

THE U.S. AND INDIA: AN EMERGING ENTENTE?

HEARING BEFORE THE COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES

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THURSDAY, SEPTEMBER 8, 2005

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Committee met, pursuant to notice, at 10:36 a.m. in room 2172, Rayburn House Office Building, Hon. Henry J. Hyde (Chairman of the Committee) presiding.

Chairman HYDE. The Committee will come to order.

The announcement on July 18 that the United States and India were transforming their relationship into a global partnership has been greeted with an array of reactions in this country that range from elation to complacency and even to alarm.

In truth, it is difficult for someone not privy to the relevant negotiations to judge the agreement's merits, especially when conformed with its very general and anodyne declaration that the United States and India will "work together to provide global leadership in areas of mutual concern and interest," such as promoting stability, democracy, prosperity, and peace throughout the world.

Such sweeping statements require close scrutiny, which is why we have asked you gentlemen to appear today.

This agreement has been portrayed by the Administration and many others as being of great strategic significance. Perhaps it is. Few can question the significance of India's growing role in the world or the importance of our having good relations with that enormous country.

However, the larger geostrategic impact is more uncertain as the consequences of this and subsequent agreements on the alignment of forces in the new international system now emerging will take many years to become evidence.

More concretely, given that India, as with all countries, can be expected to act in its own interests, however it conceives them, what assumptions are we making regarding the impact of this agreement on India's perceptions and likely actions?

Will it, in fact, change anything? Will we secure India's cooperation in areas that otherwise would not be forthcoming? Have we already done so?

It also appears that in addition to the commitments outlined in the public announcement, several understandings of one type or another have been reached between the two parties, some of which may have been consigned to writing, others perhaps encapsulated in a wink and a nod.

To the extent that it is possible in an open hearing, the Committee would like to learn the entirety of our expectations.

The announcement of the agreement lists a number of cooperative policies the two countries will undertake, including several in the areas of trade and economic development, the environment and space exploration, among others. Although in general these initiatives appear to be worthy endeavors, their collective substance leaves a lot unsaid.

Clearly, the most important elements are those concerning combatting terrorism—especially weapons of mass destruction—as well as the more controversial promise of cooperation regarding India's civilian nuclear energy program.

Judging the likely impact of this agreement on U.S. interests requires weighing these factors in two separate contexts, one nestled within the other.

The first is whether the net impact on our nonproliferation policy is positive or negative. If the answer is the latter, the second and larger question is whether or not the strategic benefits gained outweigh any potential damage to that same policy.

Those, in a nutshell, are the questions I hope you gentlemen can help us resolve today. I look forward to being enlightened by your testimony and by your answers to the questions that will follow.

Now let me turn to my good friend, Tom Lantos, the Senior Democrat for such remarks as he chooses to make.

Mr. LANTOS. Thank you very much, Mr. Chairman. I was listening to your extremely nuanced and sophisticated and knowledgeable comments with great care and they reflect many of my own views.

Before I come to my prepared statement, prompted by your observations, Mr. Chairman, let me make a general comment to the Administration. When the Administration called me asking for my support for the issue we are now about to discuss, I gave it, and I continue to do so.

But as I sense from your observation, Mr. Chairman—and they certainly reflect my views—there is a degree of reciprocity we expect of India which has not been forthcoming. The policy of India toward Iran is a matter of great concern to many of us, as is the policy of Russia toward Iran.

The United States, after very careful consideration, agreed to our three European allies attempting to conduct negotiations with Iran with the anticipation that these would yield results.

Indications at the moment are that they have not yielded results and the United Kingdom, France, and Germany, along with us, are prepared to refer the issue to the United Nations Security Council for action.

Russia has publicly stated they will object to that. It is my intent to introduce a resolution denouncing this Russian action by the Congress of the United States.

I would not like to see a similar set of developments with respect to India, whereby we agree to undertake a tremendous range of pass making measures to accommodate India, while India wisely pursues what it sees should be its goals and policy vis-a-vis Iran.

There is quid pro quo in international relations and if our Indian friends are interested in receiving all of the benefits of United

States support—and I personally indicated my support for India as a permanent member of the UN Security Council, a position which is ahead of the Administration's policy because the Administration, as I understand it, does not yet support any of the other potential candidates—we have every right to expect that India will reciprocate in taking into account our concerns.

So to repeat in a nutshell, I support the policy, as will be apparent in a minute, but I expect India to recognize that there is reciprocity involved in this new relationship, and without reciprocity, India will get very little help from the Congress.

Mr. Chairman, I want to commend you for holding this hearing today on what may be the most momentous change in United States-India relations since India's independence and which may have profound implications for the entire Asian region and beyond.

I applaud and strongly support the Administration's intention as expressed in the July 18 joint statement, to establish a closer global partnership with India to promote stability, democracy, prosperity and peace throughout the world.

The joint initiatives in increasing trade and economic development, promotion of bilateral cooperation in high-technology and space research, combatting HIV/AIDS globally, and a closer security relationship are all objectives that should be welcomed by every Member of this Body.

Mr. Chairman, a truly reciprocal political and security partnership with the world's largest democracy and the traditional leader of what was formerly known as the Non-Aligned Movement could be revolutionary in its significance, especially in the furtherance of democracy and the fight against terrorism.

India is a natural ally of the United States and both our countries have faced deadly terrorist attacks on our political institutions from proponents of extremist violence. As the preeminent state in the region, India deserves the world's respect and our fullest attention.

For these reasons, Mr. Chairman, I have repeatedly and publicly called for India to take its rightful place as a permanent member of the United Nations Security Council.

The initiative that has gotten the most public attention, however, is the visionary American proposal to greatly expand nuclear research, nuclear power, and nonproliferation cooperation with New Delhi.

This change will promote a greater dialogue between the United States and India on preventing the spread of sensitive nuclear technology and materials to other countries, or even terrorist groups.

As we have seen, private and stateless nuclear black market networks can arise that tap the technological and production resources and expertise of many states clandestinely to satisfy the nuclear weapons aspirations of countries like North Korea and Iran.

Advanced nuclear states like India must be ever more vigilant to prevent illicit exports of such material and technology.

The commitments made by Prime Minister Singh in the July 18 joint statement in this regard are very encouraging. Acceptance of a safeguard arrangement for India's non-military facilities is likewise a step forward.

Expanded nuclear cooperation will also allow greater scientific exchange and collaboration with U.S. nuclear scientists and engineers. This will foster relationships that will be to the benefit of both countries in physics and medical research, as well as improving the safety and efficiency of Indian nuclear reactors and facilities.

But as with any major policy change, the Administration's new direction poses a set of issues that must be fully understood and fully explored before we move forward.

By law, policy and practice, the United States has resisted engaging in significant nuclear cooperation with any state that has not agreed to permit international safeguards and inspections on all its nuclear activities and facilities known as "full-scope safeguards."

Through strenuous diplomatic efforts, the United States was able to make these safeguards an integral part of the export guidelines of the multilateral Nuclear Supplier Group. This was necessary to prevent the diversion of nuclear material from peaceful power and research facilities to use in the production of nuclear weapons.

The Administration's expansion of nuclear cooperation with India represents a sweeping change to this longstanding policy and it is now time to flesh out the details of the agreement.

At a Committee briefing in late July, Administration officials had few answers about just what the policy meant for U.S. and international nonproliferation and export policies, what type of cooperation both sides envision, and how it will be implemented.

They did not know what exports would be allowed under the new policy; what specific steps India will take to improve its own nonproliferation behavior and controls; or what changes would be required, if any, to longstanding United States nonproliferation law.

It was also not clear whether and to what extent India will support United States policies worldwide and I wish to repeat this, because this to me is the crux of the matter. If we are turning ourselves into a pretzel to accommodate India, I want to be damn sure that India is mindful of United States policies in critical areas, such as United States policy toward Iran.

India cannot pursue a policy, vis-a-vis Iran, which takes no account of United States foreign policy objectives.

It was also not clear whether, and to what extent, India will support United States policies worldwide and, especially, in international organizations and elsewhere.

I am particularly concerned over recent remarks by the Indian foreign minister that India will not support the United States' drive to refer Iran's nuclear weapons effort to the UN Security Council.

This position is contrary to what we understood the Administration was trying to achieve in forging this arrangement.

I want the Administration to hear this clearly from this Committee: New Delhi must understand how important their cooperation and support is to United States initiatives to counter the nuclear threat from Iran.

That includes supporting our efforts to refer Iran's 18 years of violations of the NPT to the UN Security Council. Anything less

than full support will imperil the expansion of U.S. nuclear and security cooperation with New Delhi.

It is reportedly the intent of the Administration to assist India in becoming a great power. But with great power comes great responsibility. India must decide where it will stand—with the Ayatollahs of Terror in Tehran or with the United States.

It is also important, if India is to truly assume the status of a great power, that it move beyond the confines of South Asia and support efforts to establish stability and democracy elsewhere, for example in Iraq.

I look forward, with great interest, to the testimony of our distinguished witnesses. Thank you, Mr. Chairman.

Chairman HYDE. Thank you, Mr. Lantos, for a very important statement.

We will now recognize Members who seek recognition for 1-minute statements. You each will have 5 minutes, if we reach you, in the time available for this hearing, but we will try this as an experiment to give Members 1 minute for an opening statement, if they choose. There is no law requiring the statement, however.

Mr. Leach?

Mr. LEACH. First, I would like unanimous consent to revise and extend my remarks.

Chairman HYDE. Without objection.

Mr. LEACH. Thank you, Mr. Chairman. Let me just be very brief. I don't know any Member of Congress that doesn't want to have a warming of relations with the Government of India. This is a time that it is extremely appropriate.

I also don't know many Members of Congress that were pushing for the precise commitment that the Administration has made.

Many Members, as reflected in Mr. Lantos' statement, support India joining the Security Council. This Administration, I thought, was going to announce that with the visit of the prime minister. Instead, you chose an initiative for which you may not be able to deliver and this should be clearly understood, because the initiative you have chosen is one that requires an act of Congress and you chose to make this initiative without, to my knowledge, any serious prior consultation with Congress.

Now you are coming before us to ask us to advance what you have committed. I am open-minded to considering it, but having just returned from North Korea, I will tell you a lot of people in the world care about the NPT.

We care about the NPT, vis-a-vis North Korea. They raised with us initiatives, because we apparently don't care about the NPT in other circumstances.

Chairman HYDE. The gentlemen's time has expired.

Mr. Berman?

Mr. BERMAN. I will pass now until questions.

Chairman HYDE. Mr. Burton?

Mr. BURTON. Thank you, Mr. Chairman. First of all, let me say that I would like to associate my remarks with yours and that of Mr. Lantos. I think they were very well stated.

As one who has taken issue with a lot of the things that India has done in the past, I want to say that I am optimistic about our future relations with India.

When President Musharraf and Prime Minister Singh of India started talking about working out an agreement with Kashmir and border disputes, that was the first step that has been taken in that direction in a long, long time. And if that reduces the threat of a war between the two countries, both of whom have nuclear capabilities, while we have a lot of things to work through and I have a lot of the concerns my colleagues have talked about, I am more optimistic than I have been in the past about our relations with India.

I hope they continue to get better and I am anxious to work with my colleagues to make sure that that happens—and I think I got it done within a minute, didn't I, Mr. Chairman?

Chairman HYDE. Yes, you did.

Mr. BURTON. Which is rare, don't you think?

Chairman HYDE. You get a gold star.

Mr. BURTON. Thank you, sir.

Chairman HYDE. Mr. Ackerman?

Mr. ACKERMAN. Thank you, Mr. Chairman. I want to associate myself with your remarks and that of Mr. Leach and in the strongest possible terms with the remarks of Mr. Lantos, especially his obiter dictum, the cautionary note that he sounded. I guess that is because as the Chairman of the Caucus on India and Indian-Americans and one of India's strongest supporters, I think it is important to let all say that friends do not let friends play with fire.

By any measure, the joint statement that was issued in July during Prime Minister Singh's visit to Washington is a historic one and a huge success for both nations.

In my view, the prime minister achieved nothing less than the acceptance by the United States of India as a nuclear power and won the commitment of the United States to bring the rest of the international community to that view.

It is a dramatic change in U.S. nonproliferation policy, but the fact of the matter is that it makes sense for the United States to welcome India as one of the leading states with advanced nuclear technology.

Over the past 30 years, India has demonstrated not only a successful mastery of a complicated technology, but the ability to ensure that such technology does not get transferred into the wrong hands. It is here, Mr. Chairman, that I think opponents of the announced agreement get it wrong.

India is not a proliferation risk in the sense that it would share its own technology with rogue states or with terrorists, simply because India—

Chairman HYDE. Gentlemen's time has expired.

Mr. ACKERMAN. I ask unanimous consent to put the rest of my remarks in the record.

Chairman HYDE. Without objection, so ordered.

Ms. Ros-Lehtinen?

Ms. ROS-LEHTINEN. Thank you very much, Mr. Chairman.

Mr. ACKERMAN. Do I get a gold star, Mr. Chairman?

Chairman HYDE. A silver star.

Mr. ACKERMAN. It is an improvement. I thank you.

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman. I would like to underscore my strong support for an expansion and strengthening

of bilateral relations between the United States and our ally, the world's largest democracy, India.

The eight initiatives that constitute the building blocks of this global partnerships are important ones. While I understand the geopolitical and geostrategic considerations that led to President Bush's announcement during Prime Minister Singh's visit, we must be careful not to view this partnership in a vacuum.

It is critical that we consider the far-reaching implications of a full nuclear cooperation with India and how a defacto recognition of India as a nuclear weapons state would undermine United States nonproliferation policy and potentially create a negative and damaging domino effect.

A most important concern to me is how it would impact United States efforts to prevent rogue states such as Iran, as Mr. Lantos pointed out and as our Chairman has pointed out, from achieving nuclear status.

So a lot needs to be discussed before Congress can decide whether to and how to alter safeguards, restrictions, and existing legislation. This India/Iran partnership is of true concern to this Committee and I hope that that message gets passed on. Thank you.

Chairman HYDE. Mr. Schiff?

Mr. SCHIFF. Mr. Chairman, I will be very brief as well. It seems to me that in this issue we have a collision of two profound interests of the United States. One, the deepening and strengthening of the relationship with India and the other, a desire to prevent, discourage the proliferation of nuclear technology and address the greatest threat we face, that of nuclear terrorism.

Plainly this agreement has very strong pros and very strong cons and I have an open mind on it. It seems to me in some respects this will make our nonproliferation task more difficult, a difficult job as it is.

There have been difficult arguments for us to make, for example, about potential expansion of U.S. nuclear weapons, when we are urging others to adhere to the NPT. I see a similar difficulty in urging nations to either join or stay in the NPT, when other nations are allowed to enjoy the benefit of nuclear technology, without being in the NPT.

So these are some real tough issues that have been placed before us. I have an open mind on them and I very much look forward to the hearing, Mr. Chairman.

Chairman HYDE. Mr. Royce?

Mr. ROYCE. Thank you, Chairman Hyde. I thank you for holding this important hearing and my hope is that this is only the first hearing that we hold in this Committee on this very complex and critically important issue.

Undoubtedly the Civilian Nuclear Cooperation Agreement we are looking at here furthers what has been our improving and important relationship with India.

In assessing this agreement, it seems to me the goal of curbing nuclear proliferation should trump other factors. I think that proliferation is a great threat to our Nation and today, this Committee begins its consideration of whether the cause of nonproliferation is advanced by this proposed change in our Indian policy and our nonproliferation policy.

I thank you again, Mr. Chairman, for hopefully the first of several hearings on this subject.

Chairman HYDE. Mr. Chandler? Thank you. Mr. Rohrabacher?

Mr. ROHRABACHER. Thank you very much and let me note that what we are seeing and hearing today is yet another example of the visionary leadership that this Committee has had under the direction of Mr. Hyde and Mr. Lantos.

This is bipartisan visionary leadership at its best and yes, Mr. Leach is correct in giving us the admonition that Congress has to play a role and perhaps we could have had a little bit more interaction on this issue, but the fact is we are launching the congressional role today in reestablishing a new policy for India, which is of course one of the most important changes in direction, in foreign policy direction, probably in my lifetime.

We are breaking free of the old Cold War alliances and India will play such a significant role that I commend the leadership of this Committee and commend the President for moving forward and trying to establish this new direction that will change not only our relations but the whole balance of the world. So thank you very much, Mr. Chairman and Mr. Lantos.

Chairman HYDE. Mr. Crowley?

Mr. CROWLEY. Thank you, Mr. Chairman. As you know, I will be brief. I have no choice, but I will not go into too much detail, except to say that I associate myself with the remarks of Mr. Lantos as well in this regard. I too have an open mind about this process as we move forward.

Since I only have less than a minute, I just want to take this opportunity—and I will go into more detail when I have my 5 minutes, if I get that chance—to thank the Government of India for its outreach after our recent natural disaster of Katrina, one of the first nations to reach out to the United States in a substantial way with aid and assistance, a country that has known its own share of natural disasters.

So I want to publicly thank them as well and look forward to this testimony today. Thank you.

Chairman HYDE. Mr. Wilson?

Mr. WILSON. Thank you, Mr. Chairman. I appreciate your leadership and it is exciting to be here today with our guests and to recognize the global partnership we have with India.

I have been very grateful to be the Co-Chair of the India Caucus and I have been succeeded by Ileana Ros-Lehtinen and I had the terrific privilege of following Ed Royce in that position and working with Congressman Joe Crowley and indeed I have seen the fruition of the good relationship between India and the United States and the significant role of Indian-Americans serving in our society.

It is greatly appreciated. I look forward to the testimony today.

Chairman HYDE. Ms. McCollum?

Ms. MCCOLLUM. Mr. Chair, I am just interested to hear the testimony to explain why we are not following through with our commitment to the Nonproliferation Treaty in regards to India.

In other words, why we are breaking a treaty that we had signed on to? Thank you, Mr. Chair.

Chairman HYDE. Mr. Poe?

