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THE FUTURE OF U.S.-INDIA PARTNERSHIP

(Closing Session Keynote Speakers)

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PARTICIPANTS:

CLOSING SESSION: IS THERE A FUTURE TO THE U.S.-INDIA STRATEGIC PARTNERSHIP?

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**Closing Remarks:**

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## P R O C E E D I N G S

MR. TALBOTT: It's been a terrific session and I know that virtually everybody here as the day comes to an end has contributed to it. And I thank you all for that.

The word "dialogue" has been used a lot in recent years, particularly with regard to the bilateral relationship between the United States and India. But I must say both what's been going on in New York over the last couple of days, what I've heard about the bilateral meeting between Secretary Clinton and Minister of External Affairs Krishna suggests that that really qualified as a very, very probing and deep and rich dialogue and certainly, what's been going on here under the auspices of the FICCI-Brookings Strategic Dialogue has so qualified as well. I cannot imagine a more appropriate way of bringing this encounter to a close than to have two good friends, and even though they're smiling -- smile, both of you -- and looking very alert, two very, very tired professionals, take a little time out of their schedules to help bring the proceedings to a kind of a strong finishing point.

Madam Ambassador, it's a great pleasure to be able to so address you. Having had the honor of meeting you and working with you in your previous capacity as foreign secretary and Bill, of course, is a good friend and colleague of mine, as well as a very good friend to the Brookings Institution. Bill is going to make some observations looking forward. And so is the ambassador. And then they will come back and take their seats up here and we will conclude the proceedings with a final round of what I guess we should call a multi-log because it'll give a chance for all of you to make some final points and ask some questions of our two honored guests.

So, Bill, the mic is yours.

MR. BURNS: Good afternoon, everyone. Thank you very much, Strobe,

for that kind introduction. I'm delighted to be back at Brookings for this very important conference. And I'm especially delighted to be here with India's new ambassador to the United States, Nirupama Rao, an extraordinary diplomat, as well as a wonderful friend.

As foreign secretary, Ambassador Rao helped shape every advance we made in U.S.-India relations in recent years and both India and the United States are very lucky to have her here. It's also a genuine pleasure and a genuine honor to be introduced by Strobe Talbott, who set the standard for deputy secretaries of state, as well as for U.S.-Indian diplomacy over a decade ago. Strobe's vision helped put U.S.-India relations on their current productive path, culminating in President Bill Clinton's visit to India in the year 2000, the first trip to India by a sitting president in 22 years.

Ten years later it took President Obama only 22 months to become the first president to visit India in his first term. During that visit, President Obama offered the clearest possible answer to the question posed by this conference. He made emphatically clear that the U.S.-India partnership has a future, a very bright and consequential future. During that visit, the president told India's parliament the United States not only supports India as a rising power; we fervently support it. And we've worked hard to help make it a reality.

Just as a strong India is in America's interest, a strong America is in India's interest. And a strong U.S.-India partnership benefits not only our two countries but the entire world. And yet a strong U.S.-India partnership is neither automatic nor is it self-implementing. We each carry baggage of different kinds and we each have our own world views, our own domestic preoccupations, and our own sense of our interests. Problems and disagreements will inevitably arise. But no one should mistake the inevitable differences between two close opinionated friends for loss of momentum or worse, the lack of a future. Our track record is clear and our commitment is firm.

President Obama's successful visit last year made history with our endorsement of a permanent Indian seat on a reformed United Nations Security Council, and our clear expression of support for India's future membership in the major nonproliferation regimes. These are momentous steps.

So there is, it seems obvious to me, a bright future for the U.S-India strategic partnership. That future will bear no resemblance to the distant past of mutual estrangement, but it is also unlikely to always resemble the recent past when it seemed every 18 months brought new breakthroughs, like the Civil Nuclear Deal or support for permanent U.S. Security Council membership or export controls reform.

Our challenge today is to broaden and deepen our bilaterally, regional, and global cooperation. Given India's emergence as a global power and the breadth of our common challenges, no single issue and no single breakthrough can or should define our relationship. What matters is its overall health, its steady progress, and the long-term investment and the dialogue that are required to sustain both.

Let me talk briefly about three especially important dimensions of our growing partnership. Boosting our mutual prosperity, deepening cooperation in India's immediate neighborhood and east across Asia and the Pacific, and efforts to solve global problems together. Our bilateral economic relationship is anchored in the realization that our long-term interests are essentially congruent and mutually reinforcing. Each of us has a large stake in the other's success. The tangible economic benefits of our relations for businesses, big and small, for people in the middle class and those rising towards it are irrefutable.

The old narrative of outsourcing and zero sum competition has given way to the reality of balanced, mutually beneficial, and rapidly growing commerce between our nations. From USAID programs to eradicate polio and promote maternal

and child health, to cutting edge cooperation and clean energy technology, agriculture, science, and space, we are committed to being a partner in helping build a new India. The modernization of India and the lifting up of hundreds of millions of Indians out of poverty necessarily remains the focus of the Indian government. This extraordinary and so far extraordinarily successful effort requires India to sustain its high rate of economic growth, open markets for its goods and services, and attract the investment needed to realize its vision of inclusive development.

