugees from Pakistan, to bring under control the communal riots which threatened internal and external security, and the conflict with Pakistan over Kashmir, India could hardly appreciate the cold war atmosphere in Europe and the pressure from both super-powers to join their bloc. What India most needed at this moment was food and peace, internally and externally. The non-involvement in bloc rivalries and the establishment of peace on global level were conceived as pre-conditions for a newly independent poor country like India, so that she could devote herself to the task of upliftment of her poor masses, both economically and socially. Speaking in the Constituent Assembly, Prime Minister Nehru said:

But talking about foreign policies, the House must remember that these are not just empty struggles on a chess-board. Behind them lie all manner of things. Ultimately, foreign policy is the outcome of economic policy, and until India has properly evolved her economic policy, her foreign policy will be rather vague,

rather inchoate, and will be groping. It is well for us to say that we stand for peace and freedom and yet that does not convey much to anybody, except a pious hope. We do stand for peace and freedom. I think there is something to be said about it. There is some meaning when we say that we stand for the freedom of Asian countries and for the elimination of imperialistic control over them. There is some meaning in that.

Undoubtedly it has some substance, but a vague statement that we stand for peace and freedom by itself has no particular meaning, because every country is prepared to say the same thing, whether it means it or not. What then we stand for? Well, you have to develop this argument in the economic field.

The policy of non-alignment was essentially an outcome of India's economic conditions rather than any past heritage or tradition. For an economically weak country like India in need of peace and international cooperation, it was essential that she maintained good relations with all the countries, including Britain. Closely associated with the problems of economic development, there was the problem of security of India. It was natural for a newly independent country, both economically and militarily weak to devise a foreign policy which sought to avoid friction with any powerful country, least of all, with the Soviet Union, which was geographically close to India.⁸⁴ Equally, it was important to maintain

good relations with the West on which India was dependent economically and militarily. In view of these facts and India's anti-colonial policy, it was in the interest of Indian people to avoid involvement in bloc politics, as far as it was possible. Even from an opportunistic point of view as Nehru once remarked.⁸⁵ The overall national sentiment supported this view. As Rosinger has correctly pointed out, only a small minority, consisting of big industrialists (though he does not precisely mention them) wanted India to develop closer relations with the United States.⁸⁶ Particularly in view of the fact that during the years 1948 and 1949 India ran a huge deficit in her balance of payments of 124 and 526 million dollars,⁸⁷ not to mention the huge shortages in foodstuffs which could only be obtained from the United States. While generalizing India's position in this period, Rosinger maintained that for the acquisition of capital and other outside aid, it

85 Speech in the Constituent Assembly (Legislative), March 8, 1948.

86 Rosinger, no. 67, p. 39. Also see "Indo-American Economic Relations", Eastern Economist, vol. xvi (1951), p. 253.

87 ECAFE Survey, 1949, cf. Kundra, no. 66, p. 112.

was essential that India did not commit herself to one particular bloc.⁸⁸

We may leave aside for the moment the issue whether the policy of nonalignment, as it evolved in this period, served the interests of the Indian people or not, either then or later, it is more relevant to observe that this thinking dominated India's foreign policy in this period, as did her stand against colonialism and racial discrimination.⁸⁹ In a resolution passed by the Indian National Congress at its Jaipur session in 1948, this point was further stressed.⁹⁰

The foreign policy of India must necessarily be based on the principles that have guided the Congress in the past years. These principles are promotion of world peace, the freedom of all nations, racial equality and the ending of imperialism and colonialism. It should be the constant aim of the foreign policy of India to maintain friendly and cooperative relations with all nations and to avoid entanglement in military or similar alliances which tend to divide up the world in rival groups and thus endanger world peace.

Let us make it clear that the policy of non-involvement which later on came to be known as non-

88 Rosinger, no. 67, p. 39.

89 Kundra, no. 66, p. 53.

90 cf. Kundra, *ibid.*

alignment policy in a wider context was based upon several factors, particularly, on then existing economic conditions and secondly the international situation. In the first place, it evolved as a response to outside pressure and gradually as a broad alternate approach to international relations. The policy emerged on the internal scene not as a policy of a weak nation as some authors now maintain, but as a policy of a newly independent nation conscious of the sovereignty which freedom conferred on it. India wanted to exercise this sovereignty in international affairs; whether to join a particular bloc or not; what to oppose in the United Nations and what to support; what stand to take in a matter of international importance or a matter which concerned India alone; how to settle best her dispute with Pakistan; and what economic system she should adopt to develop her resources. The sovereignty was to be exercised in the best interests of India and according to principles laid down by the Indian National Congress. It is another thing that in course of time the policy acquired new dimensions and the emphasis shifted on to economic gains.⁹¹

91 For historical development of this policy, see Deva Narain Mallick, The Development of Non-alignment in India's Foreign Policy (Allahabad, 1969).

Also see G.H. Jansen, Afro-Asia and Non-alignment (London, 1966).

