THE BROOKINGS INSTITUTION

THE U.S.-INDIA NUCLEAR AGREEMENT:

EXPECTATIONS AND CONSEQUENCES

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PARTICIPANTS:

Welcome:

STEPHEN P. COHEN
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The Brookings Institution

Opening Remarks:

JAMES STEINBERG
Deputy Secretary of State
Department of State

PANEL ONE: ENERGY, ECONOMIC AND TECHNOLOGICAL IMPLICATIONS

Moderator:

CHARLES EBINGER
Senior Fellow and Director, Energy Security Initiative
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Panelists:

SWAMINATHAN S. ANKLESARIA AIYAR
Research Fellow, The Cato Institute

JAMES CLAD
Professor, Near East and South Asian Studies
National Defense University

VENKATASUBBBIAH SIDDHARTHA
Expert, 1540 Committee
United Nations

Lunch Keynote:

STROBE TALBOTT
President
The Brookings Institution

SHYAM SARAN
Special Envoy of the Indian Prime Minister for
Nuclear Issues and for Climate Change

PANEL TWO: NON-PROLIFERATION AND STRATEGIC IMPLICATIONS

Moderator:

MICHAEL O'HANLON
Senior Fellow
The Brookings Institution

Panelists:

GEORGE PERKOVICH
Vice President for Studies
Carnegie Endowment for International Peace

AMANDEEP SINGH GILL
Visiting Scholar, Center for International Security and Cooperation
Stanford University

PANEL THREE: U.S.-INDIA RELATIONS AFTER THE NUCLEAR AGREEMENT

Moderator:

KARL F. INDERFURTH
Director, Graduate Program in International Affairs
George Washington University

Panelists:

LISA CURTIS
Senior Research Fellow
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JONAH BLANK
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Senate Committee on Foreign Relations

T.P. SREENIVASAN
Former Indian Representative to the
International Atomic Energy Agency

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P R O C E E D I N G S

MR. COHEN: Good morning. Let's start now because we're waiting for Jim Steinberg, but I can provide introductory remarks before Jim comes, and hopefully he will just come up here and then start speaking. My name is Steve Cohen, I'm a Senior Fellow in the Foreign Policy Studies Program at Brookings, and I want to welcome you to this day long event that examines the expectations and consequences of the Civil Nuclear Agreement entered into by India and the United States.

The agreement is not quite complete, there's still a few more steps that have to be taken, other agreements that have to be negotiated, but its unique qualities are widely recognized, and this is a timely moment to examine it.

There's a new government in the United States, and of course, India is going to the polls, there will be a new Indian government there. The agreement was conceived as it's a major step in enhancing Indian energy supplies, thus facilitating more rapid economic growth. It also has important environmental consequences. Although a civilian energy agreement, it has many implications for the global non-proliferation regime, as well as for India's larger military – took place in Asia. Our hope is that the agreement will somehow facilitate or not retard further agreements on global non-proliferation related issues.

Finally, the agreement was an innovation as far as U.S.-Indian relations are concerned. Not only did it remove an issue that had

blocked better ties between the two countries, it was remarkable unselfish in that it is an agreement that not only permitted American sales of nuclear related technologies to India, it allowed other countries to do so, as well.

The agreement disproves Harry Truman's aphorism that there is nothing new in the world, only the history that we have not read. There's no precedent for the agreement that I know of, and I can't find a precedent like it in the relations between any other two nations.

These three subjects, the economic and technical implications of the agreement, the proliferation and strategic implications, and the impact on India-U.S. relations constitute the heart of our three panels. We've tried to provide a balance assessment on each topic, drawing from Indian and American expert opinion and individuals who were both supportive and weary of the agreement. We're pleased that two distinguished diplomats, one American and one Indian, will provide their solo insights into the agreement. Jim Steinberg returns to Brookings in his new capacity as Deputy Secretary of State, and Ambassador Shyam Saran, one of the key figures in the original negotiations that led to the final agreement, is now Special Envoy of the Indian Prime Minister for Nuclear Issues and Climate Change.

