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P R O C E E D I N G S

MR. TALBOTT: Good morning everybody. Looking around this room, I can say that I see a lot of familiar faces including those of you who are helping us never to miss a chance to talk about India. Obviously, India is an extraordinarily important and positive factor in the prospects for a peaceful 21st Century. It is increasingly a very important partner of the United States and we're going to be hearing during the course of this program the views and the interaction with you on the part of three very important experts.

Our guest of honor is an Indian Statesman, who has played a very important role in Indian foreign policy for quite some time, Shivshankar Menon. We are launching a book today that has been just published by the Brookings Institution Press. It reflects on his four decades as a diplomat and also it draws lessons from his career, particularly on very important inflection point choices that the Indian government made over the course of his career and I might add, with plenty of input of his advice and also implemented through his diplomatic skills.

It's an extraordinary career. He has been, of course, the Foreign Secretary, the National Security Advisor to the Prime Minister, twice Ambassador to China, High Commissioner to Sri Lanka and Pakistan and a Brookings connection, he back in the 90's, was the Indian Ambassador in Israel, where he got to know the American Ambassador at that time, Martin Indyk. Shanker is now a Distinguished Fellow here at the Brookings Institution. He's based in Brookings India in New Dehli. We are delighted, Mohini, that you are here with quite a bit of your family, not all of it; your son-in-law [indiscernible] and Sarah. I'm just sorry that you didn't bring the grandkids because we're always looking for ways to have a little more generational diversity in our constituency and our audiences.

Just a word about Nick Burns, who is well known to all of you. He is now at the Kennedy School at Harvard. He, as you all know I'm sure, was the Undersecretary of State for Policy for a number of years. He has been deeply involved in the increasing engagement between the United States and India, and especially with regard to the completion of the success of the US India nuclear agreement. He is also a dear friend and a colleague of mine when I was in the government myself.

Tanvi Madan is the Director of our India Project and she will serve not just as a moderator, but also a very fine expert in her own right so Tanvi, over to you.

MS. MADAN: Thank you Strobe, and thank you all for being here. Just a couple of matters of housekeeping and a couple of words on the book before I turn it over to the author, who I know you are all here to listen to. Please put your phones on silent and just in terms of books, books will be available after the event outside and Ambassador Menon has kindly agreed to sign some of those books for a little bit outside as well. For those of you who will be watching on video, which will be available on our website shortly after the event or listening to the audio, and especially those who will be looking at this from abroad, the book is already available in the UK. It will be available in India towards the end of November with a book launch there in New Delhi on December 2nd.

In terms of the book itself, there's been increasing interest recently in Indian foreign policy past, present, and future both in India as well as here and there's been a lot of scholarship recently that's been coming out, particularly on the past, and particularly thanks to the opening up of some of the archives, and the personal papers of various practitioners both bureaucrats and politicians. And while the scholarship is just coming out, it's really worth reading, it's available now much more widely. This practitioner's perspective is truly invaluable and this book in particular I would say, as a

student of foreign policy, is essential reading for anybody who wants to understand not just some of the past of these cases but I would say also for anybody who wants to understand what kind of power India will be and what kind of role it will play on the world stage in the future and with that, I'll turn to the author, Ambassador Menon.

AMBASSADOR MENON: Thank you, Tanvi, and thank you Strobe, for those very kind words of introduction. As you can see, he's a friend. Thank you Tanvi also, and thanks Nick, for being here because if it weren't for you three actually, this book wouldn't exist.

I suppose the first thing an author has to do is to explain why he wrote the book, why did I think I should put this out in the public and inflict this on you. Last spring, thanks to Nick, I was running a study group on Indian foreign policy at Harvard and we were looking at different cases of how India reacted to events and when then we came to 26 11 to the Mumbai Attacks, I'd speak for 40 minutes and then for the rest of the two hours, we'd discuss it and see what the options were, what the choices were. I made my 40 minutes and the first person to speak after that stood up and said, my father was killed in 26 11 and I don't see why you didn't attack Pakistan immediately after that. And that started the firestorm in this room; 60 people, young from Mongolia to Argentina and various points in between, and it went on two hours, two and a half hours, two hours and forty-five minutes and I had to say, please let's go home, clear the room. But at the end of it I thought, this is worth putting down. Just the considerations, the fact that so many people have brought so many ideas to the table about how to think about this problem and so that's really where the book started and what the book looks at is five cases, and one is the border peace and tranquility agreement with China, which was in 1993, which was really the first agreement related to the border, to the boundary between India and the People's Republic of China and it was within 30 years of the war – over that

boundary and represented quite a significant choice for both countries.

The second is something that Nick was intimately involved in was the 1-2-3 Agreement on the severe nuclear initiative between India and the US, which transformed the relationship, tore down the walls between the two countries, and in a sense created this huge sense of ambition on both sides. Ever since then, you're always being asked what's the next big severe nuclear agreement equivalent that we could do between India and the US?

The third was, as I said 26 11, how India chose to react.

The fourth was Sri Lanka, the last six months of the LTT in 2008-2009, and how India and the international community reacted to what was happening to really a brutal civil war, which had lasted 26 years.

And lastly, no first use. I mean, why does India have nuclear weapons, say she has nuclear weapons, and then say she won't use them and this is counterintuitive.

So that's really what the, I shouldn't tell you what the book actually says because I want you to buy this book and read it [laughter] but it also then goes on to say that the end there's a chapter where I think about what this means about India as a great power and what kind of power India could be, should be, but that's of course just my opinion and I think it would be interesting to hear what you think about it.

All in all, it's not a very big book. This is when I'm plugging the book, it's readable. It's a decent size but it is, as Tanvi said, a practitioner's book. It doesn't try to develop a theory or to contribute to theory in any way. What it does try and do is to lay out the facts and the kinds of considerations that went into these choices, all of which ultimately had fairly significant effect on certain of India's foreign policy and how India relates with the rest of the world so I hope you enjoy the book. Well, first I hope you read

it, then I hope you enjoy it but maybe I should stop there and leave it to –

AMBASSADOR R. NICHOLAS BURNS: Well that was far too short. We need more from Shankar in this session but Tanvi, thank you and I just want to thank Strobe, and Martin, and Brookings for this gather.

I just have three things to say. One is to praise Shankar, two is to say a word about the US/India relationship, and three is to look ahead a little bit and I think that's where we'll probably be going under Tanvi's leadership today as to what the next US administration should do with the Indian government.

A word about Shankar; a lot of us in this room have been practicing Diplomats. I see a lot of former colleagues in this room and it's rare when you work with someone intensively that you are able to develop across cultural and national boundaries, a relationship of affinity and a relationship of trust, but I think I developed that relationship with Shankar. And, I'm here to praise him, an exceptional Diplomat and Strobe just listed some of the highlights of this extraordinary career, probably the most singularly impressive career of anybody I know in global politics in terms of what he's had to deal with, the sheer degree of difficulty of what he had to do, think of Pakistan and China and then he had to deal with the Americans [laughter] and he survived it all.