Broadly speaking, during the period of the first stage of evolvement of foreign policy, Indian attitude was criticised by both the super-powers. In India itself there was both open and concealed opposition to this policy. While the community party of India accused the government of collaborating with the "Anglo-American imperialists"⁹² behind the cover of neutrality, the industrialists on the other hand, wanted India to develop closer relations with the United States. The latter view was based upon the assumption that India was not economically so free as to pursue an independent foreign policy.⁹³ The foreign policy should, they argued, help India to develop economically. In an editorial in the Eastern Economist, a publication of the powerful Birla Group of industries, it was said:⁹⁴

Foreign policy is not like the good life an end in itself. It is a means to an end. That end must be the improvement of the material standards of our people. Foreign policy must be directed to using our influence abroad in those channels which will most promote our economic well-being.

92 People's Age (Bombay), March 21, 1948, p. 1.
cf. Rosinger, no. 67, p. 45.

93 Eastern Economist (New Delhi), January 2, 1948, p. 59.

94 Eastern Economist (New Delhi), July 2, 1948, p. 3.

But as with all expenditure incurred out of the public purse, some return is expected; our foreign policy must be justified by tangible results. And those tangible results are to be found mainly in the economic sphere.

It is suggested that we should redefine our foreign policy, giving it direction and positive purpose in the economic sphere; that we should seek our opportunities of new trade and accept constructive help when we can get it, without timid hesitation that we may endanger, neutrality in other's eyes. In practical terms it means a leaning towards the United States.

A month later the Eastern Economist again commented that India had no coherent foreign policy and that the government policy was not representative of India's interests.⁹⁵ In brief, the central point of their argument was that if India wanted to develop economically she must lean towards the United States. As far as the first part of their argument is concerned that the foreign policy should help India to develop economically, it may be accepted as a very relevant point which can be hardly disputed. But that to do so India must "lean towards the United States" clearly revealed the vested interests of the industrialists which hoped to benefit most from such alignment. It is hard to imagine that this group of industrialists were genuinely concerned with the economic suffering

of the poor masses. Had they been so, they would not be living in great luxury and exercising their great power for their own benefit. The failure to develop economically during the years which followed independence is not due to the nonalignment policy (which they support now) but because of false priorities in the economic spheres and the failure to evolve a coherent economic policy. India retained the basic features of an exploitative economic structure which have retarded economic growth. Secondly, the dispute with Pakistan affected the Indian economy in many ways.

The second period January 1949 - December 1949

India's nonalignment policy was put to severe test during this period. At times it seemed as if India had abandoned this policy though retaining the facade of it. This ambivalence was quite natural if we consider the grave nature of economic problems which directly affected the millions of Indians. As we have said before, in 1948 and 1949 India ran huge trade deficits, a substantial part of which was with the United States of America to the tune of 90 million in 1948 and 87 million dollars in 1949.⁹⁶ India faced acute shortage of

(96) Kundra, no. 66, pp. 112-113.

dollars for further purchase of food and machinery. The situation was becoming worse with the outflow of capital at a time when more capital was needed to finance new industries and to sustain those already functioning. By the end of 1951, Rs. 40 crores had been repatriated against an inflow of Rs. 10 crores.⁹⁷

United States Direct Foreign
Investment in India
1940

In Dollars

Total investment	Percentage of total di- rect US for- eign invest- ment	In manu- facturing industry	Distribu- tion	Oil
48,775,000	0.7	12,212,000	12,281,000	19,478,000

Source: American Economic Relations with India and Pakistan (National Foreign Trade Council, Inc., N.Y., 1948, mimeographed), p. 21. Here taken from Rosinger, no. 67, p. 72.

According to Rosinger's estimates after partition the total U.S. direct investment in India was about 40 million

⁹⁷ Taya Zinkin, "Foreign Capital in India", Eastern Economic Pamphlet II (New Delhi, 1951), p. 38 cf. Kundra, no. 66, p. 114.

dollars.⁹⁸ In 1948, total foreign investments in India were of the order of Rs. 5.96 billion, of which the share of Britain was 72% compared with 5.7% U.S. investment.⁹⁹

Two events have been cited for supporting the view that India was leaning towards the Western bloc: (a) India's decision to remain in the Commonwealth in April 1949, and (b) Nehru's visit to the U.S. in the month of October the same year. But as later events have shown, there was no change in India's foreign policy following these events. Nor was there any change in India's internal policy. Both of these events were in accord with India's publically announced foreign policy. Speaking in the Constituent Assembly in March 1949, Prime Minister Nehru had said:¹⁰⁰

The House will remember that sometime back I mentioned the question of India's possible relationship with the Commonwealth and I informed the House of the broad lines of our approach to this problem.... Subsequently, the question was considered by the National Congress at its Jaipur session and in broad

98 Rosinger, no. 67, p. 72.

99 George C. McGhee, "Economic Outlook in India and Pakistan", Department of State Bulletin (Washington, October 30, 1950), p. 698.

100 Jawaharlal Nehru, Indian Foreign Policy : Selected Speeches, September 1946-April 1961 (The Publications Division, Ministry of Information and Broadcasting, Government of India, New Delhi, Second Edition, 1971), pp. 37-38.

lines they also laid down the policy to be pursued... the broad lines of our policy have been laid down and they are:

(a) that India will naturally and inevitably in the course of a few months become an Independent Republic; and (b) that in our external, internal or domestic policy... we do not propose to accept anything that involves in the slightest degree dependence on any other country. It is only in terms of independent nations co-operating together that we can consider the problem of our association with the Commonwealth.