I'm counting on the panel chairs to allow as much time as possible for questions and discussion, and to also provide their own insights. I also want to acknowledge the support and encouragement in

the planning effect of Mr. Ranvir Trehan, who provided partial funding for this program.

With that, let me again welcome you to Brookings, and I would ordinarily say welcome, Jim Steinberg, but he's not here yet. So let's take a few minutes and Jim will – is supposed to arrive now, and just wait for him to arrive. And I don't think I'll need to turn the television set back on so we can watch the daily news. Any comments or questions while we're waiting for Jim – begin the discussion. The timing of this meeting was such that we wanted to do it at a moment when both governments were influx; of course, there is no such moment, but if there is such a time, it is now. And we believe that, and we hope Jim will tell us, that this administration is beginning to think about not only its relationship with India, which is not spoken about, that I know of, but also its approach to nuclear non-proliferation matters, and therefore, the agreement.

On the Indian side, of course, as all of you know, most of you know, there was bitter criticism of the agreement especially by the left parties and the communists, and it was remarkable in that, despite, you know, much political opposition, it went through there and here, as well, so in that sense, it's a unique agreement. So let me adjourn for a second, just relax, maybe refresh your coffee cups until Jim Steinberg arrives. Thank you.

(Pause)

MR. COHEN: Steinberg's car has just pulled up, so we can resume. Let me urge all of you, please, to, in fact, I'll urge myself, turn off your cell phones, or at least put them on mute. We have people coming around with sticks, if they go off, you'll be beaten. And let me introduce Jim now, because – and then he can get right to his address. Jim Steinberg got his bachelor's degree from Harvard, a law degree from Yale, and then clerked in the Washington Court of Appeals for several years. From 1983 to '85, he was an aid to Senator Ted Kennedy on the Senate Armed Services Committee, and then spent two years in strange and exotic places, one in London, the IISS, and the other with the Rand Corporation in California. And then in 1996, was appointed Deputy National Security Advisor, working for Sandy Berger, of course, under President Clinton.

In 2001, Jim joined Brookings as Vice President for Foreign Policy Studies. In 2005, he became Dean of the LBJ School in Public Affairs at the University of Texas. And then was most recently appointed as co – I guess it's co-Deputy Secretary, is that the title, of – co-Deputy Secretary of State responsible for policy matters.

Jim is also an author of several – many articles and at least one recent book on presidential transitions, where he wisely cautions that the transition team should take it easy, don't try to do 100 days, take it easy, otherwise, things will get worse. The book is actually a Brookings

book on sale. So we've discussed the nature of the program. Jim, this will be I think the first address on India of any senior American official in this administration, so we look forward to your comments and also the opportunity to ask some questions; Jim.

MR. STEINBERG: Good morning, everybody. It's great to be back here at Brookings. I'm in the unaccustomed position of actually being the one giving the speech rather than doing the introducing, so it's a nice turn of tables, and I'm grateful to Steve for that kind introduction, and for Strobe for being here, and so many other friends from Brookings and around the campus to be part of this today.

This is, as Steve said, an important time, and I'm really delighted to have an opportunity to be part of this terrific conference that you've organized with so many good friends from both India and the United States to talk about the state of U.S.-India relations and the way forward.

We're living in a challenging moment, as you all well know, one that has great opportunities, but also great responsibilities for both the United States and India. And with our new administration taking office in Washington, and India embarking on its remarkable democratic exercise over the coming months, I'm going to use today to try to step away from the crisis of the moment and the day to day to discuss how the United States and India can built on our accomplishments of recent years to forge

a stronger, more comprehensive relationship to meet the challenges of the 21st century.

For over a decade, our relationship with India has been on a rapidly advancing trajectory. President Bill Clinton seized on the end of the Cold War and India's rapid economic and emergence and liberalization to lay the foundations for this transformation.

As I sit in the Deputy Secretary's office on the seventh floor of the State Department, I'm acutely conscience of the hard work and determination that my friend, Strobe Talbott, put into addressing decades of suspicion and estrangement to set the stage for a new era in our bilateral relationship.