Mr. POE. Thank you, Mr. Chairman. India certainly is an important ally to the United States in Southeast Asia and it is vital that the United States, however, does not undermine 30 years of United States nonproliferation by turning a blind eye to India's nuclear proliferation.

I am concerned that if the United States indiscriminately gives India a pass regarding the rules of nuclear proliferation, then other nations such as Ukraine, South Africa, Brazil, and Argentina, will question their signing of the Nonproliferation Treaty and will expect the same benefits as India.

You know as they say in the south, what is good for the gander is certainly good for the goose, and furthermore, we cannot turn a blind eye to those international reports that suggest India is one of the main allies in the brutal regime and supporting of Burma.

I look forward to testimony regarding both of these issues, regarding human rights and the nonproliferation philosophy that the United States has. Thank you, Mr. Chairman.

Chairman HYDE. Mr. Delahunt? Mr. Tancredo? Mr. Fortenberry?

Mr. FORTENBERRY. Thank you, Mr. Chairman, for holding this hearing. I just want to echo the sentiments of Mr. Crowley and thank the Indian Government for their offer of assistance, as well, in the wake of Hurricane Katrina.

The United States, I think, has been very generous in its outreach to other countries in a time of need and it is heartwarming to see other countries return that favor now.

Chairman HYDE. Mr. Boozman? Mr. Flake?

Ambassador R. Nicholas Burns was Senate confirmed as the Under Secretary of State for Political Affairs, the Department of State's third-ranking official, on March 17, 2005. As a career senior foreign service officer, he has served our Nation in countries all over the world. We thank you for joining us today, Mr. Ambassador and we look forward to your testimony.

Robert Joseph serves as the Under Secretary of State for Arms Control and International Security. He is the principle state officer for non-encounter proliferation matters as well as for arms control, arms transfers, regional security and defense relations, and security assistance.

Dr. Joseph, we are grateful that you are here to shed light on the issues we have before us at this important hearing.

Ambassador Burns, if you could proceed with a 5-minute summary of your prepared testimony, your entire statement will be made a part of the record. And when Dr. Joseph is through, if you gentlemen will submit to questions, we will try to be trenchant.

Ambassador Burns.

**STATEMENT OF THE HONORABLE R. NICHOLAS BURNS,
UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS, U.S.
DEPARTMENT OF STATE**

Ambassador BURNS. Mr. Chairman, thank you very much. Thank you for inviting Bob Joseph and me here today, and thank you to Mr. Lantos and all the Members who are with us.

I have been asked by Secretary Rice just to say a few words about the international response to the hurricane in the southern part of our country.

I will do that very briefly, and I would say that Secretary Rice would like to make the State Department available to all Members who would want to be briefed about what foreign governments are doing in support of our people in Louisiana, Mississippi and Alabama.

One hundred governments and 11 international organizations have offered support to the United States, and the President and Secretary of State have decided that, in principle, we want to be receptive to agreeing to permit all of those offers of assistance to come forward.

We are working now, on a day-to-day basis, with FEMA, with other parts of the Government, to see which of those offers can be most useful to the people who have been affected so tragically by the hurricane.

I just wanted to brief the Members that we have opened our doors to foreign assistance and we are very grateful for the statements made today in support of what the Indian Government has done.

The Indian Government has offered us material supplies, tents and blankets and food and they have also offered a financial donation to the American Red Cross.

I can also tell you that we have set up a staging point at Little Rock, Arkansas, for foreign planes to arrive and over the last 2 days we have had planes arrive from France and from Britain, from Russia and from China and more of those will arrive over the next few days. And we are working as closely as we possibly can with FEMA and the other agencies to make sure that we get needed assistance to the affected people as quickly as possible.

There is a lot more that I can say, Mr. Chairman. I would be happy to respond to questions from Members on this particular issue.

Secretary Rice has directed that we make ourselves available to Congress, at any point over the next couple of days and weeks, to brief you in detail by region or by country.

Mr. Chairman, I should also say that it was actually very valuable for us, I think, to hear the opening comments of the Members today, and we hear your message.

I just want to assure you that we understand the seriousness of Congress' role in looking at the agreements we have made with the Government of India, particularly in the civilian nuclear energy agreement.

This is the first formal hearing that we have been invited to attend, but Bob and I and other members of the Administration are very willing to submit ourselves to private conversations, further hearings so that we can take your advice and counsel and answer the questions that many of you have.

As you know, Mr. Chairman, Secretary Rice has also agreed to brief this Committee, as well as the Senate, on our policy toward South Asia as well as, specifically, what we have committed to do with the Indian Government on a reciprocal basis, you can be assured, Mr. Lantos, and she will be happy to schedule that with you, Mr. Chairman, at a mutually convenient time.

I also want to say and just beginning this briefing from our side, Mr. Lantos, that we have heard what you have said and the other Members have said about Iran.

It just so happens that Under Secretary Joseph and I are the two officials in the State Department responsible for working on the problem of Iran's nuclear ambitions and both of us do that on a daily basis and we share your concerns about what Iran has done.

Iran has broken the Paris Agreement with the EU-3, with Britain, France, and Germany. It has now unilaterally gone ahead to resume uranium conversion.

It is in violation of its international agreements, particularly with the IAEA and we are working with those allies, with India, with China and Russia, and other countries to see if we can have a successful international effort through the IAEA and perhaps the UN Security Council to convince Iran to come back to its senses and return to negotiations with the Europeans.

I think we would be happy to answer any questions that Members have on that subject as well and thank you for raising it and we share many of the concerns, Mr. Lantos, that you and others have raised today.

Mr. Chairman, I have submitted a statement for the record. I will not read that statement, but I thought what I should do is just share a few thoughts that would respond to some of the questions that have already been asked and we will be glad to answer your questions.

You know that President Bush has made a fundamental judgment that our relations with India will be central to our future policy in South Asia and around the world.

After 9/11, we began a rapid buildup of our relations with Pakistan and with Afghanistan and we remain committed to our new relations with both of those countries.

Our desire to improve relations within India is in part a response to the huge security challenges that were unleashed by the attack on our country on September 11, 2001, but our desire to form a new strategic relationship with India actually goes beyond that event.

India is a rising global power, as some of you have mentioned. Within the first quarter of this century, it is likely to be numbered among the world's five largest economies.

It will soon be the world's most populous nation. It has a demographic structure that bequeaths it a huge skilled and youthful workforce and it will continue to possess an ever larger and stronger military force that is going to be an important factor for stability in South Asia and around the world.

Above all else, India shares many of our values. It is a democracy. It is a multi-ethnic, multi-religious and multi-lingual country. We know what kind of a country India will be 25 years from now, because the democratic structure of that country has proven itself over the last 50 years.

It is in our national interest to develop a strong, forward-looking relationship with the world's largest democracy, because that will serve us in the region and it will serve our larger interests around the world.

We consider India now to be one of our most important and strongest partners around the world. We do so because, as we look around the world, we know that we have to win the War on Terror and that India has to be part of that struggle.

We know that we have to prevent the spread of weapons of mass destruction. We know that we have to ensure peace and stability, both in south and east Asia and the pacific region.

We need to protect trade routes and sea lines of communication and as President Bush has said in his inaugural address, we need to propose the spread of democracy and work toward it around the world.

India is a natural partner in all of those ventures, in achieving all of those objectives of American foreign policy, and it is the right partner for us to be working with on a renewed basis.

That was, in essence, the sum of what President Bush tried to achieve with Prime Minister Singh in their summit meeting on July 18.

We did announce the new agreement on civilian nuclear cooperation and Bob and I will be going into some detail on that in response to your questions.

But we went beyond that. President Bush and Prime Minister Singh actually framed a new relationship that is much broader and much deeper than at any time since 1947, when India became an independent country and as all of you know, we have had a somewhat rocky relationship with India throughout the Cold War, when India considered itself part of the Non-Aligned Movement.

That has very much changed. India sees the United States, for the first time in 60 years, as a strategic partner and we view India in the same fashion.

During the visit of the prime minister, we announced several initiatives. One was to expand our economic relationship and this we hope will mean further investment and trade and further jobs for Americans, as well as economic growth, as India continues to rise as an economic power in the world.

We also announced an energy and environment dialogue, which will be run by Secretary Bodman, the Secretary of Energy, and this is intended to help India meet the massive requirements that it has for energy in the future and to do so on a clean and sustainable basis.

One of the reasons that we have turned to a civil nuclear energy deal is because it will have consequences, positive consequences we hope, for global warming, because India is a massive consumer of coal. Fifty-one percent of its energy needs come from coal and the Indians would like to change that mix toward cleaner technology in terms of peaceful nuclear energy.

We also announced, as part of this visit, a United States-India joint venture to support democracy around the world. Our two countries, we are the first two countries to contribute to the new UN fund for democracy and you will see that next week when President Bush and Prime Minister Singh meet together in a ceremony in New York to kick off that venture.

President Bush and the prime minister announced a joint agreement on HIV/AIDS prevention, which is a growing problem within India, but the Indians also want to help us try to alleviate

HIV/AIDS as a pandemic in Africa and other parts of the developing world, not just in their own country.

We actually negotiated an agreement on disaster assistance. You remember that when the tsunami was unleashed last December, there were four countries that took the lead in providing assistance: India, the United States, Japan, and Australia. Those four countries were able to provide the lion's share of the immediate assistance to the countries of Southeast Asia. And now India, as several Members have said, has come forward to assist us with material supplies and with a financial donation, and we are very grateful for that.

We announced an agreement on science and technology, which is a very important part of what both of our countries do well in the private sector and in terms of our academic institutions.

We announced an agreement on space cooperation, where we will be working together on space exploration, on satellite navigation and launch and we had an agreement in agriculture as well.

I just list those, because we are establishing a much broader relationship than we have had at any time over the last 60 years.

I know that Members are particularly interested in the issue of our civilian nuclear cooperation. Let me just close with a few thoughts on that. I know Under Secretary Joseph, who is our Department official responsible for nonproliferation, will want to go into deeper detail.

This is a major Presidential initiative. It is one that seeks to bring about full civil nuclear energy cooperation between the United States and India.

I had the privilege of negotiating this agreement for the United States, for the President and Secretary of State. I believe it is a good agreement. It is a sound agreement and it will have the effect of progressively integrating India into the global nonproliferation order.

We sought the agreement because India's nuclear weapons program and its status outside the nonproliferation regime has proven to be a longstanding stumbling block to enhance United States-India relations, as well as the problem of global nonproliferation regimes.

The agreement is intended to deepen our bilateral work in this area, to address India's energy needs and above all, to advance the international effort on nonproliferation.

Mr. Chairman, many do not realize that India is one of the few developing countries that possesses full competency over all aspects of the nuclear fuel cycle. It is, in fact, pursuing a variety of advanced nuclear technologies and yet it remains, as it has since 1967, outside the global regime.

India has demonstrated a strong commitment to protection of fissile materials and nuclear technology and we believe it is now time to end the isolation of India and to integrate it into nonproliferation norms. And for the very first time, since the start of the Indian nuclear program, as we reviewed the agreement that was made and that I think all of you have, India has committed to a series of steps that will bring it into compliance with the norms and practices of the nonproliferation regime.

We did not believe that would have been possible, had we not negotiated this agreement, had we not chosen to engage India in this issue, and for me, that is the most compelling reason why for the United States.

We certainly understand, Mr. Chairman and I will close on this point, that we have made a commitment on a reciprocal basis.

If you look at our joint statement and Under Secretary Joseph's and my testimony, the written testimony explains what India has committed to do.

We know that the Congress cannot act to change United States law or modify it; we can't seek to waive an existing legislation, until India begins to show us that it is moving to meet its commitments.

I will be meeting with the Indian foreign secretary in New York next week to begin the process of achieving a mutual schedule so that as we begin to move to meet on our reciprocal basis, the Indians do as well.

I think one of the great advantages of this hearing would be to hear from Members of the House how you would suggest that we would proceed on that basis, and we will also want to consult with you on exactly how we proceed in gaining the support from Congress, an action of Congress to bring this agreement into being. But I certainly agree with statements by many of the Members today that this is reciprocal, that we need to see movement by the Government of India and above all, we need the support and the active agreement of both Houses of Congress.

So we look forward to working with you over many months ahead. This is going to be a very detailed, very challenging process, but we are convinced it is in our best national interest. Thank you very much.

[The prepared statement of Mr. Burns follows:]

PREPARED STATEMENT OF THE HONORABLE R. NICHOLAS BURNS, UNDER SECRETARY OF STATE FOR POLITICAL AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. Chairman and members of the Committee, thank you for inviting my colleague, Under Secretary for Arms Control and International Security Robert Joseph, and me to discuss the recent visit of Indian Prime Minister Manmohan Singh to Washington and to describe the implications of this historic visit for bringing the United States and India closer together in strategic partnership.

President Bush has made a fundamental judgment that our relations with India will be central to the future success of American foreign policy in South Asia and around the world. The President said that "after years of estrangement, India and the United States together surrendered to reality. They recognized an unavoidable fact—they are destined to have a qualitatively different and better relationship than in the past." I believe this is a view many of you share.

Of course, our recent engagement with India, and with South Asia more broadly, was transformed by the events of 9/11. That terrible attack on the United States opened the door to a new relationship with Afghanistan and Pakistan, an engagement sustained by our commitment to building peaceful, prosperous democratic societies that no longer offer fertile ground to terrorists and their extreme ideologies.

Our desire to transform relations with India, however, was founded upon a strategic vision that transcends even today's most pressing security concerns. India is a rising global power. Within the first quarter of this century, it is likely to be numbered among the world's five largest economies. It will soon be the world's most populous nation, and it has a demographic structure that bequeaths it a huge, skilled, and youthful workforce. It will continue to possess large and ever more sophisticated military forces that, just like our own, remain strongly committed to the principle of civilian control. And, above all else, India will thrive as a vibrant multi-ethnic, multi-religious, and multi-lingual democracy characterized by individual freedom,

rule of law, and a constitutional government that owes its power to free and fair elections. As the President phrased it succinctly, "This century will see democratic India's arrival as a force in the world." And, as such, it is in our national interest to develop a strong, forward looking relationship with the world's largest democracy as the political and economic focus of the global system shifts inevitably eastward to Asia.

A strong democratic India is an important partner for the United States. We anticipate that India will play an increasingly important leadership role in 21st century Asia, working with us to promote democracy, economic growth, stability and peace in that vital region. By cooperating with India now, we accelerate the arrival of the benefits that India's rise brings to the region and the world. By fostering ever-closer bilateral ties, we also eliminate any possibility that our two nations might overlook their natural affinities and enter into another period of unproductive estrangement, as was so often the case in the past half century.

Today, for the first time since bilateral relations were established in 1947, the United States and India are bound together by a strong congruence of interests, values, and a large and successful Indian-American community. Consequently we find an especially receptive partner in New Delhi, one no longer bound by Cold War politics or dogma. The Indian Government has demonstrated its firm desire to enhance our bilateral relationship. The United States now has a window of opportunity to seize the initiative with India, to build bonds and habits of cooperation that will stand the test of time. It is incumbent upon us, therefore, to undertake ambitious actions that correct our mutual history with India of missed opportunities and advance our common interests in the century ahead. We seek to work with India to win the global War on Terrorism, prevent the spread of weapons of mass destruction, enhance peace and stability in Asia, protect trade routes and sea lines of communication, and advance the spread of democracy. India and the United States now find ourselves on the same side on all of these critical strategic objectives. Our challenge, then, is to translate our converging interests into shared goals and compatible strategies designed to achieve those aims. In this context, the wide range of initiatives agreed to by President Bush and Prime Minister Manmohan Singh this July, including our agreement to promote civilian nuclear energy cooperation, represents a unique chance to build trust between the United States and India because of the resonance all these programs have for both countries.

Our efforts to advance this bold agenda did not begin this summer. During the President's first term, the United States and India reinvigorated an Economic Dialogue, restarted the Defense Policy Group, expanded joint military exercises, began the India-U.S. Global Issues Forum, launched the High Technology Cooperation Group (HTCG), and set in motion other initiatives designed to foster bilateral cooperation on a number of key issues. Drawing on activities begun early in the first term, President Bush and then Prime Minister Vajpayee announced the Next Steps in Strategic Partnership (NSSP): a major initiative to expand high technology, missile defense, space and civilian nuclear cooperation while strengthening our non-proliferation goals.

Prime Minister Singh's July 18 visit to Washington took the U.S.-India relationship to a new, higher plane. Not only did that visit provide an opportunity for President Bush and Prime Minister Singh to celebrate the achievements our new partnership has produced so far, it presented an opportunity for them to agree on a new framework for even closer cooperation in the years ahead. They recognized that the enhanced U.S.-India relationship can make an important contribution to global stability, democracy, prosperity, and peace.

Two of the major themes of the Prime Minister's visit to Washington were promoting democracy and fighting terrorism. As spelled out in the Joint Statement, the two leaders resolved to, "create an international environment that is conducive to democratic values, and to help strengthen democratic practices in societies seeking to become more open and pluralistic." They also resolved, "to combat terrorism relentlessly."

The Prime Minister's July visit coincided with the completion of the Next Steps in Strategic Partnership (NSSP) initiative that was launched eighteen months earlier. But we do not see the completion of the NSSP, however noteworthy, as an end in itself. Instead, the President and Prime Minister underscored that the NSSP provides a basis for expanding bilateral activities and commerce in space, civil nuclear energy, and dual-use technology. Indeed, the U.S.-India Civil Nuclear Cooperation initiative announced during the visit would not have been possible without the foundation laid by the completion of the NSSP.

Much of the public attention paid to the visit focused on the civil nuclear energy agreement, but I would also like to draw the Committee's attention to the other initiatives that were agreed to by the two leaders. These initiatives are important in

their own right and demonstrate that there has been a real transformation in the U.S.-India relationship. Not only have our bilateral ties never been better, but our overall relationship has never been broader and deeper, as these initiatives show.