Though conscious of economic problems there was hardly any question at this stage for India to abandon her independent foreign policy. The Western bloc, led by the United States, had taken an 'anti-India' stand in the United Nations on the issue of Kashmir, and problems relating to Hyderabad and Junagadh. Hence, the national sentiment over the Western Attitude was that of indignation, hardly a favourable situation for Nehru to move India towards the West.¹⁰¹

The third period 1949-1954

During this period India's foreign policy was put to further stress and as the events indicated she was

101 Kundra, no. 66, p. 103. Also see Satish K. Arora, American Foreign Policy Towards India (New Delhi, 1954), p. 129. For Rosinger's view see, Rosinger, no. 67, p. 111.

gradually being drawn into the mainstream of cold war politics. So far her policy had been criticised by both: the Western bloc and the Soviet Union, but during this period, specially towards the end of it, India seemed to have developed closer relations with the latter while moving farther from the United States. This did not mean however that India had eventually abandoned her independent foreign policy. It was precisely because of this policy, the application of it while extending recognition to People's Republic of China and to resolving the Korean crisis, that this policy gained acceptance in the Soviet bloc countries.

Indian leadership was quite conscious of the fact that it was in the best interests of India to develop closer economic relations with the U.S. because of her increasing dependence upon American supplies of food, basic raw materials and capital goods. India's trade, particularly, her imports increasingly tended to be derived from the dollar area and the O.E.E.C. countries.¹⁰² For food stuffs India was mainly dependent

102 B.N. Ganguli, "India and the Commonwealth : Economic Relations", India Quarterly, vol. x, 1956, p. 129.

upon American imports. In case of getting foreign capital to meet the domestic shortages, India looked hopefully towards the Western bloc. So far the progress along these lines had been poor. During four years, ending in June 1952, foreign capital approved in new projects amounted to only Rs. 551.7 million. Most of this capital went into foreign companies and very little in projects controlled by the Indians.¹⁰³

The Indian Government was also giving final touches to the first Five Year Plan, based upon the assumption that foreign aid from the Western bloc would be forthcoming to meet the capital requirements. At the same time, India was on the verge of facing another famine. All these problems on the domestic front required India to concentrate on increasing the possibilities for international cooperation and to keep away from cold war politics.

India's recognition of communist China in December 1949, an act perfectly within her right as an independent sovereign power, further strained the relations with the United States. This happened at a time

103 A.K. Das Gupta, "India's Foreign Economic Policy", *ibid.*, p. 224.

when the anti-communist hysteria was at its peak in the United States. The U.S. Government wanted India to delay the recognition until the situation was clear. In their view the Chinese communist government was subservient to 'foreign imperialism', - a reference made to the Soviet Union.¹⁰⁴ The American attitude towards communist China hardened when the Korean crisis broke out.

We must remember that India was not alone in recognising communist China. Great Britain joined India in according recognition to the new Chinese regime. Both countries followed a simple principle of international law which laid down the recognition of a new regime, if it controlled the major portion of national territory, and was able to exercise the state authority. The de facto theory of recognition implied no moral judgement on the nature of the new government. It simply recognised a reality.

The recognition of the People's Republic of China by India in December 1949, amidst a host of economic problems on the domestic front, did signify independence of Indian foreign policy from cold war politics.

104 See Mr Acheson's statement of January 12, 1950 in Department of State Bulletin (Washington), January 23, 1950, pp. 111-118.

At the same time, however, it revealed Nehru's keen interest in playing a key role in it. India entered willy nilly the arena of cold war politics under the banner of nonalignment. India's belief that China could be "weaned away" from Moscow¹⁰⁵ and that she would, along with China, constitute a third force, was based upon several assumptions. Nehru seemed to have assumed that India would develop economically as fast as China and that both would remain friendly and would cooperate in the international field. As later events have shown all these three assumptions proved to be false. Moreover, what was purely a routine legal action (the recognition),¹⁰⁶ was made to look like a measure of moral and political opportunism.

The outbreak of the Korean war in June 1950 and the Indian attitude towards it, further strained India's relations with the United States. India did recognise the fact that North Korea had committed aggression and

105 See Peter Calvocoress's explanation in Survey of International Affairs (London, 1949-50), p. 335.

106 Churchill was more frank and practical when he said in the House of Commons on November 17, 1949, that the recognition did not confer a compliment, it was intended to secure a convenience. Cf. Kundra, no. 66, p. 123.

that it should be met with force¹⁰⁷ but she refused to condemn China, saying that it would serve no purpose. She correctly emphasised that China should be invited to participate in negotiations for a peaceful settlement of the Korean crisis.¹⁰⁸ Except for the fact that Nehru suggested too forcefully and too often that China should be admitted to the United Nations, the Indian policy deliberately followed a neutral course, in order to avoid involvement in the crisis, should it gradually be enlarged.

