

**THE U.S.-INDIA "GLOBAL PARTNERSHIP": HOW  
SIGNIFICANT FOR AMERICAN INTERESTS?**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON**  
**INTERNATIONAL RELATIONS**  
**HOUSE OF REPRESENTATIVES**  
**ONE HUNDRED NINTH CONGRESS**

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## **THE U.S.-INDIA “GLOBAL PARTNERSHIP”: HOW SIGNIFICANT FOR AMERICAN INTERESTS?**

**WEDNESDAY, NOVEMBER 16, 2005**

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

The Committee met, pursuant to call, at 10:10 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 establishment by the United States of a global partnership with the enormity known as India would appear to be a monstrous event—a momentous event. Monstrously momentous, how is that? But it is of a sufficiently general nature that any prediction of its long-term and real-world impact cannot be cast with any confidence. It may yet prove to be a profound initiative, but it may be destined to take its place as one more of the many routine agreements between the world’s countries.

Although the agreement announced on July 18 was the result of a decade-long effort, it has been acknowledged by the Administration as having been hurriedly negotiated, so hurried that those involved in the negotiations have stated there was no time to consult with Congress beforehand. Given that its implementation requires congressional action, the purpose of today’s hearing is to assist us in examining, in greater detail, the agreement’s most likely impact on American interests.

As part of that effort, this Committee has already held two hearings regarding the controversial provisions on nuclear cooperation, and will continue to devote attention to this and other consequences which this agreement may have for our security and that of the globe. Although the term “global partnership” lends itself to grand statements and sweeping pronouncements, my belief is that this agreement is likely to prove a more modest consequence and that it is best understood as a useful and long overdue clarification of relations, including clearing away the thicket of unnecessary encumbrances that have grown up over the years and confined us to narrow paths lined with thorns.

Although it is somewhat of a novelty to regard the two countries as partners, even extended reflection on our strained relations fails to unearth any compelling clash of interests. Perhaps it is simply that we are both growing up.

In terms of what the agreement will actually do, of what will be created or destroyed, conclusive evidence is difficult to come by. From the standpoint of the United States, I will defer to the Administration and the distinguished experts before us today to enlighten us. For myself, I find it encouraging that by this agreement the U.S. is, in effect, freely acknowledging India's growing role in the world and, more importantly, welcoming it, regarding it not as the fulfillment of a threatening prophecy but as an awakening to be nurtured.

But it must be noted that for all the talk in this city of a new alliance which, among other things, is said to be aimed at offsetting the rise of China, India's leaders have proclaimed no such goal. In fact, they have repeatedly stated that they foresee no change in their decision-making or in their policies, which will remain as they have always been, namely to advance India's interests.

If we are seeking to use them for our purposes, most assuredly they will be seeking to use ours for theirs.

What I hope this agreement most signifies is a change in how India's leaders conceive their country's role in the world. Since its independence in 1949, India's role in the world has been but a fraction of what it otherwise might have been, and here I fault India's leaders. Much of the problem can be traced to the legacy of the colonial past, specifically a mind-set manifested in a defensive attitude toward an imagined hostile world and a self-imposed alien nation from the West that impoverished its opportunities and produced anomalies remarkable for a democracy such as its close and warm relationship with the Soviet Union.

Thus, among the most hopeful signs of this agreement is that these cramped dogmas of the past and the distorted view of India's interest that accompanied them are now fading away and are increasingly being replaced by a more confident vision of India as a major actor in the world, for to maintain a position of defiance is to refuse to accept any burden for upholding the world in which one lives and, worse, to gleefully add to the problems facing those who do. Thus, the assumption by India of a more active role is to be very much welcomed if it is accompanied by commensurate expansion of responsibility for reinforcing security and stability in the Middle East, the Indian Ocean region, and Central Asia, and even for the international system as a whole.

But complacency would be a mistake; we would be foolhardy, indeed, to believe that willful power dutifully acknowledges wisdom as its master. Giant India's emergence summons comparably giant possibilities.

History is pockmarked with rising powers aggressively seeking their place in the sun, their singular purpose resulting in a challenge to and not an enhancement of the international order. At best, this has proved a needless drain on resources for others without any real advantage accruing to the guilty country. At worst, mindless disaster has resulted.

There is no evidence that this is even a remote possibility, but the permanent anarchy of the world allows for many things once believed to be unimaginable. We have no other course but to consider such things and thereby inoculate ourselves against them.

But I would not want my remarks to be viewed through a distorting prism for my forecast is a sunny one. India is at a formative moment and facing profound decisions for her billion people, all of this occurring in a world which is quickly evolving into unfamiliar patterns, the old and familiar giving way to the unformed and new. My hope is she will join us in shaping this era and take possession of the limitless possibilities that are hers to possess.

Now I would like to turn to my friend and distinguished colleague, Mr. Lantos, the Ranking Democratic Member, for any remarks he might wish to make.

Mr. LANTOS. Thank you very much, Mr. Chairman. I am confronted amongst a time conflict. In a few minutes, I have to meet with the Dalai Lama.

I want to apologize to our witnesses. I read your testimony with great care; I want to commend you on your testimony, and I look forward to being briefed on questions.

Mr. Chairman, thank you very much for convening today's hearing, the third in a series on the agreement announced last July between the United States and India to bring forth a new strategic relationship between the two largest democracies on this planet.

As I have said before, I believe that the July 18th joint statement is a historic breakthrough in U.S.-India relations, and I was among the first in Congress to support it. A closer global partnership with India to promote stability, democracy, prosperity and peace throughout the world is an outcome that I think every Member of Congress would warmly welcome. A truly reciprocal political and security partnership with the world's largest democracy and the traditional leader of the so-called nonaligned movement could be revolutionary in its significance, especially the spread of democracy around the world and our joint commitment to fight against international terrorism.

Both our countries are targeted by terrorists hell-bent on destroying the innocent and frightening our governments into submission and appeasement. New Delhi has itself been the site of deadly terrorist bombings as recently as 2 weeks ago. In perhaps the most apt demonstration of the perversity and moral degradation of the extremists responsible for this attack, 63 people were killed and over 200 wounded in advance of the Festival of Lights that marks the victory of good over evil, of light over darkness, and the celebration of the joy of life itself.

Mr. Chairman, the terrorists will not succeed. The civilized and peace-loving nations of the world are joining forces to combat their evil ideology and hatred. Together, India and the United States can hold aloft a bright beacon of democracy and freedom to lead the way to a more peaceful and a more tolerant world.

Indeed, Mr. Chairman, in this regard, we can have no better partner than India, a country of a billion people consisting of numerous ethnic minorities that nonetheless have found a way to create a pluralistic political society.

Mr. Chairman, our last hearing focused exclusively on the possible implications, both positive and negative, of a portion of the July 18th agreement between our two countries, the proposal to expand nuclear cooperation. That hearing was remarkable in its examination of the details of the proposal and the expertise of our

witnesses, and they gave the Members of this Committee much to think about as we consider implementing arrangements for this agreement. However, as I said at our last hearing, this deal will ultimately be approved on its merits as a whole.

What we are to consider today are those merits of the agreement beyond the nuclear component. For example, the July 18th statement includes joint initiatives and increasing trade and economic development, promotion of bilateral cooperation and high technology and space research, and partnership in combating HIV/AIDS globally and a closer security relationship.

The new agreement is already bearing fruit. Just 1 month ago the United States and India signed a new science and technology cooperation agreement. This agreement will expand the scientific and technological interrelationship and promote collaborative research between our private and public scientific, technological and engineering communities to the benefit of both of our nations. This same agreement includes protocols to improve intellectual property rights and the fruits of this expanded research.

The United States and India are also in the midst of conducting the largest air force exercise to date, building on the defense framework agreement from last June, and fully in line with the July 18th declaration of a new strategic partnership.

Beyond these important concrete steps, Mr. Chairman, I think we should also recognize that the July 18th statement has the potential to greatly influence India's perception of its role in the world. There are encouraging signs that the new agreement to begin a strategic partnership with the United States has stimulated the long overdue discussion within India over its self-defined independent foreign policy, the basis of its former nonaligned status. This is especially true with respect to the growing nuclear threat from Iran.

New Delhi took the politically risky, but responsible decision in late September to vote in the International Atomic Energy Agency to formally judge Iran to be in noncompliance with its obligations under the NPT not to develop nuclear weapons. This vote has been controversial domestically, but also illustrates that New Delhi can make the tough decisions necessary to become the valued strategic partner of the United States that the July 18th statement envisions.

We believe in this continued support, if we are to keep Iran from developing the means to implement the Iranian terrorist-in-chief's desire to wipe Israel off the map.

Thank you, Mr. Chairman.

Chairman HYDE. Thank you, Mr. Lantos.

The Chair will entertain opening statements from those who have a burning desire to deliver them. We would like to get to the witnesses, but I think it is important the Members have 2 minutes to make an opening statement, should they desire.

Mr. Leach of Iowa.

Mr. LEACH. I would just ask to put one in the record, Mr. Chairman.

Chairman HYDE. Thank you.

Mr. Berman of California.

Mr. BERMAN. No burning desire, Mr. Chairman.



Chairman HYDE. Mr. Ackerman of New York.

Mr. ACKERMAN. Thank you, Mr. Chairman.

I know that today's hearing is focused on the strategic value to the United States of the proposed U.S.-India nuclear agreement, and I have to confess I haven't heard anyone claim that this is not good for U.S.-India relations, but I do want to take up a point that was made by some of our witnesses at the last hearing.

A number of witnesses and some other outside commentators have been suggesting in the course of our deliberations that Congress should add additional conditions to the agreement that the Government of India would have to meet before Congress would approve a formal nuclear cooperation agreement. I would point out to those critics of the agreement that there are already many serious and difficult conditions contained in the July 18th joint statement that India will have to meet. Indeed, there are some difficult conditions that the United States will have to meet.

I also think that since this is likely to be a phased process and that as long as the Administration is forthcoming with information on Indian progress, Members of Congress will be able to decide for themselves that India is working to keep its commitments even as we are working to keep ours.

It is perfectly appropriate for the Congress to include the conditions in the joint statement as part of the legislation we consider, but I have yet to be persuaded that the benefit of adding additional conditions would outweigh their cost. Indeed, I think, if we add additional conditions that the Government of India had previously rejected during the negotiations, the result will be not only scuttling the agreement itself, but significant and, I think, lasting damage to the U.S.-India relationship.

I thank the Chair and look forward to hearing from today's witnesses.

Chairman HYDE. Mr. Royce of California.

Mr. ROYCE. Thank you Mr. Chairman. Just 1 minute here.

Let me just say, without question, the U.S.-India relationship has reached new heights. Our two countries have established an ever-growing relationship that has, I think, benefitted both sides. Of note is the bipartisan nature of the progression. President Bush picked up where President Clinton left off. Members of this Committee and this Congress have worked together to achieve that relationship.

The July 18th joint statement covers the gambit: Trade, environment, disaster relief, technology, among others. This week the first meeting of the India-U.S. Trade Policy Forum, established during the prime minister's visit took place with U.S. Trade Representative Rob Portman and India's Commerce and Industry Minister discussing how to grow trade between the two countries, including better market access for U.S. companies into India.

Of consequence is the agreement on civilian nuclear cooperation. Implementation of this agreement would require action by the Congress and have consequences beyond the U.S.-India relationship. Therefore, this Committee continues its close scrutiny of it.

I look forward to the testimony and I thank you again Mr. Chairman for holding this hearing today.

Chairman HYDE. Thank you, sir.

Mr. Faleomavaega of American Samoa.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I have a little burning desire to issue a very brief statement.

Mr. Chairman, in July of this year, President Bush and Prime Minister Singh of India announced a new strategic and nuclear partnership, and President Bush said he would, and I quote, "work to achieve full civil nuclear energy cooperation with, . . . also seek agreement from Congress to address U.S. laws and policies."

While I agree we must proceed with caution, I support the President's initiative and I applaud the efforts of the Government of India, especially the members of our Indian American community for actively engaging to advance this cause.

India is the world's most populous democracy, a U.S. ally and, potentially, a major export market. On purchasing power parity alone, their GDP is estimated well over \$3 trillion. By this measurement, India is the world's fourth largest economy and a global partner that we must not overlook.

Mr. Chairman, I welcome our witnesses, and I thank you for supporting my request to include Dr. Ashley Tellis of the Carnegie Endowment for International Peace.

Thank you. I yield back my time.

Chairman HYDE. Mr. Weller of Illinois.

Mr. WELLER. No, thank you.

Chairman HYDE. Mr. Blumenauer of Oregon.

Mr. BLUMENAUER. Thank you, Mr. Chairman. It is with trepidation that I take your offer in terms of a burning desire to make a comment.

I appreciate what you and the Committee are doing in focusing on this. I mean, India, as is referenced, is the world's largest democracy. In a few short years it will be the world's most populated country.

I have been intrigued with what has been advanced here in recent weeks. My hope is that we don't back into the new era, and hence the hearings that you have had, I think, help us sharpen our focus both on India's role in threading the needle extremely carefully dealing with issues of nuclear proliferation. Ultimately, India is going to play a critical role as a permanent member of the United Nation's Security Council and as a force, in its own right, even greater than it is today in Asia and around the world.

I will be quiet, move forward, but the point I want to make about not backing into something, I fear we haven't spent enough time on the front end of some of these issues that are of great moment, and that is why your panel is so important today, and I appreciate it.

Chairman HYDE. Thank you.

Mr. Boozman of Arkansas.

Mr. Schiff of California.

Mr. SCHIFF. Mr. Chairman, I will be very brief.

In looking at our panel of doctors before us, if I didn't know better, I would say we were in Judiciary and the subject was tort reform or med-mal reform.

But I am very grateful the Chairman has called this hearing. This is now, I think, the third we have had on the India proposed agreement. I don't think there is a more important issue this Com-

mittee will face than the one before us, and I share with my colleagues great optimism about the U.S.-India relationship, and am very pleased it has grown and prospered as it has over the last several years. I think it is enormously important, as we have so much in common with India in our shared democratic values.

I am concerned about the nuclear aspect of this proposed cooperation agreement. The opportunities to strengthen ties with India are many and they could have been confined to other non-nuclear areas. The unspoken elephant in the room seems to be China, and I will be very interested to know what our panelists think in terms of what role China—or more specifically, providing a counterweight to China, what role this is playing in the proposal itself. Is this one of the driving forces behind this proposal, and given the relations between China and India, does this make sense?

So I very much look forward to the panel and am grateful the Chairman has convened this as often on this important subject.

I yield back.

Chairman HYDE. Thank you.

Mr. Poe of Texas.

Mr. POE. Thank you, Mr. Chairman.

India certainly is a valuable partner in southern Asia, and I hope that the U.S. and India can build a strong relationship. But I think it is important that we be concerned about certain areas.

The reports suggest that India is one of the main allies to the brutal regime in Burma that props up that evil empire with economic and military development. We hear about religious discrimination throughout India's institutions.

Religious minorities are not allowed to adopt children. Recently, it has been reported they were put in prison for trying to practice some form of religious freedom, the reports of Hindu extremists assaulting people of other religions, and justice seems to be rarely administered to those individuals.

So I look forward to hearing the testimony on how the United States will address these issues while attempting to forge a better and stronger relationship with India.

Thank you, Mr. Chairman.

Chairman HYDE. Mr. McCotter of Michigan.

Mr. MCCOTTER. Thank you, Mr. Chairman. Thank you for holding this hearing. I will be very brief.

It has long been my grave concern that the crisis of the 21st century for the great democracies will be competing with the rise of the corporatist totalitarian state. It is my view that every democracy is indispensable. A partnership between the United States and India, the world's largest democracy, is critical to the survival of democratic capitalism in the 21st century.

Thank you.

Chairman HYDE. The Committee welcomes our first witness, Dr. Ashley Tellis. Dr. Tellis has served as Senior Advisor to the American Ambassador in India and was also on the staff of the National Security Council.

Prior to his government service, Dr. Tellis was a Senior Policy Analyst at the RAND Corporation and professor of policy analysis

at the RAND Graduate School. Currently, he is a Senior Associate at the Carnegie Endowment for International Peace.

We are also fortunate to have Dr. Stephen Cohen with us today. Dr. Cohen is a Senior Fellow at the Brookings Institution and has taught international studies at several institutions in the U.S. and overseas. He currently teaches at the Johns Hopkins School of Advanced International Studies.

Dr. Francine Frankel has an extensive background in South Asia studies and currently is professor for the Study of Contemporary India at the University of Pennsylvania. She is the Founding Director of the Center for the Advanced Study of India and also established the Governing Council of the Center's counterpart institution in New Delhi.

Dr. Satu Limaye recently joined the Institute for Defense Analyses after several years of directing the Research Publications and Regional Collaborative Programs of the Asia-Pacific Center for Security Studies.

We are pleased to have you with us today.

Dr. Tellis, would you proceed with a 5-minute summary of your prepared testimony? Your full statement will be made a part of the record. Dr. Tellis.

**STATEMENT OF ASHLEY J. TELLIS, PH.D., SENIOR ASSOCIATE,  
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE**

Mr. TELLIS. Thank you, Mr. Chairman. Good morning. And Members of the Committee, thank you for inviting me to testify today on the transforming U.S.-Indian relationship and the significance for the United States.

As requested by you, Mr. Chairman, in your letter, I will focus my oral remarks this morning mainly on my judgments about the importance of India to the United States and the context of the geopolitical challenges that will face us in the future.

Although India and the United States have been united by common values for a long time and, increasingly, by the presence of Indian Americans in our national life, what I think is truly important is that in the 21st century we are likely to see a new convergence in our geopolitical interests. These geopolitical interests include advancing peace and stability in Asia, defeating international terrorism, arresting the spread of weapons of mass destruction, promoting democracy worldwide, diffusing economic development to an open trading system, preserving energy security, protecting the global commons, especially sea lanes of communication, and safeguarding the global environment.

It would not be an exaggeration to say that for the first time American and Indian interests in each of these eight issue areas are strongly convergent. It is equally true to assert that India's contribution ranges from important to indispensable as far as achieving U.S. objectives in each and every one of these reasons is concerned. This does not mean, however, that the United States and India will automatically collaborate on every problem that comes before our two countries.

The differentials in raw power between the two sides could produce differences in operational objectives even when overarching interests are preeminently compatible. Bilateral collabora-

tion could also be stymied by differences over strategies, negotiating styles, and tactics. If all this is true, what does it mean then to say that U.S.-India relations are strongly convergent?