The Bush Administration built on this legacy with the U.S.-India Civil Nuclear deal, a landmark achievement for both of our countries. American leaders, republicans and democrats alike, including a certain Senator from Illinois and a certain Senator from New York, who would soon get promoted to different jobs, believed that the world would be better served with India inside the non-proliferation tent than outside it. And Indian leaders from a range of parties and places, likewise, voted yes on this historic agreement. The agreement not only provides a concrete platform for economic and technological cooperation between our two countries, but also offers a basis for moving beyond one of our most

serious barriers to political cooperation, the status of India's nuclear program.

These breakthroughs would not have been possible without the political foresight of Presidents Clinton, Bush, and the hard work and determination of Strobe and former Under Secretary Nick Burns, as well as their Indian counterparts.

But perhaps more important over the long term are the strong and growing ties between the people of the United States and India. As is the case in almost all of America's most enduring relationships, the U.S.-India bond is between two societies, not just two governments, and the connection between us is not limited to our officials or our capitals.

The India Diaspora community, the influx of Indian students in our universities, collaborations between our NGO's and civil society, and growing economic and business ties have all been pulling India and the United States closer together for decades. I know from my time as Dean at the LBJ School, how meaningful these ties can be and the potentials they can bring in our new partnership with the Indian Institute of Management.

Our governments must harness and build on these close links in the business, academic, and scientific communities. We've seen throughout our history that where these human ties and bonds and values

are strong, even the sharp policy differences that might arise between our governments from time to time will not derail the relationship.

Indeed, it can be argued that our governments relate in catching up to the transform relationship between our peoples. But now the stage is set to embark on what I might term the third stage of our rapprochement and – nations, the United States and India both know that the third stage is crucial to boosting us into orbit.

President Obama and Secretary Clinton remain committed to expanding these opportunities in our cooperation. As India approaches the national elections in the coming months, we look forward to developing a comprehensive agenda, doing more bilaterally, regionally, globally across the full spectrum of economic, political, and security challenges. Our economic ties have played a major role in bringing our two countries together. The entrepreneurship and innovation of India's private sector, combined with economic reforms implemented by its government, have contributed to a doubling in bilateral trade, from 21 billion to 44 billion between our two countries between 2004 and 2008.

But we have much more we can do in the future, such as negotiating a bilateral investment treaty, removing tariff and non-tariff trade barriers between our countries, improving the enforcement of intellectual property rights, and opening avenues for the private sector to

engage directly by loosening government restrictions and actively promoting trade in areas of mutual interest.

One of the most promising areas and opportunities for deepening economic engagement concerns India's own ongoing development challenges, the need to bridge the gap between its vibrant middle class and its still too persistent urban and rural poverty.

The United States and India should leverage existing business and scientific community ties by establishing public private partnerships to catalyze technological advancements in the fields of education, energy, health, and agriculture that will improve the lives of average Indians, stimulate small and medium enterprises in India, and grow markets for U.S. goods and services. Two excellent means of accomplishing these goals are by invigorating the CEO forum led by the CEO's from leading American Indian businesses who make recommendations for the removal of barriers to growth, and the trade policy forum, which seeks to improve the business environment in the areas of trade, investment, services, and agriculture.

Energy is another fruitful avenue for bilateral cooperation. In a country where 500 million people still lack reliable access to electricity, the United States and India have enormous opportunities to collaborate on energy generation and infrastructure.

The U.S. is committed to working directly with India as a robust partner on civilian nuclear energy. Our governments have taken some of the steps needed to realize the one, two, three agreement, but we both need to do more. And we look forward to working with India to fulfill the promise of civil nuclear energy cooperation.

President Obama has just sent our first trade mission to India, and it's on solar energy. Energy can be a focal point of our relationship, and trade and renewable energy technologies has the possibility of taking our relationship to new heights. On the security side, we have taken important steps together and have a good foundation on which to build. Our Navy's now exercise regularly together, and the fruits of that cooperation were apparent in our mutual contributions to Tsunami relief in 2004.

We're also opening up avenues to increase defense trade through strong advocacy for U.S. firms. We also need to conclude an agreement on end use monitoring, a logistic support agreement, and a communications agreement, and to work more closely together on counter terrorism, as well as non-proliferation.

