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INDIA AND THE UNITED STATES: A STRATEGIC PARTNERSHIP

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Welcome and Introduction:

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PANEL 1: AMERICAN AND INDIAN STRATEGIC INTERESTS IN ASIA:

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PROCEEDINGS

MR. INDYK: Please turn your cell phones to quiet. Good morning, ladies and gentlemen. Thank you very much for joining us at this first India-U.S. strategic dialogue. On behalf of the Foreign Policy Program at Brookings, which I have the honor to direct – my name is Martin Indyk, by the way -- and our partners in the dialogue, the Federation of Indian Chambers of Commerce, I want to welcome you this morning to an exchange of views among Indian and American policy experts that will take place on an annual basis, alternating between Washington and New Delhi.

The United States and India are old friends but relatively new strategic partners. Nevertheless, this partnership has a solid foundation of shared democratic values and now common economic and security interests, and as the world leaves the cold war era behind and a new global order begins to take shape, United States and India have every reason to cooperate and ensure that it is a more peaceful, stable, secure, prosperous, and sustainable order for the benefit of the two peoples and for all mankind. The official dialogue is proceeding. As you probably know, the United States government and the government of India held their first strategic dialogue on the official level, concluded yesterday. But we thought that it would be useful to have a parallel dialogue amongst policy experts that would enable a freer flow of discussion on a variety of issues between us -- security and economic in particular -- and that as our dialogue builds to engage in the effort to establish a network of policy experts and a zone of trust between them that will enable the exchange of views not always possible on the official level -- with a candor not always possible on the official level. So, that is the purpose of today's kickoff event, and we will be taking this up in parallel, as I said, alternating between New Delhi and Washington as the years go on.

Brookings has had a strong and abiding interest in India for many years. Our president, Strobe Talbott, as Deputy Secretary of State, played an important role in building a relationship during the Clinton era. Steve Cohen, our preeminent expert on India has been a long-time Senior Fellow at the Brookings Institution working on Indian issues. Later on today we'll hear also from Eswar Prasad, one of the preeminent economic experts on India who's in our Global Studies Program. And of course Bruce Riedel is also actively engaged in Indian studies.

It is in that context that we are very proud to be the partners of FICCI in putting this together. I will quickly introduce our speakers on this opening panel, and then we will have an opportunity to hear from them. But first I want to acknowledge and introduce Rajan Bharti Mittal, who is the managing director of Bharti Enterprises and the director of Bharti's Wholesale and Retail Business. He is one of the pioneers of New India's *Business World*, and he has now assumed the leadership of one of its most dynamic business organizations; that is, the Federation of Indian Chambers of Commerce.

After he makes some introductory remarks, we are very honored to have the opportunity to hear from Undersecretary William Burns. He holds the highest rank in the Foreign Service, he became Undersecretary of Political Affairs, which is the highest career position in the State Department, in May of 2008. He served as Ambassador in Russia, Assistant Secretary of State for Near Eastern Affairs where he was my boss, Ambassador to Jordan where I was his boss since I was Assistant Secretary before he was, and Executive Secretary of the State Department, as well as Special Assistant to Secretaries Christopher and Madeleine Albright. He has, in sort, a very distinguished career as America's premier diplomat, and he is one of the anchors of this U.S.-India official strategic dialogue.

We're also very honored to welcome today the Foreign Secretary of the Indian Foreign Service, Nirupama Rao. She has served, like Bill Burns, in a variety of diplomatic posts with great distinction for her country that include Washington and Moscow. She was here in Washington at the Embassy at a difficult time in U.S.-India relations, and we are delighted to have her back in her counterpart position as the Indian anchor for the official dialogue as the Foreign Secretary of the Indian Foreign Affairs Department.

I think that after we hear from both of them -- unfortunately Bill Burns will have to leave us at 9:40 for a meeting at the White House, but Steve Cohen will then have an opportunity to moderate questions if

there's time for that. If not, there will be plenty of time for your questions and discussions later on, on the other panels. So, Mr. Mittal, I welcome you to the podium.

MR. MITTAL: Good morning. Thank you very much that introduction.

Good morning, ladies and gentleman, Foreign Secretary Rao, Secretary Burns, my investors earlier, Mr. Lalit Mansingh, Mr. Gautam Adhikari, Mr. Ajay Shankar, ladies and gentlemen. It's indeed a great privilege and an honor for FICCI to be participating in this track 2 dialogue which is taking place for the first time here. In fact, I was speaking to my Secretary General Amit here, I said this dialogue actually should take place before the official dialogue takes place so that people like us can give a penny bit of advice, which may or may not be feasible, but probably that may be the right forum to do it. But I did understand from our foreign minister yesterday that the talks at the state government-to-government level have gone extremely well. In fact, I was there to hear the president speak. He was very encouraging that the India-U.S. relationship is being given this kind of trajectory and this kind of importance.

Is this really a reinventing of the relationship? I've been following since I was a young kid, a young lad, this India-America relationship, and we have seen enough of ups and downs that have taken place at least in my lifetime that I've seen. But today as I stand here, I do appreciate and understand that this relationship of two large democracies is destined to do well. It is destined to do good in a different trajectory. And I'm sure the leadership recognizes as well -- sure enough, President Obama yesterday was very categorical, and I can tell you Dr. Manmohan Singh, our prime minister, was also very categorical that this relationship is not only here to be sustained, but the velocity in this relationship will be picked up as we go along.

I'm going to touch upon a few of the economic issues, really, here. I'm sure the political issues are best left to the experts here. Where is India headed? If we saw a few years back, I always said that India had two independences, 1947, which was political, and 1991, which was the real economic independence that this country had. It's been 15-year-old opening of the, you know, business society, the liberalization, but these 15 years have been extremely dramatic. Indian markets today provide what is needed from countries like U.S. where technology, innovation, financial muscle, power that it has. It needs markets which can be stable, markets which have legal positions and markets which are looking for innovation, markets which are trying to be inclusive in their growth.

I head a telecom company. It's a 15-year-old telecom company, but the kind of inclusion that the little technology that is done to the bottom of the pyramid is to be seen in India. If my colleagues here and friends here who will be probably visiting India, you can see that how much of the proliferation (of tech) it has done. It has touched the small farmer on one end and the big business houses on the other end. Clearly, that tells you that power of innovation -- how best it can be applied, especially in countries like India where the power to connect is through digital medium rather than probably hard roads. The power to connect that small common denominator who wants to be part of the growing economy is to be seen how we are managing that.

The growth of the country has been stupendous -- what we have seen around the world, how economies are fed, how different time of crisis that we have seen, even including this country. India still stood as bedrock in terms of the growths are concerned. Yet it seeks technology. It seeks partnerships. In fact, this has been an area of discussion, and even last time when we were here in the private sector advisory group that I am also part of the membership we did speak to the officials here that the technology denial, and the restriction on the entities in India is something if you have to be strategic partners, which is not acceptable. India, which has shown not only there is a very responsive democracy, but it has shown that it has the best track record as far as technologies are concerned, as far as areas where I think such cooperations are much needed. So, I'm going to request the officials here to take note of that, because the economic velocity will only happen when private companies, private enterprises come together on that. Clearly, the objective of this dialogue is also to enhance the economic cooperation. While I'm sure the political cooperation is at a very high level, the intention, the idea here is to showcase that India's economic strength, India's economic velocity; not only for India-U.S. trade but India could become one of

the major allies not only to promote in Asia but even on the African continent. Indian companies today with surpluses on their balance sheets are not only looking internally, but they're also moving externally. There have been companies which have come into the Western U.S. Job creation has been done.

People talk about here that what happens to the Indian outsourcing story. It's only one side probably that has been told. IBM, which is your leader in IT and technology, is actually doing the reverse outsourcing as far as India's concerned. They look after most of the telecom companies in India on an outsource-based model. So, just to see one side of the outsourcing that's happening is not correct. The picture is that this relationship is a two-way street, both economically and I'm sure, quite sure, that it would be politically as well. As trade investment increases, as relationship between the two countries increases from days with the relationship between the two countries dependent on -- probably a little lopsided -- dependent on aides, today that relationship is turning into partnerships. That relationship needs to transcend to a next level and to a higher velocity. I'm quite sure the dialogue that is open today, which would be a regular dialogue as we do the India-U.S. strategic dialogue at the government-to-government level, this will also happen on a yearly basis.

I want to thank Brookings Institute to be partners with us, to allow FICCI to be a partner with them. FICCI is not only a chamber of commerce in India but is a thinktank. It has about -- almost 200 economists where they become the change agent. They influence the policies. They speak about the relationships that are needed between the private enterprise, and today the economic velocity is driven by the private enterprises no more than it is being done by government to government. So, as a representative of that, as a representative of the Chamber, I assure you, my friend, both from U.S. and friends -- Indian friends here who are in US, as you need to come, you need to look at the Indian growth story, you need to come and invest in that growth story.

I want to thank Secretary Rao, for being here, Mr. Bill Burns; and I want to thank our investors who have been present here; and I want to thank the audience for being here. If there be any questions on the economic set, I'll be very glad to answer. Thank you very much. Thank you.

MR. INDYK: Bill?

SECRETARY BURNS: Sure. Good morning, and thank you very much for the kind introduction and especially for organizing this important conference. It's a special honor to open this event with Foreign Secretary Rao, a superb professional and a friend and colleague for whom I have tremendous respect. Nirupama has endured a number of meeting with me over the past two weeks in Delhi and in Washington as we prepared for yesterday's successful launch of the first-ever U.S.-India strategic dialogue. Led by Secretary Clinton and Minister Krishna and joined by a number of cabinet-level representatives from both countries, we considered initiatives in areas that included education, energy, counterterrorism, defense, trade and investment, and agriculture. At the conclusion of yesterday's discussions, President Obama visited the State Department and announced that he will visit India in November, emphasizing that partnership with India is among his very highest priorities.