I believe it means three things: First, that the United States and India share a common vision of which outcomes are desirable and ought to be pursued by the two sides; second, that there are no differences in vital interests that could cause either country to levy mortal threats against the other; and third, that Washington and New Delhi can and will collaborate despite the absence of any priority guarantees that assure such collaboration.

The record of the past 5 years, in fact, strongly corroborates the view that India is evolving toward a strategic partnership with the United States. It demonstrates that India has supported the United States on many crucial global issues, often in the face of strong domestic and international opposition. In my written testimony, I have provided a list of initiatives on which the United States and India have actually come together in the last 5 years, and this morning I just want to highlight four of them to make my point: The only Indian endorsement of the President's new strategic framework; the Indian support for the U.S. initiative to remove the Director General of the OPCW; the Indian refusal to join the international chorus of opposition to the U.S.-led coalition operation in Iraq; and finally, the decision to support the United States in declaring Iran in noncompliance with the MPT. But four examples culled from the experience of the last 5 years.

Given these facts, it seems to me that the proposition that a strong democratic, even if perpetually independent India, is in America's national interest is in the category of self-evident truths.

Let me end my oral remarks this morning by noting that in every instance where the United States and India have been able to collaborate in the recent past, the most important ingredients were boldness of leadership, astuteness of policy and quality of diplomacy, both American and Indian.

Congress now has an important opportunity to transform the nature of U.S.-Indian collaboration permanently, by changing the status from that of a target under U.S. nonproliferation laws to that of a full partner.

The Administration's civil nuclear agreement with India is directed fundamentally toward this objective. To be sure, it will produce important and tangible nonproliferation gains for the United States, an argument I have elaborated on in my written testimony, just as it will bestow important energy and environmental benefits for India.

But at a grand, strategic level it is designed to do much more. It is designed to convey in one fell swoop the abiding American interest in crafting a new and productive partnership with India to advance our common goals in this new century. I sincerely hope Congress will agree with that assessment.

Thank you, Mr. Chairman, and Members of the Committee for your consideration.

[The prepared statement of Mr. Tellis follows:]

**Prepared Testimony by**

**Ashley J. Tellis  
Senior Associate  
Carnegie Endowment for International Peace**

**to the**

**House Committee on International Relations  
Subject: The U.S.-India 'Global Partnership': How Significant for American  
Interests?**

**November 16, 2005**

Good morning, Mr. Chairman, and Members of the Committee. Thank you for your invitation to testify on the transforming U.S.-Indian relationship and its significance for the United States. Although there are many dimensions to this subject, I will resist the temptation of covering these exhaustively, in part because I have already done so in my monograph, *India as a Major Global Power: An Action Agenda for the United States*, published this spring by the Carnegie Endowment for International Peace.<sup>\*</sup> Instead, I will focus my written testimony, as requested by the Chairman in his letter of invitation, mainly on my judgment about “the importance of India relative to the geopolitical challenges likely to confront the United States in the twenty-first century” and “the opportunities and challenges attendant to the development of meaningful strategic coordination between Washington and Delhi.” I respectfully request that my statement be entered into the record.

As I noted in my appearance before the Asia and Pacific Subcommittee on June 14, 2005, the United States and India today are happily confronted by an unprecedented convergence of interests, values, and inter-societal ties in a way never experienced before in the close to sixty-year history of the bilateral relationship. Throughout the Cold War, the United States and India shared common values—primarily our belief in liberal democracy—but were divided by many differences in interests. The historical record shows that these common values were critical to preventing our two countries from becoming real antagonists, but that they could not prevent the emergence of political estrangement arising from various divergences in interests.

Since the mid-1960s, the ties between our two societies have been progressively strengthened by the presence of a new generation of Indian immigrants to the United States who, having brought from their native country a strong conviction about the importance of family, education, and achievement, have contributed immeasurably to our country’s economic growth, social diversity and, ultimately, its national power. The success of Indian-Americans has, in turn, had the profound effect of changing Indian attitudes towards the United States. The latest survey by the Pew Global Attitudes Project, has confirmed that of all the fifteen countries surveyed for the 2005 dataset, the image of the United States is strongest in India: Fully 71% in India have expressed a positive opinion of the United States, compared with some 54% three years ago. Also of interest is the fact that 63% of the Indian respondents believed that U.S. foreign policy is concerned about others, compared with only 26% who rejected such a claim—the highest result among respondents polled in a foreign nation. Such perceptions have been progressively strengthened over the years by growing U.S.-Indian economic and trade linkages, the new presence of Americans of Indian origin in U.S. political life, and the vibrant exchange of ideas and culture through movies, literature, food, and travel.

However, it was only the ending of the Cold War and the maturation of American preeminence in the last decade of the twentieth century that produced the final ingredient necessary to consummate a fruitful bilateral partnership: the new convergence in

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<sup>\*</sup> Available at <http://www.carnegieendowment.org/files/Tellis.India.Global.Power.FINAL4.pdf>.

geopolitical interests, which promises that the future U.S.-Indian relationship will be quite different from its past.

There is little doubt in my mind that today and in the foreseeable future both Washington and New Delhi will be bound by common interests in a diverse set of issue-areas, including:

- Preventing Asia from being dominated by any single power that has the capacity to crowd out others and which may use aggressive assertion of national self-interest to threaten American presence, American alliances, and American ties with the regional states;
- Eliminating the threats posed by state sponsors of terrorism who may seek to use violence against innocents to attain various political objectives, and more generally neutralizing the dangers posed by terrorism and religious extremism to free societies;
- Arresting the further spread of weapons of mass destruction and related technologies to other countries and sub-national entities, including sub-state actors operating independently or in collusion with states;
- Promoting the spread of democracy not only as an end in itself but also as a strategic means of preventing illiberal polities from exporting their internal struggles over power abroad;
- Advancing the diffusion of economic development with the intent of spreading peace through prosperity through the expansion of a liberal international economic order that increases trade in goods, services, and technology worldwide;
- Protecting the global commons, especially the sea lanes of communications, through which flow not only goods and services critical to the global economy but also undesirable commerce such as drug trading, human smuggling, and weapons of mass destruction technologies;
- Preserving energy security by enabling stable access to existing energy sources through efficient and transparent market mechanisms (both internationally and domestically), while collaborating to develop new sources of energy through innovative approaches that exploit science and technology; and
- Safeguarding the global environment by promoting the creation and use of innovative technology to achieve sustainable development, devising permanent, self-sustaining, market-based institutions and systems that improve environmental protection, developing coordinated strategies for managing climate change, and assisting in the event of natural disasters.



It would not be an exaggeration to say that for the first time in recent memory Indian and American interests in each of these eight issue-areas are strongly convergent. It is equally true to assert that India's contribution ranges from important to indispensable as far as achieving U.S. objectives in each of these issue-areas is concerned. That does not mean, however, that the United States and India will *automatically* collaborate on every problem that comes before our two countries. The differentials in raw power between the two sides are still too great and could produce differences in operational objectives, even when the overarching interests are preeminently compatible. Beyond differentials in power, bilateral collaboration could still be stymied by competing national preferences over the strategies used to realize certain objectives. And, finally, even when disagreement over strategies is not at issue, differences in negotiating styles and tactics may sometimes divide the two sides.

What does it mean then to say that U.S.-Indian interests are strongly convergent, if bilateral collaboration cannot always be assumed to ensue automatically? It means two things: first, that the United and India share a common vision of which end-states are desirable and what outcomes ought to be pursued—however this is done—by both sides; and, second, that there are no differences in vital interests that would cause either party to levy mortal threats against the other or would cause either country to undercut the other's core objectives on any issue of strategic importance. It is these two realities—informed by the convergence in interests, values, and inter-societal ties—that provide the basis for strong practical cooperation between the United States and India, realities that do not define U.S. bilateral relations with the other major, continental-sized, states in Asia.

Several practical implications, which ought to be of significance to the Congress as it ponders the U.S.-Indian civilian nuclear agreement, flow from these realities. To begin with, the strengthening U.S.-Indian relationship does not imply that New Delhi will become a formal alliance partner of Washington at some point in the future. It also does not imply that India will invariably be an uncritical partner of the United States in its global endeavors. India's large size, its proud history, and its great ambitions, ensure that it will likely march to the beat of its own drummer, at least most of the time. The first question, for the Congress in particular and for the United States more generally, therefore, ought not to be, "What will India do for us?"—as critics of the civilian nuclear agreement often assert. Rather, the real question ought to be, "Is a strong, democratic, (even if perpetually) independent, India in American national interest?" If, as I believe, this is the fundamental question and if, as I further believe, the answer to this question is "Yes," then the real discussion about the evolution of the U.S.-Indian relationship ought to focus on how the United States can assist the growth of Indian power, and how it can do so at minimal cost (if that is relevant) to any other competing national security objectives.

If I am permitted to digress a bit, let me say parenthetically, that advancing the growth of Indian power, as the Administration currently intends, is not directed, as many critics have alleged, at "containing" China. I do not believe that a policy of containing China is either feasible or necessary at this point in time. (India too, currently, has no interest in becoming part of any coalition aimed at containing China.) Rather, the Administration's

strategy of assisting India to become a major world power in the twenty-first century is directed, first and foremost, towards constructing a stable geopolitical order in Asia that is conducive to peace and prosperity. There is little doubt today that the Asian continent is poised to become the new center of gravity in international politics. Although lower growth in the labor force, reduced export performance, diminishing returns to capital, changes in demographic structure, and the maturation of the economy all suggest that national growth rates in several key Asian states—in particular Japan, South Korea, and possibly China—are likely to decline in comparison to the latter half of the Cold War period, the spurt in Indian growth rates, coupled with the relatively high though still marginally declining growth rates in China, will propel Asia's share of the global economy to some 43% by 2025, thus making the continent the largest single locus of economic power worldwide.

An Asia that hosts economic power of such magnitude, along with its strong and growing connectivity to the American economy, will become an arena vital to the United States—in much the same way that Europe was the grand prize during the Cold War. In such circumstances, the Administration's policy of developing a new global partnership with India represents a considered effort at "shaping" the emerging Asian environment to suit American interests in the twenty-first century. Even as the United States focuses on developing good relations with *all* the major Asian states, it is eminently reasonable for Washington not only to invest additional resources in strengthening the continent's democratic powers but also to deepen the bilateral relationship enjoyed with each of these countries—on the assumption that the proliferation of strong democratic states in Asia represents the best insurance against intra-continental instability as well as threats that may emerge against the United States and its regional presence. Strengthening New Delhi and transforming U.S.-Indian ties, therefore, has everything to do with American confidence in Indian democracy and the conviction that its growing strength, tempered by its liberal values, brings only benefits for Asian stability and American security. As Undersecretary of State Nicholas Burns succinctly stated in his testimony before this Committee, "By cooperating with India now, we accelerate the arrival of the benefits that India's rise brings to the region and the world."

In this context, I appreciate that important as it is to strengthen India in America's own self-interest, the question will often be asked about whether (and how) India will collaborate in endeavors critical to the United States. The good news about India's obsession with its national autonomy is that while it does not *a priori* guarantee New Delhi's support for Washington in regards to any specific operational objective, strategy or tactic (even when the larger interests are otherwise identical), *it does not preclude such assistance either*. In fact, during the last five years, India has built up an impressive record of backing the United States in a wide variety of issue-areas, despite its formal and continuing commitment to "non-alignment" as a foreign policy doctrine. The list of Indian initiatives in support of the United States is a lengthy one—many specific activities are in fact still classified—but the following iteration is offered by way of highlighting the reality and the possibilities of U.S.-Indian strategic collaboration.

Since 2001, India:

- Enthusiastically endorsed the President's new strategic framework, despite decades of objections to U.S. nuclear policies, at a time when even formal American allies withheld their support;
- Offered unqualified support for the U.S. anti-terrorism campaign in Afghanistan to include the use of numerous Indian military bases, an offer that was never made even to the Soviet Union which functioned as New Delhi's patron during the last decades of the Cold War;
- Expressed no opposition whatsoever to the President's decision to withdraw from the ABM Treaty, despite the widespread international and domestic condemnation of the U.S. action;
- Endorsed the U.S. position on environmental protection and global climate change in the face of strident global opposition;
- Assisted the U.S. initiative to remove Jose Mauricio Bustani, the Director-General of the Organization for the Prohibition of Chemical Weapons despite strong third-world opposition in the United Nations;
- Protected high-value U.S. cargoes transiting the Straits of Malacca during the critical early phase of the global war on terror, despite the absence of New Delhi's traditional requirement of a covering UN mandate;
- Eschewed leading or joining the international chorus of opposition to the U.S.-led coalition campaign against Iraq, despite repeated entreaties from other major powers and third-world states to that effect;
- Considered seriously—and came close to providing—an Indian Army division for post-war stabilization operations in Iraq, despite widespread national opposition to the U.S.-led war;
- Signed a ten-year defense cooperation framework agreement with the United States that identifies common strategic goals and the means for achieving them, despite strong domestic opposition to, and regional suspicion about, such forms of collaboration with Washington; and
- Voted with the United States at the September 2005 IAEA Board of Governors meeting to declare Iran in "non-compliance" with the Non-Proliferation Treaty, despite strong domestic opposition and international surprise.

These examples, viewed in their totality, illustrate several important aspects of U.S.-Indian strategic collaboration. First, despite the absence of preexisting guarantees, bilateral cooperation between Washington and New Delhi is eminently possible on many issues vital to the United States. Second, from the perspective of American interests, what New Delhi does in some instances may be just as important as what it refrains from doing. Third, in every instance where the United States and India have been able to collaborate during the last five years, the most important ingredients that contributed to achieving a fruitful outcome were the boldness of leadership, the astuteness of policy, and the quality of diplomacy—both American and Indian. As we look at the three most pressing challenges likely to dominate our common attention in the first half of this new century—the rise of China amidst Asian resurgence in general, the threat of the continuing spread of weapons of mass destruction, and the dangers posed by terrorism and religious extremism to liberal societies—two assertions become almost self-evidently true: Not only are the United States and India more intensely affected by these three

challenges in comparison to many other states in Europe and Asia, but effective diplomacy, wise policy, and bold leadership will also make the greatest difference to achieving the desired “strategic coordination” between Washington and New Delhi that serves American interests just as well as any recognized alliance.

Since the character of our policy, leadership, and diplomacy will be critical to making such U.S.-Indian collaboration—whether tacit or explicit—possible, both the Administration and the Congress will have to partner in this regard. The most important contribution that the legislative branch can make here is by helping to change India’s entitative status from that of a target under U.S. non-proliferation laws to that of a full partner. The Administration’s civilian nuclear agreement with India is directed fundamentally towards this objective. To be sure, it will produce important and tangible non-proliferation gains for the United States—an argument I have elaborated in Attachment A to this testimony—just as it will bestow energy and environmental benefits on India. But, at a grand strategic level, it is intended to do much more: given the lessons learned from over fifty years of alternating engagement and opposition, the civil nuclear cooperation agreement is intended to convey in one fell swoop the abiding American interest in crafting a full and productive partnership with India to advance our common goals in this new century. As Undersecretary of State Burns phrased it in his recent testimony, “our ongoing diplomatic efforts to conclude a civilian nuclear cooperation agreement are not simply exercises in bargaining and tough-minded negotiation; they represent a broad confidence-building effort grounded in a political commitment from the highest levels of our two governments.”

Many administrations before that of George W. Bush also sought this same objective, but they were invariably hobbled by the constraints of U.S. nonproliferation laws that treated India as a problem to be contained rather than as a partner to be engaged. Not surprisingly, these efforts, though admirable, always came to naught for the simple reason that it was impossible to craft a policy that simultaneously transformed New Delhi into a strategic partner on the one hand, even as it was permanently anchored as the principal nonproliferation target on the other. These prior American efforts, however, served an important purpose: they taught us that trying to transform the bilateral relationship with India would always be frustrated if it was not accompanied by a willingness to reexamine the fundamentals on which this relationship was based.

To its credit, the Bush Administration has learned the right lessons in this regard. Recognizing that a new global partnership would require engaging New Delhi not only on issues important to the United States, the Administration has moved rapidly to expand bilateral collaboration on a wide range of subjects, including those of greatest importance to India. The agreement relating to civilian nuclear cooperation is, thus, part of a larger set of initiatives involving space, dual-use high technology, advanced military equipment, and missile defense. Irrespective of the technologies involved in each of these realms, the Administration has approached the issues implicated in their potential release to New Delhi through an entirely new prism. In contrast to the past, the President sees India as part of the solution to proliferation rather than as part of the problem. He views the growth of Indian power as beneficial to the United States and its geopolitical interests in

Asia and, hence, worthy of strong American support. And, he is convinced that the success of Indian democracy, the common interests shared with the United States, and the human ties that bind our two societies together, offer a sufficiently lasting assurance of New Delhi's responsible behavior so as to justify the burdens of requesting Congress to amend the relevant U.S. laws (and the international community, the relevant regimes).

In reaching this conclusion, the Administration has—admirably—resisted the temptation of “pocketing” India's good nonproliferation record and its recent history of cooperation with the United States, much to the chagrin of many commentators who have argued that New Delhi ought not to be rewarded for doing what it would do anyway in its own national interest. On this question too, the President's inclinations are correct: Given India's importance to the United States in regard to each of the eight issue-areas identified earlier in this testimony, reaching out to New Delhi with the promise of a full partnership is a much better strategy for transforming U.S.-India relations than the niggardly calculation of treating Indian good behavior as a freebie that deserves no compensation because New Delhi presumably would not have conducted itself differently in any case. On all these issues, I believe the President has made the right judgment with respect to India and its importance to the United States. I hope the Congress will agree.

Thank you, Mr. Chairman, for your attention and consideration.

*Attachment A*

## YALEGLOBAL ONLINE

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*When US President Bush signed a deal in July with Indian Prime Minister Manmohan Singh allowing India access to civilian nuclear technology, naysayers complained that the administration had undermined the principles of the Non-Proliferation Treaty (NPT), which India has not signed. In the part two of our series, Ashley J. Tellis argues that, such critics fail to see the shrewdness of rewarding India's record of voluntary non-proliferation with urgently needed civilian nuclear programs, while placing India's future nuclear development within an international framework. By ensuring that India's nuclear program enjoys the same benefits and is bound by the same obligations as the other powers in the non-proliferation regime, the US is invoking one of its top national security priorities: the prevention of nuclear commerce between India and a rogue state or non-state actor. Critics point out that other NPT non-signatories, like Pakistan or North Korea, will demand the same recognition and benefits for their nuclear programs that the deal has provided India. Tellis argues that such fears are groundless, since India, a democratic and rapidly developing nuclear power with a good non-proliferation track record outside the NPT, is almost universally acknowledged to be an exception, not the rule. Ultimately, Tellis calls for a global consensus supporting the Bush-Singh agreement, and encourages the critics, within the US Congress itself, to recognize the American national security benefits of bringing India into the recognized nuclear fold. – YaleGlobal*

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## Should the US Sell Nuclear Technology to India? – Part II

The sale would serve both the countries' national security interest as well as the goal of non-proliferation

Ashley J. Tellis  
*YaleGlobal*, 10 November 2005

WASHINGTON: The Indo-US bilateral agreement providing New Delhi access to the long-denied civilian nuclear technology has emerged as a contentious issue in the Congress. But it need not be because the deal is good for both countries' national security interests as well as for preventing nuclear proliferation.