Together our populations are 1.3 billion strong, and we could do much to advance our common interest. We should find ways to increase the involvement of the private sector in our government to government dialogues and use our people to people ties to advance

cooperation in education, science, and technology, and to facilitate rural development.

But the future of our relationship depends on more than strengthening bilateral ties and engagement. As India merges as one of the world's leading economic and political powers, the central question is how the United States and India can work together to address the regional and global challenges that no country alone can solve. To paraphrase Strobe's and my old boss, President Clinton, the central question facing India in the coming years is how India defines its greatness as it takes an increasingly prominent role in global affairs.

In the past, the emergence of new powers placed enormous stress on the international system, because power was seen as a zero sum game, the rise of powers was viewed as an inherent threat to the status quo. But in the 21st century, the emergency of India as a strong, stable, democratic, and outwardly looking global player with global interest has the potential to advance and enhance the effectiveness of the international system and the security and well being of all in a positive sum game.

For this reason, the real test of our relationship will be how we work together on the great common challenges of our error, strengthening the global trade and investment system, addressing transnational threats like nuclear weapons proliferation, terrorism, and

pandemic disease, and meeting the urgent danger posed by climate change. As great powers together we have an obligation to help produce what we at least former academics call global public goods, to pursue an enlightened version of self-interest that recognizes that individual nations will only thrive if we all thrive, and that to build the institutions of cooperation, we need to facilitate common efforts to meet challenges.

Whether at the UN, the World Trade Organization, or the Conference of Disarmament, we both have a responsibility to – rhetoric in favor of forward looking, practical solutions to the great issues of our time.

We'll begin this work next week in London, where the G20 leaders will meet to discuss how to address both the near term and systemic challenges posed by the global financial crisis, and where President Obama and Prime Minister Sing will have a chance to meet face to face to share views. It is vital that together we take steps to foster growth, enhance transparent regulation, and keep our markets open to global trade.

Later this year, the world will come together in Copenhagen to consider next steps in addressing climate change. The United States and India are different stages of development, and India's overall share of greenhouse gas emissions is small compared to the United States and other leading emitters. I'm delighted that India's Special Envoy on Climate Change, Shyam Saran, is here in Washington this week and will be talking

to you later this morning. We look forward to engaging with him on this important issue.

The United States is committed to putting in place a mandatory plan to cut our own emissions. But India, too, has a responsibility to play a leadership role in helping to bring about a consensus that brings both developed and developing countries into a global framework.

I understand that India has concerns about caps, but with its growing emissions, we must work with India to ensure it is part of any effective solution to climate change. We stand ready not only to look at how American technologies can be linked to any solution, but how we can partner with India to develop new, greener energy sources and promote conservation.

India's high energy demand and insufficient energy resources makes it a prime partner for potential investment and technology sharing, both as part of the climate change agenda and also broader energy development. Next year we will also have another opportunity to develop our commitment to working together and build the structures of global cooperation as we approach the non-proliferation treaty review conference. Forty years after the adoption of the NPT, the world is now on the brink of the danger that President Kennedy so eloquently warned about, uncontrolled nuclear proliferation, but in an

environment more dangerous than the one he envisioned, with the prospect of nuclear capabilities falling into the hands of terrorists.

Both the United States and India have a responsibility to help work, to craft a strengthened NPT regime that fosters safe, affordable nuclear power, to help the globe's energy and environment needs while assuring against the spread of nuclear weapons.

President Obama has pledged U.S. leadership in meeting our obligations as the world's most powerful nuclear state, but India has a special role and responsibility, as well.

In the nearer term, the United States and India must work together to help address what is one of the most urgent security challenges facing us, to work with the democratic governments of Pakistan and Afghanistan to root out the violent forces that threaten the stability of the region and pose a direct danger to the Indian and American homelands. We are joined in the searing memories of September 11th and Mumbai in understanding the importance and the urgency of this task. This week President Obama will set out our own approach to this urgent challenge, drawing upon the heroic labor of Brookings own Bruce Riedel, Ambassador Richard Holbrook, and many others. And we are grateful to the efforts that India has made in recent years to support economic development and reconstruction in Afghanistan.