But we developed a friendship and a relationship of trust that is very important to me. We did not know when we negotiated the civil nuclear agreement together, and we met all over the world in Asia, in the Middle East, in Europe, South Asia, and the United States, that we had a mutual affinity for baseball, but it turns out that Shankar was young 17, 18-year-old in San Francisco when his father was the Indian Counsel General and he used to sneak into Candlestick Park to watch the Giants play and he and I had spent some time at Fenway Park, our Cathedral in Boston recently and that's been a bond between us as well. But, I admire his career, I admire what he has

stood for, and I think he has elevated India along with many of his colleagues on the global stage and deserves a lot of praise for that.

Secondly, it's a really fine book. I read it in manuscript form. It deals with the biggest strategic and most difficult strategic issue that India has had to deal with over the last half century. If you think about the difficult boundaries, we were talking this morning about walls, boundaries, and borders between India and Pakistan, Kashmir, the long dispute with China over that boundary, the wall that separated, more of a metaphorical wall, the United States and India for 40 years, and Shankar was present in resolving or at least making progress on many of those and I think you'll enjoy reading the book, and I think it will be instructive for a lot of people around the world.

A word about the US/India relationship, Strobe was too modest – say that the construction of a big relationship strategically between us has been the product of three administrations. And the administration that had the vision that we should end the cold peace between us and that we should build a strategic relationship was the Bill Clinton administration led by Strobe, and the series of conversations that Strobe had with (inaudible) in the late 1990's. These weren't conversations that ended all the disputes and misunderstandings but they explored them and they cleared the foundation for this new relationship, particularly with President Clinton's historic visit, I would say, to India in the late 1990's.

And then, you rarely see this in Washington in our red/blue dysfunctional environment but the Clinton administration handed that baton to George W. Bush and he picked it up and he ran forward with it and I was lucky enough to participate in some of those events and then President Obama took the baton from President Bush and has carried it forward. Shankar and I agreed this morning, our relationship is as strong now as it's ever been since the birth of modern India in 1947. And as usual, victory has a

thousand mothers and fathers, Ambassador Tezi Schaeffer, Ambassador Howard Schaeffer, Ambassador Robert Einhorn, Ambassador Arun Singh, and Deputy Secretary Strobe Talbott are some of the people who built that relationship.

The challenge going forward, when Hillary Clinton is sworn into office on January 20, 2017 [laughter] and then creates a relationship hopefully of trust with Narendra Modi is how do we carry it forward and I suppose we both have a lot of ideas for how that can happy so I'm very happy to be here. Thank you.

MS. MADAN: Thank you, Ambassador Burns. I'm actually going to start on that note and I will take us back and get Ambassador Menon hopefully to talk a little bit more about the book to just give you a little taste of it. I know you're all going to get it regardless. The book is called *Choices* and it really is about decision points, the title of President Bush's book.

In terms of the US/India relations for both of you as you look forward, what are the big choices that lie ahead? Are there certain decision points that you would look for? There is constantly this argument about whether there needs to be a next big thing. What is the big choice that lies ahead for the US/India relationship?

AMBASSADOR MENON: My own sense is that it's not so much a question finding the next big thing. I think we've done the groundwork and really it's thanks to people like Strobe, like Nick that we are where we are. It's bipartisan in India as well, the US/India relationship, and as Nick said it's better than it's ever been before.

I think what we now need to do is actually to build on what we have and that is across the board, the whole spectrum of the relationship. I find it interesting that when we started the process, which many people in India think is thanks to Hillary Clinton persuading Bill Clinton to visit India but I don't know whether that's true or not, when we started the relationship I think the concerns were on the political/strategic side of the

relationship but over time if you look at it, we have increasing strategic congruence. Wherever you look in the Asia Pacific across on global issues as well, there is increasingly an ability not just to work together but to actually look at problems similarly. You saw when President Obama went and visited India we had a joint vision statement from both countries on security in the Asia Pacific.

We had assumed that there would be economic complementarity between two very different economies and societies, that the complementarity would drive the relationship. That part is actually getting harder to do than it was anticipated. The politics and the strategy actually have become easier to do than before, maybe because of the way the world has evolved, what's happening because of the changing bands of power in Asia, whatever, but the economics of it, the energy issues were really a huge congruence of interest but you haven't quite converted it into a common approach to climate change for instance or on IPR's, on issues like that. I think that's where we really need to apply effort so where do we look in the future? I'm much less worried about strategic congruence going forward. In fact, I think that's just going to increase and a lot of that was started by Nick in those long conversations that we used to have, four or five hours actually of just grinding through the issues and talking things through so we understood why the other was doing what they were doing. I'm less worried about that than about the social, the economic, the other issues that we need to look at in the relationship and that's where I would look at tests of determination on both sides.

MS. MADAN: Ambassador Burns?

AMBASSADOR R. NICHOLAS BURNS: Shankar and I were talking this morning that when people talk about the future of the US/India relationship, the proverbial question always is what's the next civil nuclear agreement and I'm not sure we need one because as Shankar put it in his introduction, we tore down that wall that had separated

the two countries and so what we need is a normal relationship and it's happening. Our trade has quadrupled in the last 10 years, we are global partners in a way that we certainly were not 20 years ago, and I think what the Americans in this relationship had to learn was that Indian and American interests are largely aligned in the Indian Ocean and western Pacific but we're not going to be allies.

When I was working with Secretary Condi Rice under her leadership on this relationship, there was always pressure on us from Congress, commentators, that we had to somehow make sure that India didn't deviate from the American line on Iran for instance 10 years ago and it was never going to be the case that this great nation was going to become an ally to the United States. It took the Americans a while to understand that, that our interests may be aligned but we're separate. We're respectful, we're both great powers in the world, there will be times when we disagree, and that's normal. I do think our interests are aligned, as Shankar mentioned, in Asia. Both of us have a big relationship with China, a trade relationship. We have a partnership with China on climate change which is very important and yet neither of us want to see China dominate the western Pacific or the South China Sea, and to see the expansion of US/India strategic ties, naval and air cooperation and to see the triangular relationship that's developing between Japan, India and the United States is, I think, very promising and correct that we should be operating together in this way.

So, for the future, you do need to have that strategic understanding at the top and I would credit President Obama with having done a really fine job of relating to Narendra Modi and deciding where we can work together and where we can't. I do think the relationship is in very good shape. Push forward in Asia together on a peaceful basis but to assert the strength of the democratic powers along with Japan and Australia is going to be very important for us in the future.

And I think, last point, the Indian American community is a real bridge. I know that sounds like a Hallmark card but it's true. I mean, sometimes in a bilateral relationship you need some kind of a bridge that physically connects you and I think the Indian American community in business in terms of nonprofit organizations does that in a very positive way.

MS. MADAN: In terms of, you mentioned trade and Ambassador Menon you talked about how the economic side of the relationship hasn't quite kept up and the US is India's largest trading partner in terms of goods and services, but that growth has not stalled slowed down in terms of the trade but just in terms of the discussion we've been having here in the course of the campaign and the sentiment about globalization, but also in terms of the US/India relationship we don't know what's going to happen. With TPP, there's not a lot of optimism but this is not something that India has welcomed, seen it as protectionist, the US has seen India as protectionist and stalling since things at the WTO so where does this go in terms of the political discussion we've been having here? Is that going to be harder to do in the next administration no matter what it looks like?

AMBASSADOR MENON: It's a much tougher global economic environment in which we're both operating. We're no longer in those two decades of open free trade, investment flows, capital flows, and the open markets of which actually India was maybe the second biggest beneficiary after China over those two decades before 2008.