The July 18, 2005 agreement, many critics assert would undermine the global nonproliferation regime and ultimately American security. At the first hearing on this subject on September 8, 2005, Congressman Henry J. Hyde correctly noted that among the critical questions surrounding this agreement was whether its "net impact on our nonproliferation policy is positive or negative." On October 26, 2005, at the second hearing on this issue, four out of the five witnesses empanelled by the House Committee on International Relations affirmed the conventional wisdom that such a deal weakens nonproliferation rather than strengthening it.

Contrary to these gloomy prognostications, the President's new agreement with India is actually a bold step that will have the effect of strengthening the nonproliferation order for many decades to come. Far from being a freebie for New Delhi, it represents a considered American strategy for integrating India into the nonproliferation regime, which India has not been part of since the nuclear Non Proliferation Treaty (NPT) was signed in 1968. The



Bonding in the air: Indian and US Air Force personnel exchange tips during a joint air exercise held in India. (U.S. Air Force photo)

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NPT was intended to prevent global proliferation by compelling all non-nuclear weapon states to give up their nuclear weapons ambitions as the price for enjoying access to civilian nuclear technology. This trade-off worked for most countries and represents a profound diplomatic accomplishment for which succeeding Republican and Democratic administrations should be credited. For a variety of political and philosophical reasons, however, India chose not to sign the NPT and went on to build both a large civilian nuclear infrastructure and a nuclear weapons stockpile based mainly on indigenous expertise. Thus, the restrictions on nuclear commerce that the United States orchestrated since 1974 progressively lost their relevance as far as India was concerned. In effect, India became an exceptional case regarding nuclear weapons and nonproliferation.

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Far from being a frechie for New Delhi, it represents a considered American strategy for integrating India into the nonproliferation regime.

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Nevertheless, New Delhi established through this entire period an exemplary record of controlling onward proliferation. . India's commendable nonproliferation history, however, is owed entirely to sovereign decisions made by its government, not to its adherence to international agreements. As a result, any unilateral change in the Indian government's policy of strict nonproliferation could pose serious problems for American security. This concern has acquired particular urgency in the post-9/11 era because of the incredibly sophisticated capabilities present in India today and because India remains at the cutting edge of research and development activities in new fuel cycle technologies. Bringing New Delhi into the global nonproliferation regime through a lasting bilateral agreement that defines clearly enforceable benefits and obligations, therefore, not only strengthens American efforts to stem further proliferation but also enhances U.S. national security.

The President's accord with India advances these objectives in a fair and direct way. It recognizes that it is unreasonable to continue to ask India to bear the burdens of enforcing the global nonproliferation regime in perpetuity, while it suffers stiff and encompassing sanctions from that same regime. So the President proposes to give India access to nuclear fuel, technology, and knowledge in exchange for New Delhi institutionalizing rigorous export controls, placing its civilian reactors under international safeguards, and actively assisting the United States in reducing proliferation worldwide. In other words, he offers India the benefits of peaceful nuclear cooperation in exchange for transforming what is currently a unilateral Indian commitment to nonproliferation into a formally verifiable and permanent international responsibility.

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Agreement that defines clearly enforceable benefits and obligations not only strengthens nonproliferation but also enhances U.S. national security.

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This deal, obviously, does not imply a lessened U.S. commitment to maintain through intense diplomacy in the months and years ahead the vitality of the NPT regime, which remains critical to American national interests. But, it does indicate that extraordinary problems justify extraordinary solutions. The international community has long recognized India's anomalous position in the NPT framework. Consequently, three out of the five legitimate nuclear weapon states have welcomed the Bush-Singh agreement and even the exception thus far—China—has been silent rather than opposed. Despite this fact, many fear that the agreement could undercut the basic bargain of the NPT and lead several current non-nuclear weapon states to seek those same benefits now offered to India.

This concern must be taken seriously, but it is on balance exaggerated. For starters, there is no international pressure to renegotiate the NPT from either its nuclear or its non-nuclear signatories. Further, those non-nuclear weapon states that joined the regime and continue to remain members in good standing did so because the treaty emphatically serves their national interests. If anything, these countries should join IAEA Director-General Mohammed El Baradei in applauding the Bush-Singh initiative, because an India that undertakes binding international nonproliferation obligations promotes the security of non-nuclear weapons states as much as it does that of the United States. Not surprisingly, then, many non-nuclear weapon states such as Canada and Australia have endorsed the agreement.

Three out of the five nuclear weapon states have welcomed the Bush-Singh agreement and even China has been silent rather than opposed.

Finally, with regard to worries about other NPT non-signatories demanding similar deals to the one that Bush and Singh have just brokered, it is worth noting that India currently remains the only outlier worthy of such unique treatment. Although India, Pakistan, and Israel have not violated any NPT obligations by developing their nuclear deterrents, New Delhi alone meets the following criteria that justify international cooperation: It has proven mastery over various nuclear fuel cycles, which must now be safeguarded in the global interest. It has an exceptional nonproliferation record, despite having been a target of the international nonproliferation regime. Most importantly, it has enormous energy needs that cannot be satisfied without access to nuclear fuel (and to nuclear power more generally), if it is simultaneously expected to help mitigate the problems of climate change and environmental degradation.

Two other arguments often surface in the debate over proposed U.S.-Indian nuclear cooperation. The first is that it would exacerbate the problems posed by Iran and North Korea. This claim must be decisively rejected since the only thing common to these three cases is the word "nuclear," nothing more. Iran and North Korea violated their NPT obligations; India did not. This simple fact ensures that

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whatever the issues relating to accommodating New Delhi may be, they ought not to be mixed up with those of managing regimes that have consistently cheated on their international obligations and then repeatedly lied about it. The second argument contends that the U.S.-Indian agreement will open the door to other nuclear suppliers engaging in reckless transfers of nuclear technology to their own preferred partners. This is possible, but it is not inevitable. A great deal depends on whether the international community will join the United States in viewing India as the only country worthy of special treatment. At present, an emerging agreement on this issue is in the works and the prospects for a consensus are bright because India is a democratic state, has not violated international agreements, and has exhibited responsible custodianship of its nuclear assets. In any event, the administration is committed to working with its international partners to reach closure on this issue and, hence, it ought not to be assumed that the understanding with New Delhi will automatically open doors to other nuclear suppliers engaging in emulative arrangements.

India ought not to be mixed up with those regimes that have consistently cheated on their international obligations and then repeatedly lied about it.

On balance, there are many reasons why Congress should expeditiously support the President's historic civil nuclear agreement with India. It would be unfortunate if the legislative branch overlooked the fact that strengthening the global nonproliferation regime is clearly one of them.

*Ashley J. Tellis is a Senior Associate at the Carnegie Endowment for International Peace and served in the U.S. Department of State as senior advisor to the Ambassador at the Embassy of the United States in India. He is author of "India's Emerging Nuclear Posture" (RAND, 2001).*

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Chairman HYDE. Dr. Cohen.

**STATEMENT OF STEPHEN PHILIP COHEN, PH.D., SENIOR FELLOW, FOREIGN POLICY STUDIES, THE BROOKINGS INSTITUTION**

Mr. COHEN. Congressman Hyde, Members of the Committee. As you may remember, I grew up in Illinois and at one time lived in your district and taught at the University of Illinois for many years. So we have met in past.

I am honored to appear before the Committee and share my understanding of India's relations with the major states of the Middle East, especially in light of the newly announced American policy of helping India to become a major power and of recasting our nuclear relationship. I certainly agree with the latter and have argued for something like the Administration's proposal for many years, as far as I can tell, as early as 1990.

As for India's emergence as a major power, this is not something that is in American's hands to offer or deny. As I wrote in my book, *India: Emerging Power*, India has its own special qualities and advantages as well as liabilities, and many Indians remain leery of close cooperation with the United States and none would subordinate vital Indian interests to American ones.

India will not become an independent state nor a close ally like Britain. It is more likely to emerge as an Asian France, a state with which we have many shared interests, even an alliance relationship, but one that sees the world through its own prism, not ours.

These qualifications are particularly important in the case of the Middle East. Five factors seem to steer Indian policy. First, India is very reliant on Middle Eastern oil and gas and must maintain cordial relations with most of the major suppliers, including Iran, United Arab Emirates, Qatar and Saudi Arabia, as well as Iraq. While these states must sell their oil and gas somewhere, and India is a good customer, Delhi does not want to be vulnerable to temporary cutoff or increase in prices nor does India want to become dependent on Pakistan and the pipeline from Central Asia or Iran to India via Afghanistan. This pipeline is not likely to materialize soon.

Second, while it is a secular democracy, India is also a major Muslim state, the second largest Muslim population after Indonesia, which could be true although the census data of all these countries is unreliable. Relations with Iran, in particular, resonate in the north Indian heartland, notably Uttar Pradesh. The other day there was a major rally in Lucknow, a city known for its Shi'a culture and links to Iran. Speakers at this rally condemned India's votes in the IAEA and threatened to bring down the Congress-led coalition should India vote the wrong way as they saw it in the next round at the IAEA.

This is only another example of the close linkage between foreign and economic policy on the one hand and domestic Indian politics on the other. India's preferred strategy has been to avoid at all costs any stark choice between the loss of domestic political support and achieving some foreign policy goal.

Thirdly, India is hypersensitive to criticism of its policies in Kashmir and wants to keep the major Muslim states of the Middle East from intervening in Kashmir or supporting Pakistan. It thus conducts a sophisticated balance of power diplomacy, hoping to counter Pakistani influence in the gulf and to keep Kashmir out of all discussions.

The fourth factor shaping India's Middle East policy is the new opening to Israel. This has brought important technological, intelligence and military benefits and more influence in Washington, but some in India are still uneasy with it. I would imagine that New Delhi must continuously calculate the balance between its relationships between Tel Aviv and Tehran.

Finally, India does not want to run afoul of America's non-proliferation policies in the Middle East, but its strategists have strong reservations about American goals and tactics. This should not be surprising since Indians were the leaders in building a theoretical case against the nonproliferation treaty and the global non-proliferation regime and much of its argument have been taken up by Iran and North Korea. It would have preferred to abstain or simply not appear when the Iran vote took place, and will look for a way out in the future.

India's record of horizontal proliferation, sharing nuclear technology with other states, is very good; and I think we hear this, I think the Indian statements on this counter are quite accurate, but it showed other states how to proliferate vertically, that is, upward in the face of international sanctions and expert control regimes.

And, of course, the language that India developed such as "nuclear apartheid," "nuclear segregation," has been used by both North Korean and Iranian leaders in justifying their violation of their international—their NPT obligations.

To conclude on a personal note, I was just as surprised as you were when I heard the news about the nuclear deal. Although I am sure some kind of arrangement will be worked out, I think both sides miscalculated the complexity of this deal and the likely opposition. We in the United States say the devil is in the details, and God is in the details also; and I am enthusiastic about the Administration's proposal, but I would like to see the legislation. I would hope that it will conform to American interests and that it will be acceptable to India.

I would not like to see changes in the legislation sink this agreement, but clearly I can't comment on the actual deal until I see the Administration proposal. I would add, the Administration has not consulted very widely on this issue either, obviously with Congress or outside of Congress.

I, as a scholar, am tempted to add that our own abysmal knowledge of India and its politics contributed to this situation. As far as I can tell, there is not a single senior American foreign policy-maker in this Administration with firsthand expertise on Asia, let alone on south Asia. I think this lack of knowledge about south Asia, India in particular, contributed to this situation and, as a proponent of better U.S.-Indian relations, point out it is important that other dimensions of the expanding U.S.-India relationship be protected, including economic and military ties and closer cooperation in science and technology.

Thank you.

Chairman HYDE. Thank you, Dr. Cohen.

[The prepared statement of Mr. Cohen follows:]

PREPARED STATEMENT OF STEPHEN PHILIP COHEN, PH.D., SENIOR FELLOW, FOREIGN  
POLICY STUDIES, THE BROOKINGS INSTITUTION

Congressman Hyde, and Members of the Committee:

I am honored to appear again before the Committee and share my understanding of India's relations with the major states of the Middle East, especially in light of the newly announced American policy of helping India to become a major power, and of recasting our nuclear relationship.

I certainly agree with the latter, and have argued for something like the administration's proposal for many years.

As for India's emergence as a major power, this is not something that is in American hands to offer or deny; as I wrote in my book, *India: Emerging Power*, India has its own special qualities and advantages, as well as many liabilities, and while its power is balanced, many Indians remain leery of close cooperation with the United States, and none would subordinate Indian interests to American ones. India will not be a dependant state, nor will it become a close ally like Britain; it is more likely to emerge as an Asian France, a state with which we have many shared interests, and even an alliance relationship, but one that sees the world through its own prism, not ours.

These qualifications are particularly important in the case of the Middle East. Five factors steer Indian policy:

1) India is very reliant upon Middle East oil and gas, and must maintain cordial relations with most of the major suppliers, including Iran, UAE, Qatar, and Saudi Arabia, as well as Iraq. While these states must sell their oil and gas somewhere, and India is a good customer, Delhi does not want to be vulnerable to a temporary cut-off or an increase in prices. Nor does India want to become dependant upon Pakistan, and the pipeline from Central Asia or Iran to India via Afghanistan and Pakistan is not likely to materialize soon.

2) While a secular democracy, India is also a major Muslim state, and relations with Iran, in particular, resonate in the north Indian heartland, notably Uttar Pradesh. The other day there was a major rally in Lucknow, a city renowned for its Shi'a culture and links to Iran. Speakers at this rally condemned India's vote in the IAEA, and threatened to bring down the Congress-led coalition should India vote the "wrong" way. This is only another example of the close linkage between foreign and economic policy on the one hand, and domestic India politics on the other. India's preferred strategy is to avoid, at all costs, any stark choice between the loss of domestic political support and achieving some foreign policy goal.

3) India is hyper-sensitive to criticism of its policies in Kashmir, and wants to keep the major Muslim states from either intervening in Kashmir or supporting Pakistan. It thus conducts a sophisticated balance-of-power diplomacy, hoping to counter Pakistani influence in the Gulf and to keep Kashmir out of all discussions.

4) India's new opening to Israel has brought important technical, intelligence, and military benefits, and more influence in Washington, but some in India are still uneasy with it. I would imagine that New Delhi must continuously calculate the balance between its relations with Tel Aviv and Tehran.

5) Finally, India does not want to run afoul of America's non-proliferation policies in the Middle East, but its strategists have strong reservations about American non-proliferation goals and tactics. This should not be surprising, since Indians were the leaders in building a theoretical case against the NPT and the global non-proliferation regime, and many of its arguments have been taken up by Iran and North Korea. It would have preferred to abstain or simply not appear when the Iran vote took place, and it will look for a way out in the future. India's record of horizontal proliferation—sharing nuclear technology with other states—is very good, but it showed other states how to proliferate vertically—*upward*—in the face of international sanctions and export control regimes.

To conclude on a personal note, I was just as surprised as you were when I heard the news about the nuclear "deal." Although I am sure that some kind of arrangement can be worked out, I think that both sides miscalculated the complexity of this deal and the likely opposition. As a scholar, I am tempted to add that our own abysmal knowledge of India and its politics contributed to this situation, as a proponent of better US-Indian relations I would point out that it is important that other dimensions of the expanding India-US relationship be protected, including economic and military ties, and closer cooperation in science and technology.

Chairman HYDE. Dr. Frankel.

**STATEMENT OF FRANCINE R. FRANKEL, PH.D., DIRECTOR,  
CENTER FOR THE ADVANCED STUDY OF INDIA, UNIVERSITY  
OF PENNSYLVANIA**

Ms. FRANKEL. Thank you, Mr. Hyde and Members of the Committee, for giving me this honor of testifying this morning.

Proponents of the joint statement, like my fellow panelist Ashley Tellis, argue that a partnership between India and the United States is vital for the success of U.S. geostrategic objectives. The Bush Administration's decision to accommodate India on the issue of nuclear cooperation that accesses space-related and dual-use high technology is said to be desirable because it would speed up India's pace for economic transformation and growth and strengthen its geopolitical importance, buttress its potential as a hedge against a rising China and encourage it to pursue economic and strategic policies aligned with U.S. interests. I think Ashley would recognize that language.

I have been asked to discuss what has been referred to as the elephant in the room—although usually that phrase is reserved for India—and that is China; what is India's ability to hedge against the rise of China?

Let me make some points in a very short time, starting out by saying quickly, India is in a much weaker position than China, with an economy roughly 40 percent the size of that of China. There are more details about that in my testimony. As an illustration, out of a total of 13 countries around India, China has the highest share of the total external trade with 10 of those countries.

India's security concerns are compounded by competition with China in a common geopolitical space. China's strategic partnership with Pakistan has been strengthened by its investment of up to 1 billion for construction of the deepwater port at Gwadar, along with feeder roads and possibly other nuclear facilities.

At the same time, the Chinese military has made deep inroads into Myanmar on its eastern border. It has constructed a signal intelligence facility in the Great Coco Islands. It is contributing to a sense in India that China is pursuing a strategy of encirclement.

And I can also refer you to the asymmetrical nuclear capabilities of both countries. China can reach India's major cities, India has no equivalent capability. Yet, India's leaders do not believe that there is a chance India and China will go to war. Their strategy is to leverage an improving relationship with the dominant superpower to accelerate its own global rise during a period when power projection is based on economic and not muscular competition.

A close partnership with the United States based on technological cooperation and civil nuclear energy, space and dual-use high technology would allow India to stop closing the economic gap with China and also convince China to take India seriously. New Delhi has too much at stake in improving its relationship with Beijing to be drawn into what have been called robust demonstrations of support for U.S. interests. On the contrary, the mind-set of Indian advocates for a national partnership between the two countries are better described by the determination not to, quote—this

is from a policymaker—“walk into a U.S. trap by becoming overtly anti-Chinese.”