There has probably never been so much governmental and nongovernmental bandwidth devoted to the U.S.-India relationship, and the strategic dialogue was important not just for the day of discussions that took place at the State Department but the three days of intensive, focused dialogue that took place between counterparts across Washington. More than anything else, the strategic dialogue is a reflection of how far a relationship has come in a very short time and how far it can go in the years ahead. The simple truth is that India's strength and progress on the world stage is deeply in the strategic interests of the United States. Soon to be the world's most populace country and already the world's largest democracy, India is now the world's second fastest growing economy and a central player in the G-20. Never has there been a moment when India and America mattered more to one another, and never has there been a moment when partnerships between India and America mattered more to the rest of the globe. As two of the world's leading democracies, we can help build a new global commons, an international system in which other democracies can flourish, human dignity is advanced, poverty is reduced, trade is expanded, our environment is preserved, violent extremists are marginalized, the spread of weapons of mass destruction is curbed, and new frontiers in science and technology are

explored. That is the moment, and that is the promise that lies before us.

So, where do we go from here? How do two leaderships and two peoples with so many shared values and common concerns help shape a more secure, stable, democratic, and just international system within which India can complete its historic task of modernization and within which the United States can revitalize our economy and our society.

How do we work together in Asia, whose rise and dynamism will have such a large impact on everything else that we do? Let me start with Asia, then move outward to the wider global setting, and finally offer a few thoughts on how America can contribute in the next phase of India's modernization. India's reemergence as an Asian Power is becoming an increasingly important feature of the world's most dynamic region. Rapid economic growth has driven the expansion of India's strategic horizons as it seeks to secure the resources and markets needed to fuel its continued prosperity. It is very much in the American interest for India to build on this role in the years ahead, and it is no coincidence that other large Asia and Pacific democracies -- Japan, Australia, and South Korea -- are also engaging more closely with New Delhi and cooperating more systematically on security issues.

We share with India an interest in regional stability and a geopolitical balance, which maximizes opportunities for economic and human advancement while minimizing the risks of conflict and mistrust. Central to that positive vision is a healthy relationship between India and China. As India's national security advisor, Shankar Menon, noted wisely, our experience suggests that there is space in Asia and the world for both India and China to grow and develop and for us to do so in a way that is mutually reinforcing if we both wish it.

As India looks east, its role in its immediate neighborhood obviously remains crucial. We have complementary interests on the subcontinent, and the United States supports India's leadership in encouraging the emergence of a stable democratic government in Bangladesh, easing tensions in Nepal, and promoting peace and reconciliation in Sri Lanka. Neither of us intends to outsource South Asia policy to the other, but more often than not our policy prescriptions converge. United States welcomes recent steps by India and Pakistan toward constructive dialogue, including the planned meeting in Islamabad in July between Minister Krishna and Minister Qureshi. The President has welcomed Prime Minister Singh's willingness to take political risks in order to lessen tensions with Pakistan and has promised that the United States will continue to support those efforts. None of us, least of all Indians and Pakistanis, can afford a resurgence of tensions between the two nuclear armed states, and none of us, least of all Indians and Pakistanis, can afford to see groups with global terrorist ambitions, like Lashkar-e-Taiba, continue unchecked.

It is similarly vital that we make common cause in supporting a stable future for Afghanistan. During President Karzai's recent visit to Washington, President Obama reinforced a long-term American commitment to an Afghanistan that can defend itself and provide for its own people and that cannot again become a platform for violent extremists. That is a hugely complicated task and one that will not come to an end in July 2011. It will require strong contributions from many countries, including India, whose important development assistance to Afghanistan already totals over \$1.3 billion. India's leadership and the potential for U.S.-Indian partnership extends well beyond Asia. India's role in promoting global security is growing. India is today one of the largest troop contributors to U.N. peacekeeping operations. The Indian navy is a leading player in counter-piracy operations off the Horn of Africa, and it is a striking fact that the Indian military now holds more bilateral military exercises every year with the United States than any other nation.

Expanded U.S.-Indian defense cooperation, unimaginable not so long ago, is a valuable means of supporting our shared interest in India's broadened international security role. Our stake in India's defense modernization is real and increasing, and defense trade has taken off since our 2005 framework agreement. Building on the success of a civil nuclear agreement, India is contributing constructively to global nonproliferation and nuclear security efforts. At the nuclear security summit in Washington in April of this year, President Obama praised India's leadership in launching a regional nuclear security training center. India and the United States have both suffered devastating terrorist attacks with the scars of 9-11

and 26-11 still fresh in both our societies. Since the horrific assault on Mumbai in November of 2008, U.S.-Indian cooperation in counterterrorism has deepened rapidly, in the interest of both our countries.

Our strategic dialogue this week elevates India to the rank of our most important global partners, allowing us to discuss and coordinate policies of global import, including on the future shape of the international economic system and on what we can do together to promote human development in other parts of the world. Prime Minister Singh is one of President Obama's most valued partners in the G20, and the United States strongly supported the recent expansion of India's World Bank voting share. In addition to the regular dialogue we've begun on East Asia, we look forward to quiet, systematic exchanges on other regional issues, such as the Middle East and Africa, where we can benefit from each other's perspectives and each look for ways to contribute to peace and security. India's expanding global role will naturally make it an important part of any future consideration of reform of the United Nations Security Council. India's widening role and contributions in Asia and around the world obviously hinge on its ambitious modernization plans at home. The United States has both a profound interest in India's success and the capacity to contribute to that growth in ways that benefit us both.

While the United States is already one of the largest foreign investors in India, much more is possible. India has announced over \$1 trillion worth of new projects to build highways, airports, electrical power stations, and other desperately needed infrastructure, creating major potential opportunities for American firms that can drive job creation and innovation in both of our countries. More rapid Indian consideration of reforms, including the easing of caps on investment in critical sectors, would also help, as Indian officials themselves have argued. So would more rapid movement by both of us toward a bilateral investment treaty. The private sector has been a trailblazer in bringing our free-market democracies together and a reinvigorated U.S.-India CEO forum, due to meet again in three weeks, can offer a very useful nongovernmental perspective. Rapidly deepening commercial ties between our two countries are concentrated in the knowledge-driven high end of our economies and are critical to the global competitiveness of both U.S. and Indian companies. We can and we should transform our export control relationship befitting the 21st century U.S.-India strategic partnership. That will open the door to historic new cooperation in space and a number of other areas for high-tech cooperation.

In addition to expansion of trade and investment, U.S.-Indian partnerships in agriculture and clean energy could propel a second green revolution chromatically linking two disparate but vital initiatives. In the agriculture segment of our strategic dialogue, we're already exploring innovative new technologies and techniques and cooperative advances in weather forecasting. Equally useful is their ongoing exploration of other forms of green cooperation, especially given the environmental impact of India's rapidly urbanizing population and rising energy consumption. New energy technologies can help India supplement coal with hydro, wind, solar, nuclear, and other clean renewable power sources. Implementation of our civil nuclear agreement can be particularly valuable in this regard. U.S. companies are prepared to support the expansion of India's civilian nuclear infrastructure with two reactor park sites already identified. As Prime Minister Singh argued publicly last week, it is deeply in India's self-interest for its parliament to enact liability legislation consistent with international standards so that it can attract the best -- find investors at the most competitive rates and build the role and capacity of its own companies.

India's development of its greatest resource, its immensely talented people, is another focus of U.S.-Indian partnership. We're already working together to expand cooperation in health, where USAID continues to help our Indian partners eradicate polio and attack HIV-AIDS. Meanwhile, the Indian doctors and researchers contribute every day to medical advances in many fields benefiting both of us as well as the rest of the world. With half of its population under the age of 25, India's workforce will expand significantly over coming decades. But this youth bulge could quickly become a liability if only 10 million out of 220 million secondary school students go on to post-secondary education as currently projected. American universities can help fill that gap if the Indian parliament passes new legislation that would open doors to foreign universities setting up campuses in India.

Let me conclude simply by reemphasizing the central transformational fact about our relations in the years ahead. India and the United States have reached the stage where our individual success at home and abroad depends upon our cooperation. That is what is different about our relationship today; that is

the promise unlocked by the civilian nuclear agreement and all the advances of recent years; that is the big idea that can animate our partnership for decades to come; and that is the challenge before us, symbolized by the inauguration of the strategic dialogue: How to widen the arc of our cooperation, how to build systematic habits of collaboration, how to turn the transformation of accomplishment of the civil nuclear accord into partnership across a much broader front. Have no illusions that this will be neat or easy. It will take a lot of time and a lot of effort. Differences will occur, and doubts will linger. But at this extraordinary moment, we have leaderships who understand and respect one another; broad, public, and bipartisan support; a growing record of trust on which to build; and remarkable scope for partnership in Asia in promoting global security and prosperity and in India's historic modernization. If we get this moment right, Indians and Americans can have an enormously positive influence on each other's future and on the course of the new century unfolding before us. Thank you.

MR. INDYK: Thank you very much, Secretary Burns. You've laid out for us a very rich, detailed, and comprehensive menu for this partnership extraordinary in its breadth and hopefully in the years to come in its depth as well. We'd be very interested to hear Secretary Rao.

SECRETARY RAO: Thank you, Ambassador Indyk, Mr. Mittal, Dr. Cohen, Bill, distinguished former colleagues who are present here, Foreign Secretary Sibal, Foreign Secretary Mansingh, Mr. Ajay Shankar, Amit Mitra. If I've anybody out, please forgive me, dear friends. There are a number of familiar faces in the audience here today. It's indeed an honor and a privilege for me to be present here with my esteemed colleague and friend, Bill -- Bill Burns -- at the first annual dialogue on India-U.S. strategic partnership jointly hosted by the Brookings Institution and FICCI.