Economy: One of the driving forces in the U.S.-India relationship has been its expanding economic component. A highlight of the Prime Minister's visit was the announcement that the United States and India were launching a CEO Forum, comprising 20 chief executive officers from some of the biggest, most dynamic U.S. and Indian firms involved in transforming our bilateral economic relationship. These CEOs represent a cross-section of industrial sectors, particularly those that have a stake in improving the commercial climate between our two countries. This forum will serve as a channel to provide senior-level private sector input into discussions at the Economic Dialogue. Their input will help both countries make progress on key issues that will enhance economic growth and job creation and promote bilateral trade and investment.

We see the creation of the CEO Forum as part of a more general commitment to enhancing the U.S.-India Economic Dialogue. As the Indian economy grows and becomes increasingly interconnected with the world economy, our bilateral economic relationship has expanded beyond trade into new and increasingly complex areas that are having a profound impact on the economic outlook in the 21st century.

To fully reflect this more complex relationship, the re-vitalized Economic Dialogue has four tracks: the Trade Policy Forum, the Financial and Economic Forum, the Environment Dialogue and the Commercial Dialogue. Each of these tracks is led by the respective U.S. agency and Indian ministry. In addition, the Economic Dialogue has two cross-cutting forums focused on biotechnology and information technology. Overall these forums aim to expand economic opportunities and to overcome long-standing issues that have prevented the development of a deep and dynamic economic relationship. As a corollary, the United States and India have both recognized the urgent need to modernize India's infrastructure as a prerequisite for the continued growth of the Indian economy. Continued progress in resolving outstanding issues and improving the investment climate will be important in attracting the private capital necessary to fund infrastructure investment. Sustaining high levels of economic growth is vital for India to meet its developmental goals and essential for providing the United States with more commercial opportunities.

Energy and the Environment: Another major initiative highlighted during the Prime Minister's visit was the U.S.-India Energy Dialogue, designed to promote increased trade and investment in the energy sector. This dialogue, led on our side by Secretary of Energy Bodman, will promote these goals through working groups that will deal with oil and natural gas, electric power, coal and clean coal technology, energy efficiency, new and renewable energy technologies, and civil nuclear energy. It is our hope that these efforts in their totality will not only produce the power that India needs, but help safeguard the environment by encouraging cleaner, more efficient, affordable, and diversified energy technologies.

Let me quickly mention several other important initiatives agreed to during the visit.

Democracy: Both leaders announced the start of the U.S.-India Global Democracy Initiative to help countries making the often difficult transition to democracy. The Initiative will draw on U.S. and Indian democratic traditions and institutions to provide assistance to help build democratic institutions and strengthen foundations of civil society. As part of this initiative, India and the U.S. agreed to provide contributions to the new U.N. Democracy Fund, charged with building democratic institutions around the world, which will be launched at the margins of the upcoming U.N. General Assembly.

HIV/AIDS: The President and Prime Minister also formed the U.S.-India HIV/AIDS partnership, an effort to encourage the private sector to undertake greater efforts in the prevention, care, and treatment of people living with HIV/AIDS.

Disaster Response: During the tsunami disaster that struck many countries in South and Southeast Asia, the U.S. and India joined with Japan and Australia to form a Core Group that cooperated closely to coordinate the initial international response. The two leaders believe that effort provided a basis for future India-U.S. cooperation on disaster assistance, not just in the Indian Ocean region, but beyond, so they have launched the U.S.-India Disaster Response Initiative. In this sense, we are extremely grateful for India's quick commitment of \$5 million for the American victims of Hurricane Katrina.

Science and Technology: In conjunction with the Prime Minister's visit, the U.S. and India agreed to sign a Science and Technology Framework Agreement. It will build on the U.S.-India High-Technology Cooperation Group (HTCG), to provide for joint research and training, and the establishment of public-private partnerships.

Space Cooperation: The two leaders also looked forward to increasing cooperation in space. To that end, the recently created U.S.-India Working Group on Civil Space Cooperation will build closer ties in space exploration, satellite navigation and launch.

Agricultural Alliance: President Bush and Prime Minister Singh also agreed to launch a U.S.-India Knowledge Initiative on Agriculture, something that will focus on promoting teaching, research, service and commercial linkages between our two countries, and especially our training institutions and universities.

Mr. Chairman and members of the committee, I hope I have made it clear that much was accomplished during the Prime Minister's July visit, and we have much to look forward to in the coming months and years. I know that President Bush very much looks forward to his trip to India—currently planned for early 2006—and the opportunity to strengthen further our partnership.

My colleague, Under Secretary Joseph, will discuss in detail the major U.S.-India initiative on civil nuclear energy cooperation, but I would like to make a few comments before closing, to put it in context.

This is a major Presidential initiative, one that seeks to bring about full civil nuclear energy cooperation between the United States and India. I had the privilege of negotiating this agreement with India on behalf of the President and the Secretary of State. I believe it is a good and sound agreement that will have the effect of progressively integrating India into the global nonproliferation order.

We sought this agreement because India's nuclear weapons program and its status outside the nonproliferation regime has proven to be a longstanding stumbling block to enhanced U.S.-India relations, as well as a problem for the global nonproliferation regimes. The initiative for civil nuclear cooperation announced by President Bush and Prime Minister Singh in July is intended to deepen the bilateral partnership, address India's energy needs, and advance international nonproliferation norms and practices.

Mr. Chairman, many do not realize that India is one of the few developing countries that possesses full competency over all aspects of the nuclear fuel cycle, and is in fact pursuing a variety of advanced nuclear technologies, yet it remains—as it has since 1967—outside the global regime. Although India has demonstrated a strong commitment to protecting fissile materials and nuclear technology more generally, it is in both Indian and American interests that New Delhi's isolation be brought to an end and that India be made part of a stable global nonproliferation order. The agreement between President Bush and Prime Minister Manmohan Singh does this in a fair and equitable way. It contemplates both countries taking serious steps toward achieving the goal of strengthening the international nonproliferation regime, while also meeting India's very real energy needs in a way that contributes to a clean global environment.

For our part, we are committed to working with the Congress to adjust U.S. laws and policies, working with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India, and consulting with our partners on Indian participation in the fusion energy International Thermonuclear Experimental Reactor (ITER) consortium and the Generation IV International Forum, the work of which relates to advanced nuclear energy systems. As you are aware, we already have begun briefing members and staff about this initiative. Our presence here with you today demonstrates our continuing interest in working with the Congress to see this process through. We are here not simply to explain this initiative, but because we welcome your ideas and counsel. I am sure we will have many more discussions on this important initiative.

This civil nuclear initiative is part of a transformation of the U.S.-Indian relationship that President Bush believes will strongly serve U.S. interests in furthering global stability, democracy, prosperity and peace. As a result of our civil nuclear cooperation with India, U.S. companies will be able to enter India's lucrative and growing energy market, potentially providing jobs for thousands of Americans. And finally, all states have a vested interest in strengthening the international nonproliferation regime. We gain in this respect, as do our international partners.

We want to move ahead on this initiative expeditiously. We believe this initiative will help bring India into the international nonproliferation mainstream, and open the door to a cleaner and more secure energy future. In the process, it also makes the United States an essential partner as India assumes its rising position in the community of nations. It will help India's economy gain access to the energy it requires to meet its goal of growing at 8% and beyond over the long term, while reducing competition in global energy markets. The environmental benefit of nuclear power in India would be significant and help to curb global warming. Coal accounts for 51% of India's energy consumption. Nuclear energy offers a clean alternative, because it does not emit carbon dioxide or other greenhouse gases.

Mr. Chairman, the President and Secretary of State consider this initiative as one of the Administration's top foreign and legislative priorities for this year. I would like to take this opportunity to outline how we would like to proceed, with the consent and advice of the Congress, to achieve success. First, I will begin meeting with the Indian foreign political advisor next week on the margins of the UN General Assembly. I plan to follow up with him regularly through the course of this process to ensure that our governments are in lock-step as we move forward.

India will assume the same responsibilities and practices as other countries with advanced nuclear programs. We expect India to take clear steps in the coming months to fulfill its part of the agreement. India has agreed to:

- Identify and separate civilian and military nuclear facilities and programs and file a declaration with the International Atomic Energy Agency (IAEA) regarding its civilian facilities;
- Place voluntarily its civilian nuclear facilities under IAEA safeguards;
- Sign and adhere to an Additional Protocol with respect to civilian nuclear facilities;
- Continue its unilateral moratorium on nuclear testing;
- Work with the U.S. for the conclusion of a multilateral Fissile Material Cut Off Treaty (FMCT) to halt production of fissile material for nuclear weapons;
- Refrain from the transfer of enrichment and reprocessing technologies to states that do not have them and support efforts to limit their spread; and
- Secure nuclear and missile materials and technologies through comprehensive export control legislation and adherence to the Missile Technology Control Regime (MTCR) and Nuclear Suppliers Group (NSG).

The United States has reciprocally promised that the Administration will:

- Seek agreement from Congress to adjust U.S. laws and policies;
- Work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India; and
- Consult with partners on India's participation in the fusion energy ITER consortium and the Generation IV International Forum, the work of which relates to advanced nuclear energy systems.

We believe that the Government of India understands this completely and we expect them to begin taking concrete steps in the weeks ahead, and plan to reach agreement with India on a joint implementation schedule. The Administration has identified a number of options for modifying and/or waiving provisions of existing law to allow for full civil nuclear cooperation with India, and we look forward to working with the Congress as we review these options and consider the best way forward.

In conclusion, Mr. Chairman, let me say that this is a good deal for the United States. It meets our national security interests because it aligns a 21st century power with the U.S. in democracy promotion, nonproliferation efforts, and global energy security. For many years we have talked about the potential of U.S.-India relations. The Prime Minister's visit showed that both countries are turning that potential into reality. The United States recognizes India as an emerging world power in the 21st century, with an important role of promoting global stability, democracy and prosperity. We welcome India as a full partner in the international community. Our dialogue with India aims to do just that. We look forward to working closely with the Congress as we strengthen this vital relationship. We would be grateful for your support.

Thank you, Mr. Chairman, I will be happy to take questions.

Chairman HYDE. Dr. Joseph.

STATEMENT OF THE HONORABLE ROBERT JOSEPH, UNDER SECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY, U.S. DEPARTMENT OF STATE

Mr. JOSEPH. Mr. Chairman, Congressman Lantos, other Distinguished Members of the Committee, it is a pleasure for me to be here today.

I also will not read my testimony, but rather try to make five points by way of introduction that respond to some of the issues

that you have raised as well as the concerns that have been expressed with regard to nonproliferation.

First, with the joint statement India has agreed to take on important nonproliferation commitments that will bring it into the mainstream of the international nuclear nonproliferation community.

This is a positive step for India and it is a positive step for us. While more can and will be done, India's implementation of its commitments will, on balance, enhance the global nonproliferation efforts and we believe the global nonproliferation regime will be strengthened as a result.

In the joint statement, India has agreed to a number of very significant steps. It will identify and separate civilian and military nuclear facilities and programs and file a declaration with the International Atomic Energy Agency regarding its civilian facilities.

India will also place its civilian facilities under IAEA safeguards. It will sign and adhere to an additional protocol with respect to those civilian facilities. It will continue its unilateral moratorium on testing and work for the conclusion of the Fissile Material Cut Off Treaty. It will refrain from the transfer of enrichment and reprocessing technologies to states that don't possess that capability and support efforts to limit their spread.

India will also secure missile and nuclear materials and technologies through comprehensive export control legislation and adherence to both the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group (NSG). Each of these activities will strengthen the global regime. Together we believe they move India much closer into conformity with international nonproliferation standards and practices.

Second, while we are determined to succeed, the Administration understands the challenge we face in achieving the goals we have set with India.

For example, ensuring that India's separation of civil and military facilities is both credible and defensible from a nonproliferation perspective, achieving Nuclear Suppliers Group support for the effort without undercutting the effectiveness of this valuable nonproliferation tool, and of course working with you to revise current provisions of United States law to enable full cooperation on the civil nuclear side.

We understand that to implement effectively the steps that have been agreed to in the joint statement we will need the active support of Congress and that of our international partners.

We expect and we have told the Indian Government that India's follow-through on its commitments will prove key enablers for our collective action.

Third, I would note that many, though clearly not all of our international partners have recognized the need to treat India differently and some have indicated their full support for this initiative.

The director general of the International Atomic Energy Agency, Dr. Alberti, personally welcomed India's decision to place its civil nuclear facilities under IAEA safeguards and to implement the additional protocol.

Some countries have been critical. Many have understandably questioned how this initiative comports with the NPT and our efforts to combat proliferation. Others have asked why a copy on India's production of fissile material for weapons was not part of the deal.

These are important questions and let me just try to address them. The United States does not and will not support India's nuclear weapons program. Our initiative with India does not recognize India as an NPT nuclear weapons state and we will not seek to renegotiate the NPT.

Chairman HYDE. Mr. Secretary, if you would just pause for a moment.

Mr. JOSEPH. Sure.

Chairman HYDE. There is a previous question and a vote on a rule on the House Floor. I intend to stay here and have the testimony continue.

Those of you who wish could go over and vote now and get back as soon as possible so that you can be present and ask some questions, but I would recommend a hasty departure and an even hastier return. And meanwhile some of us will stay and the witnesses can continue their testimony.

Thank you, Dr. Joseph. Please continue.

Mr. JOSEPH. Let me assure you that we will fully uphold all of our obligations under the Nuclear Nonproliferation Treaty, but we also recognize that India is a special case and we see a clear need to come to terms with it.

India was never a party to the Nuclear Nonproliferation Treaty. In fact, India has been very hostile toward the treaty for many years.

With its decision to take the steps announced in the joint statement, India will now take on new nonproliferation responsibilities, which strengthen the global nonproliferation efforts and serve the fundamental purpose of the NPT.

In this context, we remain committed to achieving Indian curtailment of fissile material production and we have strongly encouraged a move in this direction.

We stand willing to explore options that might serve this objective, but we will not insist on it for purposes of the Civil Nuclear Cooperation Initiative.

But even absent such a cap, the initiative, in our view, represents a net gain for nonproliferation. It is a win for our strategic relationship. It is a win for energy security and, we believe, a win for nonproliferation.

Fourth, with respect to next steps, we seek your active support and that of our international partners. On the domestic front, we recognize that the pace and the scope of expanded nuclear civil cooperation with India requires close consultations between the Executive and Legislative Branches.

In our own ongoing review of current U.S. law, we have identified a number of options for modifying and/or waiving provisions of the Atomic Energy Act that currently prohibit the United States from engaging in full cooperation with India.

With respect to our international partners, we have already begun consultations with NSG members and we look forward to further discussions at the October meeting.

Finally, I think it is useful to put the policy on India in the broader context of the President's non-encounter proliferation policies.

One element of our approach, as an Administration, has been the recognition that there is no viable cookie-cutter approach to countering proliferation. We need to have tailored approaches that solve real world problems. From the outset of his first term, the President established non-encounter proliferation as top national security priorities.

He put in place the first comprehensive strategy at the national level for combatting this preeminent threat to our security and he embarked on changing how we, as a Nation, and how the international community more broadly, design and expand our collective efforts to defend against this dangerous and complex threat.

Recognizing that traditional nonproliferation measures were essential, but no longer sufficient, the President has put in place new concepts and new capabilities for countering WMD proliferation by hostile states and terrorists.

For example, he increased our national resources, and greatly leveraged the resources of the G-8 countries to bolster non-Lugar-type nonproliferation assistance programs, especially in the context of the global partnership.

He launched the Proliferation Security Initiative to disrupt the trade in proliferation-related materials and he initiated the effort resulting in the unanimous adoption of UN Security Council Resolution 1540 that requires all states to enact legislation criminalizing proliferation activities under their jurisdiction.

These efforts and what we call "effective multilateralism," coupled with the strengthening of our own counterproliferation capabilities, have produced concrete successes, such as the unraveling of the A.Q. Khan network and the decision by the Libyan Government to abandon its nuclear, chemical and longer-range missile programs.

Such efforts also demonstrate the need to be creative and to adjust our approaches to take into account the conditions that exist so that we can better achieve our nonproliferation objectives.

In sum, the President's initiative is tailored to India's clear and growing energy needs, but it is also a pragmatic and effective response to the proliferation threats we face as a Nation.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Joseph follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT JOSEPH, UNDER SECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY, U.S. DEPARTMENT OF STATE

Chairman Hyde, Congressman Lantos, distinguished members of the committee, it is an honor for me to appear before you today to discuss the President's policy toward India with respect to civil nuclear cooperation. I look forward to working with you over the months ahead to bring this important objective to a timely and successful outcome.

Toward U.S.-India Civil Nuclear Cooperation

As Under Secretary Burns testified, we believe that it is in our national security interest to establish a broad strategic partnership with India that encourages India's emergence as a positive force on the world scene. In the context of this partnership, and as part of the much larger agenda that has just been described, we reached a landmark agreement with India to work toward full cooperation in the civil application of nuclear energy while strengthening the nuclear nonproliferation regime.

India believes, and our Administration agrees, that it needs nuclear power to sustain dynamic economic growth and address its growing energy requirements in an affordable and environmentally-responsible manner. Our intent—in the context of the July 18 Joint Statement by the President and Prime Minister—is to provide India access to the technology it needs to build a safe, modern and efficient infrastructure that will provide clean, peaceful nuclear energy, one of the few proven sources of emissions-free energy that can provide the energy needed for a modern economy.

At the same time, India has agreed to take on key nonproliferation commitments that will bring it for the first time into the mainstream of the international nuclear nonproliferation community. This is a major positive move for India. While more can and will be done, India's implementation of its agreed commitments will, on balance, enhance our global nonproliferation efforts, and we believe the international nuclear nonproliferation regime will emerge stronger as a result.