Both at home and abroad India gave a distinct impression of following a foreign policy independent of the power blocs. But either because of the merit of the situation in Korea itself, or because the situation involved a powerful and revolutionary neighbour with which India wanted to develop friendly relations (whatever the reason may be) Indian foreign policy, followed a course, close to the course followed by the Soviet Union and the other communist countries. India felt that

107 Ibid., p. 125.

108 For a text of Nehru's letters to Secretary of State Dean Acheson and Marshal Stalin, see Documents on International Affairs (London, 1949-50), pp. 705-708, *ibid.*

the Western powers were unduly interfering in Asian affairs and that they tried to solve the Asian problems without having an understanding of the needs and the aspirations of the Asians. Speaking in the Indian Parliament on August 3, 1950, Nehru said:¹⁰⁹

If we are energetic in condemning the aggression by north Korea, it is necessary to add that we are by no means satisfied by existing conditions in either north or south Korea. The policy of the Western powers is dominated more by European problems than by those of Asia, and they continue to take decisions which affect vast areas of Asia without understanding the effective needs and the spirit of these people. In the West there is little understanding of the Eastern outlook. We can understand the outlook of the Asiatic countries very much better than the West. Yet the future of Asia is still determined by the statesmen of the Western world. I want to emphasize that any attempt to tackle Asian problems without taking Asia into account is bound to prove fruitless.

Nehru seriously believed that if the conflict in Korea was not localized it would lead to another world war. It is not that India was a more peace-loving country than any other country, whether in East or West. But India felt strongly against the spread of war in Asia because a large scale war could be disastrous

109 Documents on International Affairs (Royal Institute of International Affairs, London), 1949-1950, pp. 78-79.

for Asian nations, particularly for India and China, which were engaged in improving the lot of their people.

The reasons for which her foreign policy interests coincided with those of the Soviet Union may be sought in the simple fact that the Western powers were bitter about the communist expansion which took place in Europe in the aftermath of the Second World War, and now in Asia. The status quo in Europe and in Far East was not acceptable to them, whereas it was to the Soviet Union. If the West could accept this status quo there would have been no cold war and no Korean crisis. The United States, however, believed strongly that international communism was bent upon expansion through force and that this should be met with force.¹¹⁰ This implied a prolonged conflict with the Soviet Union and increase in international tension. Though India saw the expansion of communism in Asia from a similar angle and the government used force to suppress the

110 Radio Address by President Truman, September 1, 1950 on the aims "Aims and Objectives" of resisting aggression in Korea. Documents on American Foreign Relations 1950, pp. 9-12.

communist movement in India, sympathised with Indonesia for doing the same and extended help to Burma to follow suit, Nehru's assessment of China was different. He was struck by the victory of the Chinese revolution against the corrupt Chian Kai-shek regime. Nehru assumed that Chinese communism was different from Soviet communism; that it was not expansionist and that China would be friendly and cooperative. India therefore, tended to accept the status quo, because any change in it through force, implied chances of another world war breaking out. This does not mean that India accepted status quo everywhere. She wholeheartedly supported the struggle against colonialism and denounced the racial discrimination in South Africa. This was another point where her interests coincided with those of the Soviet Union.

Had there been a very strong communist movement in India which threatened the Nehru regime seriously, and had there been no change in the Soviet leadership, following Stalins death in 1952, we may assume that Nehru might have taken a different stand on Korea in particular, and on international communism in general. This is indeed a narrow view, but is put forward here as a negative hypothesis. To sum up, India's stand on the Korean crisis led to further differences with the

U.S. Secondly, India emerged as a powerful factor in international politics. Economically and militarily she was still very weak. She had put herself in a very precarious position in which she was though economically allied to the Western bloc or at least dependent upon them, yet politically she extricated herself from them.

It would be interesting if we let ourselves indulge in some speculative analysis. India was a poor and weak country and had just become independent. She faced enormous economic problems, most of all huge shortages of foodstuffs and agricultural raw materials. India had not experienced any revolution and she retained even after independence the same exploitative economic and social structures, which had existed during the British rule. The members of the ruling class came overwhelmingly from a small middle class and the rich peasantry. Both in the first and second Lok Sabha, the majority of members were lawyers by profession and the 'agriculturists' constituted the second largest majority.¹¹¹ One may draw the conclusion that the ruling class, broadly speaking, belonged to that section of Indian society,

111 Lok Sabha Who's Who 1962 (Lok Sabha Secretariat, New Delhi, 1962).

which had dominated the economic and social life of the poor masses even during the British rule. India's new regime was what the Polish economist Kalecki called in 1964 the 'Intermediate Regime'¹¹² -- a regime which was neither revolutionary nor conservative. Nehru presided over this ruling class and was pulled and pushed from all sides to follow a particular policy, in the domestic as well in the external affairs. We may also assume that the foreign policy tended to represent the interests of the ruling class(es), consisting of rich peasantry and middle echeleons of the Indian society. The point is that Nehru had to formulate foreign policy which satisfied both the radical and the conservative elements, associated with the Indian ruling classes. Outside of this class (The Rulers) there were the broad masses for whom independence had meant 'more rice'. Had India already been independent for fifty years or so and the social and economic conditions were bad as they were in 1947, there might have come into existence a rather revolutionary class made up of poor workers and peasants, and the situation in India could have been partly similar to the one in China, before the communists came to power.

112 M. Kalecki, Selected Essays on the Economic Growth of the Socialist and the Mixed Economy (Cambridge University Press, 1972).