Next week the world's foreign ministers will gather in the Hague under the chairmanship of the United Nations and the Dutch to develop a collaborative program involving all of Afghanistan's neighbors and key donors to build a civilian and economic approach married to our security efforts in the region.

Later in April, the friends of democratic Pakistan will meet to pledge support for Pakistan's efforts to strengthen its economy and institutions to meet the existential challenges they face.

As President Sudari and the Pakistani government take the courageous steps needed to confront and eliminate extremists, India and the United States must work together with all of our international partners to support them and to facilitate their efforts. Over the years, the United States and India have established many mechanisms for consultation and cooperation. Over two dozen formal diplomatic dialogues exist to address wide ranging, bilateral, and global issues. Some have been fruitful, others have stalled.

Moving forward, we should explore creating a broader strategic framework for these dialogues so that our relationship can achieve the kind of ambitious goals for coordinated global leadership I've set forth today.

As we embark on this crucial third stage of our liftoff, we should do so with the clear eyed recognition that we will not always agree

on how best to address the vital challenges of our times. Our history, geography, and economic development are different, and they will inevitably lead to some divergences of perspectives.

But our common values and our intertwined fate require us to make the effort to seek common ground. That is the commitment of President Obama and Secretary Clinton, and one that we look forward to working with the next government in – Thanks for being here today and I look forward to your questions.

SPEAKER: If I can ask the first question; you said that India was in the non-proliferation tent, it's not a member of the non-proliferation treaty, it can't be a member of the NPT treaty; do you foresee any way in which – any specific way in which the United States can work with India to deal with not NPT matters, as such, but a larger non-proliferation regime, or is it too early to make a statement on that?

MR. STEINBERG: Well, I think it's early to make specific statements, but I can at least make some general observations, which is, I think that we all recognize that the fundamental challenge that we face is to look at the core elements of the NPT bargain, which is that states should be able to pursue civil nuclear energy while avoiding the danger of – the proliferation of nuclear weapons, and I think that the issue that's before us now is, how do we deal with a technology which poses some inherent risks, the nuclear fuel cycle, and allow countries to get the

benefits of nuclear energy while avoiding the danger that the fuel cycle become a source of instability and proliferation.

India obviously has an engagement here, it's in the position to look at the kinds of commitments it can make to be part of an international approach, to the way in which nuclear fuel is both generated and then dealt with at the back end of the fuel cycle, and so I think there's the possibility of fruitful discussion about how India and every other state in the world can engage in those kinds of questions. We have to find a way to understand how the technology has pushed us to a place, and a more dangerous place then I think the framers of the NPT had recognized.

And I think that there have been some early steps that India has taken in terms of safeguarding its civilian programs that allow us a way forward, but we still have a lot of work to do to think about the specifics of this broader regime.

SPEAKER: -- from Indian – today. My question is that what is the hurdle now – should have been moving between India and U.S. as part of the civil nuclear agreement was concerned. There's still one paper supposed to be signed by President Obama now, should have been signed by President Bush in December, but it didn't happen. The question is that now we have a new appointment by President Obama – Congresswoman Eileen – how this – how her appointment will effect this agreement because she was against this deal and she voted against the

deal, but President Obama, of course, then Senate voted for the deal; where do we stand?

MR. STEINBERG: Well, you may be announcing appointments to the Obama Administration, but I'm not, so we – at the moment there is no nominee for the particular position that you're discussing, so I'm not going to discuss the individual views of people who may or may not be appointed to those positions.

I think the administration's position is clear, as you said. Both while he was in the Senate, Senator Obama voted for the agreement and has made clear that he intends to implement it. There are still some technical issues that need to be worked out. We are looking forward to having our full team in place, and we're looking forward to the Indian government being in a position to continue these negotiations, as well. I think it's something that both sides would like to see completed. We've had the important international framework decisions made, but there are some very practical decisions that have to be made to make it possible to implement the agreement.