There is no more important partner for India in this endeavor than the United States. Over the past decade, our bilateral trade has doubled and then almost doubled again. Our total direct investment in India rose tenfold from \$2.4 billion in 2000, to \$27.1 billion in 2010. The economic needs of the American people are essential to our own diplomacy around the world as we work to find new markets for American products and exports. The United States, therefore, has an enormous stake in India's economic rise. India has grown on average 7.5 percent each year for the past decade, and American companies want to compete in India's growing markets and take advantage of investment opportunities, not least the \$1 trillion India expects to invest in building infrastructure by 2017.

India is now the Export-Import Bank's second largest portfolio after Mexico. Together we are drawing the best from both of our societies to make better products that compete and win in the global economy. Tata Steel has a plant in Ohio; Boeing uses engineers in Bangalore to design 787s whose parts are manufactured across America. India's direct investment in the United States has grown by an average of 33 percent each year since 2005, and in the decade between 2000 and 2010, increased from a negligible \$96 million to over \$3.3 billion, with Indian companies now employing tens of thousands of Americans.

Completing our civil nuclear partnership is central to both our nations' long-term prosperity and India's future energy security. For international and Indian firms to participate in India's civil nuclear sector, India needs a nuclear liability regime consistent with international standards. To this end, we welcome India's commitment to ratify the Convention on Supplemental Compensation later this year, and we encourage India to engage with the International Atomic Energy Agency to ensure that India's liability regime fully conforms with the international requirements under the convention. The next step in the pursuit of mutual prosperity is a U.S.-India bilateral investment treaty, which would enhance transparency, boost innovation, and create jobs.

Technical negotiations are about to get underway and we must continue to make progress. Just as the United States will be integral to India's sustained economic growth and its efforts to lift hundreds of millions out of poverty, India's emergence will be integral to long-term U.S. economic prosperity. We're counting on India's rise not just as an economic partner but as a global power, one that engages everywhere from Latin America to the Middle East to East Asia. India's leadership in promoting a more stable south Asia, its multi-billion dollar assistance commitment to Afghanistan, its determination to reengage and normalize trade with Pakistan, and its joint projects to boost infrastructure and capacity in Bangladesh, Nepal, Sri Lanka, and the Maldives, offer the hope of a more peaceful future for the region and the world.

Ambassador Rao's personal efforts as foreign secretary to revive dialogue between India and Pakistan and consider mutually beneficial steps in trade and other areas are particularly commendable. For U.S. and Indian policymakers, a successful transition in Afghanistan is a shared imperative in an area of increasing cooperation. As the United States draws down our forces and transfers responsibility for security to the Afghan people, we are ever mindful of Afghanistan's recent history and the

terrible cost of neglect. None of us can afford to make that mistake again.

We are making headway in negotiating a new strategic partnership agreement with the Afghans to extend beyond 2014. As Secretary Clinton emphatically noted in Chennai in July with regard to our long-term commitment to Afghanistan's stability, we will be there. Success in Afghanistan depends on ensuring that others are there, too. That certainly includes India. With coalition forces drawing down, Afghanistan will need extensive private investment and economic linkages with its neighbors.

And yet today, the countries of South and Central Asia trade less with each other than nearly any other region in the world. Goods are shipped thousands of miles out of the way simply to avoid hostile territory. Even with no direct access to India's rising middle class market, Afghanistan already sends one-quarter of its exports to India. Imagine what will be possible when transit and trade agreements extend outward to India and Central Asia, and Afghanistan traders are able to shift goods directly to the markets of Mysore and Mumbai and Indian innovation and capital can play the same role, lifting Afghan prosperity that it has at home. The new Silk Road as we envision it is not a single path. It is a vision of economic transit, infrastructure, and human links between South and Central Asia. India can be its economic engine.

Just as the United States and India have a mutual stake in supporting a stable and more integrated South Asia, we must also work together as the strategic center of gravity for world affairs shifts toward the Asia-Pacific region where India has a vital role to play. It is precisely for this reason that the U.S. and India decided to launch a strategic dialogue on the Asia-Pacific in 2010. Since then, this mechanism has emerged as a model for the type of engagement and dialogue that we need to identify new areas of cooperation and to pursue complimentary strategies. We are keenly aware that talk is talk and that action is key, and that's why we're transforming our engagement with India

on the Asia-Pacific from dialogue to real action and concrete outcomes in areas such as maritime and port security, counter piracy, disaster preparedness, and humanitarian relief.

India is already a powerful economic and cultural presence in the east, from the temples of Bali to the dynamic expatriate communities who connect India with the export-driven economies of Southeast Asia. India has built a vast network of bilateral economic cooperation agreements and security arrangements in the Asia Pacific with traditional American allies like Japan, South Korea, and Australia, and with our other partners, like Singapore, Indonesia, and Vietnam.