To sum up this phase of our discussion, India as an 'Intermediary Regime' - ruled by the members of the rich peasantry and a politically conscious middle class, wanted to follow a cautious foreign policy which struck a middle path: neither revolutionary nor conservative. While taking a strong 'Asian stand' on the Korean crisis, Nehru knew very well that India badly needed American help for her economic development. How Nehru thought he was going to solve this equation, is still a mystery. His 'Ideological' ambivalence, was perhaps the best source of attraction for both the Americans and the Russians, to take increasing interest in India.

Nehru's visit earlier to the United States did not result in any softening of American attitude towards India. By the end of 1950, India received only 4.5 million dollars in economic aid compared to 35.3 million, granted to Formosa and 6.2 million dollars to Indo-China.¹¹³ India's request for wheat was still pending before the U.S. Congress.

India, in spite of her own economic and other related problems, which required the urgent attention of

113 Survey of International Affairs (London), 1949-50, p. 379.

her government, was able to make a significant contribution towards the solution of the Korean problem. India's role as the Chairman of the Neutral Nations Repatriation Commission was widely appreciated. It seemed that India had by now established herself as following a foreign policy independent of both power blocs. This had a very healthy effect on her relations with both super powers.

It is not our intention here to examine Indian foreign policy in detail. In the following section we shall attempt to discern the main currents of her foreign policy as they affected India's economic development.

The fourth period 1954-1955

In the previous section we have dealt with only the Korean crisis and the role which India played in it to bring about a peaceful settlement. We took this one incident to establish that India followed, or at least tried to follow, an independent course in her foreign policy, both as an expression of her national sovereignty and of economic necessity. Though the first part was more stressed than the second. Also in the fourth period we may find that greater emphasis was laid upon an independent, nationalistic foreign policy rather than on a policy which facilitated economic development.

The opposite of an independent foreign policy is a dependent foreign policy. This means that India allies herself with a foreign power, as Japan did, and follow a foreign policy - directed by an outside power. Even such a dependent foreign policy would not necessarily adversely affect the economic interests of the country concerned. Of course we cannot generalize this point, in case of every country that follows a dependent foreign policy. The conditions differ from country to country. However, Japan and West Germany can be said to have followed a dependent foreign policy, though it has not adversely affected their socio-economic development. Both Japan and West Germany, after the Second World War had been, fully integrated in the Western system. Though their example may not be very relevant for India. But the argument still holds good that a dependent foreign policy does not necessarily affect adversely the economic interests of a country, nor does it fully eliminate the chances of expression of national sovereignty. No country can, however powerful it may be, follow an entirely independent foreign policy. While formulating foreign policy, the decision-makers, have to take into account, a number of factors, other than the mere fact of national sovereignty. Actually, every foreign policy, inherently, tends to follow a course

which would best serve the national interests. The interests may however be of a particular group or class. But this class or group consists of the nationals of that particular country.

The difficulty however lies in measuring the independence or the dependence of a foreign policy. In such analysis, the bias of the interpreter enters. There are no fixed rules or principles which may help us to determine objectively the true nature of a foreign policy. At best we may be able to say, at a particular time, that a particular foreign policy action was free from outside pressures. In case of Korean crisis and India's role in it, we may be able to say that Indian foreign policy did not fully respond to outside pressures. India tried to follow a foreign policy which was largely based upon India's own view of the crisis, shared by an overwhelming number of other Afro-Asian nations. India did not let her own perspective to be guided by cold-war politics. India was deeply interested that Asia should be free from outside, particularly, Western, influence, and that it should be free to settle its own problems. This we think, was the rationale underlying the Indian foreign policy, during the Korean crisis. Nehru strongly felt that the prolongation of crisis will adversely affect China's economic development

and so it may do in case of India too. Uppermost in his mind was however the freedom of Asia. Otherwise, what was the meaning of decolonization?

To follow this line of reasoning, two other problems arise. India as we have already pointed out, had no economic and military power, to back up her independent foreign policy. Secondly, she was gradually, increasing her dependence on both the super-powers, for economic and political support. How India tried to overcome the constraints which her economic conditions imposed on her foreign policy, may become partly clear, if we carefully examine the fourth period.

Since the author of this dissertation does not intend to analyze Indian foreign policy during this period in detail, only broad trends will be discussed, so as to correlate them to problems of economic development. In brief we shall examine: (a) India's attitude towards China, (b) towards other developing countries, and (c) towards the super-powers.

India and China

While discussing India's policy towards China, we must bear in mind that we are talking of two largest countries in the world and two oldest civilizations. Both are in Asia, are close neighbours, are poor, and

have very old cultural links. China had never been colonized the way India had been, she was yet subjected to foreign domination; was humiliated and was invaded by Japan. No regime, until the communists came to power, had been able to unify the entire country and give the Chinese people a stable central government. During the years of civil war in China, Nehru sympathised with the communists. Their gradual rise to power was seen as resurgence of Chinese nationalism. Though Nehru suppressed the communist movement in India, he looked favourably upon the communist victory in China. He believed that a strong, unified China could play a significant role in international affairs and that together with her India could re-make the history in Asia.