MR. WATSON: Hi, I'm Eric Watson, Inside U.S. Trade. If you could talk a little bit more about those technical details. I understand that, on the Indian side, reprocessing rights is one of the key elements, and I believe that they're asking for the right to reprocess U.S. origin fuel in perhaps non-safeguarded facilities. What is the Obama Administration

position on that, and do you see this as necessary or a part of a trade off for this nuclear liability regime that India would need to put in place in order for U.S. companies to do business there?

MR. STEINBERG: It won't surprise you that I'm not about to kind of conduct the negotiations here at Brookings. I think that there are a number of issues that we have to look at in terms of the implementation, the agreement, the liability issue is obviously one of them, and I think we need to have a clear sense of what the assurances and the commitments are on both sides, but how we're going to resolve those questions I will leave to the negotiations.

MR. COHEN: Please state your name and affiliation.

MR. GROSS: Wolf Gross Northrop Grumman. I would classify our relationship at the moment as a bit uneven at a time when the nuclear agreement seems to be moving along reasonably well. The Indians are perplexed about the unevenness of our military relationship, defense relationship in the wake of the unpleasantness in Mumbai last November. What is the administration going to do to smooth out the unevenness?

MR. STEINBERG: Well, I guess I probably don't share your diagnosis, so I'm not sure I can answer your question. I think that, quite the contrary, I think we've had some very productive conversations in a variety of channels since Mumbai, and rather than a source of

unpleasantness, I think it's actually been a source of some very useful conversations at various different levels.

There are obvious a number of questions in terms of the military engagement, particularly in the arms sales and arms export related area, but I would not say that they were affected in a negative sense by Mumbai. I think that there was a – in some ways, as I said, both on the level of sort of bringing the countries together in terms of their concern about the dangers and the potential for cooperation in dealing with them. I see some very positive avenues. So while, as I mentioned, we have some work to do to create the right framework to facilitate a good environment for increased defense industrial cooperation between us, I don't see sort of inherent obstacles, other than, you know, the unique setting that we now face, which is, as India goes through its electoral process, there's inevitably sort of a period of a bit of a pause in terms of the direct engagement.

MR. VICKORY: Ray Vickory from Stonebridge. Mr. Secretary, on April 2nd, you mentioned the G20 meeting in London, what specifically will the United States and India do together to try to lead the G20 in a positive path for all of the countries involved in the economic crisis?

MR. STEINBERG: Well, we have a number of challenges. The first and more important probably, although they're all important, is to

sustain the engines of global growth, which is to make sure that we have adequate demand to support recovery.

India, although it has suffered in relative terms with declining growth, as essentially everyone as a result of the economic crisis, has faired moderately better than others, and it's very important for India to continue strengthening its own growth both because of its value to its own citizens, but also in terms of the overall global economy.

The second area where we can work together is increasing the capacity of the international institutions to work on these challenges, making sure that the multi lateral financial institutions have adequate resources, particularly to help many of the emerging market economies which have been hit very hard by this. And there are a number of proposals that are being discussed by the G20 countries about looking at the capacity and resources available to the IMF, as well as some of the issues around governance.

Finally, I think we've all agreed that we need to look at the question about making sure that we have a stable and reliable global financial architecture that can deal with these massive financial flows and have a regulatory and transparency environment that allows us to make sure that some of the problems that cause the current crisis don't emerge again. So these are at least three pillars of what I think will be discussed

and hopefully emerge from the discussions at the G20 in which both the United States and India have a very strong interest.

SPEAKER: You had mentioned about NPT, since 1970, since it was instituted, there were six nuclear nation states -- now there are nine. But though the genuine and – leadership of – can you somehow implement the NPT, because if it is not enforced globally, then there will be – for another ten years, there could be even more, so it is not helpful. The second thing, you mentioned that when we go into a – peaceful – nuclear treaties, in that case, then at the same time, you discourage the nuclear weapons production with a country; how this principal would apply in case of India?

MR. STEINBERG: Well, I think I certainly agree with – very strongly with the first part of your question, which is that we do face a critical period in making sure that the principals of the existing NPT are enforced. And we have two very important cases in front of us right now, Iran and North Korea, where there are serious concerns and which we are deeply engaged with our international partners.