So yes, it will be more difficult because you're in a more difficult environment. Where TPP will go, I don't know, don't ask me to predict how India will react to something that we don't even know what's going to happen, that's too hypothetical for me but I do think that both sides need to sit and actually talk about this

relationship, about market access, about IPR's, about all the trade related issues and to see how they carry that forward.

A lot of it depends frankly on, from an Indian point of view, people look at how does it help to transform India, what does it do for Make in India for instance, for Indian smart cities, for these big programs that we have going forward to try and change India and I'd be very nervous with predicting anything until the election is over and the new administration is in place. But I think on the Indian side as well, we need to open up our minds and start thinking about the possibilities and looking at how we take this forward. That's very important.

What the worst thing possible would be if the Asia Pacific and the global economy were broken down into literal blocks, trading blocks, TPP, RCP, you know various little groupings each of which has its own set of rules, its own external barriers and excludes everybody else. That would be the worst possible outcome and I think we need to work together to avoid that.

AMBASSADOR R. NICHOLAS BURNS: I'll just say two things in response to what Shankar has said, Tanvi. One is, our next President is going to have to bind up some of the wounds and this does relate to our foreign policy, that we see from the campaigns of the two primaries and the general election.

We have this hateful, divisive language on immigration and refugees from Donald Trump and we need to rebuild a consensus that we're an immigrant nation and that we should take in refugees and immigrants and not close our doors number one.

Number two, we don't have a consensus on trade from any of the candidates on whether or not we are going to be a free trade, open trade country, Atlantic and Pacific.

Number three, the climate of I think fear and a loss of self-confidence in

our foreign policy that you see by some of the candidates, not Hillary Clinton but Donald Trump, and so we have some social mending to do to regain our footing and self-confidence so that we can play the leadership role that we clearly have to play in the world, that's the first point. Second, some of these issues are the issues where we're not doing well in the US/India relationship, I'd say trade and climate. We do not have any kind of meeting of the minds on trade between the United States and India. We were opponents in the Doha Round. I'm not a trade negotiator fortunately but my colleagues who were I think, on both sides, said some of the worst conversations the US and India have had over the last 10 years have been on trade and so at some point in the next 10-20 years, can we close on our trade relationship? Can we find a common trade future between us?

And secondly, I think President Obama was right to engineer his joint venture partnership with Xi Jinping on the Paris Global Climate Change Pact and it was a key development both in the US/ China relationship but also in that 195 national pact. India was, I think in a way, left aside at first and then asked to come in at the last minute and we're not going to succeed in the next round unless India, China, and the United States, Japan, the European Union, the largest economies and carbon emitters are together from the ground up so I would think the next administration on trade and climate needs to find a way to build sturdier bridges to India and vice versa because it's a two-way street.

MS. MADAN: -- kind of the last question on the US/India side to each of you, what is the choice that the other country is going to make that concerns you the most?

AMBASSADOR R. NICHOLAS BURNS: The next President, I think.

[Laughter]

AMBASSADOR R. NICHOLAS BURNS: It's pretty straight forward -- can we manage our differences because even in our relationship with Britain we have differences but we have some profound differences with India of outlook because we are in different places geographically and geopolitically. I think the test of any relationship is not the good days but can you manage the bad days and what I think, I really do give credit to Presidents Bill Clinton, George W. Bush, Barack Obama, Prime Minister Vashi, Prime Minister Manmohan Singh, and now Prime Minister Modi. They've been steady. They haven't let the divisive issues undermine the strength of a growing strategic relationship which is a very hopeful thing for both of our countries.

AMBASSADOR MENON: And it's there in public opinion actually. One thing that's sustained us through that negotiation of the 1-2-3 and the whole complicated domestic political process was the fact that we knew that 93% of the public supported it. Maybe not the NP's, but certainly the public was behind it and today they still sell real estate developments and (inaudible) was saying Palm Beach, and Nassau County and so on, and that tells you something about the state of mind and (inaudible) also how popular the US is in India.

And so it's not, I think the ground is ripe, it's fertile, it's ready. I think a lot of the work has been done to do the hard work that Nick is now saying we need to do on trade, on energy, on climate.

MS. MADAN: I'm going to turn to another spur for the relationship that Ambassador Menon, you mentioned in the book that the governments don't like to talk about but thankfully once you're out of government you write about, which is China. And, where you see that continuing to play a role, it clearly plays a role in the strategic congruence and the convergence, I think you've called it and others have the strategic glue. In terms of China however, you also talk about in the book in the context of the

US/India civil nuclear initiative and the consequences of that, in terms of the interactive nature of the various relationships, that it did make China make some different choices of its own, particularly vis-a-vis the Pakistanis. But we've also seen this discussion start again about the interactive nature of these relationships and China's role more recently over the last few weeks as Indians have looked at the international community's reaction to the attack against Indian Army positions in Kashmir when Russia continued a military exercise with Pakistan. There was concern that India is getting too close to the US and therefore Russia is at least keeping its options open in terms of both Pakistan and China. So, in terms of first China and Russia, and please do comment on this as well Ambassador Burns, how do you see this kind of China factor playing a role in the future and is there continuing concern that India is getting too close to the US and what will the consequences be for India's other relationships?

AMBASSADOR MENON: Well you've heard people say that since the late 90's, since the whole process of transforming India/US relations began, you've heard some Indians saying we're too close to the US. There are others who say you're not close enough and if you were closer you wouldn't face a lot of this.

My own sense frankly, is that it's a dynamic balance in the relationships. You mentioned China, you mentioned Russia, Pakistan, whatever, but ultimately both the US and India have a common interest in having a stable, steady, peaceful relationship with China, a China that's integrated into the region, that performs as a responsible power. Neither of us wants to see our relationship with China deteriorate or get much worse because of what we are doing and I don't think anything we do actually should cause concern on the Chinese side. The Chinese are more than willing to do exactly that if not more with the US themselves, but that's the way states behave.

The fact that there is commentary in India I think, is normal. We have a

very broad bandwidth of criticism for any policy in India and its part of the democratic way of making foreign policy. The difference I think in India, and this is an internal Indian issue, is that foreign policy has become a domestic political consideration to a much greater extent than it used to be say, when they started the process of transforming India/US relations so you hear many more comments like this saying, oh it's because of your relationship with the US that things are going wrong, or that you haven't done enough for this relationship and people are much more involved in this, and you'll see much more commentary. But, I don't think that changes the basic thrust of Indian policy nor does it change the fact that frankly, just as China has a relationship with the US so does India, US has a relationship with both, and none of us actually want this to deteriorate so I'm actually fairly hopeful that we can actually kick all these relationships up to a better level to where we can work better together.

There will be tactical consequences of individual choices I mean, you mentioned civil nuclear and I think you saw the reaction immediately with China selling nuclear plans to Pakistan and you can see some of it in the way the NSG is now playing out the NSU membership but those are tactical. But, as long as that basic strategic goal – as long as what I'm saying is right about what all three seek out of this, then I think we're okay. I think the tactical parts can be managed and that's what diplomats are for.

AMBASSADOR R. NICHOLAS BURNS: Shankar is a true China expert. He's one of India's great China experts, maybe the next book or a book or two away is Shankar's chronicling of his family's involvement, his grandfather, his father, himself over a very long time in India's relationship with China.