We're launching a new U.S.-India-Japan trilateral consultation on regional issues. India's outreach is growing, moving toward a comprehensive vision for the East Asia region, a look East policy that is becoming an act East policy. We also hope that India will join us in working to strengthen Asia's many regional institutions. Prime Minister Singh's appearance alongside President Obama at the East Asia Summit in November will help that grouping become the premier forum for our leaders to discuss political and security issues in Asia. Secretary Clinton has underscored our commitment to work closely with India as we deepen our engagement with ASEAN.

As Ambassador Rao once commented to me, "Southeast Asia begins in Northeast India." India already trades nearly as much in goods with the ASEAN region as it does with the United States. An architecture of free trade and investment that connects India to all of Southeast and East Asia will have a profound impact on global trade and economic growth.

Finally, the 21<sup>st</sup> century Asia-Pacific we seek is one in which India, the United States, and China all enjoy good relations. Whatever our differences, we know that as this century advances, fewer and fewer global problems will be solvable without



constructive cooperation amongst our three great countries. To paraphrase India's national security advisor, I have no advice that Asia and the world are big enough for the three enough if we want them to be. We will all benefit from enhanced collaboration in the years ahead.

Across the world I believe that India and America, two leaderships and two peoples with so many converging interests, shared values, and common concerns can help shape a more secure, stable, democratic, and just global system. India can make a decisive contribution to building what Secretary Clinton has called the global architecture of cooperation to solve problems that no one country can solve on its own.

That's why President Obama said that the United States looks forward in the years ahead to a reformed U.S. Security Council with India as a permanent member. It's why we are working together through the G-20 to rebalance the global economy in what has become the world's leading forum for international economic cooperation. It's why we've worked together in Copenhagen and in Cancun, and will work together in Durbin, to combat changes to our climate that threaten the Himalayan plateaus and the American heartland alike. It's why we're helping India spread its agricultural expertise to other developing nations. It's why we have dramatically deepened our cooperation on counterterrorism and homeland security. And it's why President Obama and Prime Minister Singh have each committed their country to the long-term vision of a world free of nuclear weapons.

Across the board, we hope India recognizes that with increased power comes increased responsibility, including the recognition in the spirit of Gandhi that an assault on human rights and freedom in one place is an assault on human rights and freedom everywhere. Recent weeks have seen encouraging signs from Burma, including a new embrace of the language of reform. Then, Foreign Secretary Rao's meeting with

Ansan Sushi earlier this year was an important step, and we hope that the Indian government will use its close ties in Burma to encourage concrete action on political and economic reform and national reconciliation. We also hope we can look together at the profound changes sweeping across the Middle East and see our common stake in successful transitions in a part of the world that matters enormously to both of us.

The singular feature of the revolutions that make up the Arab awakening is that they're driven from within. Animated by a thirst for dignity and participation in societies which for far too long have produced far too little of either. That is also the great enduring strength of those revolutions and it is the ultimate repudiation of the al-Qaeda narrative that change can only come through violent extremism.

While all of us should be careful not to obscure the homegrown strength of the Arab spring, none of us can afford to neglect its historic sweep or fail to address the brutalities of regimes bent on denying their citizens their dignity and their universal rights. The simple truth is that there is no going back to the way things were. There is only a path forward, a hard and difficult path filled with troubles and backsliding and detours, but a path forward nonetheless.

India has a great deal to offer people in societies starting down that path. We applaud India's offer to send election experts to Egypt and hope India can expand its support for the new Libya and stand with the Syrian people as they peacefully demand their universal rights. While no country should seek to impose its own political system on others, India remains a stirring example of a successful, multiparty democracy that offers hope to societies wrecked by political turmoil and sectarian or tribal divides. We hope India will recognize the value of helping others match that achievement.

If we want a truly global strategic partnership, America and India must seek out opportunities to act as partners at the U.N. and other international fora. The

collective action we've endorsed together through the G-20, the Nuclear Security Summit, and the Global Counter-terrorism Forum we launched last week in New York, are excellent examples of our capacity to work constructively together to solve the problems no one nation can solve alone.

The United States and India have no fundamental conflicts of interest, so there is no reason why we should not strive to be closer partners in the U.S. system and beyond. That will take time and we will have our share of frictions along the way, but it is in both of our interests to try. For our part, accepting India as a global power means learning to agree to disagree sometimes. It means recognizing that profound mutual interest and shared values do not add up to unanimity of opinion and with cooperation moving forward on so many issues, a few differences need not cause us to lose momentum or ask whether there is a future for our partnership. The greatest risk it seems to me is not disagreement; it's inattention. It's the possibility through domestic political distractions or failure of imagination, or simple complacency that America and India might leave the full potential of our partnership unmet.

The truth is that we've crossed a threshold in our relations where for both of us, for the first time, our success at home and abroad depends on our cooperation. America's vision of a secure, stable, prosperous 21<sup>st</sup> century world has at its heart a strong partnership with a rising India. The question is not whether we have a future or whether we will have a strategic partnership; the question is whether we're doing as much as we can to ensure that we realize its full promise. Few questions will matter more for both of us in the new century unfolding before us.

Thank you.