The preoccupation with the broader objective, seem to have blurred Nehru's view of developments in Tibet in 1950. China's military invasion of Tibet in 1950 in the name of liberation shocked the Indian people and the Government alike. However, Nehru followed a cautious, almost too cautious policy, in regard to Tibet. While India protested against the Chinese military operations in Tibet, she failed to stop them. By 1954, the Chinese had fully colonised the small central Asian state. No body would have liked India to go to war with China over Tibet, but the complete lack of

support of the Tibetan issue, even in the United Nations, clearly revealed Nehru's obsession with peace at any cost. At this stage he did not seem to have realised the implications of the change in status quo in Central Asia.

The relations with China continued to improve and inspire hopes that both countries will work together in the interests of world peace. It was in this climate of friendship and cordiality that India and China concluded an Agreement to regulate trade and intercourse between the Tibet Region of China and India in 1954. This Agreement was of historical significance because it explicitly recognised Chinese sovereignty over Tibet, and Nehru assumed that it established Sino-Indian relations on a peaceful basis. The Agreement contained the so called Five Principles, which later on came to be known as 'Panchsheel', to regulate international relations. What is important here is that Nehru tried to establish a good example of how disputes could be settled peacefully between two countries, though in this process he failed to see the real significance of the event. Speaking at the 9th session of the UN General Assembly, in the general debate, Krishna Menon said:¹¹⁴

We believe that by the understanding reached through this historic treaty

114 Cf. M.S. Rajan, India in World Affairs 1954-56 (Asia Publishing House, New Delhi, 1964), p. 219.

our two countries have made a great contribution to peace in the Asian world. We have taken a path which is not the path of maintaining the balance of power, but the path of non-aggression, fraternity and understanding. The Agreement represents the result of a common exploration in order that two ancient Asian civilizations.... might demonstrate that in modern times forms of government inside countries need not be a bar to fraternal relations between them.

Sino-Indian relations further improved when India actively participated in resolving the Indo-China conflict.¹¹⁵ Unlike the United States, which viewed the situation in Indo-China as a case of communist expansion, the Indian Government, viewed it as the nationalist movement against foreign domination, without having been instigated by outside powers, such as China. India, not only wanted to see conditions of peace established in the region, but that foreign intervention should not be allowed to complicate the situation. India firmly believed that the conflict could not be resolved through military means. Accordingly Nehru made an earnest appeal for cease-fire in Indo-China on February 22, 1954.¹¹⁶

115 For a factual account of India's policy in regard to Indo-China conflict, see M.S. Rajan, *ibid.*

116 Nehru's speech in Lok Sabha on the President's Address, February 22, 1954.

Nehru welcomed the Geneva Conference and submitted a six-point proposal for a peaceful settlement of the conflict.¹¹⁷ The central argument was that no outside powers should intervene in Indo-China and that complete independence should be granted to it. Though India was not a formal participant at the Conference, Krishna menon played a very significant role in it. Again India was invited to chair the International Commission of Supervision and Control which she accepted with great sense of responsibility.

In June 1954, the Chinese Prime Minister Chou En-lai visited New Delhi on his way back from Geneva to Peking. Sino-Indian relations had never been so good as during the period which followed this visit. Both countries referred to 'two thousand years of traditional friendship' and exchanged mutual appreciation for promoting peace.¹¹⁹ Both the Chinese and Indian views in regard to Asia in particular and the world in general were closer than ever. Both countries made

117 Rajan, no. 114, p. 126.

118 Ibid., p. 131.

119 Ibid., p. 221.

statements expressing firm belief in peaceful co-existence and opposed outside interference in the Asian affairs. Nehru paid a return visit to China in October 1954 which further strengthened the wide-spread feeling among the people that they were close to achieving an unprecedented Asian solidarity. The general feeling was that Nehru's visit to China would help in establishing a climate of peace in Asia and would increase co-operation between the two countries.

India and Afro-Asia

We shall briefly examine here India's efforts in promoting Afro-Asian solidarity. It was one of the central objectives of Indian foreign policy to break up the Western dominance system from a very early period. We recognised the fact that India particularly and the rest of the developing world in general would not be able to achieve fuller economic and political independence unless the global economic and the political status quo was changed. The fact that there was so much of resistance to India's independent approach to international politics from the Western countries, made it clear that the dominant powers were not ready to give up their positions of power and influence. It also became clear that solidarity between the newly independent

countries of Asia and Africa was a precondition for reducing outside interference in their affairs and for creating adequate conditions for their socio-economic development. It was not out of sheer idealism that Nehru wanted China to come out of isolation and fully participate in international affairs, particularly those affecting Asia. Though there was a good amount of ambivalence in Nehru's attitude toward the world situation, he was correctly pursuing a foreign policy which helped to promote Afro-Asian solidarity. This was the only means through which Nehru could strengthen the Afro-Asian movement against colonialism.

In this regard two events need to be specially mentioned here: (a) The Asian Relations Conference held in New Delhi in March-April 1947, and (b) the Asian-African Conference held at Bandung in April 1955. Both of these conferences helped greatly in awakening a feeling of solidarity between the peoples of the two continents and in speeding up the process of decolonization in Africa.¹²⁰

120 In 1955 there were only 4 independent sovereign states in Africa (Egypt, Ethiopia, Liberia and Libya), by the end of 1960, however, twenty-six African countries had achieved independence. See Adekunle Ajala, "Africa in a Changing World", in Role of Non-alignment in a Changing World (a publication of India International Centre, New Delhi, 1976), p. 38.