I think we have some similarities and differences. The similarity is that both of us, both India and the United States, have to see China as a partner in some respects. We've talked about climate, counter-terrorism. The three of us, because of our

weight in the world, are going to have to be working together on some of the big transnational issues for our own futures and the futures of other countries. What we haven't done yet is really even tried to pool the resources of the three countries together in a big initiative and that would be an interesting thought process. Where and how could we do that in the next 10 years?

But the reality is, and I'll just speak as an American, I don't want to speak for Shankar, is that we're also competitors with China for military power in Asia and for the Americans to balance partnership, and competition with a big country like China I think will be the most difficult foreign policy challenge for the next half century for our kids, our grandchildren, and for us as well and I think it's probably similar with India but not identical because India is a lot closer, there's a border conflict, there was a war not too long ago in the 1960's and so similarities and differences in this but wouldn't it be interesting to see these three countries take on a project together? It might build some trust and confidence.

MS. MADAN: Ambassador Menon, Delhi has watched that balance since India got independent and particularly since 1949 has looked at that balance that the US has tried to make between the competitive and the cooperative side with China and there are concerns about the nature of that balance, potentially what in short form is called the GII. Do those concerns still exist? And also, in terms of as India looks out or as you given your experience look out, what most concerns you as you look at China's rise?

AMBASSADOR MENON: I think with China we've for a long time now had a relationship which is as Nick says, has elements for cooperation and for competition at the same time and that's one of the hardest things to pull off actually, to manage a relationship like that. I don't think we did a very good job of it in the late 50's

and 60's, but we did manage in the early 80's to find between India and China a modus vivendi basically which was we'd discuss the difficult things but we wouldn't let that get in the way of building the rest of the relationship, trade and so on and we would cooperate where we could even on global issues or on other regional issues.

But, I think that modus vivendi maybe is no longer valid and that's what I think all these little signs of trouble that we see in the relationship of stress and I think it's time that we actually worked a new modus vivendi out between India and China so for me, that's the worrying part that unless we do that and do that successfully through a strategic dialogue which actually talks through various issues.

But, the balance itself is a much bigger balance than just the US and China and how it affects, or just US, China, India because Russia has always been a part of that, Japan has always been a part of that, and now these are identical. They might be allies with the US, or with somebody else, or they might be partners but this balance has constantly shifted to attain equilibrium right through this period and if you look at it from the end of the Vietnam War itself, you've had a series of balances and it has so far managed to keep the peace.

Why are we worried now about Asia Pacific? Because we see the world's greatest arms buildup. We see a sudden change in the balance of power with China's rise and the rise of other powers at the same time so we're not quite sure whether this equilibrium will come back or not and whether we can do it.

So, we share a periphery with this China, our periphery is their periphery as well so we rub up against each other in this periphery whether it's the Indian Ocean, South China Sea, and on land as well so that I think is part of the problem. I think this is where it doesn't matter whether it's India, whether it's China, whether it's Japan, we look to the US and the next US administration to see how the US is going to react to this. I

think that's where the US role becomes critical because the traditional security architecture, the hub and spokes US extended to (inaudible) worked so far. Will it work in the new balance of power? I don't know, people are nervous. If they weren't nervous they wouldn't be arming themselves the way they are throughout the Asia Pacific so I think that's what the new administration really should address right away, its commitment to Asia Pacific, to the security, and to actually building out an architecture together with the Asian powers that can keep the peace which has enabled Asia to become prosperous actually, which has made the rise of China and all that we've seen in Asia, the economic strength that you now see, made that possible.

MS. MADAN: You mentioned stresses in China/India relationship and China's relationship with a number of countries that we've seen recently but in the context of the China/India relationship, one of the perhaps more visible stresses over the last few months has been over India's desire to join the nuclear suppliers group. The book actually talks about the waiver that India received in 2008. There have been a lot of comparisons made to that time and one of the things that it would be interesting, I'm sure you'll be asked about this a lot particularly when you do the book launch in Delhi, but what are the differences that you see particularly in international context that people haven't really seen or pointed out, or similarities for that matter?

AMBASSADOR MENON: Again, big differences. We sought an individual except for ourselves in 2008. Now, we're seeking membership, which is much broader and potentially has applications to other countries and so on, so the countries that have to decide on it decide on it differently.

I would love to say that we got 2008 because of our brilliance and how well Nick and his successor Bill Burns and all of us worked together to get it done. I think that's partly true but it's not the full explanation. But luckily history doesn't repeat itself

and today you're in a very different situation in the NSU.

My own sense is that frankly, India today has the exemption, can cooperate with any NSU member who is willing to cooperate, can do what it needs to so frankly, the membership I'm not sure is actually as necessary today as the exemption was in 2008. I think it's a very different category of issue today.

MS. MADAN: There's also in the book, for those of you who are interested, a chapter on the 1993 border peace and tranquility agreement with China, one of those times where the cooperative side did come out and I was going to ask you about what the prospects of the border settlement or boundary settlement are now but I actually wonder, and I want to get to Q&A, but I also want to get to a couple of other questions, particularly given what's been going on in South Asia in the last few weeks.

You mentioned in your chapter on the Mumbai attacks called restraint or repast, you say at the end of that chapter the aftermath of the Mumbai attack also revealed the limits of diplomacy and then you say if India is forced to make a similar choice in the future, are you sure it will respond differently.

Now, we've seen the Modi government's reaction in the last few weeks after the attack on the military positions that I mentioned in Kashmir. What do you make of the choices that he has made and would this have been, as we look ahead, particularly this was in Kashmir, it was against military positions, what are the things that the government will consider, the policy makers, what choice will they make had this attack been in another part of the country potentially in Delhi and Mumbai but also with a large number of civilian casualties?

AMBASSADOR MENON: Well, I think the choices that this government made now in responding to and how it did it, I think they were very clever choices. They were good choices and they were correct and I'm glad they brought up my prophecy in

the book but the reason I said that was actually because if there was going to be a similar kind of attack it obviously meant that deterrents had failed, that restraint and the deterrents that it produced whether in terms of international pressure, diplomatic isolation, in terms of also whatever India might have done covertly in the meantime, that all that had stopped deterring further such attacks so the government will have to consider a different response thereafter and that's really the logic, that's why I made that predication.

I think what they've done now stays within the boundaries of strategic restraint because ultimately from an Indian point of view, this is on Indian territory, against terrorists, preemptive against the launch pads before they were about to hit India again so it stays within the overall framework of strategic restraint but it also does change the calculus certainly for the terrorists and their sponsors and that part I'm not sure. I really don't know, I'm not party to government thinking or how it thinks these issues through so I don't want to speculate on what would happen if it were a mass casualty terrorist attack somewhere else in India with very large numbers of civilian casualties but I think that would be very risk for anybody to try and do that. There is a risk there.

MS. MADAN: Ambassador Burns, many American governments have had to deal with India and Pakistan crises and we've seen in the last few weeks that the White House, on the day that India took action across the Yellow Sea, make a pretty strong statement of support. You've been in an administration, Strobe was in an administration with Kargil, that has seen us contributing, and you've seen the last three administrators, contributing to what people call de-hyphenation of the relationship. A number of people wonder if that will return at some point. Is that something that you foresee happening, that is the US re-hyphenating between India and Pakistan?