While the Bush Administration hopes that they will seek ways to harmonize their political strategies with those of the United States to achieve common goals with a preference for strategic coordination, the Manmohan Singh government is intent on remaining flexible, not necessarily equidistant. As policymakers might put it, in India we would like to see multiple poles of Japan, China, Europe, the U.S. and India, but the closest distance will be between the U.S. and India.

The Indian prime minister has been forthright in dismissing the idea that India could ever be used as a bulwark against China. Symbolic of New Delhi’s determination to safeguard its strategic autonomy, during Wen Jiabao’s state visit to India in April, 2005, the two leaders signed formal statements heralding a strategic and cooperative relationship.

The basic premise of India’s foreign policy and of the prospect that India can become a balancer in Asia is that India’s economy will grow over the next decade and beyond at 8 percent and start closing the gap with China. From India’s perspective, the impact of the proposed cooperation, civil nuclear understanding, space and advanced industrial and agriculture technologies will assure rapid growth and secure India’s future as a major global power.

The goal for India is not an alliance against China, but an opportunity to solve its poverty and unemployment problems, with American help, and be truly independent. Thank you.

Chairman HYDE. Thank you, Dr. Frankel.

[The prepared statement of Ms. Frankel follows:]

PREPARED STATEMENT OF FRANCINE R. FRANKEL, PH.D., DIRECTOR, CENTER FOR THE  
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INDIA’S POTENTIAL IMPORTANCE FOR VITAL U.S. GEOPOLITICAL OBJECTIVES IN ASIA: A  
HEDGE AGAINST A RISING CHINA?

India is so large, has such dramatically pronounced topographical features and diverse socio-cultural divisions among languages, castes, religions, and tribes, that it is difficult to comprehend holistically. To all of this has been added<sup>1</sup> the emergence of two economies created by economic liberalization and globalization. There is both a growing urban-rural divide of 2:1 in per capita income and a regional divide in distribution of households by income. The most populous states in the (East and North) have the greatest proportion of low income households, and are mainly excluded from the new boom economies in the larger cities and towns of the richer states of the West and South having the greatest share of upper middle and high income households.

Understandably, policymakers have long settled for generalities in talking about India as “the world’s largest democracy.” There are few qualifications that unequal regional growth is a major threat to long term political stability as well as the viability of economic reforms because of the large states and politicized populations left behind. Future prospects are further clouded by the decline of national parties, fragmentation of state-based parties, polarization between coalitions based on secular groups and those led by Hindu nationalists, and ideological divisions within the ruling coalition. The Congress-led United Progressive Alliance (UPA) which came to power in 2004 under Prime Minister Manmohan Singh is a minority government: the vote share of the Congress was less than 27 per cent; together with its pre-election allies, the Congress-led coalition reached 35 percent of the vote and 216 of 543 seats. The Left parties, reaching a new high of 60 seats, assured the Congress the majority needed to form the government by offering support from outside.

<sup>1</sup> Frankel R. Frankel, *India’s Political Economy 1947–2004*, second edition, New Delhi: Oxford University Press, 2005, chapter Fourteen

Similarly, critical differences between India and China tend to be minimized in long-range projections about two rising powers in Asia that will transform the geopolitical landscape in the 21st century. The reality at present is that power equations between the two are extremely lopsided in favor of China. China's GDP growth rate in the last 20 years averaged 9.4 percent. Its economy is the fastest growing in the world, and the seventh largest (2003). Barring unforeseen crises, it is likely to reach its goal of quadrupling GDP by 2020, pushing up GDP per capita income to over US \$3000. Moreover, this scorching pace incorporates the predominant position of industry—automobiles, real estate, steel, cement and petrochemical products—rising growth in the services sector (33.5 percent of GDP); and an increasing share in global merchandise trade to 5.6 percent. China is the leading force behind regional economic integration having spearheaded ASEAN plus three, China, Japan and South Korea; and has proposed the establishment of an Asian Economic Community at a summit scheduled in the near future.

India's record of about 6 percent growth over the past two decades also makes it one of the top growing economies in the world. But it relies disproportionately on IT based services. The services sector accounts for nearly 50 percent of GDP and the economy as a whole generates less than one percent of world trade (0.8 percent). The rapid annual growth in bilateral India-China trade increased over seven times from 1998, and reached \$13.6 billion in 2004, but India's share in China's imports is one percent and of China in India's imports under 5 percent. Not unexpectedly, India's exports to China are dominated by minerals and raw materials and semi-finished products while India's imports from China are mainly diversified manufactured goods—electronics and medicinal and pharmaceutical products. Even more telling, India's national income per head in 2003 was less than half that of China (\$1100 compared with \$530). While China has set its sights on becoming the equivalent of a "middle income" country in about ten years, India is expected to overtake Japan, Germany, the United Kingdom and France in the size of its economy during the next 25 to 50 years.

Those who support an Indo-US partnership are most influenced by the looming reality that US dominance in Asia is almost certainly going to be eroded by the economic, military and political rise of China by about 2020. They tend to argue that efforts to increase India's pace of growth are beneficial to US global interests in a balance of power in Asia, and as a hedge against China. One projection by the CIA's National Intelligence Council has captured the attention of key members of the Bush Administration. India, when ranked by composite measures of national power, including weighted combinations of GDP, defense spending, population and technology growth, will possess "the fourth most capable concentration of power after 2015", following the US, European Union and China.<sup>2</sup>

India's claim to destiny as a great power, despite never being unified as a single state even during periods of great empires, rests on beliefs of its unbroken civilizational unity as the carrier of a superior ancient culture which emphasized the importance of moral leadership over territorial control. In practice, Hindu kings pursued sacral ritual incorporation of conquered local rulers and territories rather than annexation of their kingdoms to establish a centralized state. One result was that India's influence beyond the subcontinent was exercised not by war but by exerting influence through a mix of Buddhist and Hindu religious ideas, cultural forms and knowledge on China and Southeast Asia. This has been called the "Indianization" of these societies, with "Extreme Indianists" (including Jawaharlal Nehru for example), referring to the states of Southeast Asia as Indian "cultural colonies." Related to these beliefs, after India won independence from the British, was the conviction that the country's geostrategic position and size would make it an important actor in Asia and that India would exert major influence in world affairs. "India can no longer take up an attitude other than that demanded by her geographical position, by her great potential and by the fact that she is the pivot round which the defense problems of the Middle East, the Indian Ocean and Southeast Asia revolve."<sup>3</sup>

Certain factors are critical for understanding the many reasons why this idea of India's global role and its claim to great power destiny was disappointed in the intervening fifty years:

- (1) Partition and the creation of Pakistan robbed India of its own geostrategic position. Overnight, India lost to Pakistan its location on the southern border of Afghanistan, its western flanks adjacent to the Persian Gulf and the

<sup>2</sup>"Mapping the Global Future", Report of the National Intelligence Council's 2020 Project, December 2004

<sup>3</sup>*The India-China Relationship: What the United States Need to Know*. co-editor with Harry Harding. New York: Columbia University Press and Washington, D.C.: Woodrow Wilson Center Press, 2004. Introduction.



Middle East, and its eastern boundaries abutting Southeast Asia, becoming immediately involved in the draining and still unresolved conflict over Kashmir;

- (2) During the Cold War, the United States, suspicious of India's non-aligned policy, found in Pakistan's offer of a military alliance the prospect of a foothold in the strategic area adjacent to the Middle East, the Persian Gulf and Southeast Asia. The 1954 military assistance agreement between the United States and Pakistan was perceived by India's leaders as the beginning of "building up" allied Pakistan and "building down" India;
- (3) The challenge by China to Nehru's ideas of cultural influence and potential dominance of Southeast Asia and the Indian Ocean region with historical claims of its own, which drew from the widest extent of its traditional tributary system as well as recently conquered territories. Historically, the Chinese sphere overlapped with India's perceived areas of cultural influence in southeast Asia (northern Malaysia, Vietnam, Cambodia, Thailand), Myanmar, Bhutan, Nepal, Tibet and the whole of Kashmir. From China's point of view, India possessed the British imperialist mentality and ambition to establish a greater Indian empire by dominating neighboring states through policies of "hegemonism." The 1962 Sino-India border war which established Chinese control over the disputed area of Aksai Chin and humiliated India by routing its outnumbered and unprepared troops in the North-east Frontier Area marked the beginning of an Indian military buildup aimed at confronting China on its own terms.
- (4) When both the US and China felt most vulnerable to the Soviet Union, and the Nixon-Kissinger 'opening to China' changed the strategic equation, India's 1971 success in dismantling Pakistan, creating Bangladesh and aligning with the Soviet Union was interpreted in Beijing as a strategy to encircle China and by the Nixon Administration as a policy to also attack in the West and cripple Pakistan. China responded with assistance to Pakistan, including transfer of designs for a tested nuclear device that was critical in Islamabad's clandestine development of nuclear weapons by 1989, and with shipments of missile delivery systems or their components. The "all-weather friendship" between China and Pakistan, maintained until the present, is a major factor in the persisting lack of trust characterizing India's attitude toward China, even though other aspects of the relationship have significantly improved.

Since the 1990's, India's governments have grappled with what role in world affairs the country could play after the Cold War. Attempts accelerated to end the hyphenated 'regional' category of India-Pakistan, break out of the "South Asia box" and improve relations with its neighbors. In the mid-1990s, India adopted a "look East policy" that attempted to restore its influence in Southeast Asia. The 10 ASEAN states + India agreed to hold annual summit meetings in 2002 and in 2003 signed an Indian-ASEAN Free Trade Agreement that India hopes will establish an "arc of stability and prosperity through an Asian Economic Community as a counterpoise to the arc of instability to our west." Prime Minister Manmohan Singh, in November 2004, proposed to hold a workshop to evolve a concept paper on an Asian Economic Community including India, ASEAN, Japan, China and Korea.<sup>4</sup> The South Asian Free Trade Area Accord (SAFTA) has been less successful because of the continuing hostility between India and Pakistan, although India has free trade agreements with Sri Lanka, Nepal and Bhutan.

From the late 1990's, the "mood" in India grew to improve relations with the United States as the dominant world power, interrupted by India's May 1998 nuclear tests, sanctions imposed by the US, and then lifted in November 2001.

The emergence of India as a de facto nuclear weapons state greatly enhanced the confidence of policy-makers who desired India to play a bigger role in world affairs. This confidence was buttressed by rising annual growth rates of six percent annually from the mid-1980's, sustained after the 1991 economic reforms. Even more decisive, over the past 5 to 6 years, the dramatic performance of India's services sectors, IT/ITES/BPO, and more recently, plans to develop pharmaceuticals and biotechnology, as well as the global competitiveness of some of India's restructured, and also new manufacturing companies (in auto components, specialist chemicals and potentially in textiles and electronics), have provided a critical psychological boost. It would be difficult to overestimate the psychological liberation that has

<sup>4</sup>Looking East: Manmohan Singh at 3rd India-ASEAN Summit, India Review, January 1, 2005, p. 7

flowed from international recognition of India's technological prowess, and the globally competitive industries of "India, Inc." As the chief financial officer of a major Indian IT multi-national put it, Success in the global marketplace has more than economic significance. It asserts India's position as an equal, not only the equality of India with the west, but the equality of the 'brown' person with the 'white'. "When I represent I.T. as an Indian, I am an equal: color doesn't matter".

A more confident India has been willing to engage the United States on equal terms, and to insist on this equality in bilateral relations. When during this same period, the US and India perceived a convergence of security interests, communications became much more direct and productive, especially in finding common ground on major issues concerning the rise of Islamic fundamentalism, non-proliferation (India is a status quo power, wanting to limit the number of nuclear weapons states to the five "recognized" under the NPT, and India, Pakistan and Israel), and the rapid rise of China. The decision to delink U.S. policy toward Pakistan and India first taken during President Clinton's visit to India at the end of his second term, was finally implemented in March 2005, when Secretary of State Rice offered New Delhi a package of policies that deserves the often misused term of strategic partnership to "help India become a major world power in the twenty first century."<sup>5</sup> "The Defense Framework" signed by India's Minister of Defense and the US Secretary of Defense on June 28, 2005 charted a ten year course that put new mechanisms in place to oversee defense sales and prospects for co-production and technology cooperation.<sup>6</sup> How intertwined key policies of the two countries could become emerges from the Indo-U.S. Joint Statement at the end of Prime Minister Manmohan Singh's visit to Washington on July 18, 2005.<sup>7</sup> The headline making news in both capitals was that the US would work with Congress to adjust the 1978 law restricting trade and commercial transactions in civil nuclear energy, space and dual use technology with non-signatory states of the Nuclear Nonproliferation Treaty to "enable full civil nuclear energy cooperation and trade with India." Major proponents of the Joint Statement, like Ashley Tellis argue that a partnership between India and the US is vital for the success of US geopolitical objectives, and that the Bush Administration's decision to accommodate India on the issue of nuclear cooperation, provide access to space-related and dual use high technology is desirable because it would speed up India's pace of economic transformation and growth, strengthen India's geopolitical importance, enlist its enthusiasm for counter-proliferation efforts in the Indian Ocean, and "buttress its potential utility as a hedge against a rising China (and) encourage it to pursue economic and strategic policies aligned with U.S. interests."<sup>8</sup>

#### *Hedging Against the Rise of China*

Despite the desire on both sides to avoid the perception of closer bilateral relations as anti-China, both the U.S. and India share concerns fostered by uncertainty about whether China should be viewed as a potentially cooperative partner or a power making a bid for dominance in Asia. US formulations about the potential for U.S.-China relations have swung sharply between the Clinton Administration's goal of a 'strategic partnership;' the characterization by candidate George Bush in 2000 of China as a "strategic competitor" and the cautiously positive formula adopted by President Bush and President Jiang Zemin in October 2001 of a "cooperative" and "constructive" relationship. The US is China's biggest export market but the leverage this affords against China is limited by the massive trade deficit. As Fareed Zakaria points out<sup>9</sup> over the past fifteen years China's exports to the US have grown by 1,600 percent and those of the U.S. to China, 415 percent; China supports the declining dollar as the second largest holder of foreign exchange reserves. Washington would be hard pressed to come to Taiwan's assistance in the event of a Chinese invasion, and it relies on China to help defuse the crisis with North Korea over nuclear weapons.

<sup>5</sup> Ashley J. Tellis, "South Asian Seesaw: A New U.S. Policy on the Subcontinent," Washington D.C.: Carnegie Endowment for International Peace: Policy Brief, May 2005, <http://carnegieendowment.org/files/PB38.pdf>

<sup>6</sup> "New Framework for the U.S.-India Defense Relationship, [http://new delhi. Gov/wwhipr062905.html](http://newdelhi.gov/wwhipr062905.html)

<sup>7</sup> Comprehensive bilateral ties are envisaged in combating international terrorism, developing a new U.S.-India Global Democracy Initiative, boosting trade, investment and technology, strengthening energy security, establishing cooperation in commercial space and satellite exploration and launch, and entering into full civil nuclear energy cooperation.

<sup>8</sup> Ashley J. Tellis, "India as a New Global Power", An Action Agenda for the United States. Washington, D.C.: Carnegie Endowment for International Peace, 2005, p.27

<sup>9</sup> Fareed Zakaria, "Does the Future Belong to China?", Newsweek, May 9, 2005

India is in a much weaker position, with an economy roughly forty percent the size of that of China. Out of a total of thirteen countries around India, China has a higher share of the total external trade with ten.<sup>10</sup> The Indian market has also been flooded with consumer goods and chemicals made in China, and India has brought some 70 anti-dumping cases against China in the WTO. India's security concerns are compounded by competition with China in a common geopolitical space. China's strategic partnership with Pakistan has been strengthened by its investment of up to \$1 billion for construction of the deep water port at Gwadar, along with feeder roads and other facilities. At the same time, the Chinese military has made deep inroads into Myanmar on its eastern border, while providing assistance for construction of a signal intelligence facility in the Great Coco Islands, contributing to a sense that China is pursuing a strategy to encircle India. China has also established the Shanghai Cooperation Organization, including Russia and the states of Central Asia, which India joined as an observer state in July 2005—along with Iran, Pakistan and Mongolia.

Yet, India's leaders believe there is no chance of India and China going to war. Their strategy is to leverage an improving relationship with the dominant superpower to accelerate its own global rise during a period when power projection is based on economic and not muscular competition. A close partnership with the United States based on technological cooperation in civilian nuclear energy, space and dual-use high technology would allow India to start closing the economic gap with China and also convince China to take India seriously. China's perception of a closer U.S.-India relationship is likely to strengthen its incentives to offer a final border settlement. Should China prove intent on establishing a dominant role, a stronger US-India relationship, the argument goes, will make China more cautious in undermining India's interests at a time when it is not ready to confront China on its own. This may be too optimistic, as both India and the U.S. assess the latest agreement between China and Pakistan<sup>11</sup> to start joint production of a new fighter aircraft for Pakistan's air force, (JF-17 "Thunder" aircraft) with supply of 150 aircraft to begin in 2007, (and 250 on order for China) which could change the strategic balance between India and Pakistan. From the U.S. perspective, already worried about China's strategy to intimidate Taiwan, in the aftermath of the anti-secession law passed in March 2005, the new fighter aircraft along with increased missile capabilities would complicate US response to an attack. Over the long term, it makes sense to argue that a close US partnership with a more powerful India can help balance China's position. Even so, an equally important assumption is that of an enduring US-Japan alliance, with a militarized Japan playing a key role. The tsunami naval quartet, US-India-Japan-Australia, is a possible alignment for the future, but still very far away.

New Delhi has too much at stake in improving its relationship with Beijing to be drawn into "robust demonstrations of support for U.S. interests." On the contrary, the mindset of Indian advocates for a natural partnership between the two countries are better described by the determination not to "walk into a US trap" by becoming overtly anti-Chinese. While the Bush Administration hopes that India will seek ways to harmonize its political strategies with those of the United States to achieve common goals in a preference for "strategic coordination",<sup>12</sup> the Manmohan Singh government is intent on retaining flexibility, but not equidistance. As one senior policy maker put it, we would like to see multiple poles of Japan, China, Europe, the US and India, but the "closest distance" will be between the US and India. The Indian Prime Minister has been forthright in dismissing the idea that India could ever be used as a bulwark against China. Symbolic of New Delhi's determination to safeguard its strategic autonomy, during Wen Jiabao's state visit to India in April 2005, the two leaders signed formal statements heralding a "strategic and cooperative relationship."