Both of these conferences and India's efforts in resolving the Korean crisis peacefully; her acceptance of the chairmanship of the Indo-China commissions for the supervision of the implementation of the provisions of the Geneva agreements; her opposition to several military pacts; her cease-fire proposals in respect of Algeria and the bold measures she took to resolve the Suez crisis, reflected India's deep concern with the problems affecting Afro-Asian countries.¹²¹ Indian foreign policy in the period under consideration, i.e. from 1947-1955 pursued consistently a course of action which helped to promote peace and security in the world.¹²² In this process, like many other Afro-Asian countries, she found herself more closer to the communist bloc than to the Western bloc.

India and the Super Powers

We have already discussed India's relations with the U.S. until 1951-52. At this point they were at a

121 Rajan, no. 114, p. 193.

122 For a listing of numerous treaties agreements, conventions which India concluded with many Afro-Asian countries, in regard to trade and cultural exchanges, see reports of the Ministry of External Affairs.

very low level. But after 1951-52 general election in India, in which the communists could make only

TABLE 16

Percentage of votes polled by different parties in 1951 and 1957 general elections

Parties	1951 Election		1957 Elections	
	% of votes polled	No. of seats won	% of votes polled	No. of seats won
Congress	45.0	357	47.78	371
P.S.P.	16.4	20	10.41	19
Communist Party	5.0	26	8.92	27
Jana Sangh	3.1	3	5.93	4
Hindu Mahasabha	0.95	4	?	1

Source: M.S. Rajan, India in World Affairs, vol. 3, p. 67.

limited gains, there was change in the American attitude. However, when the Republicans took over the American administration in 1953, the chances of improving relations became very bleak. This was also the period when India was getting closer to China and to the Soviet Union while the talks were going on about a mutual defence

treaty between the U.S. and Pakistan. The relations with Pakistan were marked in this period by mutual doubts and suspicion. It was no longer possible to reach a settlement in Kashmir on the basis of the Delhi agreement of 1953.¹²³

The American economic assistance to India however continued to come. In spite of the differences on particular issues, the U.S. continued to regard economic assistance as necessary to promote the democratic institutions in India.¹²⁴ The continuance of the American economic assistance to India proved that the opposition to India's foreign policy in the U.S. was limited and that there were areas of understanding also which provided basis for cooperation between the two countries.¹²⁵

India has from the beginning wanted to have equally good relations with both the blocs and accept aid that should assist her in the achievement of her stated economic objectives.¹²⁶ Though in 1947-1948 and even throughout the remaining period up to 1955, the

123 Sisir Gupta, India's Relations with Pakistan 1954-57 (ICWA, New Delhi, 1958), p. 17.

124 Kundra, no. 66, p. 153.

125 Ibid., pp. 148-149.

126 P.J. Eldridge, The Politics of Foreign Aid in India (Delhi, 1969), p. 69.

emphasis was on an independent foreign policy¹²⁷ rather than on obtaining economic assistance, but economic planning in India was partly based upon the assumption that economic assistance would be forth-coming from both blocs, but specially from the U.S. in the form of grants, loans and capital equipment.¹²⁸ The First Five Year Plan accorded the highest priority to agriculture and allocated 44% of the total developmental outlay for this purpose. Since the FFYP did not undertake any ambitious programme of industrialization, there was no need for a large amount of foreign capital. It was only towards the last two years of the first Plan that India began to negotiate with the USSR, Great Britain and West Germany, for constructing steel plants in India. The Second Five Year Plan, however, conceived of a rapid expansion of heavy industries and thus necessitated import of large amounts of foreign capital and equipment. In the FFYP external assistance was about 9.6 per cent of total outlay, while in the SFYP it increased to 23.7 per cent of the total outlay.¹²⁹ Actually foreign

127 K.P. Karunakaran, p. 48.

128 Ibid.

129 Rudder Datt and K.P. M. Sundharam (S. Chand & Co, New Delhi, 1975), p. 266.

economic assistance was not that necessary during the year 1953-1954 for India's economic development¹³⁰ and for the subsequent years, but for the food imports and the expansion of heavy industries in the SFYP.

India considered acceptance of foreign assistance as consistent with her independent foreign policy, if no strings were attached to it.¹³¹ This however is not possible for other small and very weak developing countries. India could resist pressures, follow an independent course and still receive foreign economic assistance, perhaps because of her political, geographic and strategic importance for the two power centers. India was an important center of political and economic activities and the developments in these spheres could affect considerably the global balance of power. On the whole we may say that the international conditions were favourable to India as far as the question of obtaining foreign assistance was concerned, whether

130 Eastern Economist, August 13, 1954, p. 244.

131 Jawaharlal Nehru, India's Foreign Policy : Selected Speeches, no. 100, p. 69.

India followed an independent or dependent foreign policy. We must admit the fact that no country, normally, may follow, totally independent or dependent foreign policy. It has to follow a course which the ruling classes and the articulate sections of the masses think would best serve the interests of their country, whether it be independent or dependent foreign policy. Generally speaking, a free course is seldom open to a country. The course available will be somewhere between the two poles.