As you know, the IAE has just completed its most recent assessment of the Iranian program, and there are serious problems of compliance there which have been reported to the Board of Governors and which really require urgent attention because it is a direct threat to the regime as it currently exists.

Similarly, we are determined to try to continue to sustain some momentum through the six party talks and our dialogue with North Korea and to make sure that the commitments that they reached last year and the agreements between North Korea and the other parties in the six party are carried forward in phase two to develop a verifiable protocol for the elimination – for the inspection and elimination of North Korea's nuclear program.

So making sure that we enforce the provisions of the NPT as they exist now are important. But clearly we need to think about how we go beyond that, because as I said, there are some inherent problems in the regime, the structure of the NPT itself, which pose I think a sufficiently high risk to the danger of proliferation that we need to think about different ways of handling this.

In terms of the United States on leadership on this, the President spoke at some length about some of the efforts that the United States needs to take on the non-proliferation agenda, and I anticipate in the not too distant future that we'll hear more from the President in terms of laying out a very concrete program as to how we propose to proceed, as well as what we hope to see from our international partners.

How we deal with, as I say, bringing Indian/Pakistan into the NPT world is a critical question, because in the long run, having confidence that this is a global regime is really quite critical to success

over the long term. There are aspects of the civilian one, two, three agreement with India which help begin that process, but we have more to go, and we look forward to engaging both with Pakistan and India on the question about how to make this an effective solution that has a sustainable future and doesn't lead to the proliferation of more nuclear states going forward.

SPEAKER: One more question.

SPEAKER: Prekash from Beijing nations. Mr. Secretary, you said that India has a role to play in situation in Afghanistan and Pakistan; could you elaborate on that a little bit? What is India doing they should continue to do, what they are not doing that you would prefer to do? And secondly, in terms of the – branch, the President had extended towards Iran, do you see India playing any role in Beijing, Iran, and the United States?

MR. STEINBERG: Well, as I mentioned, I do think India has a very important role to play in South Asia, and India can be a very powerful force for contributing to a solution and greater stability in the region. There's a long tradition of engagement by India and Afghanistan, and in recent years, India has been active in helping support economic development and reconstruction in Afghanistan in providing support to – government, and we will encourage India to continue that and to be part of the effort that we will outline in the President's strategic review,

establishing a set of priorities we think is necessary to help create a situation where the extremists will not prevail once again in Afghanistan.

I think that India has a huge stake for obvious reasons in seeing that this happens. The focus of our efforts in the region will be to deal with the dangerous elements that threat regional stability and threaten us directly, and the President's strategy will have a comprehensive approach that looks at both what we need to do in Afghanistan and Pakistan to deal with that immediate threat.

As I also said in my remarks, I think that India has a big stake in the success of democratic governance in Pakistan, that this is, in the long term, the best solution to stability and progress, is to have a strong and capable democratic government in Pakistan which can take on these challenges which are as much a threat to Pakistan itself as to others. And the U.S. government is working very closely with Pakistan, and I think it will be important for India to make clear that as Pakistan takes steps to deal with the extremists on its own territory, that India will be supportive of that and look for ways to contribute to an overall environment which can then lead to further efforts to root out the extremists.

There's obviously a complex history between the two countries, but we certainly encourage India to see that it has a big stake in

the efforts that we will be undertaking to work both with Afghanistan and Pakistan to deal with this very grave threat to us all.

MR. COHEN: Thank you, Jim. Let me thank you for delivering this address on U.S.-India relations. You'll be interested in knowing that in a month or two, we're going to be publishing a masterful history of American intervention on Kashmir, and it is a history of failure, so it's a cautionary book, it's worth reading, written by Ambassador Howard Shaffer, and we'll make sure you get an early copy of it. It's a grim book, but it's very useful.

Let me thank you again for coming. You're welcome, obviously, to come back at Brookings now that you're living in Washington, D.C. We want to recruit you for the Junior/Senior Faculty – Junior/Senior softball game, where you were an outstanding pitcher. So, again, thank you for coming, we appreciate it. Let's take a five minute break and then the next panel will assemble. Thank you.

(Recess)

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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