Sino-Indian normalization of relations has proceeded by fits and starts but this process has been characterized by many of the trappings that have signaled improved relations between India and the United States; for example, summit meetings between heads of state and government, regular exchange of visits between high-ranking military and civilian officials, agreements to establish direct links for commercial airlines and telecommunications, cooperation in science, technology and space, and bilateral cultural exchanges. The 1993 "Agreement on the Maintenance of Peace and Tranquility" to resolve the border dispute by negotiations followed by the 1996 "Agreement on Confidence Building Measures" for significant troop with-

<sup>10</sup> Waheguru Pal Singh Sidhu and Jing-dong Yuan, *China and India, Cooperation or Conflict?* London: Lynne Reiner Publishers, 2003, p.47

<sup>11</sup> "Financial Times, May 10, 2005

<sup>12</sup> Ashley J. Tellis, *India as a New Global Power*, op.cit., 51

drawals along the Line of Actual Control (LAC) was followed, finally, in 2001, at the thirteenth meeting of the China-India Joint Working Group (JWG) by an exchange of maps of the middle sector of the LAC; and in June 2002 by an exchange of maps of the western sector.

Despite a spate of Articles following Chinese Premier Wen Jiabao's visit to India hyping closer economic ties between China and India as the world's "office" and China as the world's "factory, there is virtually no chance that the two countries will agree to create a free trade area. Nevertheless, some projections that India-China trade could overtake U.S.-India trade by 2008, rests on the growth of complementarities between the two economies. Indian IT companies have started to invest in China and to access Chinese engineering graduates to expand the talent pool from which to build computer services and outsourcing processes, while using China as a gateway to Japan, the second largest IT market after the United States. Chinese corporate leaders are also entering the Indian market to hire software specialists and learn how to improve their own technology industry.

The rise of China is a general framing architecture in the discussion of security related issues, but the US and India have converging interests across a broad spectrum.

Leading members of India's strategic community are less suspicious than ever before of US motives behind its policies in the region, recognizing that India is needed as a "stabilizer in this region" as the world's largest democracy "situated next to China, next to Pakistan-Afghanistan, West Asia and Central Asia."<sup>13</sup> In practice, Washington and New Delhi coordinate policy toward India's neighbors, Nepal and Sri Lanka in ways that shore up India's position in the region, preventing a power vacuum from developing which can be filled by China or internal forces unfavorable to India. The cooperation with respect to Nepal in order to stem the Marxist tide and move toward constitutional government has been particularly close. India has also accommodated the U.S. For example, when the US response to the tsunami disaster was too slow, New Delhi helped Washington create an image of involvement in relief efforts by the military-political decision to work with the US in a "core naval group"—US-India-Japan-Australia.

Convergence of interests extends in differing degree to various other areas:

Interests also overlap in Afghanistan. The U.S. fight against the Taliban set back Islamic fundamentalism and contributed to India's strategic objective of a nationally consolidated Afghanistan. India is engaged in training skilled workers and by the end of 2005 will have given \$500,000,000 in aid. The role of the U.S. is considered crucial: it has 70,000–80,000 troops in Afghanistan and is contributing \$2 billion in aid annually. Pakistan is trying to regain its influence in Afghanistan where there is a lack of skilled Afghans in almost all walks of life and most workers are Pakistanis. The question therefore is whether the U.S. will extend its rationale for support of Pakistan in routing out terrorists to side with Pakistani demands and pressure India to hold back from projecting its influence into Afghanistan. The worst case for India is that the U.S. will withdraw its troops and make a clean exit after elections.

There is no contradiction between the interests of the U.S. and India in Southeast Asia; or with the unstated notion that India should be a balancer in the region against China. Indian policy makers believe that ASEAN welcomes closer relations with India for this purpose and that they want more than one country to have influence.

The U.S. and India have had differences on the Iraq war, but now that events cannot be undone, Indian policymakers believe the costs of U.S. failure in Iraq would outweigh India's interest in US success. India approved of the Iraqi elections, however imperfect, as better than no elections. Moreover, India looks forward to a Shi'a dominated regime in Iraq. India has the second largest population of Shi'a in any country with a major Muslim community and India does not want to see Sunnis, dominant in Pakistan, capture power. In the event the US fails in Iraq, the general sentiment in the Gulf is liable to become very fundamentalist, which is not in India's interest. India is dependent on imports for 70 percent of its oil supplies, mainly from the Gulf.

The biggest issue of divergence has been Iran. India's negotiations with Pakistan and with Iran for a pipeline to deliver national gas from Iran to India are reasonably well advanced, and opposition from the United States is considered to be interference with India's autonomy in foreign relations, as well as disregard for its security and energy needs. The U.S., convinced Iran is developing nuclear weapons, supports an alternative more problematic pipeline route avoiding Iran, from Turkmenistan, Afghanistan, Pakistan, to India.

<sup>13</sup>K. Subrahmanyam, "Hidden Strings and Free Lunches", The Indian Express, May 18, 2005

At the most general level, India accepts that the U.S. is an Asian power and will continue to play the most important role in the foreseeable future in Northeast Asia and Southeast Asia, and that this presence is to India's advantage for a number of reasons, those already mentioned and others. Sea control is a very important economic and strategic issue. Both India and China have ambitious plans to build up naval power in this and coming decades and India believes projection of military power will be the same as projection of naval power. As in other areas, China is surging ahead. India believes it demonstrated to the US during the coordination of the tsunami relief effort that it is the most effective naval partner in the Indian Ocean and the Gulf. Trade and investment flows are also crucial. The US remains India's single largest trading partner (although it is likely China will overtake the US in the next year or two); and the US is the most likely source of FII and FDI for India's advanced technology sectors.

Nevertheless, it would be a mistake to underestimate the resentment that remains of US policies toward Pakistan, especially Washington's lavish patronage of President Musharraf and his military government in the name of fighting the war on terror when Pakistan has been the home base of Al Qaeda and the patron of cross-border terrorism against Kashmir, as well as the source of clandestine sales and diffusion of nuclear technology and fissile materials. So far, Pakistan has received a three billion dollar economic and military assistance package, designation of Pakistan as a non-NATO military ally, and in March 2005, approval of the sale of F16's, put on hold for fifteen years, which can be upgraded and used to deliver nuclear weapons. US sensitivities toward Pakistan are also considered excessive in Afghanistan and potentially harmful to India's security interests. For the time being, this resentment has been pushed just below the surface of Indian public policy in the aftermath of the July 18, 2005 Joint Statement. But even before this package offer, India recognized that the US war on terror served its own vital interests by pressuring Pakistan to cut back on support for jihadist groups, including cross-border terrorism in Kashmir. More recently, there has been apparent progress on the India-Pakistan composite dialogue started in January 2004, and especially the meeting in New Delhi (April 18, 2005). This ended with a joint statement by Musharraf and Manmohan Singh asserting that the peace process is now "irreversible." For the first time, the two governments endorsed the idea that India and Pakistan will move toward a soft border in Kashmir through CBM's that will increase travel (bus service), trade (by trucks), and pilgrimages across the Line of Control. Musharraf outlined options for a "final settlement" of the Kashmir issue, a term used by New Delhi for the first time since 1971, significant because it recognizes there is an "issue" which should be settled by both countries.<sup>14</sup> Sensitivities about the magnitude of US support for Pakistan should lessen if CBM's actually are implemented on the ground and a negotiated solution on Jammu and Kashmir eventually appears within reach.

#### *Impact of Proposed Civil Nuclear Agreement*

Cooperation in civilian nuclear energy and space between the United States and India has been interpreted as defacto recognition of India as a nuclear power. This is the interpretation placed on it by Indian policy makers who seek to harness the Bush Administration's unorthodoxies or unilateralism, to advance India's long-standing interests in transfer of dual-use technologies, and its current urgent needs for imported nuclear fuel and reactors to generate power as a prerequisite for pushing up and sustaining high growth levels. Many believe the Bush Administration does not care about the NPT and consider it a "silly little treaty", and this is not only the Indian government's conclusion. Some senior U.S. officials clearly believe that the NPT and its five NWS's cannot be resurrected, and the US needs to face reality. Pakistan, India, Israel are NWS's, others may become nuclear weapons state, and therefore it is necessary to search for a new framework; one which does not sacrifice US economic interests—namely the opportunity offered by the Indian market for sales of defense equipment and advanced technology, which will only grow in the future.

In India, despite dissenting voices, the most dramatic change from the past is the wide spectrum of support. Currently, the ballast is provided by those who believe that what the US has put on offer needs to be explored in India's own interest. The most enthusiastic liken the package of policies approved in the Joint Statement as analogous to the US opening to China, perceived as the first step toward China's rise as a global power.

The basic premise of India's foreign policy, and of the prospect that India can become a balancer in Asia is that India's economy will grow over the next decade and

<sup>14</sup>"Musharraf in India", India Today International, May 2, 2005, p. 17

beyond at 8 percent per annum and start closing the gap with China. From India's perspective, the impact of the proposed cooperation in civil nuclear energy, space and advanced industrial and agricultural technologies will assure rapid growth and secure India's future as a major global power. The goal for India is not an alliance against China, but an opportunity, with U.S. assistance, to sustain 8 percent economic growth over one or two decades so that India can solve its poverty and unemployment problems and be truly independent. Meanwhile, India will have to take into account U.S. interests in its foreign policy decisions, but it would probably be unrealistic to expect a "willingness to ally itself with American purposes." More likely, is a partnership that will naturally grow out of high levels of trust and close cooperation.

Chairman HYDE. Dr. Limaye.

**STATEMENT OF SATU P. LIMAYE, PH.D., RESEARCH STAFF MEMBER, STRATEGY, FORCES & RESOURCES DIVISION, INSTITUTE FOR DEFENSE ANALYSES**

Mr. LIMAYE. Thank you, Mr. Chairman and Members of the Committee, for this opportunity to testify this morning. As requested by the Chairman in its invitation letter, I will briefly review India's foreign policy interests and activities in East Asia, leaving out China, which Dr. Frankel considered; assess the extent, if any, to which Delhi is likely to ally itself with U.S. strategic purposes in this region; and assess the impact of improved U.S.-India relations, including the proposed nuclear agreement and our other relationships in the region.

India's interests in expanded engagement with East Asia are numerous. First, India seeks to maintain its strategic autonomy by avoiding overdependence upon the United States or being overshadowed by China. Second, India seeks to avoid diplomatic isolation by being included in regional organizations such as ARF, the ASEAN Plus India Dialogue, and the East Asian Summit.

Third, India's increased engagement with East Asia is intended to facilitate achievement of its great power ambitions, including a permanent seat on the UN Security Council and recognition as a nuclear weapons state.

Finally, they seek trade, investment, energy, diplomatic and security gains from ties to countries in East Asia.

What is our assessment, an assessment of India's activities in this region? First, India is making active strides in becoming a more accepted regional player. Second, India is shedding its past image in the region of being economically irrelevant, politically unimportant, anti-American, pro-Soviet and even potentially threatening.

India's diplomatic gains include new or renewed high-level political exchanges. India has gained membership in major regional multilateral organizations, acceded to the ASEAN Treaty and membership in multilateral organizations.

India has growing trade and investment ties and has signed or is in the process of negotiating several bilateral trading agreements in the region.

On the basis—finally, on military, India is cooperating with regional militaries through exercises, facility visits and training. It has also established high-level defense and security dialogues, including on counterterrorism.

Based on these assessments, we can expect that India will likely achieve an incremental, steady growth in its East Asian profile.

Do Indian's expanded relations with East Asia serve America's strategic interests? Several aspects of the East Asia relations are potentially problematic to the United States.

First, India's East Asia activities are designed, first and foremost, to achieve its strategic autonomy, prevent its marginalization and increase its power capabilities. India's support for U.S. regional objectives will be measured against these primary goals.

Second, India cannot be counted on to support the United States in a possible containment of China. India's ties with the PRC are not good enough to create a Sino-Indian access against the United States, but nor are they bad enough to want to form an alliance with the U.S. India will continue to hedge, seeking benefits from both the U.S. and China.

Third, in a conflict in either of Asia's two potential flashpoints, the Cross-Straits and Korean Peninsula, India's supporting role to the U.S. is difficult to envision.

Fourth, India's cooperation with the military regime in Burma is inconsistent with U.S. policy. Its engagement there is driven by largely internal security considerations as well as access to energy.

Like the U.S., India supports an expanded role for Japan in Asia; however, unlike the United States, India supports such a role because it believes it will contribute to the emergence of a multipolar international system and ultimately a Japan less reliant on the U.S. and more receptive to partners such as India.

There are some advantages to the United States of India's growing East Asia roles. In the future, if India improves its relations with close allies such as Japan, Australia and Singapore, there could be a basis for multilateral security cooperation. Also, India's improving relations with East Asia helps countries avoid overdependence on China, which is in U.S. interests. And, finally, India's goals of better ties with East Asia demand that it continue improved relations with the United States.

Finally, India's growing economic ties, particularly with East Asia, could spur further liberalization, increasing U.S. commercial opportunities.

What are the implications for the United States in its relations with our allies, partners and other partners in the region of the nuclear accord and of U.S.-India relations? I would conclude by simply saying that, on the whole, much of East Asia welcomes an improved U.S.-India relationship as they seek to improve relations with India themselves. However, on the nuclear issue, some countries, particularly our allies Japan and Australia, will be wary unless they see the implementation of adequate nonproliferation commitments by India.

Thank you, Mr. Chairman.

Chairman HYDE. Thank you, Dr. Limaye.

[The prepared statement of Mr. Limaye follows:]

PREPARED STATEMENT OF SATU P. LIMAYE,<sup>1</sup> PH.D., RESEARCH STAFF MEMBER,  
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#### *Introduction*

Thank you Mr. Chairman and distinguished members of the Committee for this opportunity to testify on the subject *The U.S.-India 'Global Partnership': How Significant for American Interests?*

A key element of the Bush Administration's stated policy of transforming U.S.-India relations globally is cooperation with India in the wider Asia-Pacific region. As Under Secretary of State for Political Affairs R. Nicholas Burns told the Senate Foreign Relations Committee earlier this month: "We anticipate that India will play an increasingly important leadership role in 21st Century Asia, working with U.S. to promote democracy, respect for human rights, 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."

As requested by the Committee, I will:

- Review briefly India's foreign policy interests and activities in East Asia (except vis-a-vis China which have been/will be addressed by another panelist);
- Assess the extent to which, if any, Delhi is likely to ally itself to American strategic purposes in this region.
- Assess the impact of improved U.S.-India relations, including the proposed civilian nuclear energy cooperation agreement, on our other relationships in the region.

#### *India's Foreign Policy Interests in East Asia*

India's interests in expanded engagement with East Asia are numerous.

First, India seeks to maintain its strategic autonomy by avoiding over-dependence upon the United States, or being over-shadowed by China.

Second, India seeks to avoid diplomatic isolation by being included in regional organizations such as the ASEAN Regional Forum (ARF), ASEAN Plus India Dialogue, and the East Asian Summit.

Third, India's increased engagement with East Asia is intended to facilitate achievement of its great power ambitions, including gaining support for a permanent seat on the United Nations Security Council and recognition as a nuclear weapons state.

Finally, India seeks trade, investment, energy, diplomatic and security gains from relations with individual East Asian countries.

#### *An Assessment of India's Activities in East Asia*

India is making steady strides in becoming a more accepted, active regional player.

India is shedding its past image in the region of being economically irrelevant, politically un-influential, anti-American, pro-Soviet and potentially threatening.

India's diplomatic gains include new or renewed high-level political exchanges. Regular institutionalized bilateral dialogues are replacing ad hoc interactions. India has gained membership in major regional multilateral organizations, acceded to the ASEAN Treaty of Amity & Cooperation (TAC), and received support for a permanent United Nations Security Council seat.

India has growing trade and investment ties and has signed or is negotiating several bilateral trading arrangements.

India is cooperating with regional militaries through exercises, facility visits and training. It has established high-level defense and security dialogues including on counter-terrorism.

Importantly, periods of intense India-Pakistan tensions, India's self-declaration as a nuclear weapons state and government changes in New Delhi have interrupted but not derailed the India-East Asia rapprochement.

India will likely achieve an incremental growth of its East Asia profile.

#### *Will India Support American Strategic Purposes in the Region?*

Do India's expanded relations with East Asia serve American strategic interests? What are other potential benefits and drawbacks of India's East Asian relations for the United States?

Several aspects of India's East Asia relations are potentially problematic to U.S. interests.

<sup>1</sup>Dr. Satu Limaye joined the IDA staff on November 14, 2005. These views are personal, and are derived on previous research and publications.



- India's East Asia activities are designed to achieve its strategic autonomy, prevent its marginalization, and increase its power capabilities. India's support for U.S. regional objectives will be measured against these primary goals.
- India cannot be counted on to support the U.S. in a possible containment of China. India's ties with the PRC are not good enough to create a Sino-Indian axis against the U.S., but not bad enough for it to want a formal alliance with the U.S. India will continue to hedge, seeking benefits from both the U.S. and China.
- In a conflict in either of Asia's two key potential flashpoints (i.e., the Cross-Straits and Korean Peninsula) an Indian role supporting the U.S. is difficult to envision.
- India remains wary of initiatives such as the Proliferation Security Initiative (PSI).
- India's cooperation with the military regime in Burma is inconsistent with U.S. policy. India's engagement with Burma is driven by internal security, energy and strategic considerations which are unlikely to change.
- India may ultimately support the development of regional multilateral organizations and identity unfavorable to the U.S.
- Like the U.S., India supports an expanded role for Japan in Asia. However, unlike the U.S., India supports such a role because it believes it will contribute to the emergence of a multi-polar international system and ultimately a Japan less reliant on the U.S. and more receptive to partners such as India.
- Fundamentally, India's current role in East Asia, both in motive and capability, is insufficient to form the basis for transforming U.S.-India relations.

There are, however, also some potential benefits to the U.S. of India's East Asia ties.

- India's improving relations with close U.S. allies and partners such as Japan, Australia and Singapore could nurture multilateral security cooperation and burden-sharing. India already has contributed to niche cooperation such as escorting high-value shipping and post-tsunami humanitarian and disaster relief efforts.
- India's improving relations with East Asia helps regional countries avoid over-dependence on China, which is in U.S. interests.
- India's goal of better ties with East Asia demand maintaining improved ties with the U.S.-providing further motivation for India to cooperate with the U.S.
- Expanded India-East Asia economic ties could spur India's economic growth and compel further liberalization, thereby increasing U.S. commercial opportunities in India.