We must also accept the fact that India's domestic political and economic structure very much governed her role in world affairs.¹³² Nehru was very much averse to foreign aid which was politically motivated. Speaking to Tibor Mende he said:¹³³

If help is given, let's say, just to fight the communist menace, or by the communist countries just to fight the western menace, well it is coloured help and the more you take it from that point of view, apart from the fact that you line up with a certain policy - you have a sense of utter dependence. Whether it is political or economic dependence, it is not good from the basic point of view that you have to develop that sense of vitality in the people we were talking about.

Also Nehru at this stage emphasised self-reliance even if that meant going slower because it

132 Rajan, no. 114, p. 37.

133 Tibor Mende, Conversations with Nehru (Secker & Warburg, London, 1956), pp. 65-66.

was better than to become dependent.¹³⁴ During the period under consideration, India however, received foreign aid from various sources.

TABLE 17

Loans from the International Bank of Reconstruction and Development 1949-1954

Date	Amount in dollars	Purpose
August 18, 1949	34 million	Railway Rehabilitation
September 29, 1949	10 million	Agricultural Development
April 18, 1950	18.5 million	Electric Power Development
December 19, 1952	31.5 million	To Indian Iron and Steel Corporation
January 23, 1953	19.5 million	Food Control & Irrigation / Credit & Investment
December 22, 1954	16 million	Loans to the Industrial / Corporation.

Source: Department of State Bulletin (Washington), January 12, 1953 and March 8, 1954, pp. 54 and 371. Here cf. Andra, no. 66, p. 154.

TABLE 18

Direct U.S. Aid to India on Grant Basis,
1951-1954

Year	Amount in dollars
1951	700.000
1952	52.000.000
1953	44.000.000
1954	89.000.000
Total	186.000.000 ¹³⁵

Source: Same as the preceding Table.

In addition to the above assistance India received a 190 million dollar loan in 1951 for the purchase of 2 million tons of wheat from the U.S.¹³⁶ To sum up, India was able to maintain fairly good relations with

135 India saved 10 million dollars in the form of reduction in the prices of food grains. See Kundra, no. 66, p. 155.

136 Ibid.

the U.S. in spite of differences over several issues. On the contrary, both countries tried to see the differences from a wider angle and did not let them spoil the people to people relationship.¹³⁷

India's relations with the Soviet Union underwent a positive change in 1952. Stalin had gone and his power was shared first by Malenkov and then Bulganin as the Prime Minister and Khrushchev as the First Secretary of the Communist Party of the Soviet Union. It was however only in 1954 that the Soviet Union started a foreign aid programme. India received, under this programme a loan of 136 million dollars for the construction of the Bhilai Steel Mill.¹³⁸

Conclusions

In conclusion we may say that though only the normative content of India's foreign policy is generally emphasised, India tried to establish or help in establishing, an international order, which might facilitate the socio-economic development of India and

137 For Dean Acheson and Loy Henderson's statements on February 20-21, 1951, respectively, before the House Foreign Affairs Committee, see Department of State Bulletin, xxiv (610), March 12, 1951, pp. 424-428.

138 See M.I. Goldman, "Soviet Foreign Aid Since the Death of Stalin: Progress and Problems, in W.R. Duncan, ed., Soviet Policy in Developing Countries (London, 1970), pp. 29-30.

other Asian and African countries. As we have already mentioned, the anti-colonial struggle in India was basically motivated by a desire for the improvement of economic conditions of the people. It was the colonial exploitation which motivated the masses to join the main springs of anti-colonial struggle spearheaded by the middle class elite. As revealed in the Indian National Congress resolutions, the thinking on foreign policy, has from the beginning, been influenced by the socio-economic status of commonman. It was mainly because of poverty that the Congress Party, in early twenties, protested, against the increase in India's defense expenditure. Subsequently, when the All India Congress Committee adopted its first formal declaration of independence from the British foreign policy in 1921, it evolved its own defence policy, which was based upon good neighbourly relations and thus reducing chances of foreign invasion. This policy has continued to mould India's outlook on defence problems.

As we have observed in this chapter, the Indian foreign policy was atleast conceptually correlated to the economic development of the country. The decision to maintain good relations with both the power blocs, was though explained more often than not in normative terms, in fact, however, it was a conscious attempt on the part of Nehru to keep the options open for the

future development of India's foreign policy. He rightly viewed the power politics and the bloc rivalry as antithetic to his idea of progress of the newly independent countries.

An independent foreign policy with all its normative content, was based upon a realistic assessment of the international situation. Nehru had rightly pointed out that the problems of Asia and Africa could be solved only if there was peace and cooperation between the nations. If the European problems will continue to dominate the Asian scene, the Asians will not be able to solve their socio-economic problems. He did not want therefore that Asia should be dragged into their power politics. This should explain his opposition to multilateral defence pacts which particularly had Asian members.

We may safely assume that Nehru never considered the foreign policy as a tool for attracting foreign assistance (to aid in internal economic development). Had he thought so, he would not have followed an independent foreign policy. Apart from that Nehru utterly disliked the idea of dependence, whether political or economic. He emphasised self-reliance. Foreign policy for him was, however, a means through which he could fight against the colonialism, the dominance of the Western interests in Asia and Africa and at the same

time generate a spirit among all the nations, both poor and rich, to cooperate with one another for the greater human welfare. These were the principles which underlay the Indian approach to the recognition of the Communist China, the Korean conflict and the war in Indo-China.

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