I believe that this decade has been a truly transformational one in the India- U.S. relationship. Many milestones have been crossed, and a year ago when Secretary Clinton was in India, and after her discussions with our External Affairs Minister, Mr. Krishna, our two governments announced their decision to establish a strategic dialogue. And in November last year, Prime Minister Manmohan Singh came to Washington at the invitation of President Obama on the first State visit of the new U.S. Administration. It was a very successful visit that yielded rich dividends in terms of cooperation between our two countries in many areas, underscoring the vitality and the relevance of our strategic partnership. And the recently released national security strategy of the United States has stressed the importance attached to comprehensive U.S. engagement with India, which it sees as a center of influence in the 21st century. Yesterday we held the first round of our strategic dialogue. Both External Affairs Minister Mr. Krishna and Mrs. Clinton -- Secretary of State Clinton -- shared this dialogue. The visit of President Obama to India in November this year will take our endeavor onward to greater heights. President Obama's gracious presence at the U.S.- India strategic dialogue reception at the State Department yesterday was an abiding affirmation of what he eloquently called the unprecedented partnership between our two countries.

The transformation of our relationship has taken place against the backdrop of India's initiatives to reform its economy and the geopolitical changes in the post-Cold War world. To my mind, there are three main drivers that have led to this transformation. First are shared values of democracy, pluralism, and tolerance and respect for fundamental freedoms which provide the underpinning of a durable relationship. Second, there is the reality of growing economic linkages and people-to-people contact. Over the last two decades, our businesses have formed strong and mutually beneficial partnerships. Mr. Mittal talked about cooperation touching the lives of ordinary people about the power to connect and reaching out to the common denominator. I think that very eloquently expresses the nature of what we are doing in some areas of our partnership today. Our trade in goods and services has grown. It is broadly balanced. We have launched a new financial and economic partnership and have agreed on a new framework for promotion of trade and investment. These are all catalysts of closer ties. They build what Ambassador Indyk referred to as the zone of trust between our two countries. And, third, there is an increasing convergence of interests and major global issues.

The imperatives of a multi-polar and interconnected world today set the stage for us to work together to address global challenges whether it be the rising threat of terrorism and extremism or ensuring a balanced, equitable, and sustainable development for all -- energy security and food security for both our

peoples and for the world at large. While the rapidity and the evolution of our bilateral relations with the United States has surprised some observers, there is today broad-based political support and public goodwill in India for a strategic relationship with the United States. We see the United States as a friend and as a valuable partner in our developmental efforts. Thus, even as we strengthen our ties in defense in security, in counterterrorism, trade, and the economic sphere, areas of cooperation such as in agriculture, energy, environment, innovation, and education are also coming to define the structure of our strategic partnership. Bill referred to this in his remarks just now.

The joint statement that we issued yesterday at the conclusion of the strategic dialogue reflects this growing partnership that not only encompasses our bilateral cooperation but also charts the path for us to work together on regional and global issues. Again to quote Ambassador Indyk or was it Mr. Mittal, there is a sense of destiny about what we do in this partnership. While there are no major irritants in our relationship, we need to ensure, of course, that our partnership does not become hostage to regional dynamics and that we realize its full potential. Some months ago at an address at the Woodrow Wilson Center, I had noted that the future of our relationship will depend not only on the momentum of our strategic dialogue and its outcome but eventually on how our respective peoples perceive our cooperation as safeguarding their aspirations and sensitivities. We need to be mindful of this aspect.

There is no doubt that India's democratic, pluralistic, and stable society encompassing over a billion people, makes it unique and, in many senses, exceptional; and with a sister democracy -- the United States -- we share a strategic interest in fostering security and stability in a rapidly changing Asia. Even as the face of Asia, and indeed the world, changes with the rise of China and with India, we, India and the United States, must work together to engender an open, a balanced, equitable, and inclusive architecture of economic and security cooperation.

In a related context, the question of reform of the U.N. Security Council and the expansion of its membership is an important item on the agenda of our dialogue as we seek U.S. support for India's case for permanent membership of the Security Council. In our neighborhood, we have a vision of enhanced South Asian cooperation for development. That vision is, however, challenged by violent extremism and terrorism, which originates in our region and finds sustenance and sanctuary there. The recent failed terrorist attempt at the Times Square in New York has again revealed the global reach of terrorist organizations. Whether it be the Lashkar-e-Taiba, the Jaish-e-Mohammed, the Al-Qaeda, or the Taliban, all these groups are driven by a similar ideology, an ideology that is opposed to freedom, to democracy, to development, and the peaceful resolution of differences. Our two countries, India and United States, have a vital interest in defeating terrorism and in ensuring that its safe havens and breeding grounds cease to exist. In this context, our bilateral cooperation and terrorism is crucial. Our concerns in this area are shared, and our cooperation in information sharing and improving our infrastructure to resist and deal with terrorism is of great relevance.

We are supportive of the U.S. efforts to fight terrorism in Afghanistan and to bring stability there. Indian assistance amounting to over U.S. \$1.3 billion has helped build vital civil infrastructure, develop human resources and capacity in the areas of education, health, agriculture, rural development, among many others, in Afghanistan. In this process, we have been guided by the needs of the Afghan people. The Indian Medical Mission in Afghanistan, for instance, has treated over 300,000 people there in 2009 alone. We stand by our development partnership with Afghanistan despite repeated terrorist attacks on the Indian Mission and our brave men and women who are working there to help transform the lives of ordinary Afghan citizens. Like the United States, India would like to see the emergence of a strong, stable, and prosperous Afghanistan. We also believe that any reconciliation or reintegration efforts there should include only those who abhor violence, renounce terrorism, and pledge to abide by the values of democracy and pluralism and the Afghan constitution

In the ledger of Asian context, both the United States and India have an interest in protecting the global commons -- maritime, cyber, and space domains. The free flow of information and trade across these global commons is vital for both our economies. Our naval forces have been working with each other in ensuring the safety and the security of shipping lanes of communication, including in the Gulf of Aden.

We need to also create appropriate norms for cyberspace to ensure that the freedom and the anonymity provided by these pathways are not misused. Our space agencies have had fruitful cooperation in the past, and there is immense potential for the future.

Defense cooperation, as Bill Burns just pointed out, has become an important strand in our strategic partnership. Today our armed forces have regular interaction and conduct joint exercises. In fact, the Indian armed forces conduct more joint exercises with the United States armed forces than with any other country. We are increasingly also looking to partner with the U.S. as we modernize our armed forces with the latest technology and equipment. An important element in this regard would be progress on easing of U.S. export control restrictions as they apply to India. This would not only be a logical outcome of the Civil Nuclear Initiative, but would also be a catalyst for promoting trade and cooperation in high technology, defense, and the space sectors. It would also be consonant with the nature of the strategic partnership that exists between us and the growing mutual trust and confidence that is an important driver in our relations today. Economics and trade of course constitute an important plank of our bilateral relations. For us, the United States remains a prime source of investment and an important trading partner. As we make efforts to increase investment in infrastructure and give a fresh impetus to the manufacturing sector, the importance of partnership with the United States is only going to increase. This mutually beneficial partnership of course creates jobs. It creates opportunities in both countries. There's also been a surge in Indian investment in the United States.

On the global stage also, as members of the G20, we have worked closely together on formulating policy responses to deal with the global financial and economic crisis and to address the needs of balanced and sustainable development worldwide. Issues such as agriculture, energy, education, and health have a direct impact on the lives of ordinary people. Development has become an important focus of our strategic partnership. Agriculture remains an important sector of our economy. While we have become self-sufficient in food production, the rapid growth in agriculture is essential for increasing the incomes of our farmers and rural folk and achieving the objective of inclusive growth. In the 1960s, India and the United States have partnered to usher in the green revolution in India. The spirit that animated our cooperation and which resulted in the green revolution must be revived. It is our hope that we can work together to bring a second green revolution to India.

Separately, India has also developed capabilities and expertise in agriculture especially suited for a low-capital, intensive environment. There is immense scope for us to share our respective experiences and work together to address food security in third countries and this is where I think the development of cooperation in Africa becomes particularly relevant. We have agreed to establish working groups in diverse areas relating to agriculture, which would help us to increase productivity and also contribute towards regional and global food security.

Both our countries also face similar challenges of dependence on energy imports and fossil fuels, and we recognize, both of us, the importance of addressing the challenge of climate change.

We have, in India, a long-term prospective plan on energy and an ambitious national action plan on climate change, which seeks to increase the share of clean and renewable energy in our energy mix; increase energy efficiency across the economy; and expand our forest cover. In November 2009, our prime minister and President Obama agreed to launch a Clean Energy and Climate Change Initiative to advance cooperation in clean and renewable energy and energy efficiency. We're working together to ensure a speedy implementation of its various provisions, that is, of the MOU, including of establishing a joint research center.

The conclusion of the historic and very important Civil Nuclear Initiative with the United States in 2008 opened new vistas of cooperation between our two countries. We have finalized the arrangements and procedures relating to reprocessing, and it is our hope that we can move soon towards practical cooperation in the field of nuclear power. Education is another important area for our cooperation. It plays a vital role in empowering and transforming the lives of our people. The government of India has therefore launched an ambitious program for reform and expansion of the education sector. It is our hope to partner and benefit from the excellent U.S. university system. The Singh-Obama Knowledge Initiative announced

during our prime minister's visit would be one important instrument for this purpose. Meanwhile, there are at least a hundred thousand students from India who study in U.S. universities today.

The field of women's empowerment is another aspect of our strategic dialogue, and yesterday at our meeting we were able to talk about recent developments in our dialogue on women's empowerment, but first we had an interesting meeting on this subject here in Washington a few days ago.

There is, thus, today a very broad canvas before us to strengthen our strategic partnership. This is a relationship which can be, as President Obama has said, one of the defining partnerships of the 21st century. There are no major issues on which our long-term interests do not converge. We may occasionally defer on the manner in which these shared objectives can be achieved. We need to weave all these various strands that I refer to and intensify the momentum of consolidating our cooperation. In this endeavor, we will certainly benefit from the valuable imports from the FICCI-Brookings dialogue. I wish you success in your meeting today. I look forward to knowing more about the results of your deliberations. Thank you so much.