#### *Implications for U.S.-East Asia Relations*

As the U.S. improves relations with India, including possible civilian nuclear cooperation, what responses may be expected from America's allies, partners, and other countries in the region?

- On balance, much of East Asia welcomes an improved U.S.-India relationship. Most East Asian countries have strong ties to Washington and want to build productive ties to India. Solid U.S.-India relations make it easier to achieve this goal.

However, East Asian reactions to the proposed U.S.-India agreement for civilian nuclear cooperation appear more mixed and as yet uncertain.

- In his testimony to the Senate Foreign Relations Committee on November 2, Robert G. Joseph, Under Secretary for Arms Control and International Security discussed some of the international reactions to the proposed initiative. He noted that countries such as the United Kingdom and France have reacted favorably whereas Sweden has not, and many others have adopted a "wait and see" attitude.
- There have been no official, public statements from East Asian governments specifically about their views of the proposed U.S.-India nuclear agreement.
- There are indications, however, based on press reports, past responses to India's nuclear tests and other sources that suggest East Asia is likely to be wary. For example, a Japan Kyodo News article reports that during recent bilateral U.S.-Japan talks on disarmament and nonproliferation, U.S. officials were told that civilian nuclear cooperation with India could "send the wrong

message to North Korea and Iran.” A recent Australian Department of Foreign Affairs and Trade (DFAT) document mentions the proposed U.S.-India nuclear agreement but is silent on Australia’s views of it. In addition, India’s past attempts to seek recognition for its nuclear weapons status by stating its willingness to sign the Southeast Asia Nuclear Weapons Free Zone (SEANWFZ) Protocol was rejected by ASEAN. It should also be noted that key U.S. allies such as Australia and Japan reacted strongly to India’s 1998 nuclear tests.

- East Asian countries are at a minimum taking a “wait and see” approach to the proposed agreement. Their positions in the future are likely to be shaped by several factors including the extent and credibility of Indian nonproliferation commitments; impacts on their other foreign policy interests; and the importance they place on global nonproliferation in their foreign and security policies.
- It seems highly unlikely that any East Asian country (5 of the 44 members of the Nuclear Suppliers Group are from East Asia—Australia, China, Japan, New Zealand, and ROK) will pursue civilian nuclear cooperation with India in the form of supplying technology or material.
- Finally, no East Asian country is likely to advocate *de jure* recognition to India’s nuclear weapons capability, though several regional states have given it a *de facto* recognition.

Despite some uncertainty as to whether East Asia will support the initiative to pursue civilian nuclear cooperation with India, some points are clear:

- U.S. relations with East Asia are unlikely to be seriously harmed by the pursuit of the U.S.-India nuclear cooperation agreement. However, potential frictions can be minimized, particularly with allies such as Japan and Australia, if India implements strong nonproliferation commitments.
- U.S. efforts to improve relations with India in other areas such as trade, investment, global issues, counter-terrorism, maritime security and defense will continue to be welcomed by America’s East Asian partners.

Chairman HYDE. The panel is to be congratulated for keeping within the time constraints. That is remarkable.

Mr. Berman?

He is not here. Mr. Ackerman.

Mr. ACKERMAN. Thank you, Mr. Chairman. At our last hearing, most of the nuclear nonproliferation experts argued that India be required to adopt a moratorium on production of additional highly enriched uranium and plutonium weapons. This addition to the agreement could be a deal-breaker, as the Indians have continuously and strongly opposed this.

However, the question is: Is there an additional benefit from the U.S. that the Indians might want that could persuade them to adopt a moratorium, such as U.S. support for permanent seat on the UN Security Council.

Dr. Cohen.

Mr. COHEN. Yes. You are getting into horse trading here, but I think that—

Mr. ACKERMAN. That is what we do around here.

Mr. COHEN. I think the issue itself is critically important, and this is where India is in the early stages of learning how to be a nuclear weapons state. Nuclear weapons states come to realize that as they define their own security—how much is enough, how many nuclear weapons they need to be secure—that this may impinge on the security of other states, including states around the world.

So an Indian nuclear program which satisfied Indian desires, that was 10,000 weapons or 1,000 weapons, which was seaborne, traveling all around the world, that would raise concern among many countries around the world. A program that was confined to

South Asia with a side deterrent against China would not raise those kinds of alarms.

So the big question that the Indians have to answer, that we can't answer for them, but we can certainly ask the question, is how much is enough, how many weapons do they need? And if a fissile material cutoff at this point would limit the Indian programs, but no fissile material cutoff in Indian fissile nuclear material production of a substantial rate, it would certainly eventually threaten many other states and would not go through the nuclear supplier groups. Those countries, in particular, are concerned. So that is why I think this whole debate about the nuclear—dividing civil and nuclear facilities really is important.

Mr. ACKERMAN. Are you saying that rather than be looking for some kind of additional give-back from the United States, that the Indians would be willing to accept a cap? Is that what you are saying?

Mr. COHEN. I think we need to know from them what their limits are going to be, what cap they will produce—what cap they will accept themselves. To be honest, I don't know.

Mr. ACKERMAN. Dr. Tellis.

Mr. COHEN. In the deal, it says they will separate civil and military facilities. How many of the reactors will wind up on the military side? How many on the civilian side?

Mr. ACKERMAN. That is not my question.

Dr. Tellis.

Mr. TELLIS. I think this is an issue in which we can give nothing to get a cap, and the reason we cannot get a cap from India is very simple: As long as there is uncertainty about the future size and character of the Chinese nuclear arsenal, the Indians will not give up their option to produce fissile materials.

The facts of the matter here are what determines India's choices. India has a very small fissile material stockpile relative to what the Chinese have. The Chinese have the lead because they got into the fissile material production business about 30 years before the Indians did, and so at this point it is a national security interest for India.

The constraint that is implicit in the July 18th agreement is that India puts its civilian reactors under safeguards, in effect implying that it gives up the option of building the largest possible arsenal that it could because it is essentially saying, I will give you X number of reactors under international safeguards, which will not be available for the production of fissile materials for the weapons programs.

Mr. ACKERMAN. That is a pretty fungible kind of process. Your conclusion though, nonetheless, is that there is nothing India would trade.

Dr. Frankel.

Ms. FRANKEL. Yes, I just want to underline that.

I think it is a very dangerous road to go down if we do want an agreement with India. There is a big debate raging in India right now about whether or not the agreement to separate military and nuclear facilities is, in fact, a cap of their ability to produce any fissile material.

They have—scientists, politicians are arguing that it will slow down their attempt to build fast breeder reactors and use thorium, which would give them energy independence; so they are very wary, in fact, that the United States, introducing this kind of arrangement, is seeking already to cap their nuclear capability. And I think if that becomes a matter of debate within India, those who oppose any kind of concession, as they see it, to the United States, matters of national security, will accuse the Singh government of betraying India's independent foreign policy.

Mr. ACKERMAN. Without such a cap, do you think that this proposal, as is, should be approved?

Ms. FRANKEL. I think if you are going to go down this road, this is the only way that you will get an agreement with India. I think the prime minister has gone out on such a limb for this agreement, to say it is complete in itself as was negotiated, that he cannot now introduce other qualifications.

Mr. ACKERMAN. The question is, if we do not impose a cap—and the Indians, I should say, cannot accept a cap—do we go ahead with this because of the overall value of the agreement?

Ms. FRANKEL. That then becomes a context of whether or not we think India can contribute to our strategic interests in Asia, we want to pay this particular price. I think that is a matter for the Congress.

Mr. ACKERMAN. Mr. Chairman, I know the clock has run out, but if we can get a “yes” or “no” possibly from each of the other panelists on this, it is a very important question.

Mr. TELLIS. The answer is “yes,” and I will say one other thing. If you want to get a cap, the best thing we can do is work for a global cutoff treaty.

Chairman HYDE. Dr. Cohen?

Mr. COHEN. I would say “yes” if, as Dr. Tellis says, the implicit understanding of the agreement is that there will be no master shift of civilian reactors to the military side, which is, in effect, a cap.

Offering a UN seat is not in our power; we may support India for the UN.

Mr. ACKERMAN. We can offer support for it publicly.

Mr. LIMAYE. No, unless we can negotiate further nonproliferation commitments, such as a fissile material cutoff along Ashley's lines.

Mr. ACKERMAN. Four qualified yeses.

Chairman HYDE. Mr. Burton of Indiana.

Mr. BURTON. I came down here trying to get some kind of definitive answer on this issue since we are going to be visiting India quickly. I feel a little confused.

You say trust is a big part of all this. Any of you? You think that the members of the Indian government still have a lot of distrust about whether or not we will live up to our commitments, is that it?

Mr. TELLIS. I think on this issue in particular it is less a matter of trust as it is a response to uncertainty. The Indians are uncertain about what their future nuclear environment will look like. They are uncertain about the eventual size of the Chinese arsenal. They are uncertain about what the Pakistan nuclear arsenal will look like.

Given these two fundamental uncertainties, they are reluctant to accept a cap on their ability to produce fissile materials at this point. Therefore, the solution they have recommended and we have accepted in principle is that both sides will work toward a universal cutoff, which not only controls the Indian production, but the Pakistani production as well.

Mr. BURTON. We have been very encouraged by Prime Minister Singh and President Musharraf's discussions about working together to solve some of the very difficult problems that have led to conflicts in the past, and in particular we have been very happy that they have actually been willing to sit down and talk.

Can you give us your assessment of the long-term arrangement or understanding between the two countries, or do you think this is just temporary? Number two, I would like to have somebody mention a little bit about the Kashmir issue.

I talked to the former Foreign Minister of India, and he said the issue of Kashmir was nonnegotiable, and that has been a sticking point in the relationship between India and Pakistan for some time. I would like to get your assessment of that as well, any of you.

Mr. COHEN. I will speak to both those questions. I don't think that trust is an issue. I think it is a question of verification and views toward the United States.

In a paper I submitted along with my testimony I go through four major schools of Indian thought toward the United States.

[The information referred to follows:]

#### INDIA: AMERICA'S NEW ALLY?

The Brookings Institution, July 18, 2005  
 Stephen P. Cohen, Senior Fellow, Foreign Policy Studies  
 Stephen Cohen is the author of *India: Emerging Power* (2001).

This week Washington hosts Dr. Manmohan Singh, India's Prime Minister, and one of the most thoughtful economist-politicians of this or any other era. The visit will be heralded as the further flowering of a "natural alliance" between the world's oldest and largest democracies. The relationship has received bipartisan praise, notably by several former American ambassadors to Delhi, and in think-tank reports and Congressional testimony.

All of this attention is deserved yet Washington still does not seem to have grasped the complexities and ambiguities present on the Indian side of this putative alliance. India is a democracy; while there was continuity between the conservative nationalist BJP-led coalition and the current left-liberal Congress-led coalition, the fact is that India is likely to remain governed for many years by ideologically diverse coalitions of uncertain durability. This means that US-Indian relations will remain hostage to Indian domestic politics. Further, there are important differences within the Indian strategic elite as to the wisdom of the growing American tie.

There are four schools of thought in India regarding relations with America. These derive from differing readings of the past and differing visions of the future.

The Enthusiasts tend to look upon past strains in the U.S.-Indian relationship as stemming from the Cold War or America's ignorance of India's importance. They believe that times have changed, and emphasize the many benefits that will accrue to India if it were to join with the United States in a quasi-alliance relationship. The Vajpayee government invented the term "natural alliance" which has been adopted by Prime Minister Singh's government, and American officials. The Enthusiasts, found in the Indian business community, in a few corners of the foreign ministry, and among some politicians, are confident that they can manage the Americans via the growing India lobby, by more gracious diplomacy, and by holding out the prospect of collaboration on a number of issues of mutual importance, notably terrorism, containing China, and coping with Islamic radicalism. They see the US-Israel relationship as a model, and for that reason have strongly cultivated Indian-

Israeli ties. In the distant future, they see this new alliance as ensuring that American support for Pakistan will wither away.

The Free Riders resemble the Enthusiasts in much of their analysis of the past, and acknowledge the major changes in the international order and in American perceptions of India, but they do not envision a long-lasting, open ended or durable alliance relationship with Washington. They might ride the American bus for a few stops, but not to the end of the line. Widely distributed in the Indian strategic community, the Free Riders believe that sooner or later as India gains strength from the American connection, strains will appear. In their view Indian national interests require a close connection to Washington but that in the long run America is too fickle and too powerful to be trusted. The US can be used, however, to establish India at the global level as a major power (symbolized by admission to the nuclear club, and a Security Council Seat), and to make India the dominant power in South Asia. For some Free Riders, Washington's acquisition of bases in Afghanistan and Pakistan are warning signs that Washington might still be interested in challenging Indian dominance.

The Doubters not only have a different reading of history than the first two groups, they see the future as far more troubling. From their perspective, Washington remains a potential threat to Indian interests, just as it was during much of the Cold War, when it armed and supported Pakistan. While the Enthusiasts and Free Riders might point to the threat to India from a "rising" China, and conclude that Washington sees India as a potential balancer, the Doubters, found among many diplomats and soldiers who came to political maturity during the worst period of US-Indian relations (the 1970s), do not believe that the Americans will consistently hold this view. In any case, they believe that India can cope with China's rise, and that a too close entanglement with America might make India the target of Chinese hostility. In other words, they do not want a situation where the United States will fight China to the last Indian. The doubters favor continued restrictions on American scholars in India, are wary of American attempts to broker an agreement on Kashmir, and are alarmed by the rising "American lobby" in New Delhi and Mumbai, as distorting an independent analysis of Indian-American relations.

Finally, the Hostiles see America as not only a dominant superpower, but as intrinsically opposed to India. From the left we hear that America seeks to dominate Indian markets, exploit Indian labor and manpower, and pollute the Indian landscape, to its own benefit and India's detriment. On the right the arguments include a fear of cultural pollution from Hollywood and materialistic America, a concern that American technology will wipe out indigenous skills and entrepreneurs, and finally that Washington will never really abandon Pakistan because it needs to appease Muslim opinion, and because it fears a rising Hindu India.

These four opinion clusters overlap, and a major Indian debate on relations with America is now underway. Washington must understand this debate, for it will influence future Indian policy decisions. For example, New Delhi led Washington to believe that it would send troops to Iraq, but after a loud cry was heard from the Doubters and the Hostiles, the Vajpayee government backed off. Conversely, there are Indian expectations regarding American policy (notably, support for a UN seat and membership in the nuclear club). How America responds to these Indian demands will shape the balance of influence among these four schools. Burying US-Indian differences under labels ("natural allies" being one of them), does injustice to the prospect of two democratic states discussing their real differences and their real shared interests, and forging a relationship that is both durable and mutually beneficial.

Mr. COHEN. Two of them are hostile, or verge on hostile, and I think the Indian government that negotiated this agreement with Washington really has to face a considerable amount of domestic criticism, and I think we should be supportive and helpful.

I do think it is a good agreement, but they do face as much opposition there as it faces here, although of a different nature.

As for Kashmir, from an Indian perspective, Kashmir is negotiable, but a negotiation between New Delhi and Srinagar, that is between India and the Kashmiri people, not with Pakistan, and least of all with the United States.

Incredibly, you know, the one country that has an interest in the resolution of Kashmir and that has leverage in both India and Pakistan is China. I could foresee 5, 6 years from now a more ma-

ture China looking to the south and trying to broker a deal on Kashmir using its own border dispute with India as a leverage for the Indians. It may not happen, but if we are not going to do it, and I don't think we are willing to do it, and no other country is going to do it, you may well see the Chinese step in and try to play the role of regional broker. Now this seems improbable, but 5 or 6 years a more mature China, one that has demonstrated its bona fides in North Korea and elsewhere, might seek to play that role.

But I do think the Indian government, for them, Kashmir is not negotiable in terms of making major concessions to Pakistan.

Mr. BURTON. Okay. Let me follow up on that and then we will go to Dr. Frankel. You do believe that they are willing to work with and negotiate with the people of Srinagar, Kashmir rather, to work out some kind of a semi-autonomous governmental structure where they can govern themselves?

Mr. COHEN. Yes. Kashmir has been badly governed from New Delhi for many decades, and the Indians are aware of this. There is no question they understand they have sort of mismanaged their part of Kashmir. And I think recent developments, a new Chief Minister in Kashmir, seems to indicate that there is more realism and more willingness to negotiate with Kashmiris in achieving some kind of autonomy, which lessens Kashmiri anger and irritation at India.

Mr. BURTON. Prime Minister Singh you think, and his administration, will go along with that?

Mr. COHEN. Yes, it is both a Congress Party issue, but it is a government issue, and I think they have made some important steps.

Mr. BURTON. I am sorry, if I could get a response from Dr. Frankel, I will let that be the end, Mr. Chairman.

Ms. FRANKEL. Thank you. First of all, I think it is a mistake to underestimate the resentment that remains at U.S. policies toward Pakistan and especially Washington's patronage of President Musharraf and his military government. I was in India just before Secretary Rice made her offer to India and the issue that dominated debate at that time was the decision by the United States to supply the F-16s to Pakistan.

There was no doubt in the mind of senior policy leaders in Delhi that they would reconsider the entire relationship between the United States and India if we went ahead and supplied those planes to Pakistan. It was a matter of trust.

What turned that around, of course, was this package that was offered to India a few days before we formally announced this transfer. So I think that the trust issue is very much still on the table.

As far as—and I will back up by saying if we now try to change the terms of this July 18th accord, it will be seen as the resurgence of this old issue, how can you trust the United States.

The second thing about Kashmir, there have been some positive signs. The composite dialogue between New Delhi and Islamabad is proceeding, and I want to flag one particular meeting in New Delhi, April 18, 2005. That ended with a joint statement by Musharraf and Manmohan Singh asserting the peace process is now irreversible. What is interesting about that is the two govern-

ments endorsed the idea that India and Pakistan will move toward a soft border, and we have seen they are trying to increase trade by trucks, pilgrimages and so on. And Musharraf outlined options for "final settlement" of the Kashmir issue. This is a term also used by New Delhi for the first time since 1971. It is very significant because it recognizes there is an issue which should be settled by both countries. So I think it is a matter of CBMs that need to be worked out.

Mr. BURTON. Mr. Chairman, may I have one more question real quick?

How can the Congress of the United States, I know the Administration and Condoleezza Rice, our Secretary of State, have been working to work out an agreement and have better relations. How can the Congress of the United States create a better environment or better working relationship with India? You don't need to go into great detail, but if you have some real quick vignettes, we would really appreciate it.