AMBASSADOR R. NICHOLAS BURNS: I think it would be a great

mistake if we attempted to frame our relations with these two countries in some kind of you know, we have to have equal treatment, and equal levels of interest because we have an entirely different relationship with India, much more positive, much more engaged, much more integrated than we do with Pakistan and when Shankar was talking about Kashmir, I was thinking back to the strategic situation that Strobe dealt with as Deputy Secretary was entirely different. We had a closer relationship with Pakistan, we had a higher degree of mutual interests with Pakistan. President Clinton and Strobe were able to play a role of diffusing a crisis, the Kargil crisis, because of the influence we had in Islamabad. I don't think President Obama has that degree of influence now, the US Pakistan relationship has clearly suffered because of our lack of confidence in Pakistan over its inability to fight terrorist groups on its own soil that have led to the deaths of Americans in Afghanistan, our soldiers in Afghanistan.

You've seen this big swing in America's confidence and trust in Delhi and a decline in our confidence and trust in Islamabad so I don't think President Obama can position himself, nor do I think that Delhi especially would want him to, as some kind of evenhanded mediator and I do think that Condi Rice was absolutely right in March 2005, when she first went to India as Secretary of State and she said it does not make strategic sense to the United States to have some kind of equal strategic interests in these two countries when clearly our relationship with India is rising and I would never want to see us to go back, but Strobe might want to comment on this and certainly Tezi and Howie, Ambassador Singh, there are a lot of people here who have more experience on the Pakistani side than I do.

MS. MADAN: One final question from me for both of you and then we'll turn to audience Q&A which is, you both served in different administrations, across different administrations. The subject of continuity and change in Indian foreign policy,

the book suggests as you call it bold steps or bold decisions but then cautious implementation in terms of the tactical steps but actually talks about some of these moments of change. You also talk a lot about the continuity in Indian foreign policy over time. What do both of you see in the last two years? Are there changes you see in the Modi government's approach to the world but also to the US that you would identify that moves away from some of the continuity?

AMBASSADOR R. NICHOLAS BURNS: When Prime Minister Modi took office, I think a lot of us didn't quite know how he was going to approach the United States because of the fact that we had denied him a visa when he was Chief Minister in Gujarat and yet, how often do we think about that issue now? It's completely disappeared and I've not been part of the Modi/US relationship, I went out of government, but I've been struck by the singularity of purpose in Prime Minister Modi in elevating the US/India strategic relationship and as I've said before, I think all of us, and a lot of us have lived the red/blue divide in Washington where the two parties don't agree on a lot of issues but the exception is India, where the authorship of the strategic relationship is both republican and democratic and it's BJP in Congress so I expect our next President, no matter who it is, to be able to ride that wave forward and expect that both political parties in the United States will support a big relationship with India. Modi has been very clear that he wants a deeper relationship. I think he's been most clear of the last three or four Indian Prime Ministers about what he wants to achieve with the US.

MS. MADAN: Menon, changes?

AMBASSADOR MENON: In terms of continued (inaudible) I actually see a great of continuity. Quite apart from election rhetoric, and so on, and political attacks across the yard, as Nick said, there is actually bipartisan consensus on most of the issues. If you look at what the Modi government has done, say the boundary relation and

boundary agreements, you know -- what (inaudible) with other neighbors. What it tried to do with Pakistan, as well. Actually, there is continuity with -- but there is also evolution. And I would say the relationship with the US is an instance of learning, of evolving, and of trying to build on what there was before, and to kick it to a whole new level. I mean, it really has invested very heavily in that relationship, and brought it up to a level which I think is much higher than it ever was before.

So there's been evolution. But most of this is logical evolution from the past. So for me, therefore, I would stress the continued -- I find that very reassuring, actually, because it suggests that it's Indian policy, so it'll stay. It'll last. Also, it reflects Indian interests. If it didn't, it wouldn't be Indian policy and -- so for me, actually, this is better. It also guarantees it'll stay bipartisan as we go forward, and for me, that's important because it's very difficult to run a successful policy if it's very fractious at home, and very divisive at home and if -- so I'm -- I actually think the evolution has been good. That doesn't mean that, you know, this government won't -- doesn't face new issues, issues which weren't faced before. And that's why they have to innovate.

In some senses, it's a strange thing to say. I used to keep saying, "Where's this government's vision?" It's actually good they don't have one because they've -- they can react pragmatically to what they see, and they can do the things that they need to do in foreign policy, at least. And this is -- so I actually find that refreshing -- this pragmatism which we've seen. So that's my answer to continuity to a change pragmatism --

MS. MADAN: But if --

AMBASSADOR MENON: -- and more continuity than I'd have expected.

MS. MADAN: And of course, it also means that -- the one difference is we all have to be on Twitter if we follow Indian Foreign Policy. And I would also point out

that Ambassador Menon has recently joined Twitter --

AMBASSADOR MENON: Yesterday.

MS. MADAN: -- yesterday.

AMBASSADOR R. NICHOLAS BURNS: Just joined?

AMBASSADOR MENON: Yesterday.

AMBASSADOR R. NICHOLAS BURNS: I'm following you.

AMBASSADOR MENON: So I have no idea how this works. So please don't expect anything from me on Twitter as I learn.

MS. MADAN: You can follow him @menon49?

AMBASSADOR MENON: Menons49, please.

MS. MADAN: We will tweet about that later. But I'll turn now to audience question and answers. Please identify yourself and if you could keep your question or comment short, that would be appreciated. Questions? We'll start here and then there. We'll take a couple questions.

QUESTIONER: Michael (inaudible) from the GW. In the past when people talked about Indian Foreign Policy, especially Indians, there would always be some mention of non-alignment. Now today, none of you mentioned that. So is that -- can we assume that that is something that just belongs to the past, and just maybe is repeated perhaps out of ritualistic purposes? Or does it still have any force in terms of India's sense of itself in relation to the outside world as a whole?

AMBASSADOR MENON: I think the problem is, who is there left to align with? The -- and I think the word you hear now is strategic autonomy as a, sort of, goal or policy. For me, it means the same as non-alignment did, but clearly that's not how it's heard outside. I think the rest of the world treats non-alignment as somehow a Cold War

construct and within -- and it has a certain meaning. It seems to have a whole set of connotations that come along with it for the rest of the world. Which is why I think in the US, I find that non-alignment borders on the derogatory. And the way most people speak of it. But for me, it's the same thing as strategic autonomy and that, I think will remain an Indian goal partly because of the sense that India is unique in many ways. In its position, and the nature of its society, its economy, and what it needs from the International Order. So there is a very strong streak of Indian (inaudible) which, I think, the only country it would match us is the US, maybe, in this. And therefore I think that strategic autonomy as a goal will remain, no matter who is in power and across the political spectrum.

AMBASSADOR R. NICHOLAS BURNS: And just my quick addition. I agree with everything. Sean, he's the authority on this question is, I think what we've had to learn -- and I don't know if I explained this properly before is that Americans are used to dealing with allies, and we're the most powerful in the equation. US, Japan, US, Germany, US, Australia, US U.K. And it was a learning experience for us. To develop this strategic relationship with India because India is equal. It's not a junior ally of the United States, and I think -- I never felt this way, but I felt the pressure in the Bush administration, particularly from Congress, as I said. That whenever India asserted itself in a different way, we got a call. What's happening, why are you close to India when they're not agreeing with you?