MR. INDYK: Go ahead. Thank you very much, Secretary Rao. Bill, I think you need to go. Steve?

MR. COHEN: Ambassador Burns has a meeting at the White House, I believe, and will have to leave very soon, but we can take a couple of questions. Let me abuse my privilege by asking Aziz Haniffa, who's back there. I think he's back there. Where's Aziz at? Aziz?

MR. HANIFFA: Yeah.

MR. COHEN: Aziz is the longest-serving correspondent dealing with South Asia in the United States. When I was in the State Department in '85, '87, he was on the beat, and since then he's covered South Asia and India matters very carefully for *India Abroad*, so, Aziz, I'll let you have the first question.

MR. HANIFFA: Ambassador Burns, I'm going to pepper you with a question that was asked of you a couple of days ago and also asked of Secretary Clinton. In terms of -- you know, there were a lot of indications and suggestions that the U.S. is indeed...indeed considers India a sort of central part of any United Nations reforms. Why is it that the U.S. can't go to bat for India in this regard since you talk about India being an indispensable partner, etc.? Is there a China factor here? Because there is also, I guess, sort of a Pakistani sensitivity. But on a broader level, is there a China factor here?

SECRETARY BURNS: I'm sorry. I'm so glad I stayed for that question. I'm kidding. It's a very good question, Aziz. First I would say there's only an India factor here. As Secretary Clinton made clear, from the perspective of the United States, as we look ahead to reform of U.N. Security Council and the issue of expansion of permanent membership in the future, which is a very important issue for the future, we clearly see India as the central player in that consideration. And everything that you've heard the President and the Secretary say about the importance we attach to partnership with India in the years ahead I think underscores that. So, I'll disappoint you again and not have a new American policy to announce this morning. But I think I've underscored the significance not only of our partnership but of our partnership as it applies to looking at ways in which we adjust the institutional architecture of the global community in the years ahead to reflect the rise of India, its increasing responsibilities, and how we can better work together to deal with a common set of challenges.

MR. COHEN: Kamal.

KAMAL: Kamal from Amnesty International. It goes to both of you. Thanks for the presentations. My question is Ambassador Holbrooke's assignments. Initially when he was given the original assignment, it was Afghanistan, Pakistan, and India. And later it was dropped. It said that it was because of India's unhappiness. Can you clarify, Ambassador Burns, is it because of India's pressure, or you felt that it was necessary for Ambassador Holbrooke to have India as one of their team. Thank you.

SECRETARY BURNS: Well, I'll let Nirupama address India's perspective on this. What I would stress is that we're enormously fortunate to have Richard Holbrooke leading our policy efforts on what is an enormously complicated and important set of issues connected to Afghanistan, as well as to Pakistan, and as both Nirupama and I have stressed, this is an area in which the consultation and the discussion between the United States and India is extremely important, because we do share a strong interest in progress and in stability in Afghanistan as difficult as that's going to be to achieve. And it does require, I think, the continued contribution of India, which has been quite important there.

And obviously the question of Pakistan is also an extraordinarily important one for both of us, and President Obama again last night made clear our continued support for efforts to improve relations between India and Pakistan, and that's something that not only Richard Holbrooke, but all of the rest of us are engaged in and looking at ways in which we can work closely together to support what we truly do believe are a shared set of concerns and interests.

MR. COHEN: Nirupama, would you like to respond? This is your opportunity to praise Ambassador Holbrooke.

SECRETARY RAO: (laughter) I'm not going to do that. (laughter)

I completely endorse what Bill just said just now, and we certainly see much value in our dialogue with the United States on the issues of terrorism that concern our region and the unfolding situation in Afghanistan and the U.S. Af-Pak strategy as it plays out in Afghanistan and Pakistan. As far as the issues between India and Pakistan are concerned -- and you've heard this from every government spokesman in India or spokeswoman in India before -- the issues between India and Pakistan exist. They have to be resolved through dialogue between India and Pakistan. There are very real, outstanding issues that pend resolution between our two countries.

We have -- recently our prime minister has taken the initiative to reach out to Pakistan and to offer to resume dialogue with Pakistan. As you know, the foreign ministers will meet in Islamabad on the 15th of July. We want to address the issue of the trust deficit in our relations with Pakistan and to look at how we can take this dialogue forward. There are very real concerns about terrorism emanating from the soil of Pakistan, which is being directed against India. This forms very much a part of the dialogue that we are conducting and hope to take forward with Pakistan.

MR. COHEN: Unfortunately, Ambassador Burns has to leave and Ambassador Rao has to leave, so we have to cut off questions at this point, but we have plenty opportunity during the rest of the session, although they've covered the ground so well perhaps there's no need for another session. But I think we still have plenty to discuss. So, let me thank both of you.

MR. COHEN: Let's take a 10-minute break before the next panel. Thank you.

(Recess)

MR. COHEN: Could I invite the first panel to come up front please? Thank you.

(Recess)

MR. COHEN: Let's begin the first panel. We want to make sure that we begin more or less on time. We're not going to introduce the panelists or the chairs, because there's biographies outside, so please pick those up and when we complete this, we'll put a record of the whole thing, the whole conference, on the Web including more expansive biographies.

Let me say that when we thought about doing this, I decided not to include the nuclear issue, because Brookings had done a whole day's panel on the nuclear issue about a year ago, and I wanted to focus on two issues. One is the Indian and American relationship with the rest of Asia. Implicitly, that involves

China and Pakistan in particular but other parts of Asia -- not simply East Asia but West Asia as well. And, secondly, the second panel will talk about the relationship of economic policy to the strategic policy. I notice that after the Secretaries' first meeting in Delhi a year ago, there was a long list of accomplishments in the dialogues, but none were actually strategic. They talked about health. They talked about education. They talked about agriculture. And I asked an American official -- I said well, where's the strategy? And they said well, maybe that'll come. Well, I think this meeting was certainly quite different in content and tone, and so we will talk about the most important relationship, that is, the economic relationship in a strategic context. Of course, the final panel will look ahead: Where will we be one year from now?

Let me say that I didn't organize this myself, but Ranjana Khanna -- where's Ranjana? Right -- oh, right here, right in front of me. She was a partner in this every step of the way, offering ideas about panels, panelists, topics, and so forth and was a great help in the substantive organization of this panel. And before I forget, Erum Haider, who is my research assistant, also made this possible.

So, let me introduce Ambassador Lalit Mansingh -- almost everybody's an ambassador -- Ambassador Lalit Mansingh and Ambassador Frank Wisner, and they will chair the first panel. Thank you.

AMBASSADOR MANSINGH: Thank you Steve for that introduction. I want to thank Brookings and FICCI for this very unique event, a kind of Track 2 dialogue, immediately following official-level discussions. Martin Indyk said we had a parallel dialogue. I want to add to that apart from being parallel, I think we are a complementary dialogue, and the reason is that while official discussions are held in sanitized surroundings and they come out with politically correct statements, we have no such restraint here. We are a group of scholars, entrepreneurs, analysts and former diplomats. But we don't represent our governments, and therefore we can speak frankly.

Let me say that what one has heard from the American leadership in the last couple of days is music to my ears at least and I'm sure music to many Indians, because some of us have lived through those dark decades of Indo-U.S. relations when India was declared strategically irrelevant for the United States, when India was declared as a black hole, a basket case with no hope for the future. So, when you hear statements made by the U.S. leadership which contrasts with the kind of language used for nearly 50 years after independence, it is indeed an exhilarating experience.

I'm going to start with a puzzle. The puzzle is that you take the statements by the leadership on both sides, and then you take statements made by commentators on both sides, and there seems to be a disconnect. Let me explain how. President Obama -- and this is a quote from him -- considers Indo-U.S. relations as, in his words, "one of the defining partnerships of the 21st century." And Undersecretary Burns, who was here this morning, has been giving a series of talks on Indo-U.S. relations, and in his speech at the CFR on the first of June a few days ago, he said, "Never has there been a moment when India and America mattered more to each other, and never has there been a moment when the partnership between India and America mattered more to the rest of the world."

Great words. The big puzzle is why there's so much doubt and skepticism about the Obama administration's policies towards India even though it is spoken of as a strategic partnership. Now, I would understand if these critical comments came from the communist intellectuals or Islamic radicals, because their views on the United States are wrongly set, and no empirical evidence will make them change their mind. But it's people like us who are making these comments, and that's why I'm a little concerned.

Let me give you a few samples of the kind of comments which have been made. Two of my former colleagues in the foreign service, very distinguished diplomats, have been commenting on this. Two recent articles by my colleague, Ambassador G. Parthasarathy, in the *Wall Street Journal* -- and listen to the title. One says, "Does Mr. Obama Care About India?" And his next article, which is more recent, is called, "The Axis of Grudging Cooperation." All right. Ambassador Sibal is here. I don't want to embarrass him. But he will speak to you later. Here is what he wrote. The title is "What Strategic Ties in United States." All right. On the American side, Daniel Twining published a recent article under the title,

“Diplomatic Negligence: The Obama Administration Fumbles About Relations With India.” “The Politics of Benign Neglect,” the title of another article published by Stanley Weis, and then Professor Sumit Ganguly wrote an article in the *Newsweek*, and the title is “America’s Wounded Ally: India Annoyed by Obama.”

What’s going on and why is there such a differing perception? So, let me say simply I don’t think there’s a trust deficit, something that we claim we have with Pakistan. I think we have a perception deficit with the United States that people are not looking at the same thing and making the same comment. It’s like the six blind men of Hindustan who passed an elephant and described it in different ways. So, there needs to be an effort to bridge this perception gap, which I think is what this seminar is going to achieve.