Ms. FRANKEL. I think that the Congress demonstrating its support for this agreement, the debate is going to be watched very closely, is going to offer the evidence that India is looking for. I don't think that beyond that individual Congressmen or groups of Congressmen can do much more than express their goodwill and support for a closer relationship between the two countries.

Mr. COHEN. I would just add there are many other aspects of the U.S.-India relationship which have languished in the past and which should be supported and the Congress can play an active role in. I am particularly seeing a lot of academic exchanges. There are tens of thousands of Indian students here, and there is only like 450 American students in India. And clearly our countries and cultures need to know each other better.

There is a large American Indian community which is useful, but this doesn't make up for I think 30 years of neglect of a serious study of India in the United States.

Mr. BURTON. Thank you, Mr. Chairman.

Chairman HYDE. Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman.

I want to compliment my good friend and colleague from Indiana. It so happens that I have written the word "trust" in this note here. It seems to be the essence of the entire dialogue and the relationship currently existing between our country and India.

In all the years that I have served as a Member of this Committee, I cannot think of a country that has had a more profound concern about the proliferation of nuclear weapons than India, and I want to preface my remarks by saying in 1974 India exploded its first nuclear device. It shocked the world. Members of the nuclear club were saying, what in the world is this country doing?

The first thing that India did, as I recall, is Prime Minister Gandhi then made a speech before the United Nations General Assembly and appealed to the world body, specifically to the members of the nuclear club, hey, we can do it too. But if we are ever going to be serious about nonproliferation, there has got to be effective measures taken, especially by the nuclear have's, to make sure that nuclear weapons will be dismantled and gotten rid of, this madness from the world.



And guess what? Total silence. Total silence, not only by the world community but by the nuclear have's. I don't think you have to be a nuclear scientist to suggest that India's national strategic interest was at stake. If I was an Indian, I would be sleeping very lightly knowing that China has a nuclear weapon and I don't.

So we are back again here about some of the questions raised about nuclear India's nuclear program. Now we are making this as Professor Cohen eloquently stated, negligence, or even just absolute indifference we have had as our policy toward India for the past 30 or 40 years.

Is it any wonder why Indian leaders have a little sense of perhaps mistrust toward us because we have not been fair with them, in my humble opinion.

So my question to the members of the panel, and serious implications with Pakistan's nuclear program, because the chain reaction is very much of that proliferation that we are very fearful of. But I ask the panel, what right is it for the nuclear have's to tell the rest of the world you should not have in your possession nuclear devices, but it is okay for us to have it? I wanted to ask the members of the panel, am I making any sense here about proliferation and why India—this has not happened yesterday. India has been one of the strongest proponents of nonproliferation in the most serious way. Nobody would even give India attention to this whole thing.

I notice that Professor Cohen shook his head at my comment there. But the fact that the Indians exploded this nuclear device in 1974, since 1974 they have had to take their own interests at stake with their own national security, if you will, because why not?

So I want to ask the panel if we don't have a civil nuclear agreement with India, let's say that the conservative element of the Congress, of the Administration, wins out this idea, no, let's not have it, do you think this is going to prevent other countries from filling the gap, perhaps France, perhaps other countries that do have, and you can correct me. I am told that a vast majority of France's nuclear, electricity, is dependent on nuclear energy. So what is to prevent a country like France or others to say hey, if the U.S. doesn't want a civil agreement with you, we will do it for you, to provide for the needs of 1 billion people on this planet. I would like to ask Professor Cohen, because he shook his head when I said that India has done, in my humble opinion, has been one of the strongest proponents of nonproliferation, in all seriousness, but the world never seemed to pay any attention to this.

Please.

Mr. COHEN. Two points. I support this agreement, although I don't know what the details, but generally I certainly support the Administration's statement. A few years ago I organized a conference in New Delhi and an American said that the nuclear issue was a chasm that separated our two countries. And it is true, it is a symbolic, emotional policy chasm. He said we can't jump the chasm in one step. An Indian said there is a chasm and we should work on it, but there are other areas where we are not that far apart and where you can hop over the gap between the two countries.

I am concerned that the nuclear deal, while I support it, may get stalled or stagnated or blocked, either here or there, and that the other aspects of the relationship will suffer for it.

But in the case of India's nonproliferation policy, it is good in terms of vertical proliferation, although the Indian program triggered the Pakistani program, and the Pakistanis, of course, have gone on to bigger and better things in terms of leakage.

But the Indians also showed the way, and the North Koreans and the Iranians quote India's strategists about how to do vertical proliferation and by pointing out nuclear apartheid.

I think the Clinton Administration pushed India into its nuclear test. I think they made a serious miscalculation of leveraging India, and I think the Bush Administration is seeing this more realistically and more sensibly, so I support this policy.

But the Indians are not entirely without responsibility for what has happened. Their own nuclear program was covert, secret, they denied they had one for many decades. In fact we knew they did have one, eventually it became public.

Mr. FALEOMAVAEGA. Is it any different from the fact that Israel also denies it has in its possession nuclear weapons?

Mr. COHEN. I agree. In terms of blame and support, I think they are perfectly comparable, yes.

Mr. TELLIS. Congressman, I think that the international nuclear order is an inequitable order, there is no question about it, and if we pretend otherwise, it is just the will of the wisp. The question that we have to ask is, however regrettable the inequality is, does it serve our interests? And to that I would say in a qualified way that it does.

So what we have done as a country, and particularly what the Administration has done since 2001, is actually to take your advice and not browbeat the Indians about the fact that they have a nuclear weapons program.

The Clinton Administration actually tried to do this, especially toward the tail-end of the Administration. But as a full blown policy, it required the new Administration to in a sense say we have to face reality.

The Indians live in a bad neighborhood, as Henry Kissinger put it. They are not going to give up their nuclear weapons no matter what we think about them. So the best way to deal with India and engage India is to simply accept the fact that these weapons are going to be there and they are not going to go away. So I think the big policy change that has occurred since 2001 is we don't get on India's case.

The second thing that I want to say, which goes to the earlier point that you have made about trust, is that we have tried to talk to India about every issue in the bilateral relationship, both issues on which we agree and on issues on which we have very serious disagreements about. And part of the reason why the Indians reacted with the equanimity they did about the U.S. decision to sell F-16s to Pakistan was because of us following the no surprises route.

Secretary Rice went to Delhi and had a private conversation with the Prime Minister and conveyed to him U.S. intent. Of course, it was difficult for India to accept, but given our interests in Paki-

stan, it is something that they understood. And even if they had reservations about U.S. plans, the important thing was that this took place in the context of a conversation between the leaders of the two sides and something you can read about in the newspapers.

Let me also address the point you made about what prevents the French from going ahead and making their own agreement if we fail to do so. I would hope very much that the French don't do that. In fact, at this stage in the game it is in our combined interests that this initiative not fail, because what are we trying to do here? What we are trying to do is create a carve-out in what is admittedly an inequitable order. This carve-out is going to pose tensions not only to existing U.S. policies but to a range of U.S. national security goals. We recognize this.

Therefore, what we want to do is to institute this carve-out in the most orderly possible way, and we want to do this in consultation I hope between the Congress and the Executive Branch, but also in consultation between the United States and the international community.

We do not want the U.S. agreement with India to become the excuse for every potential nuclear supplier on the planet to go out and make their own deals with people of their choosing.

So the need for us to be successful and to be successful in an orderly fashion I think is extremely important.

Mr. FALEOMAVAEGA. Mr. Chairman, I know my time has run. I would like to hear some comments from Dr. Frankel and Dr. Limaye for 1 minute, if it is all right with you, Mr. Chairman.

Chairman HYDE. Yes, indeed.

Ms. FRANKEL. It is going to be a challenge to do what Ashley has suggested, although I think that is a desirable thing to do. China in recent days, as you know, has come out very strongly to criticize the agreement between the United States and India, and it has already taken a strong stand against India's position as a member of the UN Security Council. So I think it is unlikely that we can walk in lockstep with other members who are recognized nuclear weapons states on this issue. In fact, the worry is that China, and China has openly threatened this, will now take preferential policies forward that benefit its own favored countries and that, of course, suggests Pakistan.

I should say in ending up that in any case, China has done this for a long time and we don't know if they continue to do it. So there may be no solution to this kind of problem.

Mr. LIMAYE. On the East Asian front, I would say, sir, that there are only five members in East Asia of the Nuclear Suppliers Group, Japan, China, Republic of Korea, Australia and New Zealand. I wouldn't anticipate any of those countries separately from us would go forward with nuclear cooperation with India. In Australia and Japan's case, particularly because of their strong nonproliferation emphasis, they will not get ahead of the United States.

But the real concerns I think, particularly on Japan's part, as I understand their concerns, are the implications for a negotiation with North Korean and also for our negotiations with Iran.

If this carve-out proceeds, what kind of spillovers might there be, what kind of amendments might they have to fend off demands from Tehran or Pyongyang. These are the kind of considerations

they would face, but I wouldn't anticipate any of the five NSG members from East Asia from moving forward with a separate nuclear supply arrangement with India for either material or technology.

I would note just parenthetically that Australia is in the throes of negotiating a uranium supply agreement with China.

Mr. FALCOMA. And please don't mention New Zealand in this whole scenario, Dr. Limaye.

Thank you, Mr. Chairman.

Chairman HYDE. Mr. Royce of California.

Mr. ROYCE. Thank you, Mr. Chairman.

Dr. Tellis, you recently wrote:

"If the United States is serious about advancing its geopolitical objectives in Asia, it would almost by definition help New Delhi develop its strategic capabilities such that India's nuclear weaponry and associated delivery systems could deter against a growing and utterly more capable nuclear force Beijing is likely to possess by 2025."

Please walk us through your logic. Is this the motivation behind this agreement?

Mr. TELLIS. It is dangerous to have a paper trail. It is even more dangerous when people read what you write. But thank you for bringing this to my attention.

Let me say two things. When I made that argument, I made that argument in the abstract on the assumption that only the balance of power mattered. If only the balance of power in Asia mattered, I would stand by everything that you just read out. However, there are other values that we have to pursue simultaneously in addition to maintaining a balance of power, part of which involves a stable nonproliferation order where we live up to our obligations of not assisting other countries develop nuclear capabilities.

When you take the totality of the obligations that confront us, both with respect to power politics and nonproliferation, there are many things that I may prefer we do that we simply cannot do. And I think that is really the bottom line with respect to that specific argument.

On the general argument, people have often asked whether it is a desire to balance or contain China that has driven this initiative. I think that is a very narrow way of looking at the problem.

What has driven this initiative I think are two elements: One, the recognition that India is a rising power, is a democratic state with which we share common values, and which actually shares interests in common with the United States. That is one bookend.

The second bookend is that India is located in a continent, Asia, which is going to grow more and more important for American interests over time, and part of our objectives must be to shape the Asian environment in a way that suits our interests.

So what the Administration has tried to do is follow a three-track strategy: One, to improve U.S. relations with all the major Asian States; second, to improve U.S. relations particularly with the democratic states in Asia, because that provides us a certain degree of political and psychological insurance; and, three, to encourage the states in Asia to improve relations among themselves.

Our agreement with India must be seen in the context of this shaping strategy. And, yes, while it will have the effect of creating an environment that provides disincentives for China to rise in any way other than peacefully, our objectives in reaching this agreement with India are much bigger than just China itself.

Mr. ROYCE. Let me ask Dr. Limaye for his observations as well.

Mr. LIMAYE. Well, I share Ashley's premise indeed that our improvement in relations with India must be seen in a broader context than just the China issue.

Having said that, what I tried to convey in my opening remarks is that there are constraints, yet there may not be in a decade or two decades, but as of yet it is difficult to see that India shares exactly the same strategic interests with us in the broader Asian-Pacific region, or that their weight and depth of their interactions with Asia, East Asia in particular, are sufficient enough that they will become partners.

Now, let me suggest two or three examples where they have become very helpful. Niche security cooperation, like escorting high-value shipping through the Straits of Malacca. They were very helpful during OEF. They have been helpful in the post-tsunami disaster relief efforts, extraordinarily helpful on that front. And there are many ways in which we can cooperate with India, counterterrorism, piracy, sea lanes, et cetera.

But I think that if we have very high expectations that we will jump from where we are now to a strategic alliance on major Asia-Pacific issues, there will be a large gap there that won't be met in reality. That is my only caution.

Mr. ROYCE. Dr. Cohen.

Mr. COHEN. Yes, I don't think we know yet whether China will be a threat to India of a magnitude that India has to have a massive nuclear capability, but I do know that the Indian, at least the preferred outcome of most Indian strategists is, as I think Dr. Limaye argued, a world of five or six major power centers, and India would be one of those.

I think that in the medium term, India sees a relationship with the U.S. as leverage in Asia and the world to become one of those power centers. In the long term, we don't know whether the U.S.-India relationship will endure in India after India arrives as a major power center in Asia. So, to me, the future is unknowable.

The nuclear deal is good, I think we should pursue it, but I don't think it implies that we should build India to be a major military counter to China. That I think is premature. I think we should try to look at issues like arms control, negotiated agreement on levels and deployment between India and Pakistan and China, and if we can play a role in this ourselves in terms of our own willingness to again pick up the logic of arms control on these issues.

I do think in this case the three countries do not need to be on an inevitable arms race with each other. There will be an arms crawl. They will improve their weapons, they will improve the range. But to have massive nuclear weapons deployed by all three countries I think is not in their interests and certainly not in our interests.

Chairman HYDE. Ms. Watson of California.

Ms. WATSON. Thank you so much, Mr. Chairman, for bringing this to our attention, our U.S. and India global partnership. I would like to address this question to Dr. Limaye.

Just last week, our Trade Representative, Rob Portman, was in India working on particularly the issue of WTO negotiations. Last week also we participated with the Bollywood film industry. I represent Hollywood in my district in California, and we had the representatives from Bollywood with us. We talked about how we could better enforce the laws on intellectual property. We are quite concerned about the piracy that is taking place around the world and we wanted to really get into a discussion. I could not spend a whole lot of time with them.

Anyway, we want to know how we can benefit from both our countries and what we can do to enforce the laws.

I just want to know, do you see further evidence of an emerging convergence of U.S. and India interests on the trade and legal issues, and particularly those that confront Bollywood, Hollywood and the rest of our creative property interests?

Mr. LIMAYE. Thank you for your question. I am afraid I am not sufficiently knowledgeable on the intellectual property rights. If I am not mistaken, one of my colleagues on the panel can correct me, that India has signed up to the intellectual property protection. That is the latest I know. As to how that applies, ma'am, specifically to intellectual property on the creative side, I am sorry, I simply don't know.

Ms. WATSON. Maybe somebody else on the panel would like to join in this discussion.

Mr. TELLIS. I think today India's interests, especially on questions of national property rights, are much closer to that of the U.S. than even as recently as 5 years ago, and there is a very simple reason why that is so. Because in the last 5 years, the Indians have become more confident, one, of their ability to stand up to international competition and in a sense play the same game and, two, they have become more and more important exporters of both goods and intangibles that require protection in third countries. So as long as India was purely a consumer for what the rest of the world produced, its interests in national property protection was close to zero. But when Indian goods in a sense start getting pirated, when India starts losing revenues because other trading states don't have the same levels of protections that we do, then the Indians begin to immediately see the value of having a robust international intellectual protection regime that comes very close to ours.

My own sense is that as India's export performance begins to increase, especially in high value added industries, and Bollywood is a good example, because creative is a high value industry, pharmaceuticals, science and technology exports, India's interest having a robust IPR will increase.

Ms. WATSON. I would hope that we would continue, Mr. Chairman, to look at this issue, not only on the weapons, nuclear weapons level, but also on other levels too. I am glad that this is the beginning of that dialogue, and I hope we can continue it.

We did work briefly together last week with their industry, their Bollywood industry, and we would like to continue that. So we might want to revisit some other trade issues at another time.

Thank you for the time.

Chairman HYDE. Thank you.

Mr. Pence of Indiana.

Mr. PENCE. Thank you, Mr. Chairman, and thank you for this hearing and my gratitude to the distinguished panel. It strikes me that there is perhaps other than the war on terror itself, there is no more important foreign policy opportunity for the people of the United States of America than our relationship with the largest English speaking democracy in the world. I appreciate the extraordinary experience that is represented on this panel, and it comes at a very meaningful time in the runup to congressional consideration of the changes that the Administration has called for in this relationship.

I think I would like to direct my questions to Dr. Tellis and Dr. Limaye, if I might. Many of us were thrilled when the Prime Minister came to Washington in July. I believe that history will record that as a milestone in a relationship between two great peoples. I believe that it is already on the path to becoming a part of the legacy of this Administration and will be spoken of decades from now if we proceed and if history unfolds in the terms that we hope.

We understand that while the Administration has contemplated this Civil Nuclear Cooperation Initiative, that comes in the wake of 30 years of disagreement. It is a disagreement over India's decision not to sign the Nuclear Nonproliferation Treaty. That set the table for the United States not ever being willing to cooperate on the issue of civilian nuclear power.

We have essentially been at loggerheads as two great peoples, and it strikes me that what the President apprehended on September 11 is that the only thing September 11 changed was everything, and that we had to look at relationships that had reached an historic stalemate and we had to reconsider.

But I don't think, at least my impression is, that it is not the intention of the Administration and would certainly not be the intention of Congress to reconsider the goals of the United States with regard to nonproliferation. India obviously is in an historic confrontation. It is happily a Cold War at this time, but it is at least that. So one can understand the reasons why India is not prepared to enter into a traditional nonproliferation posture. But it would still be our objective to get there.

My question is, and I do have a question, is it the judgment of you, Dr. Tellis, or you, Dr. Limaye, that a civilian nuclear cooperation agreement could actually promote nonproliferation efforts with India and bring them ultimately within the international nonproliferation regime?

Mr. TELLIS. Congressman, I think you have asked a question that is at the heart of the agreement, because the way I envisage the benefits of this agreement, these are threefold. Clearly there are benefits with respect to overall U.S.-India engagement itself, what you pointed out in your initial remarks. There are questions with respect to assisting the growth of India power, providing it

with energy, providing it with the capacity to grow at the 8 percent that it requires. And there is a third area that hasn't received much attention today, and that is the nonproliferation benefits of bringing it into the fold.

What are the facts here? The facts are that today India has mastery over three separate and distinct nuclear fuel cycles, that it is not constrained by any international regime or any international agreement from exporting. The only way we can expect India to accept the obligations that the rest of the members of the regime accept is if at some level we are willing to extend it some of the benefits, because it is just unreasonable to expect that they will maintain their good proliferation record in perpetuity if they continue to be the target of the regime at the same time.