Nonproliferation Gains

Through the Joint Statement, India has publicly agreed to a number of important steps to prevent proliferation. It will now:

- Identify and separate civilian and military nuclear facilities and programs and file a declaration with the International Atomic Energy Agency (IAEA) regarding its civilian facilities;
- Place voluntarily its civilian nuclear facilities under IAEA safeguards;
- Sign and adhere to an Additional Protocol with respect to civilian nuclear facilities;
- Continue its unilateral moratorium on nuclear testing;
- Work with the U.S. for the conclusion of a multilateral Fissile Material Cut Off Treaty (FMCT) to halt production of fissile material for nuclear weapons;
- Refrain from the transfer of enrichment and reprocessing technologies to states that do not have them and support efforts to limit their spread; and
- Secure nuclear and missile materials and technologies through comprehensive export control legislation and adherence to the Missile Technology Control Regime (MTCR) and Nuclear Suppliers Group (NSG).

Indian officials have long indicated that India wants to aid international efforts to prevent the proliferation of nuclear, missile, chemical, and biological weapons. The Joint Statement makes explicit the specific actions it will undertake. These actions will bring India much closer to international nonproliferation norms and practices.

India's commitment to separate its civil and military facilities and place its civil facilities and activities under IAEA safeguards demonstrates its willingness to assume the responsibilities that other nations with civil nuclear energy programs have assumed. It will also help protect against diversion of nuclear material and technologies either to India's weapons program or to the weapons programs of other countries.

By adopting an Additional Protocol with the IAEA, India will commit to reporting to the IAEA on exports of all Trigger List items. This will help the IAEA track potential proliferation elsewhere.

By committing to adopt strong and effective export controls, including adherence to NSG and MTCR Guidelines, India will help ensure that its companies do not transfer sensitive weapons of mass destruction (WMD) and missile-related technologies to countries of concern.

India has also agreed to work with the United States toward the conclusion of a multilateral FMCT and to maintain its nuclear testing moratorium.

By committing not to export enrichment and reprocessing technology to states that do not already have them, India will help us achieve the goals laid out by President Bush in February 2004, designed to prevent the further spread of such proliferation sensitive nuclear equipment and technology. This will help close what is widely recognized as the most significant loophole in the Nuclear Nonproliferation

Treaty regime—a loophole that has been cynically manipulated by countries such as North Korea and Iran that have pursued the capability to produce fissile material under the guise of peaceful energy but for purposes of developing nuclear weapons.

Each of these activities will help to strengthen the global regime. Together, they constitute a dramatic change in moving India into closer conformity with international nonproliferation standards and practices.

As befits a major, responsible nation, we hope that India will also take additional actions beyond those outlined in the July 18 Joint Statement in support of nonproliferation in the months and years ahead, and we look forward to working with the Indian Government and the international community to further strengthen nonproliferation efforts globally. Through our ongoing nonproliferation dialogue we have already discussed with India such steps as cooperating with us at the IAEA, endorsing the Proliferation Security Initiative Statement of Principles, and harmonizing its control lists with those of the Australia Group and Wassenaar Arrangement.

U.S. Commitments Under the Joint Statement

On a reciprocal basis with India's commitments, the United States has agreed to work to achieve full civil nuclear energy cooperation with India. In this context, President Bush told Prime Minister Singh that he would:

- Seek agreement from Congress to adjust U.S. laws and policies;
- Work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India; and
- Consult with partners on India's participation in the fusion energy International Thermonuclear Experimental Reactor (ITER) consortium and the Generation IV International Forum, the work of which relates to advanced nuclear energy systems.

To implement effectively the steps agreed in the Joint Statement, we will need the active support of Congress and that of our international partners. We expect—and have told the Indian government—that India's follow-through on its commitments will allow for our collective action. We believe that the Government of India understands this completely and we expect them to begin taking concrete steps in the weeks ahead.

International Responses to Date

Mr. Chairman, many of our international partners have recognized the need to treat India differently and some have indicated their outright support. The United Kingdom, for instance, welcomed the initiative and noted its pleasure at India's willingness to take these steps as outlined in the Joint Statement. The Director General of the IAEA has also expressed his support, welcoming India's decision to place its civil nuclear facilities under IAEA safeguards and to sign and implement the Additional Protocol as "concrete and practical steps toward the universal application of IAEA safeguards." Others have told us that they look forward to normalizing their relations with India in the energy and nonproliferation communities.

Some have understandably questioned how this complex initiative comports with the NPT and our efforts to combat proliferation. Others have asked why a cap on India's production of fissile material for weapons was not part of the deal.

Let me clarify. The United States does not and will not support India's nuclear weapons program. Our initiative with India in no way recognizes India as an NPT nuclear weapon state and we will not seek to renegotiate the NPT. We remain cognizant of and will fully uphold all of our obligations under the Nuclear Nonproliferation Treaty. We remain committed to universal NPT adherence.

But we also recognize that India is a special case and see a clear need to come to terms with it. India never became a party to the NPT. In fact, India was very hostile toward the Treaty for many years. With its decision to take the steps announced in the Joint Statement, India will now take on new nonproliferation responsibilities that will strengthen global nonproliferation efforts and serve the fundamental purpose of the NPT.

India has informed us that it has no intention of becoming a party to the NPT as a non-nuclear weapon state at this time. Despite this, it is important to seize this opportunity to assist India in becoming a more constructive partner in our global nonproliferation efforts. Indian commitments to be undertaken in the context of the Joint Statement will align this critical state more closely with the global nonproliferation regime than at any time previously. India has said it wants to be a partner and is willing to take important steps to this end. We should encourage such steps in this case by offering tangible benefits in return.

We remain committed to achieving an Indian cessation of fissile material production for weapons, and we have strongly encouraged a move in this direction. However, achieving the physical separation of civilian and military infrastructure would be a significant step forward. And we jointly agreed to work toward the completion of an effective Fissile Material Cut Off Treaty, even as the United States stands willing to explore other intermediate options that also might serve this objective.

As India completes those nonproliferation actions that it has agreed to undertake in the Joint Statement, I am convinced that the nonproliferation regime will emerge stronger as a result. Separately, we will continue to encourage additional steps, such as India's acceptance of a fissile material production moratorium or cap, but we will not insist on it for the purposes of the civil nuclear cooperation initiative announced by the President and Prime Minister. Even absent such a cap, the initiative represents a substantial net gain for nonproliferation. It is a win for our strategic relationship, a win for energy security, and a win for nonproliferation.

Key Challenges and Uncertainties

- *Civil/Military split*—We have indicated that the separation of civil and military facilities must be credible and defensible from a nonproliferation standpoint to us and to our international friends and partners. India has not yet indicated how it intends to proceed on this score, but we will engage with India over the weeks and months ahead to develop a mutually acceptable approach to this key commitment. To strengthen the international nonproliferation regime and to meet our own expectations, the civil/military split must be comprehensive enough to strengthen the nuclear nonproliferation regime and to provide strong assurances to supplier states and the IAEA that materials and equipment provided as part of civil cooperation will not be diverted to the military sphere. Obviously, the number of facilities and activities that India places under IAEA safeguards, and the speed with which it does so, will directly affect the degree to which we will be able to build support for full civil nuclear cooperation with India in Congress and in the Nuclear Suppliers Group.
- *NSG Strategy*—In the coming weeks we intend to outline to NSG partners a number of approaches that will permit NSG countries to engage in civil nuclear cooperation with India without undermining the effectiveness of the this regime. We will engage at senior and expert levels, with the goal of securing agreement to permit the provision of NSG Trigger List items to India once it has taken the steps outlined in the Joint Statement.
- *Other states*—We view India as an exceptional case, and see civil nuclear cooperation as a mechanism to deepen further India's commitment to international nonproliferation. Some have asked whether it might be possible to extend such cooperation to Israel and Pakistan—the only two other states that did not join the NPT. India, Israel, and Pakistan are each unique and require different approaches. Neither Pakistan nor Israel has a civil nuclear energy program that approximates that of India. The United States has no plans to seek full civil nuclear cooperation with Israel or Pakistan.

Legislative Strategy

The President promised that the Administration would seek agreement from Congress to adjust U.S. laws and policies. We recognize that the pace and scope of expanded civil nuclear cooperation requires close consultations between the Executive and Legislative Branches, and we seek your active support. In our own ongoing review, we have identified a number of options for modifying and/or waiving provisions of the Atomic Energy Act that currently prohibit the United States from engaging in such cooperation with India. We are reviewing these options, and the Administration looks forward to working with Congress as we consider the best way forward in the legal area. We welcome your suggestions and advice as we embark on this effort.

Conclusion

In conclusion, I would note that from the outset of his first term, the President established non- and counterproliferation as top national security priorities. He put in place the first comprehensive strategy at the national level for combating this preeminent threat to our security, and he embarked on changing how we as a nation, and how the international community more broadly, design and expand our collective efforts to defeat this complex and dangerous challenge.

Recognizing that traditional nonproliferation measures were essential but they were no longer sufficient, the President put in place new concepts and new capabilities for countering WMD proliferation by hostile states and terrorists.

- He increased our national resources to prevent proliferation through Nunn-Lugar type nonproliferation assistance programs and, through the G8 Global Partnership, successfully enlarged the contributions from other countries to this essential task.
- He launched the Proliferation Security Initiative to disrupt the trade in proliferation-related materials. This initiative has achieved the support of over sixty other countries who are working together to share information and develop operational capabilities to interdict shipments at sea, in the air, and on land.
- He initiated the effort resulting in the unanimous adoption of UN Security Council Resolution 1540 that requires all states to enact legislation criminalizing proliferation activities under their jurisdiction, as well as requiring effective export controls and the protection of sensitive materials and technologies on their territories.

These efforts in effective multilateralism, coupled with the strengthening of our own counterproliferation capabilities, have produced concrete successes such as the unraveling of the A.Q. Khan network and the decision by Libya to abandon its nuclear, chemical and long range missile programs.

These efforts also demonstrate the need to be creative and adjust our approaches to take into account the conditions that exist, so that we can achieve our nonproliferation objectives. We must recognize that there is today no viable cookie-cutter approach to nonproliferation; we need tailored approaches that solve real-world problems.

The President's initiative with India deepens an emerging strategic partnership between the United States and India, while calling for concrete steps by India that further U.S. nonproliferation goals. The agreement to work toward full civil nuclear cooperation is tailored to India's clear and growing energy needs, but is also a pragmatic and effective response to a long-standing proliferation problem. To the extent it is successfully implemented, it will become a significant nonproliferation success over the months and years ahead.

We have begun consultations with our international partners; conducted a number of introductory discussions with you, your colleagues, and your staff; and look forward to working further with you on the steps necessary to fully realize civil nuclear cooperation with India. We recognize that the pace of this effort and our ability to build NSG consensus relies on the timely implementation of Indian steps. The President and Prime Minister have agreed that they will review progress when the President visits India in early 2006.

Thank you.

Chairman HYDE. Thank you very much, Secretary Joseph.

Both of your statements declare that the Administration plans to work with the Congress to implement the legislation needed to fulfill the obligations we have made to the Indian Government.

Are you prepared today to commit to working with this Committee, which as you are aware is the responsible authorizing Committee for the necessary legislation, and to assure us today that the Administration will not seek an alternative route, such as attaching this to an appropriations bill?

Am I putting you both in a spot?

Ambassador BURNS. Mr. Chairman, that is a fair question and so we will try and give you a straight answer. We have made a commitment, and you and I have had the opportunity to speak privately, that we will come before your Committee as many times as you would like us to and to meet privately with Members as much as that is necessary, so that we can hopefully convince the Congress that this is the right step for the United States.

As you know, and as I said before, Secretary Rice is also committed to come up and talk about this agreement, our relationship with India and our policy toward South Asia as a whole, and I just spoke with her again about that this morning.

I think that what we would like to do is initiate—and we are initiating today—a discussion with the Congress and we would like to seek your advice.

We have thought about the best legislative vehicle to achieve the end that we would like to see. But frankly rather than commit to a specific vehicle this morning, we felt it better to seek your advice and talk to you and talk to Members of the Senate who are interested and then come to an agreement on the best way forward.

There are many ways that we could achieve this, but we really are in your hands in part as to how best you think it will be to go forward. We will have our own ideas, but we would like to continue that discussion with you.

Chairman HYDE. I am certainly encouraged by the tone of your remarks and we shall take you up on the availability that you are pledging to us and we hope that does involve consultation.

A number of observers have pointed out that it is going to be very hard to get the Nuclear Suppliers Group to amend its guidelines to allow the kinds of nuclear transfers to India that you are proposing.

Nuclear Supply Group rules require unanimity within the group before any such amendment can be adopted and it appears likely that a number of NSG members will resist doing this.

The NPT, Nonproliferation Treaty, purists like Sweden and New Zealand will not be happy. Some of the NAM countries that joined the NPT reluctantly, such as South Africa and Brazil, can be expected to object and China may well say that it will not agree to such an amendment, unless Pakistan is granted the same exception to the NSG guidelines. Many of us are strong supporters of the NSG and would not want to see it weakened or destroyed over the issue.

Accordingly, I was hoping you can assure us today, no matter what else happens, the Administration will continue to abide by NSG guidelines, and if you are unable to gain consensus within the NSG for the amendment you need, you will not implement the new India policy in violation of NSG guidelines. Can you give us that assurance?

Mr. JOSEPH. Mr. Chairman, we can certainly assure you that we intend to take no action that would undercut the effectiveness of the NSG. It is a very important nonproliferation tool.

Our intention is not to change either the consensus procedure of the NSG or to even change the NSG commitment to full scope safeguards as a condition of supply. Rather, what we seek is to adopt an exception or a set of criteria that would allow, in the context of India taking the actions that I have described on the nonproliferation side, that would allow full cooperation with India.

We will work with all of the NSG members. It is not going to be an easy task, but we believe we have a very strong argument to make and an argument that is persuasive in that taking this action with India, in exchange for the Indian commitments, will strengthen the purpose of the NPT and strengthen the NSG in that context.

Chairman HYDE. Mr. Wexler?

Mr. WEXLER. Thank you, Mr. Chairman. It comes as no surprise, but I think both of your gentlemen's statements were excellent. I

think they are very persuasive statements of the Administration's decision and policy.

I speak as someone who strongly supports the decision that the Administration has reached. I think the case that you lay out, both of you, that the policy and the decision, if done properly, is a win-win for India and America, it is a win-win for our strategic relationship.

It is also a win for the nonproliferation infrastructure and goals of both our country and the international agreements that are set up to implement nonproliferation.

There is one aspect of this that troubles me and I would be curious if you could respond. Here we are taking this enormous step with India, as well I believe and you believe and the Administration believes, we ought to. Yet, if I understand it correctly, the most troubling aspect of nonproliferation in the world, I think all Americans would agree, is occurring today in Iran.

If I understand it correctly, with respect to the statement or policy of India as it was enunciated when the Indian foreign minister was in Iran, was that India seems to be opposed to our policy relative to the nuclear ambitions of Iran.

If my understanding is correct regarding India's position relative to our policy regarding Iran, and potentially the referral of that scenario to the UN Security Council, how is it that we embark on such an aggressive positive policy with India and at the same time possibly India would be opposed to what seemed to be our goals regarding Iran?

Is it improper to couple the two? Should we expect India to support our objectives? I would be curious to hear your thoughts.

Ambassador BURNS. Congressman Wexler, Mr. Lantos and others raised this issue with us this morning. I think it is a fair question.

As I understand India's position on Iran, India does not wish Iran to become a nuclear weapons state and I believe the Indian Government has gone on the record to say that.

We have had, over the last several weeks and specifically the last few days, had a series of conversations with the Indian Government about the best way to achieve that end, to prevent Iran from becoming a nuclear weapons state.

Under Secretary Joseph and I work very closely together on the effort to try to convince the IAEA Board of Governors to agree on September 19 to refer Iran to the UN Security Council.

Our wish, working with the Europeans, with the Chinese, with the Russians, with the Indians, with the South Africans and others is to convince Iran that there has to be a diplomatic solution to the problem and they have to return to negotiations and they have to eliminate the possibility that they will be engaged in any process, nuclear energy fuel cycle process.

Our position is that they should shut down all those activities, including uranium conversion. We continue to discuss this with the Indian Government.

I can't speak for the Indian Government, but I can say that this is an issue where we intend to have further discussions with them next week at the UN General Assembly in New York.

I know that Secretary Rice will be raising this with the Indian foreign minister. I will be doing so with the Indian foreign sec-

retary and it is our strong hope that we can achieve with India, Russia, China, and the other countries, an agreement that all of us have to put some pressure on the Iranian Government to convince it to come back to the negotiations with the Europeans.

Mr. JOSEPH. Let me just add that at last month's meeting of the board of the IAEA, India did join in the resolution on Iran, which expressed serious concerns about Iranian activities, specifically the resumption of work at its conversion facility at Isbahan and also called on Iran to stop that activity and to basically resuspend the measures that it had taken and return to the negotiations with the EU-3.

Since then, there have been a number of disconcerting statements made not only by India, but by a number of other governments, some of which Under Secretary Burns has identified, others that Congressman Lantos identified.

We have our task ahead of us. It is, it seems to me, critically important for not only the vitality of the regime, but the very legitimacy of the nuclear nonproliferation regime, that we move this forward to the Security Council. This being the issue of Iranian noncompliance with its safeguards obligations as well as breaking the Paris Agreement with the EU-3.

We have a strong case, but we have our work cut out for us. I know our European partners are working hard to achieve the same objective. We are supporting them in that effort.

Again, it is an uphill battle for us, but we are fully engaged, as Under Secretary Burns says, in winning that battle.

Mr. WEXLER. Thank you.

Chairman HYDE. Thank you. I might parenthetically state that after the votes on the Floor are completed today, all of the votes, Mr. Lantos, Mr. Royce, Mr. Payne, and myself are headed to New York to meet with Ambassador Bolton and Secretary-General Kofi Annan.

The subject matter is reform of the UN, which is somewhat distant from our subject matter now, but I understand, at this point, there is little agreement among the key players on the wide array of reform issues that are critical to the United States: Management reform revision of the Human Rights Commission and many others having to do with transparency and management.

I mention this because the objections to the language in the so-called outcome document are coming from the NAM, of which India is seen historically as a leader.

I know that I will look closely at the role that India plays in this process as one of the first indicators of India's closer relationship with the United States and our objective of reforming the UN and restoring that institution's credibility. It is not entirely removed from the subject matter of our hearing today.