(Applause)

MS. RAO: Thank you, Strobe, for your words of introduction. It is indeed

a privilege to be here this afternoon and to be sharing this platform with Deputy Secretary Burns, who is a personal friend, a wonderful friend, and also a very passionate advocate of the partnership between India and the United States. So I'm really happy to be here this afternoon and to speak at the concluding session of the third Brookings FICCI Dialogue on India-U.S. Strategic Partnership.

Ever since the inception of this dialogue it's brought together eminent spokespersons, experts, and thinkers from both India and the United States, and all of this has contributed very positively to the overall and very positive momentum that we see in the growth of the partnership.

I've had the unique privilege to be present at the inaugural dialogue of these two premier organizations of India and the United States, as well as the second session in November last year in New Delhi in my then-capacity as foreign secretary. Since the last session of the dialogue, we've had the landmark visit of President Obama to India, a visit that has consolidated the gains in the relationship over the last few years and also provided new dimensions for future expansion of our strategic partnership.

When one is faced with the question about the future of our strategic partnership and Bill Burns has spoken very eloquently on this just now, of the bright and consequential future that we desire for this relationship, I think it is logical to begin with defining what we mean by it and the overall context of the relationship. India's foremost national task over the next few decades is to turn the historic economic gains of the last 20 years into inclusive growth that will lift millions out of poverty, that revitalizes rural India, and up lists marginalized and poor farmers, and that creates a future of potential and possibility for more and more Indians. We wish to hasten the pace of India's transformation in partnership and cooperation with the international community, and particularly the United States.

At the last session of the dialogue, I had outlined three basic organizing principles for the partnership -- our shared values, our economic partnership and people-to-people linkages, and the security of our people and stability in the world. All this for a sustained and long-term partnership between India and the United States. I propose to further elaborate on these principles and also speak of some key drivers that in my view will shape the India-U.S. partnership in the years to come.

First, a global partnership for peace, stability, and security. Today, both India and the United States have an increasing convergence, a correlation of interests when it comes to ensuring peace, stability, and security, not just in Asia but in the world at large. Our mutual understanding on critical issues, including the global economic situation, terrorism, Afghanistan, regional challenges, and Asian stability, has become stronger. The frequency, the quality, and the range of our political dialogue on all regional and global issues has attained a new level. Terrorism remains a challenge for all of us as the recent attacks in Delhi have demonstrated. The fight against the scourge of terrorism has to be unrelenting. We have, and will continue to take steps to improve our domestic capabilities to counter this threat. At the same time, we are also enhancing our cooperation with the United States. In the wider regional context, we both agree that success in Afghanistan and regional and global security require elimination of safe havens and infrastructure for terrorism and violent extremism in Afghanistan and Pakistan.

India has already committed more than \$2 billion USD for Afghanistan's development. We have agreed that we will pursue with the United States joint development projects in capacity building, agriculture, and women's empowerment in Afghanistan. We believe that Afghanistan should become a hub that can link central and South Asia through increased trade, transit, and commercial linkages. We have,

therefore, welcomed the new Silk Road Initiative as an important step in that direction. In fact, one of the issues we discussed during yesterday's meeting between External Affairs Minister Krishna and Secretary of State Clinton was this aspect, the new Silk Road Initiative and our development partnership in Afghanistan.

As we move towards transition of security to the Afghan national forces, it is imperative that the international community remains engaged in Afghanistan and helps build institutions and Afghan economy to ensure sustained development. Professor Rabbani's tragic assassination last week reminds us again of the evil designs of the enemies of peace in Afghanistan. We must not let such forces succeed. It is essential that the process of nation-building, including intraregional reconciliation in Afghanistan succeeds. This is vital for ensuring peace and stability in the region as a whole.

India's engagement with the Asia-Pacific region has intensified over the last two decades. Our Look East policy announced in the early '90s is meant at a fundamental level to reconnect and reach out in the civilizational space we share with our near neighbors in Southeast Asia and catalyze the sharing of capacities and opportunities to improve the economic well-being of our people. Two decades later we have seen India's quick integration with Southeast and East Asia at the strategic, political, economic, cultural, and people-to-people levels.

This region is witnessing rapid change. Both India and the United States have a shared interest in ensuring that peace, security, and prosperity are maintained even amidst these fast-paced changes. We have strengthened our strategic consultations on developments in the Asia-Pacific with the United States, and we have welcomed the entry of the United States in the East Asia Summit to seek and open inclusive and balanced regional architecture in the Asia-Pacific region.

One-fifth of the world's energy supplies now travel across the Indian Ocean. The safety of sea lanes of communication which crisscross the Indian Ocean is crucial for the economic growth, not just for India and the U.S. but for the entire region. Maritime trade routes in the Indian Ocean are vital for international commerce and global energy security and we have a shared interest in confronting threats such as piracy. Therefore, we have agreed to enhance our maritime security cooperation. For instance, we are working together with the United States and the international community to combat piracy in the Gulf of Aden and off the coast of Somalia.

Indian and U.S. navies are enhancing their collaboration to deal with natural disasters, building on the experience gained so far from coordinated action. More broadly, our defense cooperation has grown significantly. The paradigm that we should visualize for defense cooperation should incorporate a strong component of joint production, research, and co-development which are all of strategic importance.