Now, quite clearly, the center of gravity is shifting to Asia. We’ve seen the process happening over the years. It is a fact. It’s no longer a question. And therefore when we see the subject of our discussion today, I think it’s right that Asia has been chosen as the test case of the strategic partnership. And it’s rightly so, because in the 21st century Asia will be the locus of big power conflict and cooperation. And dealing with developments in Asia will be the biggest challenge for both India and the United States. The paradox in Asia is that while the continent is going on an economic crisis, it is also beset with almost intractable political issues, and these have to be tackled by our two countries. As moderators, we are not supposed to speak on the subject, so I will just outline some of the issues concerning Asia that need to be discussed, and I hope discussants will play close attention to them.

In my view, there are six separate but interlinked issues in Asia on which currently we have some convergence and a lot of divergence, and, therefore, we need to focus on these six issues. One, India’s neighborhood minus Pakistan; number 2, Pakistan; number 3, Afghanistan; number 4, China; number 5, the Indian Ocean; number 4 -- sorry, number 4, Iran; number 5, China; and number 6, Indian Ocean. Why have I identified these issues? Well, when I come to India’s neighborhood, I think this is the most successful demonstration of the new coordination that has taken place between India and the United States. I think whether it’s Nepal or Bangladesh or Sri Lanka, Indian diplomats, American diplomats have been speaking to each other. Their two headquarters have been coordinating their viewpoints, and we have seen pretty consistent policy on both sides. So, I don’t regard this as an issue. But I want to pose this as a successful example of our cooperation.

Pakistan is not such a successful example, because admittedly we have better coordination with Washington on Pakistan, but we still have huge areas of difference. The question’s often asked in India, “Does America have a coherent view of what is going to happen in Pakistan, or is it lurching from crisis to crisis and finding ad hoc solutions? President Obama started off by being very critical of the Pakistani military, alleging that the military had taken the Bush administration for a ride, the Pakistani military will be made accountable for the kind of defense supplies it has been receiving in the past, and the Pakistani military will have to accept the leadership of the democratic government, and the Obama administration’s efforts will be to (inaudible) the democratic government in Pakistan. What we are seeing today is the steady reversal of that projected point of view. Today we see the Pakistani army receiving its (inaudible). As we saw in the strategic dialogue with Pakistan in Washington, there were actually two parallel dialogues. The real dialogue was between General Kayani and General Jones and Admiral Mullen and the military on the one side; and the less important dialogue was, of course, the object of photo opportunities, the dialogue between the Pakistani foreign minister and the U.S. Secretary of State.

We know Pakistan as the source of terrorism in India, but the United States also knows Pakistan as a source of terrorism throughout the world. So, why is there that we still have a gap, that when it comes to Pakistan, America talks about or assumes it is dealing with its terrorists, and when it comes to us we have to deal with our terrorists. In our view, there is no such thing as separate terrorist groups like Al-Qaeda and Taliban and Jaish-e-Mohammed and Lashkar-e-Taiba. They’re part of the same franchise. They work together. It is a corporate enterprise, and I think India and the United States have to look at it as one entity, not as separate entities.

Now, let me move on to the other issues. Why do I think there is a problem in Afghanistan? There’s a real problem. President Obama referred to Afghanistan; Secretary Clinton referred to Afghanistan. But the

fact is India has been patted on the back for a wonderful development aid program in Afghanistan. In every American statement this is their appreciation of what India has done. The point is America has to recognize that Afghanistan is vitally important for India's security interests, and to exclude India from any kind of political solution, to give precedence to the sensitivities of the Pakistani army, which does not want India to be there and grumbles about India's consulate.

And then we have people like General Jones, General McChrystal supporting this, that, you know, to make Pakistan happy, let's restrict India's presence. I think the opposite should be impressed. Get India more involved in this. Get Afghanistan's neighbors involved in it. Because quite clearly if the withdrawal takes place, it is the neighbors of Afghanistan who have to deal with the emerging situation in Afghanistan.

China -- like it or not, the Bush Administration had a clear-cut view of China. There was a global vision, and there was a certain rule for China. I think the present dialogue is missing out on China. I don't know if private discussions are taking place in China or there's a state of denial on both sides as if it's an inconvenient issue -- let's not discuss it. China is intruding into our security space in a big way, and it's an odd coincidence that China's behavior towards India has been at its worst in the last 65-odd years, coinciding with the first year of the Obama administration. No cause and effect, but simple fact this has happened. More strident claims on Indian territory. Protests against Indian prime minister visiting the capital of an Indian state. Incredible. More intrusions on the line of actual control. More Chinese presence in the Indian Ocean around us. Our security planners are getting nervous about this rush of Chinese interests in our immediate neighborhood: in Nepal, in Bangladesh, in Sri Lanka. Whenever there's a vacuum, the Chinese step in. Where we think people should step out, like in Nepal, when the internal turmoil was going on, China steps in to assure the King affordable military supplies he wanted.

Finally, Iran. We have a clear-cut view on Iran's nuclear program, and I would give credit to Dr. Manmohan Singh's government for having taken this very logical, clear-cut view on Iran in spite of the fact that we've got such a long civilizational link with Iran, and there's a lot of sentimental attachment to Iran. What on the nuclear issue? We are absolutely clear that if Iran is secretly pursuing a nuclear weapons program in violation of its international commitment, we are opposed to it, and we have voted three times in the IAEA against Iran. But my message to our American friends is don't push us too hard. Iran is in our neighborhood. Iran is an important supplier of hydrocarbons for India, which we desperately need. And don't ask us to join you in blanket sanctions against Iran nor commerce nor supplies. We need gas and oil from Iran. It is vital for our economy, and so don't squeeze us too hard on Iran. That would be my message.

And, finally, on the Indian Ocean I refer to the problems we are beginning to face in the Indian Ocean. It is a global governance. It is the most -- it's the busiest sea lane of commerce in the world. Through it passes much of the hydrocarbon slice for the whole of the world. What we are seeing -- increasingly hostile presence in the Indian Ocean area -- more piracy. Chinese naval outposts being built out there. Even suggestions from China that maybe they could have a deal with the United States and carve out the Chinese sphere of influence in the Indian Ocean and an American sphere of influence. We need to talk about that.

So, let me wind up by saying what we see is a great beginning of a strategic dialogue. I think it's quite unprecedented the kind of effort the American administration has made to reassure India that it is considered important in this global view. I think it is very reassuring. The fact that the President himself came to the reception given by Secretary Clinton and spoke there and spoke at great (inaudible) is itself an indication of this kind of importance. But let me point out, too, some of the problems that I foresee in the approach of the administration today. Unlike -- as I said in the case of the Bush administration, we're not sure if there is any overarching strategic plan for Asia in which India has a place, and I think this needs to be defined, because a lot of people are saying are we there or are we not there? That's one.

Secondly, there's a lack of focus issues. Now, I as ambassador here during ten years ago when we started discussions -- we went through this phase. The Americans spoke of the future and collaboration, strategic partnership, and so on, and we said what about the immediate issues? And so we started with a

trinity of issues. Three issues. Not 20 issues, not a hundred issues. Three issues: nuclear, space, and high technology. And then the Americans showed interest in missile defense, so that trinity became a quartet, and that's what we discussed for the four years of the first Bush administration, which resulted in the next steps in the strategy partnership, which is the precursor of the strategy dialogue.

So, I think the administration needs to focus -- I know there are 18 different initiatives which have been taken by this (inaudible). I can't find a list of 18. It is not possible for bureaucracies to manage 18 parallel dialogues in one goal. And most of these are initiatives which I would say are in the soft (inaudible) sector: women's empowerment, disease control, new technologies, and energy. Now, these are fine. I think we should have a close relationship on all these issues, but when governments speak to governments, they have to take up the tough issues, and there is a need for taking up tough issues.

And, finally, I think there is no big ticket item (inaudible) the nuclear deal consumed public attention in the first Manmohan Singh administration. When we look at the second phase, which coincides with the Obama administration, what is the big ticket item? What are the priorities in this? Some people say well, there are no big ticket items. The nuclear deal is over. So, I think not. I think there are still big issues just in that. Security Council reform was alluded to by Secretary Burns and Foreign Secretary Nirupama Rao. But we've been talking about it for years, and we haven't come to any conclusion. Why can't the United States say yes, we think India is worthy of becoming a member of the Security Council?

A major economic project, like the Japanese have -- the Freight corridor. The second green revolution. This was mentioned by the joint statement in July 2005. They're still talking about it. Indian Ocean. Education. Not so big ticket items -- let's do that. I'll stop here. And thank you for reminding me, Steve. I will now invite my co-moderator, Ambassador Frank Wisner, and yield the floor to him.

AMBASSADOR WISNER: Ladies and gentlemen, let me add just a short word of welcome. Lalit Mansingh has laid out a comprehensive view of the issues that frame the present stage of the U.S.-India debate. Our panel today is going to try to get their hands around the issue of what are our interests. What is the starting point so that we reach and are able to make sensible comment on the conclusions that Lalit has laid out and that need to be addressed.

I will just set the stage by saying that I think finally the United States and India are coming to a moment in our respective lives when our view of interests are converging. On the American side, our interests are threefold: Global -- in all of the issues outlined this morning by the Foreign Secretary and by Bill Burns; Regional -- the questions of Afghanistan, of China, of the threat of Islamic radicalism; Economic issues -- where our interests converge in promoting the prosperity of our two peoples. I believe -- and I contend with all of you this morning -- that there is common ground on both sides. The United States cannot pursue its interests in the world without cooperation with India, and India will not achieve her essential interests without cooperation with the United States.

But in addition to the question of interests lies a matter of principle, and here in his recent article, Evan Feigenbaum was right on the mark when he said, "Our relationship is not -- cannot be -- transactional before it is at heart based on matters of principle, a coincidence of views about stability, about the balance of power in Asia and the rest of the world, of coincidence of views on the value of free markets, the rule of law, democracy, and the ordering of our political societies."