AMBASSADOR MENON: I'm so glad they rang him, not me.

AMBASSADOR R. NICHOLAS BURNS: And this was a very different relationship that we're constructing, than an alliance relationship and it's equally valuable in strategic terms between us. So that's what we've had to learn. I think we're -- we've learned that lesson in the last decade.

MS. MADAN: We'll take a couple of questions together. The two here

and then after that, we'll move to this side.

SHAYMUS WHITE: Good morning, Shaymus White. So I'm a student at GW, and I did buy your book, sir. So India's an incredibly diverse country, ethnically, culturally. And it has, in certain areas along its border, there's old ethnic and cultural connections across international borders, as opposed to within them. And so, in what way does that diversity impact India's foreign policy decision making? Thanks.

AMBASSADOR MENON: Well, I think in most of our -- across most of our borders what you say is true. And measles on our side, (inaudible), camels, Sri-Lanka, every border along the ivory coast. So it's the approach that the last government took was to say that, to the extent we can, we need to make borders irrelevant. And that used to be something that (inaudible) used to speak of very often because the lines are artificial. As you said, they cut across ethnic -- they cut across the fact that this used to be one big market, economically, for most of history. And so if -- but changing boundaries affects people's, you know, state sovereignty, the idea -- that's a very difficult thing to do. And it's much more complicated. So the intent was constantly to try and make them irrelevant to people's daily lives. Make travel easier, make trade easier, make tourism, whatever. Make it possible for people not to worry about these -- and to build the connectivity across these boundaries. We still have a very long way to go to achieve that kind of state. Partly because the politics, the -- you know, there is -- there is strong domestic political reasons in most countries to maintain these and the ideas of walls is attractive, unfortunately. In most societies, there is a small segment, too, and it becomes a sovereignty issue. So those are hard to do, but that's really the way I would rather think about it. Is how do we make them irrelevant? Because this is -- this can be a huge source of strength in terms of pacifying the periphery in terms of relationships across these lines. It could be a great sense -- source of strength. Right now, it's 50/50. It

works for and against the -- your goal of a peaceful periphery.

MS. MADAN: And the chapter in the book on Sri Lanka actually covers some of the -- how the -- some of the ethnic similarities plays into domestic politics, and then foreign policy. We'll take the question back there, and then (inaudible) over here.

QUESTIONER: I am Prakash (inaudible) from Bridging Nations Foundation. And for a long time, we have been working towards this US/India/China -- what we call, Power Triangle, Prosperity Triangle. And there is quite a bit of any time -- many times for their fine people to say real interest of United States and India is to really make India the hedge against China. Leaving that aside, I would like to ask Ambassador Menon in terms of the security consulate at Mission for India, that has been talked about and is a ticklish point for long time. Do you seen -- since you know China so much -- that it is possible that China might change their position and allow India to be permanent member of security council? Or do you think they need to do something because US has already supported the prospect, too, after a long time. But when President (inaudible) visitor in (inaudible) and I think -- I forgot the year -- he has support. So the only person holding back to get India in the security consulate channel. So you can tell us something about it?

AMBASSADOR MENON: Well, I can't speak for the Chinese and I can't -- I don't know whether the Chinese are going to change their mind or not. You know, you need a moment when -- what is it -- 128 --

QUESTIONER: 128 members.

AMBASSADOR MENON: -- members of the General Assembly, all five permanent members of the Council, altogether at the same time agree that India should be a permanent member. Those conditions don't exist, and it's more than just China, actually if you look at it. When those conditions will exist, I really don't know. I'm only a

former diplomat, not an astrologer.

MS. MADAN: Nick, did you have anything on this?

AMBASSADOR R. NICHOLAS BURNS: I think the reality is that China's been blocking India but within New York, or on the nuclear suppliers group question. If China's been blocking Japan, China doesn't want them to see an expansion of these World War II era international institutions to look like the 21st Century. Chinese are going to have to accommodate themselves because at some point, the pressure's going to be too much. We will get in the variable geometry, to 128 votes but it'll be a big expansion because you need an African country, you need Brazil or Mexico. You certainly need Japan, as well as India and we've not been able to figure this out in 30 years. It's all about geometry -- political geometry. But China is -- you can be sure -- not in favor of what the US -- President Obama wants India on the security council.

MS. MADAN: Actually I'll hear a (inaudible).

QUESTIONER: (inaudible) and I am part of the expanded Brookings home team, and it's lovely to see you, (indiscernible.) First of all, I must thank our distinguished visitor for having given my husband and me quite a lot of time when we were working on the book we published earlier this year and we're eager to read his book. But I wonder if you would be willing to expand a bit on a subject that has been touched on, but only very briefly, namely India's economic footprint in the world. What do you see as the -- what do you see, and what do you think the current government sees as the strategic importance of trade negotiations? This is an issue that the United States is painfully wrestling with, and India's doing some of the same wrestling. But how important is this for India's broader strategic impact on the world? Is there a choice that needs to be made about taking another bet on globalization which was successful the last time? Or is this an area where India can basically avoid that choice, and avoid

difficult -- the difficult political consequences it faces and how much does it matter?

AMBASSADOR MENON: Well, I think there's no question that from -- there's a very strong strategic argument to be made in India for a much more open, outgoing trading -- trade policy than perhaps we've had before. But this is a very hard argument to make domestically. You see the same thing in the US. It's very hard to argue in Congress or in Parliament, that look, you need to do this for strategic reasons. You need to open up your market. You need to do whatever it is, standards, trades, levels. But you're asking somebody's who's completely ignorant about this and since we're talking home team, we have really the expert on this sitting in the audience (inaudible) from Brookings, India, who runs Brookings, India. Used to be NWTO -- and used to be the Deputy Head. So really, I think we should ask him to answer this. Will you?

QUESTIONER: No.

MS. MADAN: Do you want to? Or we could leave it for an entirely different event, but please.

QUESTIONER: Both are possible, but very quickly. I always feel that when one looks at globalization, or multilateralization, one forgets that it involves more than one party whenever one is looking at it. Therefore, you define multilateralization in terms of the way you would want it to be and how -- the way it will go forward is when each side recognizes the interest of the other, and moves in such a way that there is a landing zone. It's not that India is not in favor of multilateralization. In fact, India realizes the strategic importance of a global system, as does the United States but the reality of the situation is that politics in the United States, much more than the politics in India. Actually comes up with demands which are very difficult to multilateralize [sic], and in that context, the only way you can move in multilateralization is by not looking at a large set of issues but issues where you can actually have a landing zone. So within the W20, you

have got something on agricultures, export subsidiaries, there is ecommerce being worked on. There is -- there are efforts through different kind of negotiations on IT, India is not a part of it. Why India is seen as not being an active part of it is also because the domestic industry does not feel strong enough to face competition in a major way and India is making efforts to remedy that. It wants to acquire technology, it wants to facilitate doing business. In sort of the bottom measures, its mistaking the -- but the straight policies also inside the border and India is actually very open in facilitating on the -- inside the border trade policies. Maybe not as much as some of the other outside might want it. So when you take a look at it, it's a process where hopefully it leads to situations where multilateralization will take place more and more. And it doesn't serve India's strategic interests at all to be out of bilateral agreements, but I think at present, its part of domestic policy and domestic industry does not feel comfortable with opening the market in a big way. So that needs to be prepared in a transitional manner, and only when people understand that will the multilateralization take place.