Ambassador Burns, in your July 19 press briefing, you described the agreement as verifiable. What aspects of this agreement will be verified?

Ambassador BURNS. Mr. Chairman, thank you. May I just make a comment on your first question or your comment on UN reform?

Chairman HYDE. Surely.

Ambassador BURNS. Obviously we all thank you for the leading role you have played in the Congress in trying to convince the

United Nations that it needs to reform itself and we very much support the trip that you are making tomorrow.

Chairman HYDE. However disruptive my efforts were.

Ambassador BURNS. Your efforts concentrated our minds, Mr. Chairman, as they did many other minds around the world.

Chairman HYDE. It is my sincere belief the only way to get their attention is to talk about our payment of dues, which are considerable. And as the major dues payer, we ought to have some voice in the reforms and so I don't want to say that my effort was simply to get their attention, but I hope it is a by-product. We will know more after tomorrow.

Ambassador BURNS. I think we strongly support the trip that you are making, you and the other Members, tomorrow and we do believe that this issue of reform, your bill, the Gingrich-Mitchell report, the hearings held by Senator Lugar on the Senate side, they have all focused our attention and the attention of the UN on reform.

As you know, we strongly support what the Congress is suggesting and that is that there be significant reform of the UN's management, budget, and administrative structure and the Secretariat, the Oil-for-Food revelations of the past few weeks, and yesterday, our testimony to the fact that there has to be progress.

Ambassador Bolton has been working with 190 other Ambassadors to produce a summit document for next week's summit, which our President will attend, that would press for those reforms, that would press for a replacement of the Human Rights Commission, which we, and I know you, believe is discredited, with a new Human Rights Council that will actually promote democracy and not have violators of democracy sit in judgment of the rest of us.

We will support the creation of a peace-building commission, a convention on terrorism and an agreement that we should all work together to further development and alleviate poverty and fight HIV/AIDS.

I can give you an initial report card. Ambassador Bolton and his colleagues have made, I think, a fair amount of progress on the development issues and contrary to some of the erroneous press reports of last week, the United States has been leading in a very positive way on the development side and last night they achieved an initial agreement on what we all should be doing around the world to promote assistance to the developing world and to the poorer people of the world.

We have not yet reached agreement on the management and budget side and I hope that during your trip tomorrow this might be a centerpiece of what you discuss with Secretary-General Kofi Annan and others.

We look upon your trip as very positive and it comes before the President's visit of the 13th and 14th, and we do hope to produce, with 190 other countries, this outcome document that will represent the will of the world to reform the UN.

We very much respect the effort that you put into it, Mr. Chairman. As you know very well, we have been public about this. We do not support a mandatory withholding of American contributions,

but we support your commitment to reform and want to work with you on that basis.

Mr. Chairman, you asked me a specific question about India. I did say in my July 19 press conference that the agreement would be verifiable.

We have a completely transparent relationship with India and I told the Indian negotiators, while we were working on this agreement, that the only way it could be implemented is if we were transparent in the steps that the United States took to implement the agreement and that we had visibility into what the Indian Government is doing.

So as they begin to separate their civil and military nuclear facilities, which is going to be the heart of this agreement, the United States Government and the United States Congress are going to have to be able to see it happen and understand what is happening and agree on what is happening.

There will be both transparency and verifiability. It is the only possible way, I think, for us to proceed on an agreement that is as complex as this one is.

Chairman HYDE. I might add again parenthetically that in view of Oil-for-Food, we are going to take a lively interest in the project of rebuilding the UN structure. The contracting of that, seems to me, is something that will require a close look and we are all for it, but we think it will deserve it.

Ambassador BURNS. Mr. Chairman, thank you for that. We actually agree with you. You know we have been heading down the road toward a multi-billion dollar commitment from the U.S. Government to the United Nations to be able to rebuild the UN complex, and there were some Senate hearings held on this issue.

As a result of the Senate hearings, we have agreed with Members of the Senate that we ought to take a look at this over 30 to 60 days to make sure that the United Nations is devising the right approach and the most cost-effective approach, because, of course, some of the money on a lending basis will come from the United States Government.

I expect that we will be ready to come back to you, Mr. Chairman and Members of the Senate with our specific ideas, once Ambassador Bolton has had a chance to dig into this issue and come up with the best way forward. We have every reason to believe he will do that.

Chairman HYDE. We don't necessarily accept Donald Trump's assessment, but he did raise a provocative point and we will follow-up. We think that it is important.

I think we have exhausted our Members and so thank you so much for your testimony. I understand some of the Members are coming back. So if you don't mind, we will take a short recess. Thank you.

[Whereupon, a short recess was taken.]

Chairman HYDE. The Committee will come to order.

The gentleman from Iowa, Mr. Leach, is recognized.

Mr. LEACH. Thank you and welcome Ambassador and Mr. Secretary. There are a couple of ways to look at this issue.

One is exclusively in the United States-Indian relationship realm. One is in the nonproliferation realm, and further, just the Arms Control Treaty realm.

I stress the third, because there have been several people in this Administration in the past that have argued that arms control treaties don't matter, and I say this very seriously. People that have held very high office in this Administration.

We began first with the Administration just to have rejected a comprehensive test ban. The first, even though the Senate also did in the late 1990s, but since Dwight David Eisenhower, every Administration has supported a comprehensive test ban.

We began with a turning back on a negotiated treaty to increase the verification provisions of the biological talks and weapons treaty, because it was allegedly too intrusive on us.

Now the reason I say this is that you very calmly said that one of the trade-offs was that India would continue not to test nuclear weapons.

Is there any consideration in this Administration of returning to a test ban? Is there any consideration in this Administration in reviewing whether or not we should have rejected a treaty to increase the verification provisions of the biological weapons convention?

I raise this in this context: This Administration chose not to consult with Congress on this change in policy. Did it consult with other parties to the treaty, the NPT?

Are we taking an approach that is unilateralist in judgment? I really stress this. I mean how widely was this issue discussed? How broadly and what was it paired against?

We all wanted to make symbolic gestures to be closer to India. The self-apparent gesture was support of India for Security Council membership.

You have laid a basis, largest democracy in the world, about to be the largest country in the world, about to be one of the five major economic powers and yet the Administration hasn't come out in support of India entering the Security Council.

If one was looking for a gesture for a visit of a head of state, this seemed to be the self-evident one, and instead you chose an attack that has some argument for it. It seems to me an attack, that the argument for it should be one that should really be talked through as well as thought through, and I don't sense that occurred here.

Do you have a response?

Mr. JOSEPH. Sir, if I could just address the issue of the role of arms control and our national strategy.

Mr. LEACH. Sure.

Mr. JOSEPH. The strategy that the President articulated as early as December, 2002. This Administration, I believe, has taken a very pragmatic view toward arms control. It finds arms control, effective arms control, to be an important tool. One of many tools.

One of the first things that I did when I joined the Administration, which was at the beginning of the President's first term, in my capacity as his senior adviser on counterproliferation issues, was ask the negotiator of the BWC protocol to do an assessment as to whether or not that protocol would contribute to detecting cheaters or to deterring cheaters, the purpose for which it purportedly stood.

The results were that no, it would not contribute to either one of those goals and so we took the stance that we should not go forward with that protocol, but that we ought to focus the work of the BWC arms control community on very practical steps, and we were successful in changing the focus of the work program and we have had concrete results since.

Our purpose is to use arms control as an effective tool of non-proliferation, not to support arms control for the sake of arms control. I think you can see that in the context of the chemical weapons convention, we have worked to strengthen that, the treaty and the OBCW that performs the verification mission for that treaty.

We have taken very important steps to strengthen the NPT on the nuclear side. We have not taken a unilateralist approach to non- or counterproliferation.

The President, I think, has been very creative in creating new tools to deal with this very complex threat. It was the President who announced the initiative for the Proliferation Security Initiative, an initiative that did have a very important impact on Libya's decision to eliminate its nuclear, its chemical, and its long-range missile programs.

It was this President who put forth the initiative that resulted in UN Security Council Resolution 1540, which is designed to put in place in national laws effective penalties, in effect criminalizing the type of activities that we saw with the A.Q. Khan network.

It was this President who established the initiative that led to the G-8 Global Initiative that seeks to double the amount of resources that are available to nonproliferation assistance programs, the non-Lugar-type programs, making it not only a responsibility of the United States and the United States taxpayers, but also an international responsibility in which others need to contribute.

I think we have stood for effective multilateralism and I believe that the policy on India should be seen in this context.

Mr. LEACH. Did you discuss this with other countries before you changed policy?

Mr. JOSEPH. Did we discuss the change of—

Mr. LEACH. Other parties to the—

Mr. JOSEPH [continuing]. Policy with India?

Mr. LEACH. With the NPT. Other parties to the NPT.

Mr. JOSEPH. I don't know. Nick, maybe you can take that. I did not.

Ambassador BURNS. Congressman, you asked a fair question about consultations with the Congress as well as other countries.

During Secretary Rice's trip to Delhi in March, we began to talk about the outlines of this new relationship in all of its dimensions, not just the nuclear field but the others.

As we approached the visit of Prime Minister Singh in mid-July, we had conversations with a few of our allies in Europe—in fact, with the Indians—about what we might be able to do to gradually integrate the Indians in terms of practice compliance with non-proliferation regimes.

We also did not believe, frankly, for a long time before the visit that it would be possible to reach this agreement.

In fact, we negotiated for the 4 days prior to the prime minister's arrival, with the expectation that the barriers between us for an eventual agreement were too high.

The reason we didn't come and brief the Congress is because until the very last moment, it was not clear to us that we would be able to reach an agreement. We actually reached this agreement largely through our discussions that Secretary Rice had the day prior to the visit and the morning of the visit.

The last piece of this was the reciprocal piece that Congressman Lantos mentioned in his remarks and that is that we were not willing to enter into an agreement, unless we had a visible and verifiable set of commitments that the Indian Government was willing to undertake and we achieved those just a few hours before the President sat down with the prime minister.

We certainly apologize that we didn't have the opportunity to come and brief, but we frankly did not expect to make the kind of progress we did in the final days.

Now we did reach out to Senior Members of Congress within an hour after the President and prime minister had met and we certainly want to assure you that we are here today and we will be here as many times as you would like us to be on Capitol Hill to discuss this with you and seek your counsel.

Finally on the UN Security Council, Secretary Rice had said as early as March that international institutions, like the UN, are going to need to adjust themselves to India's growing role in the world, but frankly, and because of the debate we had here between the Congress and the Administration on reform of the UN, we felt it would send the wrong signal if the United States focused on the UN Security Council's expansion in the month of July and August, when in fact the real need was for management and budget reforms.

As a tactic in our negotiations at the UN, what we said publicly was, we want to take UN Security Council expansion off the table, because that would be a major commitment and we don't want to make that commitment to other countries until we can be assured that the United Nations is a reformed institution.

Prior to Ambassador Bolton's arrival, we took that initiative and Ambassador Bolton has continued that and we will be happy to discuss UN Security Council expansion and whether or not we will support other countries for that, but only when we see the progress on management, budget, the Human Rights Council, peace-building commissions, terrorism convention and development, our major priorities, and we hope to achieve those by the summit next week that President Bush will attend.

Chairman HYDE. Mr. Lantos.

Mr. LANTOS. Thank you very much, Mr. Chairman. I want to commend both of our distinguished witnesses.

I want to commend the Administration for new thinking, vis-a-vis India. I think the time is long overdue for new thinking, vis-a-vis a number of countries.

I made five visits to Libya as part of new thinking. I was in North Korea in January, and Mr. Leach and I spent last week in North Korea in dealing with the range of problems we have with North Korea.

I think the strategic vision, which is implied in attempting to make India a major partner globally in the 21st century, deserves nothing but commendation and I want to commend Secretary Rice for recognizing it and for acting on it.

My concern does not relate to the Administration. My concern relates to the insensitive thinking that I see coming out of New Delhi.

It is incomprehensible to me that people as sophisticated and as knowledgeable as our Indian counterparts should not be aware of how significant their position, vis-a-vis Iran, is to this Congress.

I hope that this hearing will make them aware, at least tangentially, that they may be destroying far more significant relationships than the ones they are having with Tehran, unless they become sensitive to our views on that subject.

Libya has made a 180-degree turn with respect to developing weapons of mass destruction. This past week, Mr. Leach and I spent several days and maybe as many as 25 or 30 hours in discussions with the North Koreans on the substance of their return to the Six-Party Talks, what they can expect of us and what we expect of them and the very fact that they are returning to the Six-Party Talks, I believe, is a good sign.

We made it clear to them that we will be supportive of a variety of educational, cultural and athletic exchanges that will begin the process of changing the climate.

I indicated to them I will support the application of the Pyongyang circus to visit the United States and I hope they will proceed with that move. I will be coming to you, Secretary Burns, to lobby that you should let them in.

The Iran issue is not a side issue for this Congress. It is the single most important international threat we face—a reckless Iranian Government proceeding arrogantly with the development of nuclear weapons.

Only an imbecile would believe that they are developing a nuclear program for peaceful purposes only, and it is an insult to the intelligence of Congress that they keep repeating this. Every time they repeat it, they add to the number of Members of Congress who are totally cynical of what they are saying.

But they do what they do. To have the Indian foreign minister—and I will find the quote here with respect to his recent meeting with the Iranians—saying, “They really don’t care what we think.”

To have the Indian foreign minister say this and expect support from the United States for permanent membership on the UN Security Council, which I think is long overdue, or legislative changes with respect to the nuclear issue that we are discussing, shows a degree of denseness that occasionally very intelligent people are burdened with.

They are brilliant and they are dense. They are brilliant, which is obvious, but they are simply dense, because they are incapable of comprehending that other countries have very important concerns.

My hope is, Mr. Secretary, that those of us who support the Administration’s policy, as I do, will be able to assist you in bringing reality to Indian thinking.

I am coming to my question. My bottom line is that I do not oppose the Administration's policy. I support it, but I believe the Administration will have to make a maximum effort. We offer, at least some of us, our services to help you to make the Indians aware of the fact that nothing will fly in this Body, unless they become as sensitive to our concerns as we have been to theirs.

Now may I ask you specifically, Mr. Secretary, what discussions have you had, or has Secretary Rice had, with the Indians concerning their Tehran policy?

Ambassador BURNS. Congressman Lantos, thank you very much and we share your concern. I discussed this issue with the Indian Government over the last 2 weeks on two occasions and again yesterday, with the Indian Government.

I will have another conversation tomorrow morning. I know that Secretary Rice will be meeting with both the Indian prime minister and the Indian foreign minister in New York during the Unga meetings and I am sure she will raise this issue with them as well.

When you were out of the room for the vote, both Under Secretary Joseph and I responded to a question from the Chairman on this, and what we said was that we believe that India shares our goal of preventing Iran from becoming a nuclear weapons power.

Now what we are discussing with the Indian Government this week is tactics. How do we do that? It is the belief of our Government that there has to be a series of graduated pressures, placed against the Government of Iran, through the IAEA, through the United Nations Security Council, through the actions of the European Union, it is their agreement that has been violated unilaterally by Iran, so that Iran will return to negotiations so that we can have a peaceful negotiated settlement to the problem.

Back in March when the President and Secretary Rice decided to support the European negotiations openly for the first time and to make the two gestures that we made to the Iranian Government on allowing spare parts for their civilian aircraft to flow from the United States to Iran and not objecting to Iran's beginning a relationship with the WTO, we did that on the basis of one principle; that we are committed to seeing that Iran not become a nuclear weapons state.

It is very important that India, China, Russia, South Africa, Argentina, Brazil, and the other leading countries of the world join with the United States and the European Union to see that that does not happen.

We have a way forward. The IAEA and UN Security Council can take action to put pressure against Iran as a first step.

Mr. LANTOS. I found my quote and I will ask you to comment on it. The Indian foreign minister—this was 3 days ago at a meeting with the new Iranian President, Mahmoud Ahmadinejad, in a meeting on Saturday—the visiting Indian Minister of External Affairs said the following:

“[His] country supports resolution of Iran's nuclear issue within the IAEA framework and opposes sending the file to the UN Security Council. Singh lamented.”

I want to read this very closely, because this is sickening, literally sickening. This is Stalinist rhetoric, which we don't accept from the Indian foreign minister.

“Singh lamented the inclination to infuse injustice in international relations, reiterating that, India's relations with Iran is not predicated on positions and views attributed to some governments.”

That is you, Mr. Secretary.

The injustice that he refers to is the judgment of this country, both the Administration and Congress, that given the record of cheating and lying on the nuclear issue by Iran over a protracted period of time, we won't accept their statements at face value.

The Indian foreign minister considers this injustice. This pattern of dealing with us will not be productive for India and they have to be told in plain English that this great new opening—which I support and I think we all support—is predicated on reciprocity.

In this case, they are not only opposing our views, they are opposing the views of the Brits and the French and the Germans.

If they persist in this, this great dream of a new relationship will go down the tubes. I would be grateful if you would comment.

Ambassador BURNS. Thank you, Congressman Lantos. What I should say is that we have seen the same quote that you have.

What I cannot know, given the vagaries of the international press particularly coming out of Iran, is whether that is an accurate statement, whether it is a false statement, whether he said other things that might mitigate some of the sentiments expressed in that statement.

So what we have done is we have registered our concern with the Indian Government, of course, and we have said to the Indians that we hope that they will retain support for the decision that they helped us to take on August 11 and the IAEA Board of Governors, which is to encourage Iran to come back to the negotiations and refrain from the processing of uranium or any other stage of the nuclear fuel cycle.

We are working very hard to see that by September 19 we might have a united international community. I think Under Secretary Joseph noted in his earlier response—and I very much agree with him—we are not completely assured of success, because we are dealing with a large number of countries in the IAEA.

But you can be assured that the United States, working with the European Union countries, is going to make sure that we do what we have to do diplomatically to ratchet up the pressure against the Iranian Government and to convince it to come back to the talks.

Mr. LANTOS. You have our full support in that. The question is not whether you have our support in this, which you do. The question is if you fail, what will the Indian position be at that point?