I believe, therefore, as we set now about in the balance of this morning to address the very real and pertinent issues that Lalit Mansingh has laid out, we need to do so with a fresh appreciation of what ties the two of us together before we sort out the conclusions and strategies of what moves us apart. I ask the panelists who will follow me, first of all Ken Lieberthal who will speak to us on China, second Gautam Adhikari, and third Marshall Bouton. If you would be as brief as possible so that we have time for some questions. Focus the discussion on this question of interests, and then as the other panels of the rest of the morning go through, we can take on the sharp and pressing issues that Lalit has outlined. Let me ask Ken to come up and take the floor first of all. Thank you.

MR. LIEBERTHAL: Thank you very much. It's a genuine pleasure to be a part of this outstanding program today. I've been asked to comment briefly on China as a factor in U.S.-Indian relations that frankly is not easy to do. It was easier under the Bush Administration because I think President Bush had more of a kind of balance-of-power notion in the way he looked at the world. So he clearly wanted to expand dramatically our relationship with India, pursue the civilian nuclear agreement with India in part, not in whole, but in part, as a hedge against China, feeling that a strong democratic relationship -- strong relationship with democratic India -- would help to make China behave better as it looked around its periphery.

I think as was commented earlier this morning by Secretary Burns, the Clinton Administration -- Clinton, hello -- the Obama Administration -- which in some ways resembles the Clinton Administration -- has less of a balance-of-power notion and more of a community-of-interest approach to things. And so I think that from the U.S. side, seeing India as a balancer against China is now clearly attenuated in the way we approach our relationship with India.

I think, somewhat ironically, my sense is in India that there is some concern now that the U.S. has been seriously weakened by events of the last two years. China is really on a roll, and that the U.S. may be now paying in a sense too much attention to China, too willing to bend to China's priorities, and therefore, India would like to see the U.S. play a strong superpower role and not give too much deference to China. I will say the U.S. as it looks at China now sees a country whose cooperation, or at least a lack of opposition, is crucial for managing major global issues effectively and for U.S. interests especially in East Asia. And my own sense just bureaucratically is that when we make policy toward China, India does not actively figure into that. In other words, the people engaged -- you see this reflected even in our Asia Directorate at the National Security Council which does not include India, and our East Asian Pacific Bureau in the State Department does not include India -- and so bureaucratically you have people who don't build India into the equation as much as many of us would think it should be.

So the Indian concern, I think, is that the U.S. consider India more when thinking about China, but never hyphenate India with China and never deal with India simply as a way to get to China, so to strike that kind of balance. Let me make just a couple of comments about the role I think that China plays in India's policies because I think you need a textured view of that in order to really seriously discuss India in the China and U.S. relationship. And here I would both agree with what Ambassador Mansingh said, but also add some additional dimensions to it because I think it's a more complex relationship than the security side.

I've been very impressed that in the last year or so, Manmohan Singh has really, to my mind, focused a great deal of effort in India on better understanding China. You see that in part in the elevation of the National Security Advisor as probably India's most prominent specialist on China. We just had Foreign Secretary Rao here whose background is primarily a China background. The head of Asia in the Indian Foreign Ministry, the head of all of Asia, is also someone with a China background. China has become a career accelerator in the Indian Foreign Service, in part I think reflecting a desire to deepen understanding of this country. Domestically in India my sense is, especially in the younger generation, China serves as an example of what can be done. The notion of 10 percent-per-year GDP growth, which C.K. Prasad pushed very strongly in India, grew in part out of his seeing what China could do. But I think that that idea is now taken as a realistic goal in India and is really being a tremendous accelerator of developments in India so that China, in a sense, has shown what can be done by a developing Asian country, but India -- and now China is India's largest trading partner. But there are concerns sufficient that India is unabashed about taking defensive measures about Chinese workers on construction projects in India and so forth, so a kind of mixed view on the economic side.

There is no mixed view on the security side as far as I can see. I think Ambassador Mansingh had it pretty right which is to say there are deep, deep worries about China's increasing presence around India's periphery, obviously long-standing concerns about China's very strong -- what the Chinese would call an "all-weather relationship" with Pakistan and the territorial issues, of course, that continue to exacerbate relations between China and India. But India and China are also sometime partners. There is now in India what is called the "Copenhagen spirit" in its relationship with China, reflecting the emergence of the

BASIC, the group of four, on climate change issues. And also India and China in the G20 act together as often as they act somewhat differently. So this is a very complicated relationship that we're seeing develop between India and China at this point. I think as the U.S. thinks about India and China; it needs to appreciate the full array of those dimensions because all of those are going to have to contribute to driving the future.

Let me say just briefly to wrap up, I think -- again I would stress -- I think the Obama Administration sees a strong, vibrant, democratic India as a good thing both in itself obviously, but also in terms of China. I mean it's good to have strong, vibrant democracies around China's periphery, democracies that speak to each other, democracies that each do well, and that each have good relations with the United States. I don't think it's a straight balance-of-power notion; it's just a sense of how the region as a whole is moving and with potentially beneficent spin-off effects for China. But as the U.S. makes policy toward India, I really don't think that our relations with China play a very large role in that. And I am quite certain that as we make policy toward China, there is very little strategic discussion of India in that policymaking process.

So I think that the comment that we heard a few minutes ago is correct; the U.S. does not have an overall strategic view of Asia as a whole in which India plays a central role. Let me add, I don't think the U.S. has an overall strategic view of Asia at all. But that's always a problem when you have such wide-ranging and complex ties as we do throughout that very variegated and important region of the world. I am afraid I am not going to be here for questions. I have an 11:00 obligation that I'm going to have to sneak off the stage for, so let me sit down so you can hear others, and I really appreciate having had the opportunity to make a few remarks this morning. Thank you.

AMBASSADOR WISNER: Thanks, Ken. Gautam?

MR. ADHIKARI: Thank you, Ambassador Wisner and Ambassador Mansingh. Being a media person let me begin with what we are always good at describing, atmospherics. And I think that the atmospherics of this particular strategic dialogue, the first one, have been extremely good. Let me describe what happened yesterday, I mean the assembly at the State Department was not just august; it was a guest list of the well selected. I even spoke with an Ambassador from Pakistan, Hussain Haggani, who seemed to be delighted to be there. The presence of President Obama unexpectedly -- it was only announced a day or two before the event -- was also an added bonus.

Now these things count a lot until I woke up in the morning and I looked at the *Washington Post* to see whether there was any coverage at all. Well as I said, I'm a newspaperman so I looked for these things, and I noticed that there was a tiny bit on an inside page saying, "Obama's going to visit India in November," and the rest of it was just two or three paragraphs of an AP copy.

Now the reason I say this is that while at the official level, there is a genuineness and a desire on the part of both the U.S. and, of course, the Indians to have a very meaningful strategic dialogue. The public perception is different; contrast it with what happened when the China strategic dialogue was taking place. There was enormous coverage before the event; there was coverage after the event and during the event. Television was full of it. Television absolutely ignored this particular meeting. This is something that I think a lot of us who are from India need to recognize which is that China is sexy as far as America goes.

India is well, interesting, getting more and more interesting. But hold on, we don't have an appetite for it. This is something that is not a complaint at all. This is just a description of a reality that I think Indians need to understand that we are not the equivalent of China on the world stage at this point. I'll come back to that in a moment. Ken Lieberthal said that the United States does not have a strategic view of Asia. I would say India doesn't have a strategic view of the world. India has a foreign policy which is more reactive than proactive, and there's very little by way of a document that you can produce even like the national security strategy of the United States. There's no equivalent recent document that I can think of in India which lays out the way India looks at the world, at its shape now.

In a way nonalignment was a strategic view, a position that India did take on the world. I don't agree with it, but that's a different story, it's dead -- well, sort of. And, you know, it's certainly irrelevant as far as I'm

concerned and I think as far as the new budding relationship of the United States and India is concerned. But there is no -- and in a way, and I've always been arguing for producing a strategic view, a paper which should lay out what is India's take on the world as it's developing.

However, there is a counterview which is a pretty solid, logical, view which is that India should follow Deng Xiaoping's advice of "Crossing the river by feeling the stones" which is that it is necessarily reactive because India lives in a very difficult neighborhood. And there are constraints of that neighborhood and, therefore, of India's Asian strategic view, and consequently of India's world strategic view, because of the reality of that neighborhood that requires a lot of reactive policymaking rather than proactive because you really do not know much of the other side. The foreign policy that India has towards this region, Asian region, is necessarily, therefore, China-faced. It's essentially China and Pakistan.

There's really everything else, even the so-called "look east" policy which in my view is not a new policy at all. It was an old policy; in fact, Nehru looked east quite a bit. Bandung was part of that Nehruvian view of "look east," but it gets revived from time to time. But every time you go into the Asian region -- and we are good trade partners with the Asian region. I think India's total trade volume is about 10 percent of the Asian overall trade volume, and India is the fourth largest trading partner with Asian countries after China, Japan, and the United States. But the moment you try to go in and expand our presence there, there's a China factor that comes in. And this is something that my conversations with people from Singapore and Indonesia in particular have convinced me that even though some of the Southeast Asian nations would like a stronger Indian presence, a stronger Indian role in South Asia that is unlikely to happen.

So, therefore, India's strategy is essentially China and Pakistan, both, let's say the Af-Pak region, both of which have a lot of unpredictability as far as Indian foreign policy is concerned. This is a constraint that I think both the Indian foreign policy decision makers as well as the U.S. strategic thinkers have to keep in mind as built-in constraints on the immediate prospects of the relationship. The reason I say this is because the general tendency of a lot of people, especially after the nuclear deal, is to imagine that some way or another all that was missing in the U.S.-India relationship has somehow been blown away. And this is, again, a very popular perception that is there in India, which is why Indians keep getting surprised at the various little hitches that are coming up these days. The better approach would be to understand realistically where we stand.