The safety of and access to the global commons -- air, sea, space, and cyber domains -- is also vital to the continued prosperity of India, the U.S. and the international community. We have, therefore, decided to explore how we can work together with the United States and with other countries towards attaining this objective. Increasingly, this aspect of the relationship requires intensified study and focus at the level of officials and of experts.

I will now turn to the bilateral partnership for common prosperity. India's sustained economic growth and with its paradigm of greater reliance on domestic demand and investment are focused to make India a global innovation hub and are ambitious plans for modernization of infrastructure requiring more than \$1 trillion USD in the next few years. The development of new industrial clusters and new townships offer new and exciting opportunities for U.S. businesses to partner with Indian stakeholders for

mutually beneficial ties.

U.S. businesses, with their leadership role in technology, product development, research, and innovation, are already strong partners in India's economic growth story and Indian businesses are creating value, wealth, and jobs in the United States. We are now working on a bilateral investment treaty that will ensure predictability for investors and support economic growth and job creation in both countries.

I'm aware that questions or doubts sometimes are raised here about our pace of economic reforms. On the other hand, from the Indian perspective, too, there are some challenges, including visa and market access issues that Indian businesses face and which continue to hinder the realization of the full potential of our commercial ties. We all have stakes in ensuring that the India-U.S. commercial engagement maintains its positive trajectory and is not affected by any protectionist sentiment keeping the long-term perspective in mind. Trade and economic ties I am convinced will continue to be one of the central drivers of the India-U.S. partnership.

A crucial input to achieve the ambitious growth targets will be energy, and increasingly it will have to come from clean sources. We are working together across a full portfolio of clean energy options. The U.S. is assisting us in mapping our reserves of shale gas resources. The civil nuclear initiative that has become a symbol of our transformed relationship grew out of our conviction that nuclear energy could help us meet our energy requirements in an environmentally sustainable manner. There are immense opportunities for U.S. companies in this sector, and Indian and U.S. companies are already in discussion to set up nuclear power plants in India. On its part, the government of India is committed to providing a level playing field to all our international partners.

Through our bilateral science and technology endowment fund, we hope



to tap into our respective scientific and technological strengths and encourage promising and innovative ideas that could produce material benefits in both countries. We value the support of the United States for India's full membership of the four multilateral export control regimes. We are hopeful that the decision by the U.S. to realign its export control regulations would help in removing those relics of the past and foster greater collaboration between our scientists and innovators in the areas of research and development, innovation, and high technology.

Even while our economic growth has been impressive in recent years, we are mindful of the enormous developmental challenges that we face. We need to build more schools and institutions for higher education, skill development, strengthen our health infrastructure. In all these facets of development we are supplementing domestic effort through cooperation with international partners, the foremost of which is the United States.

A key element of India's developmental plan is to improve our agricultural productivity and consequently rural incomes. This is imperative given that more than half of our population still derives its livelihood from agriculture. We are therefore working together with the United States to revive the spirit that animated our cooperation during the green revolution. Beyond the bilateral dimension, we plan to work on joint projects in Africa in collaboration with a few African countries in the area of agriculture.

Similarly, in the field of health, we are working together to tap into each other's comparative advantages through initiatives such as the Global Disease Detection Center, which will facilitate preparedness against health hazards. The productive CEO's forum meeting of last week has come up with several interesting ideas for investment-related bilateral cooperation in such areas as clean energy, technology, health,

agriculture, education, security, and aviation, trade, and energy efficient building projects.

To fully reap the advantages and the benefits of the democratic dividend, we need to ensure that there are ample opportunities for education and self-development for the young population. Nearly 100,000 Indian students study in U.S. universities and the education sector is a crucial area of our expanding cooperation. Next month, we will have the inaugural India-U.S. Summit on Higher Education, which we hope will help institutionalize a framework of cooperation where we might be able to benefit from the experience of the United States in university education, community colleges, faculty development, and also to promote student exchanges.

This is just a glimpse of the broad canvas of engagement that we have between India and the United States at the bilateral, regional, and global levels. Our shared values, intensified political engagement, expanding framework of dialogue mechanisms, growing business linkages, and most importantly excellent people-to-people links will shape the growth and infuse further dynamism in the India-U.S. partnership in the coming months, years, and decades.

Of course, there will be issues on which there will be a difference of views, and Bill also mentioned this. It is a relationship that is wide in scope and such areas of divergence in some case are bound to exist. It is quite natural that we would not have the same views on all issues, but we need to deal with a sense of maturity, and I believe we are applying that sense of maturity without losing sight of the broad, long-term strategic goals of this relationship and also with sensitivity to each other's vital interests. As I said the other day, pride and prejudice has to be replaced by sense and sensibility.

So ours is a natural and enduring partnership. It is my firm conviction that the future of the India-U.S. strategic partnership is very promising and will advance the cause of peace and prosperity of our two peoples in the 21<sup>st</sup> century.

Thank you.

(Applause)

MR. TALBOTT: Okay. Well, let's hear it for the Austin Doctrine.

I would suggest we only have about 15 minutes before -- pardon?

SPEAKER: Microphone.