If India at that point will tell us to go fly a kite, the goodwill will dissipate and they will pay a very heavy price for their total disregard of United States concerns, vis-a-vis Iran.

It just will not fly in this Body and they need to be told that in plain English, in plain English, not in diplomatic English. I know they have people in this room who will carry this message.

Thank you, Mr. Chairman.

Chairman HYDE. Mr. Burton.

Mr. BURTON. Thank you, Mr. Chairman.

I think the views expressed by my colleagues is shared by almost all of us here, if not all of us, and so I hope you will carry that back as kind of a unanimous feeling.

One of the things that I am very concerned about is the stability in the region, vis-a-vis India and Pakistan. While we have offered this kind of an agreement with India, I haven't heard any kind of a similar agreement discussed with Pakistan and I understand they have made some comments about that and have expressed concern that there hasn't been that kind of an agreement discussed with them.

I would like to know if that is in the works. Pakistan has been a friend to the United States through so many conflicts in so many ways. Musharraf has taken tremendous pressure during this war against terrorism and he has been a strong ally.

I just would like to know, and you don't have to go into great detail about this, but I would like to know, are we considering, or have we considered, or have we discussed with Pakistan, similar agreements?

Ambassador BURNS. Congressman Burton, you can be assured and Congressman Lantos as well, we will carry the message we have heard today on Iran back to our discussions tomorrow morning with the Indian Government.

Mr. BURTON. Good.

Ambassador BURNS. You asked a question about Pakistan. Congressman, I would just like to make two remarks. I know Under Secretary Joseph will answer your question in detail.

We are trying to do what we can to support the growing rapprochement between India and Pakistan. You mentioned that at the beginning of your question.

Mr. BURTON. Good.

Ambassador BURNS. We know that there is an important meeting that will take place next week on September 14 between President Musharraf and Prime Minister Singh in New York City on the margins of the UN meetings.

We wish both of them well, because both of those countries, if they can work together, diminish tension in Kashmir and in other parts of their relationship, they both can be a force for peace and stability.

You are correct to say that our Administration—we very much agree with you—is putting a lot of emphasis on our bilateral relations with Pakistan.

Pakistan is a key ally in the war against al-Qaeda. Pakistan is a key ally in our efforts to fight the Taliban in Afghanistan and in terms of the stability of Afghanistan, the stability of the border between Pakistan and Afghanistan is critical.

So we have just had meetings over the last couple of days with the Afghans and Pakistanis.

Mr. BURTON. That is very good.

Ambassador BURNS. On that issue—

Mr. BURTON. I would just like for you to answer the question. Are we tendering any kind of a similar agreement with Pakistan?

Ambassador BURNS. We have not.

Mr. BURTON. Your rhetoric is very good.

Ambassador BURNS. We have not.

Mr. BURTON. I appreciate it.

Ambassador BURNS. Thank you.

Mr. BURTON. Will you consider that? I mean they have been our friends and allies and we want to work with India and we are moving in the right direction, but Pakistan is right next door.

We have had conflicts in the past, and it seems to me that since they have been taking the brunt and Musharraf has had his life threatened and everything else, we ought to at least consider a similar agreement with Pakistan, as we continue to work with Pakistan and India to solve the problem of Kashmir. It is very promising.

Mr. JOSEPH. Congressman, let me just respond very briefly and add to what my colleague has said.

Pakistan is of course an important friend, an important strategic ally. We have not given consideration to extending this type of cooperation to Pakistan. Pakistan doesn't have the same energy requirements of course that India does.

Also as we have made very clear, part of our consideration is the establishment of a long, positive, nonproliferation record. As we look at that and as we take that into consideration, we have made the determination that we need not move to establish the same type of cooperation with Pakistan.

Mr. BURTON. I wish you would elaborate just a little bit, because I don't understand that. You said, "We need not." Why do you say that?

Pakistan and India have been like this for a long, long time and Pakistan has developed a nuclear program, because they felt they needed to for security purposes.

Now they are talking and I am very happy that Singh is talking to Musharraf, and vice versa, and they are trying to work out their differences, but it seems to me that since Pakistan and India are right next door and Pakistan has been such a good friend, we ought to at least consider talking to them about a similar agreement.

Mr. JOSEPH. We are, of course, working with them to engage diplomatically with each other to undertake greater confidence-building measures, to take measures that will provide greater restraint in the nuclear weapons context, but in the context of providing full assistance or full trade on the civilian side, that is something that we don't think we are prepared to do.

Again, I think it goes to the question of energy requirements and it goes to the issue of the nonproliferation record.

If I could, I would also like to just say something brief on Iran, in response to Congressman Lantos' statement.

Mr. BURTON. Can you do that on someone else's time?

Mr. JOSEPH. All right.

Mr. BURTON. Because I think this is important and I don't want to get off of this subject, because I think it is important that we do what you are doing with India.

Pakistan has been an antiterrorist state under Musharraf. They have been doing everything they can do to help us. They helped us in Somalia. They helped us during the Cold War.

They have been our friend forever and it seems to me that we should extend the same courtesies and potential agreements to them that we have India, at the same time that we are congratulating them and working with them for a solution to Kashmir and the other border disputes that they have, other problems that they have.

So for the State Department to extend this olive branch, if you will, to India, I think is good. I think it is great. India is a very large country. It is a democracy.

It is growing in the right direction, but it seems to me that we ought to also consider this very seriously and Pakistan, as I understand it, has asked for this consideration.

Chairman HYDE. Thank you. Mr. Berman.

Mr. BERMAN. Interesting. Before I get into it—because I am going to talk about the last issue for a moment—but I don't know if anyone from the Government of Pakistan is here, but there is at least one Member of Congress who very much appreciated and would like the Pakistani Government to know that it was appreciated that the Pakistan's foreign minister was willing to meet with and have a dialogue with the Israeli foreign minister in Istanbul last week. Was it last week? Yes.

The issue that my friend from Indiana raises is very interesting. I mean one could note that while we talk about Pakistan's current effort to fight terrorism on the issue of proliferation, talking about India and Pakistan in the same terms makes no sense whatsoever.

I am curious. Doing this with India raises the expectations in Pakistan and I think understandably well. If they got it, why can't we get it? We are allied on many things and we have key interests in common, and you are dependent on our cooperation in some of the areas.

It is one of the foreseeable consequences of what you have done with India that you raise expectations in Pakistan about this issue, the issue of implementing.

I wouldn't want you to go away. You may see a consensus on this Committee regarding India and Iran. I hope you don't come away from those comments seeing a consensus on the issue of whether or not such an agreement should be offered to Pakistan at this time.

I assume from what Secretary Joseph said that there are expectations with respect to India in fulfilling its commitments under the civilian nuclear energy agreement and that therefore, you do not have in your back pocket, and have not yet presented to the Committee, the kinds of legislative changes that will be needed to implement that agreement.

Implicit in your comments was some notion that you wanted to see some actions on the issues you ticked off by India, before you push in Congress for that legislative change.

Am I drawing the right conclusion from your comments or do you have a piece of legislation that you have given or are about to give to Congress?

Mr. JOSEPH. No. We are not at a point where we have any draft legislation that we would provide to Congress. We want to, of course, work with Congress in determining the best way forward to adjust our laws and policy. We have begun the review.

Mr. BERMAN. This isn't, pardon the expression, "nuclear science." We have laws prohibiting certain kinds of exports and cooperation, which would have to be changed for this agreement to be implemented.

The Congressional Research Service has done it. Others can very easily tick off what those laws are and I am not quite sure what you mean.

If you are talking in some political sense perhaps, but draftsmanship is not a complicated issue here, is it?

Mr. JOSEPH. No. I was going to say that we are in the process of reviewing the various options for dealing with that.

We know that under the Atomic Energy Act, there are exemptions and there are waivers to deal with the specific sections. It may best be that we would like to have new legislation.

We have not made a determination as to how we see the best path forward. We want to consult with Congress on that.

Mr. BERMAN. Let me ask you something then. You talked about a number of things India will be obligated to do. Part of it was refrain from proliferating.

I mean I am no expert on this, but my understanding is that there has never been any serious concern about India proliferating. Is that a reasonable conclusion: Not a concern?

There is not any record of evidence of India having proliferated its nuclear technology.

Mr. JOSEPH. That is right. On the nuclear side, I think India has a very sound and solid record.

Mr. BERMAN. I did note that part of these commitments involved adherence to the Missile Technology Control Regime and other issues, where maybe that record isn't so clear or they weren't obligated, but as you approach this legislative issue and you deal with the question of what message do you send to the rest of the world, is your approach a generic approach?

Countries that separate their facilities, countries that provide safeguards on their civilian nuclear, allow safeguards—i.e. inspections on their civilian nuclear facilities, countries that commit rigorously to a regime of nonproliferation, both in nuclear and in missile technology—will then be eligible for this increased cooperation? Is that the underlying logic of this?

Mr. JOSEPH. Our approach currently is to treat India as a unique case, but it may be that—and we are in the process of reviewing this and we are in the process of consulting with Congress on this—it may be that the best approach for dealing with India is to establish a set of criteria, both in the NSG context and perhaps in the context of legislation.

Mr. BERMAN. In other words, a menu of what one must do to participate in a civilian nuclear energy cooperation agreement with the United States?

Mr. JOSEPH. That is right. A set of criteria or a menu, yes.

Mr. BERMAN. Right. Then my final point, if I just may be allowed to ask it.

Chairman HYDE. If you do this quickly. We have been generous with time.

Mr. BERMAN. Then I won't do it.

Chairman HYDE. We have been generous and there are other people here. We will come back then, Mr. Berman. That is fine.

Ms. Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman.

I thank the witnesses for being here today and certainly Tom Lantos, Joe Wilson, Ed Royce and I, we are very positive proponents of stronger relations between the United States and India, but along with Mr. Lantos, I am very concerned about Iran's pursuit of a nuclear weapons program, in complete disregard of its international obligations.

I just want to dovetail on what my friend, Mr. Lantos, was talking about. For close to 3 years, the International Atomic Energy Agency and the EU-3 have been trying to induce and coax Iran into suspending uranium enrichment activities and other problematic activities.

What has happened, Iran has made a mockery of these efforts and now the threat of United Nations Security Council referral has also been a cause of little concern to Iran.

In March of last year, the International Atomic Energy Agency Board of Governors adopted a resolution with what many considered to be a trigger mechanism for Security Council referral, yet nothing happened, despite Iran's continued breaches.

It is further difficult for Iran to be concerned about any United Nations action or any EU action against it when European countries continue to invest billions of dollars in Iran's energy sector and yet United States law, specifically ILSA, is not fully implemented.

We must be fully committed to denying Iran the technology, the financial resources to pursue its nuclear weapons, its terrorism and other unacceptable behavior. This brings me back to the topic, the United States-India partnership and India's commitment to complete a multi-billion dollar deal with Iran for a pipeline, when there are so many other countries which India could turn to for its oil and gas needs.

Reports say that India is in agreement with Iran's nuclear program, because India views it as a peaceful effort, but this is disconcerting from an ally, a strong ally, a positive ally such as India. And so to continue with the line of questioning that you have heard from other Members on our Committee, what specific request for cooperation have we made to India on Iran's nuclear pursuits?

What have we asked India to say to Non-Aligned Movement countries at the IAEA to support United States efforts? We are at a critical juncture with Iran. We can't continue to ask for goodwill gestures from Iran.

Economic incentives and goodies have failed miserably and so it is time to ask for more from our allies, starting with India, and I promote stronger ties, but also from our European allies and also from Russia and Pakistan and so many others.

We cannot wait—whether it is 5 years, 10 years—there are varying estimates as to when Iran could have nuclear weapons and we can't wait for that time to lapse.

I would also like the Administration to take another look at H.R. 282, a bill that I have on Iran. It has 320 bipartisan, obviously, co-sponsors, including two-thirds of the Members of the International

Relations Committee and Members who are rapidly losing patience with what is going on between our actions on Iran.

I would like for you to respond. Thank you. Thank you, Mr. Chairman.

Ambassador BURNS. Thank you, Congresswoman. We are specifically asking India to join with us and the other countries of the IAEA to agree on September 19 to refer Iran to the UN Security Council.

At the Security Council, we would plan a graduated series of steps, designed to place additional pressure on Iran to convince it to come back to the talks with the Europeans.

I don't believe we have heard the last word from the Indian Government. As we have both noted in our testimony today, the Indians were with us on August 11 at the IAEA and we have a very active diplomatic campaign right now. It is led by the Europeans, but we are very much in support of it, to have a successful IAEA meeting on the 19th and then successful action of the Security Council.

On the pipeline, of course we are not in support of that type of venture. I don't believe that there has been any specific agreement between Iran and India to go forward, but there is a lot of talk. In fact, there were even statements made yesterday about it and so we continue to have that on our diplomatic agenda with India as well.

We will certainly take another look, and be happy to discuss with you, your bill on Iran. There is a major focus in our Government right now on Iran.

There is a new Iranian President. He is certainly in many ways more conservative in terms of his domestic orientation than the previous government.

We have not, of course, had any discussions with the Iranian Government. It is the only country in the world with which we have no diplomatic communication, but our sense is, as is yours, that this is a government that is bent on breaking away from the Paris Agreement and it has done it in the unilateral basis and that, in our view, is unacceptable. So we have this firmly within our sites.

Mr. JOSEPH. If I could just add that I certainly agree with Congressman Lantos that a nuclear armed Iran represents the greatest state threat to us as a Nation and, I think, to the international community.

For my part, I believe that referring Iran to the Security Council should be considered a standard of responsible nonproliferation behavior.

In November 2003, the IAEA Board did find that Iran had committed serious breaches of its obligations—of its safeguard obligations.

At that point, we deferred our attempt to refer Iran to the Security Council in order to allow the EU-3 process to have a chance of success and since then, we have taken a number of steps, as Under Secretary Burns noted, to support that process.

But with Iran crossing the red line of beginning conversion activities at Isvahan, that process is now suspended.

Now is the time to refer Iran to the Security Council, and that is something we are working very hard with India and also with other governments that, quite frankly, aren't supportive of that move.

We are also working with the IAEA leadership to achieve that outcome, but there is a great deal of resistance, not just on the part of India, but on the part of many governments who don't seem to place, quite frankly, nonproliferation and Iran, a nuclear armed Iran, at the top of their priority list.

Chairman HYDE. Mr. Ackerman.

Mr. ACKERMAN. Thank you, Mr. Chairman. The false assertions that we made to the United Nations and the world about Iraq—what damage has that done to our credibility in the region and in the world, when it comes to asserting that Iran is engaged in a nuclear weapons program?

Mr. JOSEPH. I have not heard anyone, at least in conversations with me, anyone from a foreign government say anything about Iraq and connect the failure of intelligence with regard to WMD in Iraq to the situation in Iran.

The findings of the IAEA inspectors are sufficient to lead to the conclusion that the board made that Iran has seriously breached its obligations and that has been the basis of the discussion, as has their violation of the Paris Agreement.

Mr. ACKERMAN. We believe that. Do the Middle Eastern countries believe that?

Mr. JOSEPH. Believe the IAEA inspections?

Mr. ACKERMAN. No. Believe our assertion that Iran is a great nuclear threat.

Mr. JOSEPH. I believe that they accept the findings of the IAEA investigation. I believe that anyone who looks at those findings and considers the 18, now 19 years of denial and deception by Iran and the huge investment they have made in a clandestine program, that the only conclusion one can draw is that there is a nuclear weapons program.

Mr. ACKERMAN. I am not talking about one drawing the conclusion. I am talking, if we spoke to the Ambassadors of Middle Eastern countries, the Arab countries, would they say this is the same-old, same-old?

Mr. JOSEPH. No. I think they are very concerned that Iran will acquire nuclear weapons.

Mr. ACKERMAN. Let me go to your statement, Secretary Joseph. You note that the President is going to review progress on the agreement that has been announced when he visits earlier this year to India. What expectations do we have for what that progress will look like, and does the President expect to have in-hand all of the congressional authority that he needs to proceed with the deal?

Equally important, what expectations does the Government of India have, with regard to progress on the agreement?

Mr. JOSEPH. I think that by the time that the President and prime minister meet again we should have, we will have progress in a number of areas.

I think by that time, India should have identified the facilities in terms of the separation of civilian and military facilities and activities.

It should have begun in-depth consultations with the IAEA for the application of safeguards on the civilian side. It should have also begun in-depth discussions with the IAEA on the additional protocol.

These types of steps, I believe, should and will be taken by that time.

Mr. ACKERMAN. Let me ask Secretary Burns—good to see you again—we have made a number of commitments to India, with regard to what we will do internationally and domestically and they have made a series of commitments to us.

How do these two sets of commitments interact? Do we expect India to take certain steps first before we act or are they supposed to be concurrent steps?

Ambassador BURNS. Thank you, Congressman. They are reciprocal and we would expect that we would establish, within the next several weeks, a schedule of concurrent actions, meaning that the United States would want to see the Indian Government begin implementation of the commitments they have made to us and in turn, the Indian Government will expect that we will be working in the Nuclear Suppliers Group and working with the Congress to identify a way forward.

I have explained to the Indian Government that given the complexity and importance of this arrangement, it is going to be necessary for us to see a commitment and a date certain by which some of the actions will be taken and I sense this morning that is also your expectation.

If I could just, with your permission Congressman, just also add to your first question on Iran. It is difficult to generalize about the Middle Eastern countries and the world at large, but it is almost a given in international politics that behind the veneer of a peaceful, civil nuclear program in Iran is undoubtedly nuclear weapons research and the objective of obtaining a nuclear weapons capability.

That is a given, not just in the United States, but as we talk to countries in many parts of the world. That is in my experience, over the last several months, has not been contested in any of the conversations we have had.

So there is no debate in private diplomatic circles about the problem. The debate is about how we achieve a stop to those ambitions.

Mr. ACKERMAN. I am just wondering if they think if that is a good thing or not, the Iranian pursuit. Let me pursue what you just brought up for a moment.