MS. MADAN: We're going to take a group of questions so that we can get a few more in. We'll take the three over here.

QUESTIONER: Thank you very much, Madam. I am Dr. Chowdhury with Parks and American League. My question is -- part is with Ambassador Burn. He mentioned World China, and then triangle, and then security pact with so many countries extending (inaudible). How do you think China perceives it and takes it? Chinese think it's not a triangle. It's a Bermuda Triangle for them. So how do you help them to overcome that, kind of, skepticism when you have so many friends and allies all around China? What friends and allies China has in this region? And for Ambassador Menon, you -- India is not a country. It's a continent and is emerging as a global player and a global power player. And that is fine. But don't you think it will be much easier for India

to become global player and a power player after reconciling with the -- all its neighbors?
And Tanvi, you mention about ratio parks and it -- just a half second.

MS. MADAN: Can we -- please. We've got a lot of questions. Maybe we can take that up when we can discuss it later. Thank you. Charlie? Charlie, did you have a question?

CHARLIE: Yes.

MS. MADAN: Right here and then we'll go back there.

CHARLIE EBINGER: Thank you, Tanvi. Charlie Ebinger, Brookings. Ambassador, I wondered if you might comment on what you see as the relations between Delhi and Katmandu. As you know, there are at least a number of political parties in Nepal that are constantly skeptical about what India's motivations are, even when you do wonderful things like help them after the earthquake, and so forth.

MS. MADAN: Then we'll take that one there right behind.

QUESTIONER: Thank you very much. My question was also on Nepal, so I'm going to add to that. To Ambassador Menon, there's fear among Nepalese these days that India will impose some, kind of, economic embargo in Nepal because the constitution amending process is not exactly moving towards the direction that some restive groups in the southern tribal would like to see. So and apart from the political rhetoric, our inept leadership has not been able to diversify Nepal's dependence on India. So -- and as we have experienced, something like economic blockade, we affect the ordering and receipt since the most, not those few who are in power. So people are really worried. So I want to know your view on this. What would be India's next (inaudible) on Nepal, and to what extent this fear is reasonable or unreasonable? Thank you very much.

MS. MADAN: Two questions on India's neighborhood and China's

neighborhood.

QUESTIONER: You want to go first?

QUESTIONER: Yeah.

QUESTIONER: After you?

MS. MADAN: We're doing the very Indian belly up.

QUESTIONER: Yeah.

MS. MADAN: You first.

QUESTIONER: But he's the star.

AMBASSADOR MENON: Well, would reconciliation with neighbors help India's quest to be a (inaudible). Certainly whether it helps the quest to be a (inaudible) or not, it's what it's doing for itself and I think that's part of the problem. That as long as you look at India's relationship with her neighbors as part -- as a subset of a much bigger problem. Whether it is -- you look at it is as what does India/China relations offering me as opportunity. Or you look at it as, how does it help India vis-a-vis the rest of the world in its global stature? I think you stop dealing with those relationships the way you should in terms of their own intrinsic merit and addressing the issues that exist. So a simple answer to you is, yes, it would help considerably. But I don't think that's the important reason why India should have better relations with her neighbors. I think they're good enough reasons in those relationships themselves for India to actually make that extra effort -- which I think India has done over time -- has tried -- and will keep trying because India more to lose if those relationships go worse. That's the way I look at it.

For the Nepal relationship, you asked is this fear reasonable? This fear of an embargo, I don't think it's reasonable because I think the last time what happened was, a very strange un-categorization of political circumstances. You had weak coalition government in Katmandu, which had made various promises to get into par and one of

the promises that they would give up and didn't want to give up and found it useful, therefore, cloak themselves in this hyper-nationalist sort of atmosphere, saying, "We're going to stand up." Also, because you had essentially an elite -- Katmandu elite wanting to get their constitution done, so that the 46 percent of the population in the (inaudible) would have less than 28 percent representation in parliament. That's one side of the equation.

On the other side, you had an election in Behar (ph) which is where many of the Madhassis (ph) and where those very strong political sentiment pushing the government of India, saying, "Do something about this? How can you allow the Madhassis, who are a fairly sizable chunk of the Nepalese population, who for the first time got a voice after the democratic revolution in 1990, now, to suddenly lose all their ground, after the election and a new constitution? So, you had this peculiar combination of circumstances, political circumstances on both sides, which actually forced you into that. Is that going to happen again? No, I don't think so. I think both sides have made it quite clear, the present government and the parliament (inaudible) just now when he came to Delhi, the Indian government also has made it quite clear, "That's not a happy state to be in. We don't want that. We don't want to have that kind of event occur again." And I don't think you'll have that same combination -- political combination of forces at the same time on both sides. So, I don't think it's a reasonable fear anymore

MS. MADAN: On China (inaudible).

AMBASSADOR BURNS: On Chinese sensitivities, I would simply say that the most dynamic, strategic initiative of the last four or five years has been shaded in pinked, pushing out into the Paracel and Spratly Islands of the South China Sea, the Senkaku Islands of the East China Sea. And you've seen a reaction from Viet Nam. For a time from the Philippines, all that's changing. Certainly,

from India; certainly from the United States; certainly from Japan, from Singapore, from Malaysia and so all of us understand, neither Shrunk (ph) or I have used the "C" word, contained. We can't in any meaningful way contain China. And we have an important strategic partnership with China on many issues, but if China is going to fundamentally violate international law and conventions in the South and East China Sea, there's has to be a response. And you're seeing that in the construction of a closer Japan-India relationship; that's a signature Narendra Modi initiative in Abe and in our relationship with India and Japan, and the Chinese have to understand that.

And the permanent court of arbitration made a resounding verdict this summer, eventually denouncing China's actions in the South China Sea. So, no one wants conflict with China, but we have to stand up and protect the rights of democratic countries and that's what President Obama and Prime Minister Singh and Prime Minister Abe have been doing.

MS. MADAN: What we're talking about China's neighbors, just a quick question, not that it can be necessarily a quick answer, but one of China's neighbors, North Korea, any new president here that potentially the whole of Asia is going to have to grapple with the crisis potentially in the next few years or the next year over North Korea. How does India see -- this is not something that often is talked about, but how does India see kind of the development of nuclear missile capability and the increasing technology kind of capability on that front? And if you want to add anything on how you see the situation developing as well.

AMBASSADOR MENON: I think we made it quite clear that we don't like it. We don't like what we're seeing. That we don't think that the existing mechanisms actually have provided a way forward so far, but do we have something better to offer or suggest? I'm afraid not, not yet. I'm -- I'm really not sure because for

me, this is potentially the most dangerous flash point in the Asia-Pacific today because it's unpredictable. In South China Sea, East China Sea, essentially between rational states, I mean, so therefore, it's -- I would think therefore, you could deal with it through the traditional ways that we're all schooled in.

This (inaudible), no. I'm not sure that we can. So, I actually put it way up there on the list of priorities of things that a new administration would have to look at.