MR. TALBOTT: Thank you, Martin. A full-service colleague. (Laughter)

Since we only have about 15 minutes before the proceedings are going to come to a close, I'm going to suggest we go straight to questions from the floor.

Gary. And then we'll take your neighbor across the way. So you can just pass the mic across.

MR. MITCHELL: Thank you. I'm Gary Mitchell, and I write the Mitchell Report.

Secretary Burns, I want to ask -- I want to ask you this question. Your speech outlined a number of areas where cooperation already exists or is underway. And then it seemed to me there were something on the order of a handful of points that you made that began with the phrase "we hope that the Indians will..." We hope that the Indians, for example, will understand that their moving into a leadership position will mean that they have to act differently on certain circumstances. You talked about that with regard to human rights, etcetera. What -- and those seem to me to be a way of saying that we recognize we have our differences and we hope that we can expect the Indians to step up to the plate on three or four areas that I thought you highlighted in your speech.

My question is if they -- if the speech had been given by your counterpart in India, what do you suppose would have been on his "we hope the Americans will..." list?

MR. BURNS: That's a very good question. And Nirupama can answer this better than I can.

I guess I just offer one example. I mean, just to be honest, I mean, we understand very well sometimes the questions that have been raised by thoughtful Indians about U.S. policy in Afghanistan and the nature of our commitment there, whether or not we realize the long-term nature of that commitment well beyond 2014 and the planned drawdown of U.S. military forces and hand over to Afghan security forces. And so, you know, we understand that we need to address those kinds of questions, not only for the sake of India and our partners there, but also because we recognize what's at stake in Afghanistan. Also, mindful of the enormous complexities of dealing with that issue.

So I guess I offer that as one example of something where I would imagine, without putting words in Nirupama's mouth or anyone else, where my Indian colleagues might express a hope about what the United States might not only understand better but also would act upon in the months and years ahead.

MR. TALBOTT: How did Bill do?

MS. RAO: Well, I just mentioned in my remarks that across the board the extent and the depth of the engagement that India and the United States have on so many issues of importance, particularly in our region, has only grown in recent times. And I think, for instance, yesterday when Secretary Clinton and Minister Krishna met, their 50-minute meeting devoted a lot of time to the situation in the region and to Afghanistan in particular. I don't detect a divergence of views or a contradiction in terms of positions between the two sides. You know, I think both our countries understand the nature of the threat that faces us as democracies, particularly from terrorism emanating from the immediate neighborhood from our region itself. So in that sense I think there is

much value that both sides are bringing to their discussions on the subject and the extent of cooperation, particularly on counterterrorism, has only grown in depth and importance.

MR. TALBOTT: Thank you. This gentleman right here and then we'll go to Martin.

SPEAKER: Thank you very much.

Mr. Secretary and Madam Ambassador, in 2001 it was al-Qaeda attacking the U.S. and the U.S. took action against al-Qaeda in Afghanistan. Now it's Lashkar-e-Taiba based in Pakistan attacking not only the U.S. but also India and across the globe. Now it is in limelight by (inaudible) and U.S. officials among also Indian prime minister and others. Madam, you've been dealing with Pakistan as the foreign secretary, as far as terrorism is concerned across the border, not only into India but also in Afghanistan. What is India doing, Madam, as far as terrorism across the border? And also earlier there was an issue here, the major issue in India, the corruption problem. And Mr. Secretary, what is the U.S. doing now as far as tackling the terrorism which is hurting Indian, U.S., and across the globe? Thank you, sir.

MR. BURNS: Well, I'll be glad to start anyway and then turn to Nirupama.

I mean, with regard to the issue of terrorism and violent extremism, particularly in South Asia, the president and Secretary Clinton have been very clear about the depth of our concern, not just about the Haqqani network and the obvious threat that it poses to us as well as to others in the region, as well as to the people of Pakistan, but we've also stressed the importance of not distinguishing amongst different terrorists or violent extremist groups, whether it's the Haqqanis or Lashkar-e-Taiba. Lashkar, as you know, we regard in the United States as a terrorist organization, as a threat to us, as a threat to India, as a threat to Pakistan's future, as well as a threat to people around the

world. And so we believe that there's a shared interest with Pakistan in fighting against those groups. We believe it is deeply in Pakistan's interest to act against that threat and we hope very much that we'll see action to reflect that kind of an understanding because the threat is only increasing. And the only thing I would add to that is I think particularly because the horrible -- the horrific attacks in Mumbai almost three years ago, counterterrorism cooperation between the United States and India has increased considerably, and that's something we attach a very high priority to and look forward to expanding.

MS. RAO: Well, to answer your question, I think the burden of our refrain has been to consistently emphasize that you cannot have a segmented approach when it comes to applying pressure on any terrorist groups. You have to deal with all the groups that threaten peace and stability in our region. And my mind goes back to the immediate aftermath of the 9-11 attacks and what the U.N. Security Council said at that time in the resolution that it had adopted saying that those who provide sanctuary and provide haven and provide assistance and support to terrorist groups need to accept the responsibility that they have in order to eliminate their influence, the influence of these groups, and to desist from using these groups in any manner that creates instability in the region and that these groups, they have to cease using these groups as proxies to promote their policy in the neighborhood or in the region or in the world at large. And I think this realization is being shared. India is no longer a Cassandra on these issues. I think India's point of view is increasingly believed in and subscribed to globally.