You brought up the Nuclear Suppliers Group. How have they reacted to the proposed agreement? In your testimony you mentioned Great Britain, but what do the others have to say about this? China? Russia?

Mr. JOSEPH. When we have talked with our foreign friends, we have received, quite frankly, a mixed response. There are some who have been very supportive. You mentioned the United Kingdom.

I was in Russia on the day that the announcement was made and the reception was very positive. As I mentioned, the head of the IAEA was also positive on this.

Other countries have expressed reservations. Some have actually expressed opposition to this.

Mr. ACKERMAN. Could you tell us who?

Mr. JOSEPH. Sweden has made public statements that are really quite negative, for one. But we intend to work with all of them and to share with them the full understanding of the commitments in particular that India has taken on, because as I said, on balance the net is a very positive gain for nonproliferation.

Mr. ACKERMAN. If the Chair would indulge another quick followup?

Chairman HYDE. I would rather come to a second round, if that is all right.

Mr. ACKERMAN. That is fine.

Chairman HYDE. We have gone several minutes over.

Mr. ACKERMAN. Sure.

Chairman HYDE. Let me apologize to Mr. Rohrabacher. We have a very specific order. We have Mr. Royce and Mr. Wilson. Mr. Royce.

Mr. ROYCE. Thank you, Mr. Chairman. One of the ironies here is that once the NPT mores are compromised, it could open up efforts with states that frankly have a very poor record, with respect to proliferation, to petition for inclusion in the exemption.

Frankly, on that list I can't think of a country that has been more problematic than Pakistan for the international community and A.Q. Khan. The thought of their nuclear bomb, as you know, proliferated Libya, that we know of, and Iran, that we know of, and North Korea, that we know of, and other states where they are needing treaties that we are not certain exactly what transpired, but there was an attempt made, and I know you know this, but the possibility of such an agreement with Pakistan would be a non-starter with Congress.

Nevertheless, it raises the issue and there are some other issues I wanted to get a better understanding on as well.

One is that this is going to require a consensus of the 44 states that are signatories and the Nuclear Suppliers Group is going to have to sign off on this and I am not certain how you are going to build that consensus.

I know that it has only been a year since China signed up on that as part of that agreement and I was interested in their position.

I assume you have had some discussions with China to see if they would support this effort. So I thought I would ask you that. Secretary Joseph?

Mr. JOSEPH. Specifically with regard to China, we of course have addressed this issue with them. Their posture, like a number of other countries, has been to ask questions, the types of questions that we fielded here today.

Mr. ROYCE. I see. You testified that the United States remains committed to achieving an Indian cessation of fissile material production for weapons and we strongly encourage the move, in your words, in that direction.

I would like to hear a little more about that discussion and whether or not you think that can be achieved.

Mr. JOSEPH. Of course the joint statement calls for India to support the conclusion of a Fissile Material Cut Off Treaty. We, quite

frankly, would like to see more done prior to the conclusion of that treaty, if that treaty is ever successfully negotiated.

We think that there are a number of options that we can work to encourage India, as well as Pakistan and others who are currently producing fissile material for nuclear weapons, to curtail, to cut off that production, and we intend to work with India, not as a prerequisite for this agreement, but to provide greater non-proliferation benefits, in addition to those that are numbered in the joint statement.

Mr. ROYCE. How high a wall do you anticipate there would be, Secretary, between our cooperation with India's civilian nuclear program and its military program?

As you know, the civilian and nuclear program at this point are commingled in India and there are some who are suggesting that it would be very difficult to separate these activities.

I know the agreement calls for that separation. So I would ask you how long that separation would take, and how important is that separation? How important would it be to have that completed before the United States engages with the Indian nuclear technology, and with the industry there?

Mr. JOSEPH. Congressman, I certainly can't tell you how long. It is a complex endeavor, but it is a critically important one.

As you know, under article 1 of the NPT, we can't do anything that supports the Indian nuclear weapons program. So what we need is a credible and defensible separation of their civilian—

Mr. ROYCE. Only IAEA does that, right? They negotiate that?

Mr. JOSEPH. The IAEA will provide the safeguards for that separation.

Mr. ROYCE. Right. But they negotiate those safeguards?

Mr. JOSEPH. They do negotiate those safeguards.

Mr. ROYCE. So that is going to be sort of a pivotal part of this agreement—getting safeguards in place that satisfy you, with respect to that?

Mr. JOSEPH. I think it is critically important, but as we have both said, what we are talking about is a reciprocal and phased approach to the implementation of this agreement and I think forward progress and submission, for example, by India, of a credible and defensible separation or plan for the separation of civilian and military facilities, will be a very important step, allowing us to take important steps.

Mr. ROYCE. Lastly, do I have any time left, Mr. Chairman? I don't. Okay. I yield back the balance. But we may come back. Thank you.

Chairman HYDE. Mr. Sherman.

Mr. SHERMAN. Thank you, Mr. Chairman.

On about the 19th of this month, the 35-member IAEA Board is going to meet to consider the Iranian nuclear program, specifically the issue of whether to refer this to the UN Security Council.

We knew this showdown was coming. It was either inevitable or incredibly likely.

We made an agreement with India that is quid pro quo. We got some very positive comments from India on the safety of its nuclear program, from a proliferation standpoint.

On balance, were it not for the one issue I am about to mention, I would say it is a good agreement. However, as Mr. Lantos pointed out, last weekend the Indian foreign minister met with Iran's new President and stated that his country does not support referral of Iran's nuclear program to the Security Council.

I am going to associate myself with Mr. Lantos' comment. The fate of this agreement in Congress probably depends on Indian actions in about 10 days in Vienna.

My question to you gentlemen is this: Did it cross the mind of anybody at Foggy Bottom in negotiating this deal with India to get an absolute commitment that India would be with us? And if you couldn't get that, at least an absolute commitment that they would abstain on this upcoming issue?

To put it another way, did we ignore the most important nuclear proliferation issue facing America today, namely Iran, in negotiating a nuclear treaty with India?

Ambassador BURNS. The answer is no. We have had discussions with the Indians, for many months, on the question of Iran.

Mr. SHERMAN. Why did we give them what they wanted and get nothing on the Iran issue?

Ambassador BURNS. The two issues weren't linked. This was an agreement.

Mr. SHERMAN. Why did we choose not to link the most important issue for American national security in negotiating nuclear issues with India?

Ambassador BURNS. There was no reason to do so, Congressman, because—

Mr. SHERMAN. No reason to do so?

Ambassador BURNS. If I could just finish my answer.

Mr. SHERMAN. Because nuclear weapons will not be developed in Iran, or because they can't be smuggled into the United States?

Ambassador BURNS. If you would like me to finish my answer, I will.

Mr. SHERMAN. Please finish.

Ambassador BURNS. Good. We had no indication from the Indian Government that it would somehow deviate from what we considered would be the action of the IAEA, should the negotiation with Iran be broken, and that would be to support concerted action. Indeed, on August 11—

Mr. SHERMAN. You had no idea that India wouldn't be with you and now they are against you? Us? Please continue.

Ambassador BURNS. I will just be happy to finish my answer and that would be that we negotiated the deal with India in the latter part of June and the first part of July.

On August 11, after the deal was negotiated with India, the Indians supported us and supported the position of the Europeans and the IAEA Board of Governors. We hope that the statement by the Indians the other day is not the last word and we have been working with the Indians assiduously on this problem.

No, we have not taken our eye off the ball, Congressman. We have had our eye right squarely on Iran.

Mr. SHERMAN. I would hope that, in a matter this important, you would get definitive commitments, not just indications.

The fact that somebody is with you on a related issue in the early summer is not a definitive commitment to be with you in the fall on a different issue.

We should not operate under the assumption that a country is going to vote for referral to the UN Security Council, unless we have a commitment that they are going to vote to refer to the UN Security Council.

The fact that they have been with us on preliminary votes is not a reason to fail. I won't say that you ignored the issue, but to fail to get a definitive commitment as part of the overall agreement—

Ambassador BURNS. We understand the Indian position to be that it does not wish Iran to become a nuclear weapons state and India has been consistent in saying that. I believe they just said it the other day.

Mr. SHERMAN. Iran has said that, too.

Ambassador BURNS. So the question here is tactical and our Administration, our Government has made this a focal point of our foreign policy, to deny Iran the capability. So we have been working on this very hard.

Mr. SHERMAN. I would say your Administration's failures with this are demonstrated again and again and your President has announced to this country again and again that we have sanctions on Iran that we do not have.

You have ignored the Iran-Libya Sanctions Act. You violated the law by failing to acknowledge the existence of agreements reported in the *Wall Street Journal* as being fact.

To say that our Administration is doing anything is to confuse statements of policy with real action. The action here of putting us in a position where we have already negotiated the deal, and we have no commitment on what you say is this very important issue, is consistent with the fact that we refuse to enforce the Iran-Libya Sanctions Act.

I yield back.

Ambassador BURNS. I strongly disagree with you, of course, on what you have said, Congressman.

Chairman HYDE. Mr. Wilson.

Mr. WILSON. Thank you, Mr. Chairman, and thank you Ambassador and Mr. Secretary for being here today. Again, as the former Co-Chair of the India Caucus, the largest caucus on Capitol Hill, it is particularly appropriate that I come after Ed Royce as he was the Chairman before me and he did a great job building this caucus.

I have learned and I agree with you, the statements that you all have made about the shared values. We have, in the global partnership that we have now, the world's oldest democracy, the United States, and the largest democracy, India.

My relationship—my dad served in India during World War II and so I grew up with an appreciation of the people of India. He told me how hard working they were, entrepreneurial, and now we see that coming to fruition.

Additionally, I have worked very closely with the Indian-American community in my home State as a real estate attorney. We very much appreciate that Indian-Americans are crucial. They are the third largest immigrant group in the United States. Over 2 mil-

lion people who add so much to the United States in terms of our culture and economy.

Additionally, I am very grateful in the global war on terror that we are allies. This is particularly significant, because India has lost 60,000 people in cross-border terrorist attacks.

So they understand what we are facing, and I know that joint military exercises we have had are unprecedented, very positive.

Then in terms of trade, I was glad you pointed out that the United States is the number one trading and investment partner of India. Last year we had an increase of 23 percent, in terms of exports from the United States to India.

As we go over the broad scope of United States-India engagement, and there has been so much positive that has come about, and with the wonderful visit of Prime Minister Singh, a question I have, the issue of civil nuclear cooperation has become the most visible issue in bilateral relations.

If each of you could comment on how did that become number one?

Ambassador BURNS. Congressman, I think there is broad scale agreement that we ought to be expanding our relations with India on science, space, agriculture, democracy promotion, the areas that you have mentioned.

We understand that the agreement made by President Bush and Prime Minister Singh on civil nuclear energy is complex, and it does raise lots of questions about whether or not there is going to be a fulfillment of the agreement on a reciprocal basis.

We certainly understand that this is perhaps the one that has received the most attention and we expected that. We briefed the Congress, congressional staff in the days and weeks following the summit meeting on the outlines of that agreement, and we know that on the Senate side of the Congress there will be hearings on this particular issue as well.

We have had a chance to talk to many Members there, but we are convinced that this deal is in our national interest and we think the greatest advantage is that it takes a country that stood outside of the international nonproliferation regime and it begins to bring it into practice, into conformity, I should say, with the practices of that regime.

India is not going to formally join the entire apparatus, but if it can begin to be responsible for bringing its practice into accordance with that regime, that is a step forward for the United States and for nonproliferation.

When the President talked about this arrangement, when Secretary Rice did, that was the central point that they made.

Mr. JOSEPH. I would say that it is likely the most visible because it is the most significant departure from business as usual. It is a fundamental change from the nonproliferation approach to India of the past, which we believe has not worked.

I believe that this fundamental change should be seen in the context of other measures that the Administration has taken. I believe we have a very strong, very effective record on the non-encounter proliferation side.

The President has been very creative in fashioning new tools to deal with this complex threat. We have got to treat different circumstances differently.

As I said in my opening remarks, there is no viable cookie-cutter approach to nonproliferation. That is why we have come up with the Proliferation Security Initiative. That is why we have fashioned the global partnership. That is why we are working very hard on WMD terrorism.

We are taking new approaches to counter in nonproliferation and we are producing results. We produced results with the unraveling of the A.Q. Khan network, the Libya decision to abandon its weapons programs, and this is another new approach.

We believe that there will also be positive reactions and positive responses and results to this initiative by bringing India into the nonproliferation fold.

Mr. WILSON. Another area of cooperation you mentioned that I think is exciting is promotion of democracy. In Central Asia, I have had the opportunity to visit a number of countries and in Western Siberia and Russia.

To me, it is a great opportunity for India, and with elections in 10 days, historic, in Afghanistan, are they participating in any way in promoting the development of the emerging democracies of Central Asia?

Ambassador BURNS. Congressman, I don't know what specific actions the Indian Government has taken in Central Asia, but I do know that the Indians have agreed with us that democracy promotion is a virtue and should be part of their foreign policy, as it is part of ours.

Next week, President Bush and Prime Minister Singh will have a joint statement and agreement to support the UN fund for democracy. So we are pleased by the commitment that they have shown.

Mr. WILSON. Excellent. Thank you.

Thank you, Mr. Chairman.

Chairman HYDE. Before turning to you, Mr. Crowley, let me just note Mr. Wilson mentioned his father lived in India. Actually, his father was a Flying Tiger flying from India and last week, Mr. Wilson represented Congress and the American people in China celebrating the 60th anniversary of the end of the war. We are all very appreciative of your work, Joe, and your father.

Mr. Crowley.

Mr. CROWLEY. Thank you, Mr. Chairman.

Thank you both for your testimony before us today. I appreciate you being here.

I too am a former Co-Chair of the Indian-American Caucus here in the House and I have dedicated a good deal of my time toward furthering better relations between the United States and India and I think the caucus, Gary Ackerman being amongst its founders, Ed Royce and others, Frank Palone and a number of others who will go unnamed at this point, to help create the caucus here in the House.

I don't think it is any coincidence that we have seen an advancement in the relations between the two nations that coincides with

the establishment of the caucus here in the House of Representatives just last year.

The Senate has formed a similar entity within the Senate to help further promote exchange between the Parliamentary Governments of the United States and India, the two democracies.

I followed very closely over the past few years the New Delhi declaration as well and I want to express my concern, as I have consistently expressed my concern, with the Indian Government and their furthering relations with Iran for delivery of what is obviously needed fuel to help spur this ever-growing economy in India.

I don't dare say that I would necessarily agree with everything my colleague has said, and I appreciate the exchange that took place between the two of you, Ambassador Burns, but I would still be interested to maybe get a fuller explanation as to why there may not have been a connection made between cutting off that relationship in exchange for.

Before we get to that, I think what is important is confidence-building and that is something that has really taken place, I think, over these last 12 years or so.

I agree with my friend, Mr. Rohrabacher from California, when he said in his opening statement about this being a realignment, a post-Cold War realignment that is taking place.

I would add to that that I think natural causes a greater alliance between the United States and India, and I don't have to go through them all. I think they are fairly apparent to all.

It is also realignment, in my opinion, that is still very much in flux. Things are still working out. They may be solidified for many, but for me, still personally speaking, there still seems to be a lot of different relationships that are gelling out there.

In terms of confidence-building, I know that there is a high-level team, for the lack of a better word, composed of our military as well as our industry in New Delhi and they are briefing the Indian Government on the MRCA competition. I am wondering if you can, Ambassador Burns or even Dr. Joseph, you can comment as to whether or not you believe our Government is serious about winning that competition and allowing that to go forward?

Does the Administration see a time line for that competition and successfully seeing that through? It is my understanding that the French and Russian Governments are determined to win those contracts.

I am wondering how determined our Government is to seeing that contract through. The reason why I say that is I think that a failure to achieve a contract with India, as it pertains to the MRCA, would be a setback in many respects for United States-India relations. I would like to have you comment on that if you could.

Ambassador BURNS. Thank you, Congressman. We are determined that American firms will win that competition and we assume it is going to be a free and fair one—balanced. We have met with the American companies involved, and we will continue to support them in their competitive venture with some of the European firms.

We have a growing defense relationship with India. Defense Minister Secretary Mukherjee was here in early July to meet Secretary Rumsfeld, and we announced the greatest expansion of military relations between the two countries, including in the commercial military field, that we have ever had since 1947.

I think you are right to suggest, and we all feel this, that the relationship is evolving. We had a fairly strained relationship in the 1950s, 1960s, and 1970s with India. Two very different countries with different views of the world and their roles in the world.

What has changed, beginning in the early- to mid-1990s, is the world view of both countries. And as we increasingly see terrorism as a threat, proliferation as a threat, HIV/AIDS as a global security and health threat. We see India as a partner and India sees us as a partner.

I think that is the basis for this new strategic relationship, which is not yet fully developed. It is developing and I agree with your assessment of that.

I would like to say, about the first question you asked, it is the same question that Congressman Sherman asked, the agreement between us was a bilateral agreement on civil nuclear energy cooperation.

I suppose that either of us could have linked it and made it conditional on any number of issues. We could have done it. The Indians could have done it, and I don't think we would have had an agreement on any of the issues that were brought together on the 18th, if we had said, "Well we mean this, but only if you do X, Y or Z."

That is not normally how international agreements are made, and that is not how this one was made. I think that is very defensible.

At the same time, we were given no reason to believe that India was not with us and not with the European three, in trying to force Iran to fulfill its own commitments.

At the time the agreement was made, Iran was in negotiations with the European three, and while a breakdown of those negotiations was always a possibility, it was not a certainty. It became a certainty in the first week of August.

Mr. CROWLEY. Would you say, for the record, that this Administration is concerned about the Delhi Declaration? Is there a tremendous concern within the Administration?

Ambassador BURNS. As part of this developing relationship with India, we hope that we can be together with India as responsible powers in trying to thwart those countries that would seek to break out of the international system, like Iran, and seek a nuclear weapons capability.

We have a very strong view of what the Iranians are doing. We are determined to stop them and we want Indian support and expect Indian support on this issue.

Mr. CROWLEY. Thank you.