AMBASSADOR BURNS: I agree with Shivshankar. I think for the next U.S. administration, the nightmare issues where there are no obvious answers are Syria and North Korea and I think President Obama has tried very hard to convince the Chinese to be partners with us and to have China use some of its considerable influence to effect -- limit the behavior and the buildup of the nuclear weapons industry in North Korea and yet, China seems to prefer the status quo of a divided Korean peninsula of the existence of North Korea under its current leadership, than it does to using the influence in such a way that could possibly weaken the regime, but dealing with the problem. China prefers the status quo, does not want to use its influence, fears a united Korea aligned and allied with the United States. So, if China is not part of the answer, it's really difficult. Bob Einhart (ph) has, I'm sure has thought deeply about this.

But there are no obvious answers. We've tried diplomacy twice in the Clinton and George W. Bush administrations and we've been burned both times by the North Koreans. They've not honored the agreement. But within 10 years and I just came from Seattle -- I was speaking at the University of Washington on Wednesday night. You can be sure that they're focused on this because in 10 years' time, the North Koreans will have an ICVM, presumably -- a nuclear weapon that can hit the West Coast, Washington, Oregon, California, Arizona, the Rocky Mountain states and that is unacceptable that our country might be held in nuclear -- you know, by Kim Jun Hyung.

So, I don't know what the next administration should do, but clearly, our smartest people and they're a lot of people in this room smarter than me on this need to think through this and give the new administration -- the new president some -- some basic options here.

AMBASSADOR MENON: Can I add to what he said? There are five communist regimes left in the world today. One in the western hemisphere, the other four in [audio gap] -- if the regime in North Korea would fail, it would, I think, in the Chinese -- the leadership's mind, set a very bad example to their own people. And I think that's one reason why we see the situation that Nick is speaking about. So, I think you need to factor that into whatever steps you're going to take.

You can't treat it purely as a nuclear proliferation issue or a missile proliferation issue, or as purely an arms control problem. I think we need to deal with it within that political context as well, somehow.

MS. MADAN: We'll take another (inaudible) questions. We'll take these two over there and over here as well.

MAN: Thank you, Ambassador, for coming over here and speaking about Indian foreign policy. There's one thing that is not mentioned in Indian foreign policy a lot and since '91, after the liberalization happened, if there's any relationship that has progressed as much as the Indo-U.S. relationship, is India's relationship with Israel. But we have not had any prime minister or head of state with Israel until now and like a lot of balancing has been going on in Middle East in regard to that specific country.

So, how do you see that specific relationship moving forward, especially because you've served over there? And is it just going -- because they're becoming our largest supplier going into the future, so how do you see that relationship moving forward?

MS. MADAN: We'll take that question in the back and a question here.

MR. SHRIVAS: Thank you, my name is Conan Shrivass (ph) and my question is for Ambassador Burns. You said trade tripled between -- you said trade tripled between India and U.S.

AMBASSADOR BURNS: Quadrupled -- quadrupled.

MR. SHRIVAS: You also said -- you also said trade is the number one thing that could be a stress. So, can you elaborate a little bit about that contradiction or maybe there's an opportunity.

MS. MADAN: And we'll take one question here and then go back to the panel.

MS. CARTIER: Thank you, Veronica Cartier. Ambassador, what is India foreign policy in strengthening regional nuclear deterrence and reassuring defense for allies and partners in the Asia Pacific region based upon international partnership, nuclear disarmament verification of IPMDV and also, the related question with current situation -- the aggression of North Korea and China. Is there, India foreign policy included in (inaudible) missile -- missile early warning to protect the region? Thank you.

AMBASSADOR MENON: Well, on the Israel question, it's a relationship which became -- well, formerly, India recognized Israel the day after it was created by U.N. resolution in 1948, but didn't establish an embassy. There was always an Indian consulate in Mumbai, right through the period and actually had a fairly solid relationship right through that period, even without an embassy. It's just that under the Natsmera (ph) government in '92, we actually established an embassy. We decided to exchange ambassadors and since then, the relationship's gone from strength to strength.

We did that in a context where there was hope that the Palestinian issue would be settled. There was a Middle East peace process and India has consistently

looked at that relationship, not just for the bilateral benefits because there's a lot that we can do together -- we do, do together in agriculture and water, in defense, as you said, but also, for how that relationship can help. We were actually encouraged by Yasser Arafat to establish an embassy. Because he said it's important that the Israelis should actually hear from you and hear other points of view, rather than just listening to themselves in an echo chamber. Of course, that -- we know where that ended. That didn't end very well.

But the fact is that Israel is one of the major regional parts. We have a huge interests in stability in West Asia. With seven million Indians working there, with 63 percent of our oil imports coming from there; with almost, I think, it's one-third, two-thirds of our remittances coming -- well, that's \$72 billion, I think year before last. SO, we have a huge interest in stability in the Middle East -- in West Asia and the relationship with Israel is therefore, very important to that. So, we have a larger interest also, in that relationship. Where is it going in the future? So far, it's been steadily improving and going up and as far as I can see, that's the way it will go in the future. It's going to get much better.

The other question about nuclear -- the situation in Asia. I think, you know, what we're seeing in Asia today is that the older certainties of U.S. extended deterrence to allies, like the Philippines, like Japan, like the older sense that there was a stable nuclear balance which would keep the peace, I think that sense is eroding. Otherwise, you wouldn't have to have third deployments in Korea. Japan talking about it; Indian working on ABM measures; China working on, not just various ASAP and other space capabilities, but also, on ABMs on other (inaudible) their missiles. So, what you're seeing is a moment of transition in nuclear developments in the Asia Pacific. And this is true of all of us in the region, including, I assume, therefore, that non-nuclear weapon

states, like Japan, South Korea and so on are also looking at these developments and wondering how they can cope with it.

Where do I think it will go? Obviously, I mean, the Indian standard is clear. We think that a nuclear weapon-free world would be much safer, much better for all of us. Would increase our security, but that's not happening tomorrow. I don't think there's any sign of that coming about. So, I think today, unfortunately, there's nowhere where we discuss these issues. Nowhere where the region as a whole looks at these questions and there is no one place where I know of, the new sort of nuclear paradigm for the region has been thought of. I think there's a lot of work here to be done.

Maybe somewhere in Brookings -- maybe Bob can help with this because I -- it is worry. I mean, it does worry me when I look at so many changes, all in a very short period of time that the calculus of deterrents has really changed for many of us in the region.

MS. MADAN: Solange (ph), you get the last word.

SOLANGE: Thank you. Very quickly, our companies have produced a quadrupling of U.S.-India trade and a big increase in Indian investments in the states and U.S. investment, India. Our countries, our governments disagree on global trade talks. How to arrange them; what should the principles be; how do to deal with intellectual property rights, that kind of thing. So, the private sectors have produced this big advance in the economic relationship, but the governments have ideological differences. Now, that's complicated by the recent turn against trade in the U.S. by all of our presidential -- Bernie Sanders, Secretary Clinton and Donald Trump.

So, I think the U.S. is going to have to sort itself out in the next couple of years. Are we a free trade country or not? Do we want to see the TPP even renegotiated, go forward or not? Translator, Trade and Investment Treaty, but the

companies have produced this big increase and trade's very, very positive for the relationship.

MS. MADAN: Thank you all. I know there are more questions. I'm sorry. We've run out of time. I know you can catch the panelists after. Please join me in thanking both Ambassador Menon and Ambassador Burns.

(APPLAUSE)

MS. MADAN: Copies -- copies of the book are available outside and Ambassador Menon will be there and sign a few copies for the next 15 minutes or so. Thank you.

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

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