MR. TALBOTT: Martin, and when you're finished if you could pass the mic right to the gentleman behind you and that'll be the last question because we have to wrap up.

MR. INDYK: First of all, I want to thank you both for gracing us with your

presence today and the substantive and comprehensive nature of your presentations. I remember that you both appeared together at our first Brookings FICCI strategic dialogue and it's very useful to think back to that time two years ago and the progress that has been made in the relationship that both your presentations today represented.

We had a discussion earlier today about the role that India is playing on the global stage and the fact that the United States and India have had an experience recently in which you're both on the Security Council together, not yet in India's case as a permanent member. But it was in a sense a promise of things to come. And particularly of a Libya and Syria, there have been some serious clashes of positions between the United States and India. And so I wonder if you could both reflect on that experience and what it means for your cooperation on these kinds of global issues that are going to confront the two parties as you build this relationship because of your responsibilities on the global Stage.

MS. RAO: First of all, let me say that we deeply value the consultations that we've had with the United States on issues relating to the Arab Spring and the upheavals that we have seen in the Middle East and North Africa during this year. It is true, of course, that there has been a divergence of positions between our two countries on the manner of how to address the change that we see and the degree of influence that we can bring to bear on setting a certain direction for trend for such change.

I think in India and in the region that we come from our views are very much impacted by the fact that we have large communities of Indians who live in this region, who work in this region, and they're all Indians of economic levels. They're not necessarily white-collar professionals. They are people who work on oil rigs or who work in factories or who work in the construction industry and, you know, the livelihood issue of these people is very important in terms of, you know, the well-being of their families in

India. So that consideration has always been very much, you know, close to our hearts and uppermost in our concerns when we've looked at this issue, apart from the energy security aspect and our huge dependence on our energy sourcing from this region.

When it came to Libya and when the Security Council discussed and resolved to adopt a certain mode of action on this issue, I think our primary consideration or the concern that we sought to articulate was that there was insufficient information at that time about the -- about the nature of what was happening, about the rebellion itself and the influence and the strength of the rebel forces. And apart from that we had the evacuation of about 20,000 Indians to complete out of -- not just out of Tripoli but out of -- literally out of the heart of Libya. Literally out of the entrails of Libya you could say because they were scattered all over the country. It was a huge operation and our minds ere very much focused on that.

But more than that I'd like to draw attention to what our prime minister said at the General Assembly the day before yesterday. Yes, on the 24<sup>th</sup> when he spoke about -- when he spoke before the General Assembly. And he said when it came to unrest and when it came to this revolution of rising expectations that you see in the Middle East and North Africa that solutions are best engendered from within and they have to come out from within those countries. And for us to seek, to prescribe, or to impose solutions from outside, however well-meaning those efforts may be, may not succeed in realizing, you know, the best possible results. That has been our worry and that has been our concern about Syria.

Also, we're against violence. We're against violence against civilians by the government and by the organs of the state. But we have to also see -- do our best to ensure that a Libya-like situation doesn't, you know, emerged there where even if you look at the other countries where there has been unrest and things have quieted down,



we haven't seen a culmination or the realization of a situation where we can say once and for all that the best has been realized and, you know, the change, everything once it has settled down has resulted in an order that spells the best for the future of those countries. We would very much like to see that and we are for democracy. We are for human rights. But we are also for the rule of law and we would like stability to the maximum extent possible to be maintained.

MR. BURNS: Just two very quick comments to add to your very good question.

I guess first is we demonstrate from time to time. The United States pretends to know monopoly on wisdom in the Middle East. But second, I think this is a reminder -- what we've seen across the Middle East over the last eight or nine months especially -- that we need to build the habits of dialogue and discussion on these kind of issues together. You know, the truth is for all the dramatic advances of recent years -- civil nuclear initiative chief amongst them, you know, we really haven't built up that kind of a conversation between us on these issues. The truth is that the change we see across the Arab world, in particular, and across the Middle East more generally, are going to be with us for months and years to come. This is just the beginning of what are some fundamental changes in that region. They are driven from within and that, as I said in my remarks, is I think the singular strength of what we're seeing in Egypt and Tunisia and Libya and Syria. So it's going to be important for us to build up that habit of conversation. It doesn't mean we're going to see everything identically, but I think the two of us -- the United States and India -- do have a deepening stake in the success of those transitions, bearing in mind their homegrown nature. And the two of us can do things, I think, to contribute to that success.

MR. TALBOTT: Last question and very briefly, please.

MR. SINGH: (Inaudible) Singh, founder and editor-in-chief of (inaudible), a new journal analyzing global issues.

So Ambassador, a very quick question. What is India's strategy for Africa if it has one? And two, where do both of you see divergence and convergence of interests in that continent.