Chairman HYDE. Thank you, Mr. Crowley.

Mr. Rohrabacher.

Mr. ROHRABACHER. Well, being one of the only Members of this Committee who never served as a Co-Chairman of the India Caucus—

Mr. CROWLEY. Mr. Chairman, would you yield for a second?

Mr. ROHRABACHER. Certainly.

Mr. CROWLEY. There is always time.

Mr. ROHRABACHER. Let me just note, right off the bat, that what Mr. Sherman, although he is a little bit tougher, but also Mr. Lantos has expressed today is a bipartisan mandate from this Congress that we expect this Administration to be tough when it comes to India's relationship with Iran and the development of nuclear energy in Iran.

The Indians need to know this is another time of choosing. In the past, they chose to be in a closer relationship with the Soviet Union during the Cold War and this is a time of realignment again and a period of choosing for them.

They can choose to be in a closer relationship with this outlaw Mula regime in Iran and radical Islam, or they can choose to be in a closer tie with the people in the United States of America. That is their choice.

It is your job to make sure they are making that choice. That they understand, as they move forward, they are the ones who are determining the policy of how the relationship will be with the United States.

Now we know that India needs energy. We know that it is going to need oil and gas, and we know how much that is playing on the Indian decision-makers. But we can make up with that, and that is why this is such an important strategic move on the part of the Administration to offer some help in the civilian nuclear energy field, to help offset that need for energy from perhaps unsavory regimes, like that of Iran.

I applaud the Administration for having the foresight and the strategic maneuver here of trying to make India less dependent on the Mulas for energy and perhaps achieving the other goal at the same time.

Let me say this: I think it is a horrible waste of resources, for both India and Pakistan or either one, to be spending their limited money and the limited resources of their people on developing nuclear weapons.

This is a horse story. In the past I remember he said, "Our people will eat grass. Let them eat grass if it means having the pride of having their own nuclear weapons."

I don't know what kind of kook would say something like that. I mean the fact is, the people of India and the people of Pakistan, instead of spending hundreds of millions of dollars on nuclear weapons, should be spending it on healthcare, on water purification, on education.

Perhaps we should be stressing—and I noticed in the President's proposal we are also suggesting—that perhaps missile defense is a better investment and involvement with the United States than building nuclear weapons.

Again, another strategic move on the part of the President that I think has great foresight and we now—thanks to the commitment we made in the past, starting with Ronald Reagan—we have a missile defense system that could come to play and play a role right here. These are all important things.

One thing about this, I would hope that as we move forward with our cooperation with the Indians on civilian nuclear uses that we pay close attention to the technological developments that have recently taken place.

Being a Senior Member of the Science Committee, as well as this Committee, I can tell you that General Atomics in California, for example, has developed some new nuclear power generation technology that does not have the same implications for weapons that the current nuclear energy technology does, and we should be stressing that with the Indians. I understand that it actually eats the fuel from nuclear weapons, rather than creates it, which is a wonderful thing. Perhaps you would like to comment on some of those points.

Mr. JOSEPH. Congressman, if I may, I would just respond to four of your points. First, we as an Administration, like past Administrations, are working to get India and Pakistan to exercise greater constraint in terms of their nuclear weapons programs. It is a very important goal for us.

We also support the development of more proliferation resistant technologies, new types of reactors, fast reactors that actually burn plutonium and don't make more plutonium.

We are looking at the entire fuel cycle to develop greater capabilities and affordable capabilities that are also more nonproliferation-friendly and more proliferation-resistant.

In terms of being a time of choice, I couldn't agree with you more. It is a time of choice, not just for India but for many other states, for Russia, for China, for others who are on the fence right now on the issue of Iran and specifically referring Iran to the Security Council.

As I said earlier, I believe that we are at a breaking point in the context of the nuclear nonproliferation regime. We need, for the sake of that regime, for its future, for its viability, to effectively address Iran as a proliferation threat.

Finally, just personally, I would thank you, sir, for all of the support you have given missile defense over the years. Missile defense is an important counterproliferation tool, in the context of addressing the new threats that we face from proliferation.

Mr. ROHRABACHER. By the way, I don't believe those countries are on the fence about Iran. They are on the fence about the United States of America. That is what this is all about.

They are going to choose either to go independently of the United States, and perhaps against the United States, in their overall relationship in the world, or they are going to be on our side and they are going to be our friends. That is what is being decided here.

Mr. JOSEPH. I agree with that. I was referring to another choice and that is their choice to either see the nuclear nonproliferation regime work or perhaps make it irrelevant.

Mr. ROHRABACHER. Right. Which goes a long way to deciding if they are a friend or not. One last note and then Mr. Burns will probably want to have a comment, Ambassador Burns, not just about this last comment of mine and that is that there has been a major irritation that has caused an infection that threatens the life of people in that region and it has been festering for 50 years.

I would hope that we not just turn our backs and ignore it until the people of Kashmir are able, through a referendum, through a vote, to determine their own destiny. There is going to continue to be a festering problem in that part of the world and nothing would be better in our interest than to finish this fight between India and Pakistan.

I would hope the Administration does support democracy for the people of Kashmir, not a deal between Pakistan and India, which is moving forward, but let the people of the Kashmir just determine that.

When they do that, that will take away a huge problem that has caused this separation and the waste of so many resources.

Mr. JOSEPH. We have very strongly supported the recent rapprochement between Pakistan and India.

As I mentioned to another Member, there is a meeting next Wednesday between President Musharraf and Prime Minister Singh.

Mr. ROHRBACHER. Let us hope the rapprochement leads to the people of Kashmir having the decision and not just the big guys, because we can set up the meeting with the big guys all day long, but radicalism will spring forth from Kashmir if they aren't given their chance, the same way with any other people of the world.

Anyway, I think you both are doing a good job and my commendation to the President and to both of you as well for what I see as long-term strategic thinking that is very evident here.

Ambassador BURNS. Thank you.

Chairman HYDE. Without objection, Members will have 3 days to submit opening statements and to revise and extend their remarks.

Let me thank Ambassador Burns and Under Secretary Joseph. This is an extraordinary policy initiative and you have taken the challenge of describing it well and we are appreciative. Thank you all very much.

Ambassador BURNS. Thank you.

Mr. JOSEPH. Thank you.

Chairman HYDE. Committee is adjourned.

[Whereupon, at 1:24 p.m., the Committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF IOWA

Thank you, Mr. Chairman, for scheduling this timely hearing on this seminally important issue. I would like to join with my colleagues in welcoming our two distinguished Administration witnesses.

There is nothing more difficult than to attempt to put perspective on events of the day because many issues can only be understood clearly, if at all, with the passage of time. For example, if we ask what is new on the Asian landscape over the last several years there is a tendency to emphasize troubling developments: tension over Taiwan, North Korea, and the United States trade deficit. But on the positive side little is more consequential than America's deepening ties with India.

The growing warmth between our two countries has its roots in the common values and increasingly congruent interests of democratic societies committed to the ideal of liberty, social tolerance, representative government and the fight against terrorism and other transnational threats such as the spread of weapons of mass destruction, illicit narcotics, and the scourge of HIV/AIDS. Here I should add that Congress and the American people deeply appreciate the contributions from India, and so many other countries, to the victims of Hurricane Katrina.

Our deepening government-to-government relationship is complemented by a rich mosaic of expanding people-to-people ties. In many ways, the more than 2 million Indian Americans in the U.S. have become a living bridge between our two great democracies, bringing together our two peoples, as well as greatly enlarging the United States' understanding of India and Indian understanding of the United States.

From a Congressional perspective, it should be underscored that America's commitment to this robust and multi-faceted relationship is fully bipartisan. There is virtually no dissent in Washington from the precept that India and the U.S. should become natural allies with compelling incentives over time to develop convergent perspectives on a host of regional and global concerns.

By any objective measure, U.S.-India relations have never been on more solid footing. From new agreements on defense cooperation to expanded high technology trade and space cooperation, the relationship is moving forward in impressive fashion. On the economic front, America is India's largest trading partner and largest foreign investor. In many ways, however, what is impressive is how marginal, not how significant, is our trade. Economic and commercial ties between the U.S. and India are at an incipient, not end stage, and arguably deserve priority emphasis at this stage in our relationship.

In this context, many on Capitol Hill were caught by surprise with the Administration's offer to extend full civilian nuclear cooperation; a proposal which, as far as I am aware, was made without consultation with this Committee or the legislative branch more generally, notwithstanding the fact that implementation will require an act of Congress.

It is self-evident that for a variety of reasons the Administration was keen to reach a historic "breakthrough" agreement during the recent visit of Prime Minister Singh, and Congress would likely have been strongly supportive of several possible initiatives designed to advance this objective.

In particular, many Members on both sides of the aisle would have warmly welcomed the announcement of U.S. support for India's claim to a permanent seat on the United Nations Security Council.

On the other hand, few, if any, Members appear to have been clamoring in these dangerous and uncertain times for the Administration to peremptorily re-write the

rules of the global nonproliferation order that have well-served U.S. interests for over three decades.

To be fair, one can imagine a number of plausible rationales for this agreement: to earn trust and goodwill with policymakers in Delhi and the Indian public; to promote the use of nuclear power as an environmentally-friendly alternative to the use of increasingly scarce fossil fuels; and the promotion of an Eisenhower-style atoms-for-peace initiative.

Having said all that, and having just returned from a visit to North Korea, where the goal of U.S. policy is the elimination of the DPRK's nuclear weapons infrastructure and its return to the NPT, I regret to say that the timing as well as the reasoning underlying this agreement appear to many on Capitol Hill as hurried and perhaps unrealistic.

Now the Administration is faced with a vexing dilemma. It has raised Indian expectations by making sensitive security commitments it cannot fulfill without legislative action by Congress. It is far from clear, however, whether Congressional support will be forthcoming and, if so, under what conditions. Expectations that have been precipitated without adequate, if any, consultation on Capitol Hill may go unmet and mutual disappointment may result.

I am open to hearing the Administration's rationale for its shift in non-proliferation policy, but the Executive Branch should be cognizant that it is hard to cement relations with any country based on promises that may not be deliverable.

The key question for Congress, after all, in this policy shift we are required to review relates less to U.S.-Indian relations and more to the role of international arms control, particularly the NPT.

In this context, it is all the more important for the Administration to re-think its position on UN Security Council reform and recognize our vested interest in welcoming India's candidacy for permanent membership.

PREPARED STATEMENT OF THE HONORABLE GARY L. ACKERMAN, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NEW YORK

Thank you, Mr. Chairman and Mr. Lantos for scheduling today's important hearing and it is truly an important hearing because this morning we will begin the examination of a historic shift in U.S. non-proliferation policy.

I do sound a cautionary note that, as chairman of the India Caucus, and one of India's strongest supporters, India must not go down the road with Iran on issues that are contrary to U.S. policy. Friends do not let friends play with fire.

By any measure, the joint statement that was issued in July during Prime Minister Manmohan Singh's visit to Washington is a historic one and a huge success for both nations. In my view the Prime Minister achieved nothing less than the acceptance by the United States of India as a nuclear power and won the commitment of the United States to bring the rest of the international community to that view as well. This is a dramatic change in U.S. non-proliferation policy but the fact of the matter is that it makes sense for the United States to welcome India as one of the leading states with advanced nuclear technology. Over the last 30 years, India has demonstrated not only a successful mastery of a complicated technology, but the ability to ensure that such technology does not get transferred into the wrong hands. It is here, Mr. Chairman, where I think opponents of the announced agreement get it wrong.

India is not a proliferation risk, in the sense that it would share its own or our technology, with rogue states or with terrorists. Simply because India made the sovereign decision not to sign the NPT does not make it a proliferation risk.

In fact, the Administration has won many concessions from India regarding separating its civil and military programs, declaring its civilian programs to the IAEA, signing an additional protocol, and continuing its moratorium on nuclear testing to name only a few. These concessions have produced an uproar of opposition in New Delhi, yet the point is that the Indians have voluntarily undertaken them. Opponents of the agreement suggest that the entire fabric of the global non-proliferation regime is been rendered with this single decision, but let's examine that argument. Clearly, before this agreement, India was outside the mainstream of non-proliferation norms. It has now committed to uphold or adhere to those norms. How can this be identified as anything but progress?

Secondly, there is the argument that China will want to renew its nuclear exchanges with Pakistan, or that North Korea will take heart from this shift and continue to thwart our and the international community's efforts to roll back its nuclear program. The same has been said of Iran. The point here is that there is a case to be made for Indian exceptionalism. Iran and North Korea are both signatories

to the NPT and both have violated its terms and conditions by pursuing nuclear weapons. Pakistan is not a signatory but has violated every international norm against proliferation by allowing A.Q. Kahn to run a nuclear Walmart.

Even if we proceed with a nuclear cooperation agreement with India all the reasons that we would oppose Iran's, North Korea's and Pakistan's nuclear weapons programs remain. And I would hope that our friends and allies in the nuclear suppliers group see it that way as well.

There is clearly work to do, Mr. Chairman both internationally and domestically but I think this agreement makes sense on a bilateral level and can in fact strengthen our multilateral non-proliferation efforts.

Thank you Mr. Chairman and I look forward to hearing from today's witnesses.

PREPARED STATEMENT OF THE HONORABLE DAN BURTON, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF INDIANA

Mr. Chairman, thank you for convening this timely and important hearing to highlight the recent thawing in relations between India and Pakistan, as well as progress towards achieving the United States' broader policy goals in South Asia. I look forward to hearing from the two Under Secretaries of State, particularly on the subjects of arms control in South Asia and strategic security cooperation throughout the region.

I firmly believe that stability in South Asia can and must be enhanced. Efforts earlier this summer to forge closer cooperation between the United States and India in a number of areas, including democracy development, nuclear nonproliferation, and regional security are steps in the right direction. However, equally as important, if not more so, is constructive engagement with Pakistan; and where possible, we should engage in strategic trilateral confidence-building.

While the focus of this hearing is the U.S.-India relationship, I want to remind my colleagues that the United States and Pakistan have a half-century relationship of working through international security concerns, and after the September 2001 terrorist attacks on the United States—Pakistan pledged and has provided support for the U.S.-led anti-terrorism coalition. In fact, Pakistan has afforded the United States unparalleled levels of assistance by: allowing the U.S. military to use bases within the country; tightening the border between Pakistan and Afghanistan; and, helping to identify and detain extremists. Moreover, in a January 2002 address, President Musharraf of Pakistan vowed to end his country's use as a base for terrorism of any kind, effectively banning several militant groups.

While Islamic jihadists continue their cowardly acts of terror against freedom-loving peoples across the globe, there are members of the moderate Islamic community, like president Musharraf, who are speaking out for a different vision of tolerance and peace. In fact, I understand that President Musharraf has accepted an invitation to speak before a Jewish gathering in New York about his campaign for "enlightened moderation" in Islam. The event, organized by the American Jewish Committee's Council for World Jewry, will take place after President Musharraf attends the UN General Assembly in New York. Last year, President Musharraf said that promoting moderate Islam required the West to resolve "with justice" political disputes involving Muslims and to promote economic progress in poor Muslim countries. I think this is advice we must take to heart.

My point in highlighting the importance of the U.S.-Pakistan relationship is this: I firmly believe that resolving the India-Pakistan rivalry is critical to achieving lasting peace and stability in South Asia, and it will not be possible unless the United States is actively engaged with both nations. As many members of this Committee know, India and Pakistan have been in a constant state of military preparedness for nearly six decades. The unfriendly nature of the partition of British India in 1947—which ultimately evolved into three wars in 1947–48, 1965, and 1971—and the continuing dispute over Kashmir has become a major source of violence and tension around the region and reached a dangerous new level when both countries deployed nuclear weapons.

Earlier this year, I was pleased to see India and Pakistan begin working together to resolve their most contentious dispute; the dispute over Kashmir. Working together, India and Pakistan launched a landmark bus service across the Line of Control in Jammu and Kashmir. The 'peace bus' as it was commonly referred to allowed families divided by the Line of Control to be reunited for the first time in nearly 60 years. In addition, on April 18, 2005, India and Pakistan concluded a historic three-day summit in India in which Prime Minister Singh and President Musharraf held meaningful talks on all issues, including the issue of Jammu and Kashmir, and came to a series of agreements to boost trade and cross-border travel—declaring in

a joint statement that they were “conscious of the historic opportunity created by the improved environment in relations.”

While a closer relationship between the two countries is progressing slowly, it is progressing, and this is an extremely hopeful sign for the future. I even understand that India’s Prime Minister Singh recently met with Islamic militants in Kashmir to broker a new round of possible withdrawals of security forces from Kashmir in exchange for guarantees from the militants to cease hostilities. Unfortunately, I understand that the talks failed to produce any significant breakthrough, and ended on Monday. Even so, India left the talks apparently committed to cutting their troop levels in Jammu and Kashmir if violence ceased.

In addition, last month, India and Pakistan took another step closer towards peace as the two nations formalized an agreement to ward off the risk of accidentally starting a nuclear or conventional exchange. Under the agreement, announced August 6, 2005, the two countries—in order to open the lines of communication—plan to set up a hotline between foreign ministries this month and formally agreed to tell each other about upcoming missile tests. I—along with the Bush Administration—applaud the efforts by the two parties to continue dialogue and forge new steps in this process of creating stability within the region. We need to support and encourage these kinds of confidence building measures between India and Pakistan so that largely symbolic first steps can evolve into greater cooperation on security, economic and other goals of mutual interest that the two countries are pursuing.

In closing, let me just briefly touch upon a separate point. After China, India has the largest military in Asia with an armed force of 1.3 million. China’s emergence onto the world stage is challenging traditional geopolitical alignments and development of our ties within South Asia is crucial to long-term security. So, while stronger U.S.-India relations make sense for many reasons, for me, one of the most compelling reasons is to counter balance China’s rise.

Once again Mr. Chairman, I thank you for holding this timely and critically important hearing today. I look forward to hearing from the witnesses and hope—by the day’s end—that we will have a better understanding of our evolving relationships in South Asia and particularly with India, the world’s most populous democracy.