So what is at the heart of this bargain is really an effort to bring India into the fold, bring its entire apparatus other than the small portion that it will maintain for nuclear needs under an international system of safeguards. This to me is a profound nonproliferation benefit.

Mr. PENCE. Mr. Chairman, I see my time is expired. If Dr. Limaye could respond briefly to my question, I will be grateful.

Mr. LIMAYE. Very briefly, let me put it this way: Without a U.S.-Indian civil nuclear agreement and the associated nonproliferation commitments that India must implement in exchange for that agreement, there is no chance of getting India on board to the nonproliferation goals we have.

The essential question, and naturally Ashley and I would agree on this, is how do we move from the civil nuclear agreement carrot to the commitments on the nonproliferation front. How are those operationalized, implemented, transparent and reliable? That is the issue. But we must in the absence of this initiative, this very bold initiative, there is virtually no chance of moving forward, and I think it will also have all of the counter-implications that Ashley mentioned, which is it will set back U.S.-India relations if this now falls apart. The question is getting the commitments squared with the carrot of the cooperation.

Mr. PENCE. Thank you, Mr. Chairman.

Chairman HYDE. Mr. Chandler of Kentucky.

Mr. CHANDLER. Thank you, Mr. Chairman. This has been a wonderful presentation, and obviously a very important issue that we are dealing with. It means an enormous amount to global peace.

It seems to me after listening to the questions and to the testimony that there are a number of truths that come forward, one of which is that India will make their decisions based on what is in India's national interests. So anything to the contrary, any thought to the contrary on our part would be mislaid.

That should not surprise anybody.

Given that, it would be of great interest to us to fully understand what India's true interests are. With that in mind, it also seems to me that India's relationship with China is particularly critical to understanding what India's interests are.

I think several years ago at the height of the Cold War our country made a great misapprehension as it related to China's national interests. We took the position that they were better Communists maybe than they were better Chinese and thought that they had



the possibility in the future of having a long-term alliance with the Russians, and I think it colored our international policy.

What is the nature of India's ancient relationship with China, with the Chinese? What can we expect in the future from that relationship based on what we know of the past and how will that help guide us in some of our efforts to forge a sensible policy toward India?

Ms. FRANKEL. I can try and start the discussion on that. First of all, in the past India considered itself to be I suppose the cultural civilization that was superior to that of China. But as we know, their claims to influence within the larger area of the Himalayas through Southeast Asia are overlapping. So they are natural rivals within that region for influence.

Since the disparity in power right now between India and China favors China so heavily, and I think I made that point in my remarks, India's immediate interest is not to become a junior partner of China in Asia, because that is one possible future for India, and it is very important from India's point of view to develop the relationship with the United States as the sole superpower for the time being.

I think one can say they believe this is a moment in history, the United States is going to remain the dominant power for another 30, 40, maybe even 50 years, that this is their opportunity to develop a relationship with the sole superpower to leverage their own development as a major global power, and that in the interim they will need to be very sensitive to America's interests on the ground in Asia, except, as we keep saying, on issues that directly contradict their own national interests.

I think if we implement this agreement with India and we develop close cooperation in key areas of their potential growth, we are talking about space, we are talking about civil energy, we are talking about high technology, these are going to make all the differences to India's development. We will in the meantime have developed very strong networks of cooperation with them in each of these areas. Our activities and programs will become intertwined with theirs, our personnel will build personal connections with them.

I think over this period, we will develop that relationship of trust that can lead to a true strategic partnership. I think this is really what India is interested in right now.

India puts it this way: They recognize the United States as a major Asian power and they support the United States as a major power in Asia, and they want to see an Asia in which the United States remains predominant rather than one which is transformed by the rise of China's dominance.

Chairman HYDE. The gentleman's time has expired.

Mr. Schiff of California.

Mr. SCHIFF. Thank you, Mr. Chairman. What I wanted to really focus on for a moment is how much significance the nuclear piece has or rather I guess how much significance the rest of the agreement has, excising the nuclear piece. I would like to ask the question in two ways: One, the President could have proposed a cooperation agreement with India that covered everything except the nuclear issue, that would have furthered the U.S.-India relation-

ship, been far less controversial in many senses, perhaps not offered the same deepening and military respect with India, but offered a lot of other opportunities for increased work with India.

My question is, do you believe that the nuclear piece alone, the nuclear piece alone either advances the nonproliferation interests of the United States or poses proliferation risks outweighed by the benefits that apart from the broader strategic question of China are not warranted? So if you just look at the proliferation piece, is it justified from a proliferation point of view only?

Second, should the nuclear piece fall out of this agreement, is there nonetheless in the rest of the agreement enough worthwhile to go forward with?

Mr. TELLIS. Let me take a crack at that, if I may. I believe that there is enough in the nuclear agreement on balance to advance global nonproliferation interests, and in fact, in my testimony there is an appendix that lays that argument out in some detail.

On the second issue of could we have crafted an agreement with India minus the nuclear cooperation element and still have the relationship deepen, we tried doing this for 10 years in the early nineties and we failed. We failed because we reached a point in the relationship where we have done pretty much everything that is easy to do, and the one outstanding issue that was left there was whether we treat India as a partner or as a target under the nonproliferation regimes, and by 2001 we had reached the point in the relationship where we could not navigate around this problem.

Mr. SCHIFF. That is suggesting that the rest of the agreement is really only window dressing. If we have done all we can do apart from the nuclear agreement, then all of the rest of the cooperation agreement doesn't amount to very much. Is that your statement?

Mr. TELLIS. No, I don't want to convey that impression. The other elements of the agreement are extremely important, but they don't test U.S. policy and don't impose any burdens on the United States, because those are agreements that can be done without any modification of U.S. law or our regime obligations.

The reason why the nuclear agreement was so important was because our nuclear policy and the international nonproliferation regime has defined a whole set of technologies which are dual use in many cases that are essentially unavailable to India, and the Indians have now reached a point where they say our relationship has improved. Why can't we have access to those technologies which are still being denied to us?

So this was the obstruction that in some sense the Administration had to confront sooner rather than later.

Mr. SCHIFF. Can I get the rest of your thoughts on whether the nuclear piece alone, separate and apart from any thought of China or any other strategic interest, advances or retreats from our proliferation goals?

Mr. COHEN. I would say that the text of the joint communique as I read it does advance our overall nonproliferation goals and is a net gain for nonproliferation, but I have not seen the legislation that they have proposed to submit to you, so I would want to read that first before coming to a conclusion.

And I don't think the rest of the agreement should be held hostage to this. In fact, we are moving along very quickly on a whole

range of other issues that have been sort of backed up. So I hope that the nuclear agreement does go through, but if it should be stalled or delayed or deferred, I would very much be astonished and very disappointed should either side hold the rest of the agreement hostage because of that.

Mr. SCHIFF. Dr. Frankel, do you have a different view on that?

Ms. FRANKEL. I think if we want to be honest about this agreement that it cannot go through at least on the Indian side absent the nuclear piece. This is because I think of what Ashley just said and also because it is our own legislation, it is the legislation of the U.S. Congress, that has denied any dual use technologies to India, whether it is in civil energy or space, and this is not part of the NPT.

Mr. SCHIFF. Is that though because you can't unring the bell?

Chairman HYDE. The gentleman's time has expired. I hate to press the matter, but we have to leave very shortly. They are fixing the room up for another hearing. So could the gentleman conclude?

Mr. SCHIFF. Yes. Perhaps we could let the final gentleman comment, and then I will yield back.

Mr. LIMAYE. As I said earlier, sir, I think in the absence of the agreement we cannot have any nonproliferation agreements from India, and we are at the stage now where we have to look toward how to implement those commitments in return for the cooperation. Having said that, let us imagine that this nuclear agreement was not on the table, it did not exist. I do not see how India's ambitions for itself, its national interests, can be met without cooperation with the United States on a number of fronts, economic, diplomatic, political, military and otherwise. But it is hard now that we are here to wish we were somewhere else.

Chairman HYDE. Mr. Wexler of Florida.

Mr. WEXLER. Thank you, Mr. Chairman, for having this hearing. The witnesses from my perspective have been extremely compelling and informative to listen and learn from you.

I was wondering if I could ask I hope quickly, Dr. Tellis, if I understood some comments that you made earlier correctly, the way you frame it in its most simplistic sense is that the compelling reason to support a carve-out, if one does support one, is to, I think your words were, to bring India into the fold. I agree entirely. From an American analysis of what is the value or the most compelling reason to justify bringing India into the fold, it is in essence the fact of the battle against extreme Islamic terrorists. And in that context, how do we view India's relationship with Iran, and I think it is important and I wouldn't want to go beyond this discussion, and I know it has been said by Mr. Ackerman and others that India deserves great applause for the position it took at the previous IAEA meeting and we hope that cooperation will continue.

Is it fair, do you believe, in our analysis to determine whether or not India is in fact in the fold to use the upcoming weeks and the decisions that will be made with respect to Iran as in essence a litmus test? I guess to use your exact words, India in the fold with us on Iran to me is worth every risk in the world. India not with us on Iran tells me they are not in the fold, at least from my definition of what "in the fold" means.

Is that a fair analysis?

Mr. TELLIS. I think we have every right to use the developments of the forthcoming weeks as a litmus test, because it goes to the fundamental principle that both we and India seek to uphold, which is states that have signed the Nonproliferation Treaty have to meet their Nonproliferation Treaty obligations. No if's, no but's.

When Iran made a decision to sign this treaty, it had a choice of signing or not signing. Once it decided to sign, it has to meet its obligations. And this is an opportunity not only for the United States, but for India, to stand up for the principle that we all ought to make good on the commitments that we have freely undertaken.

Mr. WEXLER. Thank you.

Thank you, Mr. Chairman.

Chairman HYDE. I want to thank this panel of witnesses. I have never heard a more knowledgeable and brilliantly presented discussion of complex subjects than I did today, and I think all of you are to be complemented on your knowledge and your ability to convey it. It was very instructive, and I thank you all.

The meeting is adjourned.

[Whereupon, at 12:05 p.m., the Committee was adjourned.]

## A P P E N D I X

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### MATERIAL SUBMITTED FOR THE HEARING RECORD

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. I LOOK FORWARD TO HEARING FROM OUR WITNESSES ON THE VAST RANGE OF ISSUES AFFECTING THE PARTNERSHIP BETWEEN THE UNITED STATES AND INDIA.

AS YOU KNOW, MR. CHAIRMAN, I WILL BE TRAVELING TO INDIA AND PAKISTAN WITH CLOSE TO A DOZEN OF OUR FELLOW COLLEAGUES LATER THIS MONTH, AND I LOOK FORWARD TO MEETINGS WE HAVE SCHEDULED DURING OUR TRIP.

I AM POSITIVE THAT THOSE MEETINGS WILL BRING ABOUT FRUITFUL DISCUSSIONS ON NOT ONLY THE PARTNERSHIP BETWEEN THE UNITED STATES AND OUR PARTNERS WITHIN THE REGION, SPECIFICALLY INDIA AND PAKISTAN, BUT ALSO ABOUT THE EMERGING RELATIONSHIP BETWEEN INDIA AND PAKISTAN THEMSELVES.

ONE THING IS FOR CERTAIN: WE MUST CONTINUE TO WORK TOWARDS GREATER STABILITY THROUGHOUT SOUTH ASIA. AS WE KNOW, IN AUGUST OF 2005, 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. I 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.

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.

FURTHERMORE, WE WITNESSED EFFORTS EARLIER THIS SUMMER TO FORGE CLOSER COOPERATION BETWEEN THE UNITED STATES AND INDIA IN A NUMBER OF AREAS, INCLUDING DEMOCRACY AND ECONOMIC DEVELOPMENT, NUCLEAR NONPROLIFERATION, AND REGIONAL SECURITY ARE STEPS IN THE RIGHT DIRECTION.

IN FACT, JUST THIS WEEK, U.S. TRADE REPRESENTATIVE ROB PORTMAN DURING THE DOHA ROUND OF WTO NEGOTIATIONS NOTED THAT THE US-INDIA TOTAL TRADE WAS AROUND \$30 BILLION, BUT "IT SHOULD BE FAR IN EXCESS OF THAT," HINTING THAT WE COULD SEE A DOUBLING OF BILATERAL TRADE BY 2008.

IN ADDITION, AN ISSUE THAT AFFECTS SECURITY WITHIN THE REGION MUST ALSO BE ADDRESSED BY CONGRESS. WHILE INDIA'S HISTORY OF SUPPORT AND BUSINESS DEALINGS WITH IRAN HAVE BEEN DETRIMENTAL TO REGIONAL AND GLOBAL SECURITY BY ENABLING IRAN'S DEVELOPMENT OF NUCLEAR WEAPONS PRODUCTION CAPABILITY, INDIA DEMONSTRATED—IN LATE SEPTEMBER—THEIR COMMITMENT TOWARDS REGIONAL STABILITY WITH THE VOTE AT THE BOARD OF GOVERNORS MEETING OF THE INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA), WHICH CONDEMNED IRAN'S NUCLEAR WEAPONS ACTIVITIES.

MOREOVER, INDIA'S SUPPORT WILL BE NEEDED NEXT NOVEMBER, WHEN IRAN SHOULD BE REFERRED TO THE UN SECURITY COUNCIL FOR ACTION. THERE IS A CONSTRUCTIVE ROLE FOR INDIA TO PLAY VIS-A-VIS IRAN AND THIS IS AN IMPORTANT FIRST STEP.

HOWEVER, AS A NUCLEAR POWER INDIA IS NOT A SIGNATORY TO THE NUCLEAR NON-PROLIFERATION TREATY. NEW LATITUDE FOR INDIA'S ACCESS TO NUCLEAR TECHNOLOGY REQUIRES CAUTION, OVERSIGHT, AND REGULATORY CHANGES.

WHILE I UNDERSTAND PRESIDENT BUSH'S DESIRE TO BRING INDIA ON BOARD BROAD EFFORTS TO PROMOTE PEACE, STABILITY AND PROSPERITY, WE NEED ASSURANCES THAT INDIA WILL BE COMMITTED TO INTERNATIONAL CONVENTIONS AIMED AT STOPPING THE SPREAD OF NUCLEAR WEAPONS.

REGARDLESS, IT IS UPSETTING THAT THE U.S. CONGRESS HAS BEEN—UP UNTIL JUST RECENTLY—KEPT IN THE DARK REGARDING THIS NEW AGREEMENT, ESPECIALLY SINCE IT WOULD REVERSE NEARLY THREE DECADES OF U.S. NONPROLIFERATION POLICY TOWARDS INDIA. AND I WOULD LIKE TO ONCE AGAIN EXPRESS MY EXTREME CONCERN OVER THE LACK OF CONSULTATION WITH THIS BODY.

WHILE INDIA HAS PLEDGED ITS COMMITMENT TO SEPARATE ITS MILITARY AND CIVILIAN NUCLEAR FACILITIES, THEY ARE SEEKING US SUPPORT FOR A CIVILIAN NUCLEAR ENERGY PROGRAM AND WE NEED TO WATCH THIS PROCESS CLOSELY IN ORDER TO ENSURE THAT IT IS DONE TRANSPARENTLY. ALL TOO OFTEN WE HAVE SEEN THE DIFFICULTIES THAT COME WITH KEEPING PEACEFUL NUCLEAR PROGRAMS *PEACEFUL*.

MR. CHAIRMAN, I LOOK FORWARD TO OUR WITNESS TESTIMONY TODAY AND I ALSO LOOK FORWARD TO FUTURE HEARINGS ON THE IMPORTANT TOPIC OF A U.S.-INDIA STRATEGIC PARTNERSHIP. FURTHERMORE, I LOOK FORWARD TO SHARING WITH YOU AND OTHER MEMBERS OF THIS COMMITTEE THE CONGRESSIONAL DELEGATIONS' FINDINGS ONCE WE RETURN FROM INDIA AND PAKISTAN ON DECEMBER 4TH.

PREPARED STATEMENT OF THE HONORABLE JOSEPH CROWLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. Chairman, I want to thank you for bringing my resolution H. Res, 456 before the committee today for markup. At this time I would also like to thank my colleagues who have joined me on sponsoring this resolution, Congressman McDermott, Burton and Wexler.

Aceh was first brought to my attention in 2000 by one of my constituents, Jafar Siddiq Hamzah, a human rights lawyer.

Mr. Jafar told me about the abysmal human rights record of the Indonesian military and others in the province of Aceh.

Upon returning to Aceh in August 2000, not long after we met, Jafar was abducted in Medan, tortured for several weeks, and found mutilated in a mass grave in the fall 2000.

Cases like Mr. Jafar's happened to often and motivated me to push for an end to his three decade long conflict that took over 15 000 lives.

This resolution expresses support for the peace agreement signed on August 15th of this year by the Free Aceh Movement and the Government of Indonesia.

This agreement saw both sides make considerable concessions in order to broker the peace.

The Free Aceh Movement has abandoned its demands for independence and has agreed to disarm.

On the other side, the government of Indonesia has granted amnesty for the Free Aceh prisoners and has agreed to a timeline of troop withdrawal.

The memorandum has also given the people of Aceh new political powers that will allow them to retain 70% of the revenue from the natural resources of the land. a Truth and Reconciliation Commission and a Human Rights Court will also be established giving the people the machinery for justice as well as peace.

The considerable compromises that both sides made in this memorandum of understanding, shows their willingness to secure peace for the citizens of Indonesia and Aceh.

This resolution acknowledges and expresses support for the memorandum signed by the Indonesian government and the Free Aceh Movement.

The resolution further expresses hope that both parties will fulfill their commitments so that peace will be instilled in the region

Lastly and perhaps most significantly this resolution encourages the Secretary of State and the Administrator for the United States Agency for International Development to commit resources so that the peace can be supported ensured.

I support this resolution to show the people of Aceh and the government of Indonesia that the US Congress supports the progress they are making.

Thank you.

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

I want to thank the Chairman and Ranking Member Lantos for scheduling today's hearing on the non-proliferation impact of the U.S-India nuclear cooperation agreement.

Without question the July 18 joint statement 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 Indian's 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? Isn't the explicit commitment to adhere to the Nuclear Suppliers Group guidelines and the Missile Technology Control Regime exactly what we've been trying to get India to do for decades?

There is clearly a great deal of work to do, Mr. Chairman both internationally and domestically. There are significant questions regarding timing and implementation which need to be addressed but I think this agreement makes sense on a bilateral level and can in fact strengthen our multilateral non-proliferation efforts.

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