MS. RAO: Here again I think I would emphasize convergence and not divergence when it comes to our outlooks on Africa. I think the focus of the dialogue, and Bill just referred to the need to develop these habits of dialogue, these habits of cooperation. And I think we've begun that in West Asia. And on Africa I referred to the development cooperation that India and the United States are looking to see translated into action on the ground in three countries with whom we are talking to -- Malawi, Kenya, and Liberia. But we are engaged in discussion with the governments of these countries and are very near finalizing cooperation projects in which both our countries will be involved and where we will help these African countries.

When it comes to Africa, I think there has never been any doubt in our minds that India's -- the identification of Indian interests with African interests has always been very, very clear and consolidated, and over the years it has only grown stronger. From the time of our involvement with the decolonization movements and the fact that especially on South Africa, the kind of profile that India took over the years, our identification with the anti-apartheid movement and with the forces of freedom in South Africa, I think there's never been a question in any African mind or in any Indian mind about India's bona fides when it comes to Africa. And today, with the India-Africa Forum framework that we have put in place, the India-Africa Forum summits, the second of which was held earlier this year, we've embarked on a very ambitious program of development cooperation with Africa in terms of using e-governance,

telecommunications, capacity building, education, agricultural cooperation. So the mosaic and the fabric of our cooperation with Africa I think is something we're very proud of.

MR. BURNS: I think it's easy for both of us -- Indians and Americans -- to neglect Africa and its significance at a moment when there's increasing focus on the centrality of Asia-Pacific or the profound transformations taking place across the Middle East. The reality is that Africa is soon to be continent of a billion people, nearly half of whom have been born after 1995. Six out of 10 of the world's 10 fastest growing economies are in Africa today but with huge unresolved problems -- whether it's regional conflicts, disease, poor governance, corruption -- that are going to take enormous effort to try to overcome. It's profoundly in the interests of the United States, just as Nirupama said, it's in India's interest to invest in Africa, not just in economic terms but also in terms of our diplomatic attention and what we can contribute to helping societies, leaderships, people in Africa tackle some of those challenges because it does matter enormously to both of us. So I agree. It's an area of convergence, far more than it is of divergence.

MR. TALBOTT: Before I give the last word to Rajiv, let me just say first thanks to all of you for participating in this terrific set of session. Nirupama and Bill, the track one of the dialogue couldn't be in better hands and we're particularly grateful that you would find time to stop by for the track two as well.

And Rajiv, let me just say what a pleasure it has been once again to work with you and the other two Rs, Raju and Ranjani and the whole FICCI team. And Nirupama, I mentioned to you -- I whispered to you and I'll say it into an open mic, that Arun did a terrific job of getting us started and thanks very much to the staff of the Indian Embassy for extending its hospitality to us. And finally, Steve and Dino, wherever you are, thank you for all the good work that you put into this. Martin, as you can tell during

the course of the day, you have a lot to be proud of and the foreign policy team.

So Rajiv, over to you to close us out and take us home and then you can take all yourselves home.

MR. KUMAR: Thank you, Strobe. And Secretary Burns, Ambassador Rao, Mr. Kanoria, our senior vice president, friends. It's indeed a privilege really for me to offer some concluding remarks at the end of what's been a really very fruitful day of intensive interaction, candid, insightful comments and sort of forward-looking discussion that we've had over the last four sessions that we've had this day. And we are really lucky and deeply honored to have had Senator Warner at the lunchtime. And he's given us a number of directions, you know, to take -- to deepen and broaden the relationship of which I assure you FICCI will endeavor to do its best to implement them as we go forward.

And you know, I think we will all agree that, you know, the sort of -- the discussion that we've had, there is a shared sentiment that we have to take, you know, take this relationship in a strategic long-term way, a long-term manner and not in transaction. That's one of the conclusions that came out of the discussion that we've had. Second, as you both said, the number of shared interests, especially in South Asia and Asia, that will compel us to engage in more intensively and in a more constructive manner as we go forward and that these include, you know, our sort of shared, you know, sort of vision of what we'll be doing to Pakistan and how to turn China into a multilateral framework which is rule-bound. And as somebody said, sort of prevents it from, you know, becoming aggressive, from being assertive. I think that was a statement that was used. And I think you will all agree that this is just a start.

And, you know, we've been told many times today that we need many more conversations and at very different levels and at all different levels and across. And

I think that for me translates into the fact that the FICCI-Brookings dialogue will continue and that gives me great pleasure to invite you and Secretary Burns, you and Ambassador Rao, to the fourth dialogue that we'll hold in Delhi next year because that's reason that we do it alternately. And so please, you've honored us with your presence here and I hope that we will see you in Delhi and you will find the time to make the longer trip this time.

And I must add my thanks on behalf of FICCI and all our team to everybody who has contributed to this, to the panelists, to the speakers, some of them who have made very long journeys to be here, and to the hospitality that Brookings has offered. And to the support that the MEA has given us in conducting this dialogue, very substantive support. And to the Indian support and the Indian Embassy that we have received always and especially in holding this dialogue. So thank you all very much and again, once again, to say that we will hold this fourth session next year and invite you all to do that. Thank you.

(Applause)

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/s/Carleton J. Anderson, III

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