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June 25, 2008

**STATEMENT OF REP. GARY L. ACKERMAN
CHAIRMAN
SUBCOMMITTEE ON THE MIDDLE EAST AND SOUTH ASIA
“More than just the 123 Agreement: The Future of U.S.-Indo Relations”**

The Subcommittee will come to order. Over the past year and a half, this subcommittee has examined a variety of issues and has, at least on our side, been very critical of the President, his Administration, and the state of affairs that the next President will inherit across the Middle East and South Asia as a result of the current president's policies. So today will be a change of pace, because if there is one area in the subcommittee's jurisdiction where President Bush got the policy right, it is towards India.

But it isn't just this Administration that got India right. The Clinton Administration moved from ostracizing India after the 1998 nuclear tests to embracing India as an emerging global power: a view cemented by President Clinton's historic trip to India in 2000 and I was pleased and proud to accompany President Clinton on that journey.

The bipartisan recognition of India's importance in the 21st century underscored the need and provided the support for a broader, deeper, closer and warmer relationship between the two countries and that required removing a particular irritant involving civil nuclear technology. The July 2005 joint statement by Prime Minister Singh and President Bush proved the key to unlocking the door to a range of issues on which India and the United States not only could cooperate but should cooperate.

I believed then and believe now that the case for civil nuclear cooperation between the United States and India is clear and compelling. I strongly support the 123 agreement and I look forward to the Government of India completing its internal processes so that the U.S. Congress can give final approval to this historic deal.

As the title of this hearing indicates, however, there was much more to the July 2005 joint statement than civil nuclear cooperation and there is much more to U.S.-India relations than just the 123 agreement. In fact the 2005 statement covered a broad range of issues among which civil nuclear cooperation was just one. That agreement revitalized the U.S.-India Economic Dialogue and launched a CEO Forum to deepen our bilateral economic partnership; it committed both nations to accelerating trade, investment and technology collaboration and launched the U.S.-India Knowledge Initiative on Agriculture; and in order to strengthen the foundations that make democracies credible and effective the U.S.-India Global Democracy Initiative was launched. The 2005 agreement also called for greater efforts in the arena of commercial civil space cooperation, more trade in high technology items and welcomed increased Indian efforts to prevent the proliferation of weapons of mass destruction. Alongside the joint statement, the United States and India had earlier signed a ten year defense pact outlining planned collaboration in multilateral operations, expanded two-way defense trade, increased opportunities for technology transfers and co-production as well as increased collaboration on missile defense. And the list goes on.

I enumerate these things because the details illuminate how far the relationship has come in just the last three years. The breadth and pace at which all these initiatives have expanded would boggle the mind of even the most optimistic supporter of U.S.-India relations. All of these various initiatives are not just pronouncements made by heads of government and forgotten. They've been matched by follow-up and demonstrable success. I'll cite just a couple examples. In the area of trade and investment, the United States is India's largest trading partner and accounts for about one-seventh of all foreign direct investment in India since 1991. In the area of defense cooperation, the India-U.S. Defense Policy Group meets annually, and since 2002 the United States and India have held an unprecedented number, and increasingly substantive, combined exercises involving all military services. In addition, the amount and sophistication of defense sales to India has increased exponentially and the Government of India has opened the door for U.S. firms to compete for the sale of multi-role fighters to India.

One area of long-standing cooperation I haven't mentioned is counter-terrorism. India has been victims of terrorism for far longer than have we. Their experience with terrorism is deep and is as recent as the bombings last month in Jaipur, in which a series of seven blasts occurred in twenty minutes at crowded markets and near Hindu temples. 65 people were killed and 150 wounded according to official estimates. Our thoughts and prayers are with the families of the dead and we wish the injured swift recovery. This terrible attack serves as another gruesome reminder of how much in common the United States and India have when it comes to the global fight against terror and how we must redouble our efforts to develop effective tools to defeat terrorism and violent religious extremism.

But before anyone leaves this hearing with the idea that the United States and India will go riding off into the sunset and live happily ever after, if I can mix movie endings, there are some areas of disagreement that need to be mentioned and if left to fester could cut off our burgeoning relationship at the pass.

The one I have particularly in mind is India's relationship with Iran. I have heard about and understood from a wide variety of Indian government officials, India's historic ties to Iran and its domestic political need not to alienate hundreds of millions of its Muslim citizens. I have also heard and understood the arguments about India's ever increasing needs for energy. But I hope that India's officials will hear and understand the U.S. view of Iran: that Iran's pursuit of nuclear weapons and regional hegemony is a serious threat posed to international peace and stability in the Middle East and the vital national security interests of the United States. I believe Indian officials understand the U.S. perspective on Iran and I know that India shares U.S. opposition to Iran possessing nuclear weapons. Their courageous IAEA votes demonstrate that.

So I have a very difficult time understanding why the Government of India continues to pursue a pipeline with Iran and Pakistan at a time when other nations in the world are not just implementing UN approved sanctions, which is India's historic position, but are going further by cutting off access to banking services and discouraging other economic interactions with Iran. If the international community, India included, wants a peaceful resolution to the Iranian nuclear question, then joining the growing international efforts to isolate Iran that extend beyond the UN Security Council sanctions, is the way to go forward. Continued pursuit of the IPI pipeline or other investments in Iran's energy sector as was hinted at a few weeks ago by unnamed officials at India's state-run Oil and Natural Gas Corporation will halt and potentially even roll back the progress made in bilateral relations over the last several years. I want to be clear that I am not suggesting that India abandon its historically independent foreign policy, although I am sure there are those in India who will accuse me of just that. What I am suggesting is that India join the other nations who are doing more than just implementing UN sanctions in an effort to economically isolate Iran. It is an effort that I believe is fully consistent with India's historic support of multilateral institutions and cooperation.

There has been tremendous progress in U.S.-India relations over the last decade and particularly over the last three years. There is every opportunity and very good reasons to advance relations even further, and future generations will consider us fools if we squander them.

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