And I think that there are three areas where the relationship for the time being should concentrate. One is counterterrorism. It's something that concerns India and the United States and close cooperation between the two is extremely essential, so continue the dialogue and continue the collaboration, deepen it on account of terrorism. The second, of course, is the future of Afghanistan, and this is where we are running into another problem, which is that the U.S. has announced a withdrawal plan from Afghanistan. The problem is that it's politically necessary as far as the United States goes, but that automatically has reactions in the neighborhood. So people are readying themselves for the time, whether it actually happens in July 2011 or not, but people are readying themselves for a possible withdrawal of the United States from Afghanistan. That's an area where the U.S. and India should work closer together than they have, and I think it would be a mistake to leave India out of the loop as far as the future shape of Afghanistan is concerned.

And finally, to get back to what Rajan Mittal said earlier, is that a relationship essentially should be built on -- for the time being at least -- on economic ties, on technology, on investment, on innovation. These are the areas where, in fact, a lot can be done. There are legal hurdles especially in America, in the United States, but I'm sure can be overcome through dialogue. But this is the area where the relationship can develop and deepen. After all, the China-U.S. relationship also began essentially not by an overnight visit of Henry Kissinger to Beijing, but by developing through KFC and McDonald's, that's how it all began, and Boeing. And then it developed into a sound economic relationship and that depended a lot on China's economic performance.

I'll end since I quoted the sage of American strategic visions, Henry Kissinger, I'll end by quoting him. He wrote that, "The world faces four major problems, terrorism, the proliferation of weapons of mass destruction, the movement of the center of gravity from the Atlantic region to Asia, and the impact of a

globalized economy on the world order.” The U.S. and India have compatible, indeed overlapping, vital national interests in all four areas. And this is the point to remember, that it's the other building strong nation, not sexy right now, but shaping up and will be not only the largest building strong nation in the world, but will also be a formidable economic force which shares the values, the fundamental values, on which this country is based. Thank you.

AMBASSADOR WISNER: Marshall?

MR. BOUTON: Well, since our time is, as far as I can tell, supposedly already up and Steve has asked us to be as brief as possible, let me start by making some assertions.

First, I would like to assert that a deepened, comprehensive, strategic partnership between India and the United States is not only one of our interests, it is a sine qua non of continuing American global influence and preeminence over the next three or four decades. If this relationship does not move forward from where it is today, our ability, the United States' ability, to sustain even its preeminence -- forget longevity long gone -- will be seriously undermined.

Secondly, in order to accomplish this, we must put the security issues at the forefront of India-U.S. relations. Yes, they are the hardest issues, but that is precisely why they need to be the focus of the relationship now, not later. We do not have the luxury of pressing pause in the U.S.-India strategic partnership for one administration or two administrations or three administrations. Lying behind these assertions are a couple of general observations I would make. The multi-polar world is with us. It has come on faster and in a more troublesome fashion than any of us would have expected even five years ago, certainly a decade ago. When our friends, Turkey and Brazil, start acting in ways that are directly counter to U.S. interests, at least in the immediate circumstance, we know we're there. We are in this more challenging environment we have long expected.

Second, we now face as a nation economic constraints that will only worsen over the next two or three decades, and that will in turn constrain our ability to achieve our interests without partnerships such as the one we need with India. And, in fact, the greatest challenges to U.S. interests over the next two or three decades are exactly to India's immediate west and to India's immediate east, that is the conflict and instability and challenges to U.S. interests from North Africa to Pakistan on the one hand, and the challenge of a changing Asia on the other hand. So we have no choice but to develop the kind of partnership that we are proposing we have with India.

Why security first? First of all, I'd say it is the hardest part, and it has become harder because of the need of the U.S. to engage in the way it is now with Afghanistan and Pakistan. But I would like to submit to you there is no way we can accomplish our interests in the short term, the medium term, or the long term in Afghanistan and Pakistan without the active involvement, support, cooperation, consultation, joint decision-making with India. We are blind to that reality if we don't take it onboard right now. It is precisely because the questions of India-Pakistan relations are so central to that future that we must sit down with Indians and understand how they view it even when there are differences. It is the divergences that provide the opportunity.

So let me just stop there in the interest of time, and I'd be happy to go on.

AMBASSADOR WISNER: Steve, do you want to come up and moderate a couple of questions?

MR. COHEN: We're running late but we're actually running on time because we can always push the lunch a quarter hour, a little bit further. So let's take a -- use this opportunity for some questions and begin with Woolf Gross right down here. And please, two things, remember to turn your cell phone on when you leave, and also please take your name and your identification. Thank you.

MR. GROSS: Woolf Gross, Northrop Grumman International. To Lalit Mansingh's eloquent establishment of the problem if you will, which I will take the liberty of describing as a perception deficit, I think that's two words that describe what he was laying out for us. In my area, which is the one that Marshall Bouton just

laid out which is defense and security, the perception deficit is paramount. We have major statements from Secretary Gates, from the President, from Secretary Clinton, and this morning from Bill Burns, underscoring the importance of the security relationship. And maybe another metaphor is the whole thing looks to me like the lotus where the flower above the muck is so beautiful and down below the water level, the babus-- and I mean the babus on both sides -- don't seem to be getting the message.

What can we do to make sure that Secretary Gates' message gets down to the guy who's stamping the export license, the guy who is withholding the technology that the Foreign Secretary said was so important to the relationship? What I've done is laid out a problem, not asked a question, but I would certainly like the comments of the panel on this proposition

MR. COHEN: Let's begin with Marshall. Did you want to --

MR. BOUTON: Well, you know, it's a long story in India-U.S. relations, and we -- I thought we were finally emerging from that era in which the U.S. military but others and throughout the civilian bureaucracy in Washington both in DOD and other agencies, you know, held on to the perception of India as kind of being on the other side. And we all know that it took a decade after the end of the Cold War to begin to -- and, of course, the Clinton visit and then the Bush Administration's initiatives to begin to wear away those entrenched attitudes.

Now I fear that there's at least a potential of some of that coming back, particularly in DOD for the reasons that Woolf has laid out because we have an extremely intense interaction between the U.S. military leadership and their Pakistani counterparts, much more limited on the Indian side, and I think it's a concern.

MR. COHEN: Thank you. Rajan Mittal?

MR. MITTAL: I'm just going to pick up what Gautam had said that in U.S. it seems that China had their sex appeal, what is considered sexy. I must say that that always has a deadline, and we must realize that India is getting now not only richer but has a younger population. Between 14 and 34 there are going to be 720 million people and that's where the consumption is going to happen. Whereas China in that sense is rich but aged. One-child policy is coming to hurt them very badly, so where is the convention going to happen when we talk about Asia. It's going to be India. U.S. needs to realize that on economic growth -- Rajan Mittal spoke in the morning also -- that's where they need to engage much, much more.

MR. COHEN: Thank you. Let's see, Howard Schaffer, over here.

MR. SCHAFFER: Thank you. I'm Howard Schaffer of Georgetown University. I was much taken by Marshall's comments about the centrality, indeed the absolute necessity of a U.S.-India, post-India-U.S. security relationship, in order to ensure the viability of U.S. foreign policy over the next 30 or so years. I was wondering how the two Indian members of the panel -- one member and one moderator -- react to that notion?

MR. COHEN: Lalit?

AMBASSADOR MANSINGH: Thank you, Howard. I completely agree with you and I agree with Marshall. This is central. You know, you may have 18 dialogues on women's involvement and all kinds of issues, but the security issues have to be tackled and they are tough. What we need to do is to make sure that bureaucracies on both sides change their mindset, and this is as you and I know a tough act.

When I came to Washington, I was confident that I represented the strongest bureaucracy in the world. We were very impregnable, but I had a healthy respect for the U.S. bureaucracy when I dealt with them. So we are being held back by obsolete rules and thinking which come down from a previous era. Now I think in my view the solution would lie in somebody higher up taking charge and saying, "This must be done." In other words, crack the whip. We wouldn't have gotten the nuclear deal without somebody -- that

somebody being George W. Bush -- cracking the whip. We'd like to see that happen in this Administration.

MR. COHEN: This gentleman over there.

DR. ADETUNJI: Dr. Adetunji from Council for Strategic Affairs.

MR. COHEN: Are you the gentleman that passed out this?

DR. ADETUNJI: Yes.

MR. COHEN: Let me say that I really do -- you're certainly free to do it -- but I wish you had talked to us early. We'd rather have you put them there, and please keep your question very brief since you've already made your statement.

DR. ADETUNJI: The perception deficit is not a perception, it's a reality. It's very well reflected in Secretary Rao's statement of Council of Foreign Relations when he talks about India being conflicted between its G7 identity and G20 identity.

MR. COHEN: Who are you asking the question to, please?

DR. ADETUNJI: Question is to maybe Ambassador Wisner.

MR. COHEN: Okay, please be brief.

DR. ADETUNJI: Okay. On the other hand, if you see from Indian society perspective, there's a conflict in the U.S. foreign policy establishment between its G7 identity and G20 identity. In other words, at least in Asia, the Cold War mindset still pursues and that is why we have lack of availables. That is why we have lack of technology, you know, support. That is why we don't have CSLA --

MR. COHEN: Okay, thank you very much. We get the point.

DR. ADETUNJI: -- will the current Administration as a massive exercise in de-Cold War-ification -- disband G7 and some of the other Cold War institutions that are still shaping the mindset of U.S. foreign policy establishment.

MR. COHEN: Thank you.

AMBASSADOR WISNER: Well, I'll answer the narrow end of that question. I don't look forward to the dissolution of existing international institutions, but I look and I feel absolutely confident you're going to see -- you are seeing -- a change in priorities. This Administration is pursuing its essential international economic policies in the framework of the G20. We won't go through the exercise of abolishing a G8, but the G20 and the perspectives of the G20 will drive economic thinking.

Similarly in security matters, the United States is not going to walk out of NATO. But at the same time, entering into important security relationships, understanding, sharing power -- take a look at the current National Security doctrine as a harbinger of where we're headed. We won't leave old institutions behind; in fact, they provide an element of strength and support. But where we're headed in the future is a much more shared and open system in which the United States is a cooperator.

MR. COHEN: Thank you. Let me apologize to the people in the back because I haven't -- I've had eye surgery so it's hard for me to see, but the gentleman way in the back -- in the shirt -- yeah, please stand -- I think it's a gentleman, right? (laughter) -- it is, definitely.

MR. RUBIN: My name is Nelson Rubin. I'm the American Jewish Committee's program director on Indian-Jewish American relations, building partnerships between the diasporas for our communities here. And my question is, you spoke about -- Gautam and Ambassador Mansingh -- you spoke about India's

relations with Asia, the Asian continent including West Asia and the Middle East, and the India-Israel strategic relations has been quietly but rapidly growing which helps India in its challenges as far as terrorism is concerned. Would you be able to expose some light on that? Gautam? Ambassador Mansingh?

MR. ADHIKARI: Well, Ambassador Mansingh actually was the Deputy Chief of Mission here when the U.S.-India -- or rather the India-Israel relationship was formerly established in '92. In fact, I can reveal the source of the story I did for *Times of India* in those days. That was Ambassador Mansingh actually. It's a long time ago so -- well, I'm ready to go to prison for that -- but it was a great story, and it was a relationship that began at that time in a formal sense, but today it has gone quietly, very quietly, which is why I also think that the U.S.-India relationship away from the public eye, developing its quiet foundations, is not a bad idea at all.

It's that Israel is now one of the major defense suppliers to India, especially in high technology areas. The general attitude towards Israel in the intelligentsia is divided let's say, a lot of it is still in the old pattern. But there is another community that's come up which is saying that, "Look, while you criticize Israel for several of its activities, Israeli interests and Indian interests -- there is a lot of coincidence on terrorism and on security issues." So I think that relationship is quietly going very well.

MR. COHEN: Thank you. There's another gentleman in the back who had his hand up -- or did he disappear? Yes sir.

SPEAKER: How are these things like, you know -- how about expanding NATO and other weapons programs to include India? That could be a win-win for both.

MR. ADHIKARI: You mean India as a part of NATO?

SPEAKER: Not as part of NATO but I mean, you know, NATO has been selling that it has strategic relations on some weapons systems and all with Australia and other countries that are outside the normal North Atlantic Treaty and, you know --

MR. COHEN: Gautam, how about making India a major non-NATO ally? (laughter) Unfortunately, Pakistan already has --

MR. ADHIKARI: You remember SEATO and CENTO.

MR. COHEN: No.

MR. ADHIKARI: Well, it actually might happen. I mean, I wouldn't be too surprised if further down the road, five, ten years perhaps. I think a lot depends on India's growing economic presence and the reality of India's economic quotient in the U.S.-Indian relationship. I think once that gets stronger and stronger, there'll be lots of things possible. It will take a little bit of time. We are both, unfortunately, democracies.

MR. COHEN: This gentleman here.

SPEAKER: Bob from Business Times. During the whole week we have been talking about strategic dialogue between U.S. and India, and national security, defense, exchange control on exports and other things have been discussed. And most important issue for the U.S.A. and which President Obama has also very clearly stated he wants to pick up momentum for the US economy by promoting their exports to about \$3 billion a year -- \$3 trillion a year -- for the next five years. India is viewed as an engine of growth for the U.S. economy, and as Mr. Mittal has mentioned, in his meeting there are India's -- in the interests of India and the U.S.A. that there has to be some technology transfer for the entrepreneurs, small and medium sized entrepreneurs in India. And if that situation arises, it will be a win-win situation that we will be able to move forward. Momentum of the U.S. economic by creating millions of jobs in America, and as Mr. Rajan Mittal had said, India is a huge market—huge consumption-- and America is looking for that market.

MR. COHEN: We'll be covering this in the next panel also.

SPEAKER: I wanted to hear Mr. Wisener's thoughts...

MR. COHEN: Frank, did you want to –

AMBASSADOR WISNER: I find it very hard to take issue with the notion that there is a terrific market in India and small- and medium-size enterprises have a role to play and a very important role in both directions. Can't help but agree with you, but I think in the interest of time, we'd better let this question be developed in the next panel.

MR. COHEN: Sure, Marshall.

MR. BOUTON: So I think if you step back and look at this even more broadly, you know, one of the greatest challenges we face in the post-crisis, post-recession era -- and it's going to be with us for a long time -- is a fundamental question of where is global demand going to come from?

The U.S. consumer is going to be -- is going to find it harder to power -- Tim Geithner, Secretary Geithner spoke about this recently--- to power the global economy as he or she has over the last 25 years. China is going to have a hard time making the transition to a consumption led economy for a whole variety of reasons. I mean, India, while its economy is not as open as it needs to be in India's own interests, India can be a great source of global demand. That's a decision for India to make, but is of profound interest to the United States.

MR. COHEN: Let's take one last question -- this gentleman there has been very patient.

MR. McKELLY: Daniel McKelly with the Council on Foreign Relations. I think that many of you have begun to make what is a very strong case that India needs to play a role in any future resolution of the situation Afghanistan bogs down. But what's challenging -- one of the things that's challenging for the United States is that India is reluctant to see any sort of U.S. role in negotiations between India and Pakistan because the Indians see that as a bilateral matter and would not like to see the U.S. pressuring India, in particular, which makes some sense given the terrorism and what not.

So what I'd ask is given India's concerns that it doesn't want to be pressured as the victim of terrorism, to give concessions to Pakistan in order to advance U.S. objectives, in what ways can we engage India? And what kind of resolution might we look to in the long run that involves some sort of U.S. policy change towards Afghanistan and Pakistan that will enable us to work better with India?

MR. ADHIKARI: You know, you've touched a very sensitive point there, and I agree with you that it's a difficulty, once again because both the U.S. and India are democracies so everything is, you know, watched in the open. But India did offer to train Afghan troops and policemen. That offer was not taken up for the same reason but from the U.S. side that that would annoy Pakistan. So India's not going to have boots on the ground. That's not going to be possible.

But it's not going to have even educators or teachers of police forces on the ground because this is a complicated situation even for the U.S. and Pakistan. When it comes to the U.S. role in the India-Pakistan dispute, look, there is a U.S. role in everything, let's face it. It's a major power and it's the world's only superpower. It has a role. How visible should that role be? I'm sure that there's some conversation going on behind the scenes on what can be done to improve India-Pakistan relations. And as you have seen, there's a lot of progress being made, certainly from the Indian side and from the Pakistani democratic side in my view. In fact, I would say that even the previous military regime came very close to a kind of settlement. It was almost 90 percent done. It didn't work out eventually. So that is going on, on its own. I would say, don't disturb it by, you know, doing too much in the open.

MR. COHEN: Any of the other panelists or the co-chairs like to comment? Lalit?

AMBASSADOR MANSINGH: Well, frankly, I don't see the connection between the India-Pakistan discussions and the solution in Afghanistan. I mean, I fail to see the logic. The fact is President Obama said, "There must be a regional solution." That's what he said as a candidate when he came to the White House. We haven't seen that idea being developed, and this is where India comes in. We are stakeholders. We are neighbors. Pakistan -- Afghanistan is a fellow member of SAARC, and therefore, we would expect the United States to give us a larger role in the political settlement and that has to be developed, and I hope that is under discussion. But the India-Pakistan relations are going on well. I think the prime minister has shown his confidence in the dialogue and that's on a separate track. Let's not mix it up.

MR. COHEN: Frank? Marshall? Do you want comment?

MR. BOUTON: Just 10 seconds. I would just point out that there are things that the United States can -- should not do. It should not encourage the notion in its conversations with the government of Pakistan and particularly with the leadership of the Pakistan army that the result of the outcome in Afghanistan should be one in which India's presence must be reduced provided it's an appropriate presence. And I think reasonable people that run the parties can agree on what that might be. But if the insistence is India has to be gone and we have to be able to have the political sway in any post-conflict resolution in Afghanistan, I mean how can that be acknowledged? And yet there have been times in the last 18 months when we've seemed to come close to acknowledging that position on the part of the government of Pakistan.

AMBASSADOR WISNER: Just a quick final comment. I'm with Lalit Mansingh in trying to keep the two sets of issues, Afghanistan-Pakistan on the one hand and Indian-Pakistan as separate as possible. I believe -- having watched and listened to the issue of India and Pakistan over 15 or 20 years -- if there is not a political willingness in the two capitals and among the political leaders and the intelligentsia to take the chances on peace, there is no outside power that's going to be able to bridge the difference. But in the case we have before us today, the United States can play a very quiet and discreet role, a role of encouragement, of exchanging ideas privately with the parties, but in no way set itself up to be a mediator, negotiator, or public actor in trying to pressure the parties to come together. They know how to talk to one another. They've done it. And when the political circumstances in the two capitals are right, they will be back together. That's where the Prime Minister's headed at the moment.

On the other hand, I think we have a very important, necessary role, an active role to play on the Afghan-Pakistan front. And between India and Pakistan, the United States can -- must -- make it as clear as possible the limits of the political tolerance on the two sides to try to find ways to bridge gaps, to exchange information, to improve the basis of transparency so there is no confusion about what either side is doing, particularly clarifying for Pakistan the extent and nature of India's presence so that that is not misinterpreted and misused. There I think we can play a very active and important role, encouraging the parties not only to speak to each other, but to act as the bridge where those exchanges are not now taking place.

MR. COHEN: Let me -- before I thank the panelists -- let me add -- I guess build on that point. I think that it's possible to see India-Pakistan cooperation in Afghanistan as perhaps an important American goal and that this could have an implication for general India-Pakistan relations. In other words, Afghanistan is critical. It needs a Pakistani role in its settlement, and I think it does need an Indian role, and here I think all three countries have a shared interest. The alternative is failure, another civil war, India on one side, Pakistan on the other side; that's some place nobody wants to go.

Let me thank the panelists by saying in part that I hope the official dialogue was as good as this dialogue. If it was, then I'm heartened by the event and thank you very much.

Let's take a 10 minute break before the next panel.

(Recess)