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FALK AUDITORIUM

INDIAN PRIME MINISTER MODI  
VISITS THE U.S. AND ISRAEL

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**Panel 1: U.S.-India Relations:**

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**Panel 2: India-Israel Relations:**

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

MS. MADAN: Good morning, to all of you. Welcome to Brookings for this event on Indian Prime Minister Modi's upcoming visits to the U.S. and Israel, which are co-hosting as the India Project with the Center for Middle East Policy.

I'm Tanvi Madan. I'm director of the India Project, and a fellow in the Foreign Policy program.

This first panel here will discuss the first trip that Modi will be taking ahead of trip his to Israel, this is his trip to Washington, on June 25<sup>th</sup> and June 26<sup>th</sup>, and it will be his first face-to-face meeting with President Trump. They have spoken on the phone three times, but it will be their first face-to-face meeting.

Three years ago when Prime Minister Modi first came to the U.S. as Prime Minister, that was his first trip as Prime Minister; he had been before, American policymakers saw that as an opportunity to engage the leader of a strategically important country. Given the limit of official engagement with him before he took office, however, with much uncertainty about the approach he would take towards the U.S., and uncertainty about him in general.

Today, it is now Prime Minister Modi's turn to engage the new U.S. President, with whom there's been limited interaction, and about whom there remain many uncertainties.

His upcoming visit will be his fifth to the U.S. as PM, his fourth to Washington, and it will be, as you all know, a very different Washington that he comes to than he did a year ago, this month. What have been the drivers of this U.S.-India relationship that he has been developing and doubling down on over the last three years that he has been Prime Minister? And we'll discuss this from both the U.S. and Indian perspectives.

How might the terms of the engagement change under President Trump? And where would the defense and economic relations stand, and what might we expect from this upcoming visit? These are some of the questions we'll discuss, and more, with the great panel that we have today.

On my left, Ambassador Nirupama Rao, who has been Indian foreign secretary, as well as India's ambassador to the U.S. and China. She's now a public policy fellow at the Wilson Center for the

summer.

To my right, Jamie Fly who is back in think tank world now, as a senior fellow at the German Marshall fund of the U.S., and previously was counselor to Foreign National Security Affairs to Senator Marco Rubio from 2013 to 2017.

To my further right is Joshua White, associate professor of the practice of South Asian studies at Johns Hopkins University School of Advanced International Studies. Josh was senior advisor and director for South Asian Affairs at the National Security Council in the Obama administration.

And finally, to my further left is Richard Rossow, who holds the Wadhvani chair of U.S.-India policy studies at the Center for Strategic and International Studies, and has been, for a number of years, almost two decades working on, among other things, U.S.-India business and economic relations.

We'll start this discussion with Ambassador Rao, who will be giving us an Indian perspective of where the U.S. fits into Indian strategy and what Prime Minister Modi will be looking for from the this visit. Ambassador Rao?

MS. RAO: Thank you. Thank you, Tanvi. And it's a privilege to be here at Brookings and to share this panel with so many distinguished experts. Thank you.

So, the questions were, where the U.S. fits into the Indian Government's strategy on the eve of the Modi visit to Washington, obviously that's a very relevant question. And a related question is what Mr. Modi will be looking to get out of this visit. The second question obviously flows from the pointers established in the answers to the first.

Now, the Modi Government clearly references its U.S. relationship on the basis of all the highs achieved over the years since 2014 particularly, good leadership level chemistry with the previous president, an enhanced defense partnership, clean energy cooperation, high profile military exercises, maritime cooperation in the Indian Ocean, pivoting, that's on the part of the U.S., the U.S. pivoting to India, as against China; the great emotional highs involving interactions with the Indian diaspora during Modi's previous visits, and the (inaudible) bond with the likes of Mark Zuckerberg, also (Inaudible).

The conjunction of the stars seems just right for this relationship. Now, this new best friend relationship was important and vital in many ways, for its enhanced security component, the openings it provided for access to high technology; the field denied, as you know, to India in past decades

of estrangement, and innovation; counterterrorism cooperation and information sharing, the natural partnership patterns developed to counter China's growing influence in the Indian Ocean, and the Asia-Pacific, involving a cooperative network of like-minded democracies, like Japan, India and the United States; the dehyphenation with Pakistan, and the recognition of India as a paramount force for stability, economic growth and development in South Asia.

What the Trump administration inherits therefore is a relationship in a good state of health and many visible signs of mutual confidence and comfort, quite different from the past. Now, there is not much to suggest in my view, that the new President has the intention to venture forth on a course correction, where relations with India are concerned. There obviously is no need for that.

In a fundamental sense, the outlook on India is positive, even if Mr. Trump's remarks on India in the context of the climate agreement, which the U.S. has quit, may have caused some consternation. Or for that matter, the whole issue of H1B visas and quotas for skilled information technology industry workers, a matter that is monitored with some anxiety in India.

I believe it will be Prime Minister Modi's focus during this visit to establish a good chemistry and a cordial understanding with President Trump, one that reassures the latter that India is a reliable and dependable partner democracy of the United States. A pivotal state that can work together with the U.S. for the advancement of common strategic interests in Asia and the Indian Ocean, that making America great again, is not at all in dissonance with India's rise.

In fact, it should Mr. Modi's refrain that U.S. investment in India's modernization is good for making America great again mission, because India's economic growth and political and strategic influence, as a natural partner of the United States in the world reinforces American resurgence.

The visit should also provide an opportunity for the two leaders to discuss their vision and strategic direction for this relationship over the next decade, and its place in the global arena. Growing defense cooperation and the supply side of this relationship involving equipment purchases, has also joined research and co-production can help generate jobs for American workers.

There is scope also for intensified dialogue between military establishments and training commands in both countries, as also putting in place, technical provisions for better interoperability in humanitarian assistance and disaster relief, counter-piracy and freedom of navigation operations.

Now, Indian willingness to share burdens of security to the extent of our capabilities that will augment support for U.S. stature and influence in the region of the Asia-Pacific, Afghanistan and the Gulf, will also help address issues of trust and confidence that may be raised by an administration that is more transactional in its approach than its predecessors.

Transactionalism in itself need not be dismissed pejoratively, every country looks out for its interest, there are no free lunches in international relations, today especially, I think we note that. India, subconsciously, also does not want its good deed to go unrequited, perhaps U.S. endorsement and support for India's entry into the APEC could be a very positive signal to the Indian body politic as an indicator of President Trump's positive India outlook.

And even though U.S. withdrawal from the Paris Climate Agreement, may cast a long shadow on clean energy cooperation projects in the bilateral field, a factor that could in a real sense be addressed, as it's been said, elsewhere, by stronger cooperation at the state to state, and in between U.S. states, and Indian states.

University and business-to-business level cooperation between both countries, Indian willingness to buy more shale gas from the U.S. will benefit the U.S. economy, this is in the field of energy cooperation, reduce imbalances and bilateral trade, and help with more jobs for U.S. workers, besides augmenting India's energy security.

I think it's also important that this not become the mother of visits, I'm talking of the Modi visit for this relationship, it's essential that both governments establish a smooth transition to this next phase where levels of mutual trust and confidence and strategic convergence are increased, and there is an established momentum, and sequence of high-level dialogue, including a Trump visit to India without too long a delay.

I think the Prime Minister's visit would be a success if it firstly establishes a smooth, unaffected communication and chemistry between him and the President if there is a stated willingness by the new administration to build upon the strategic partnership with India, particularly in defense and security, counterterrorism, and in the maritime domain. Likewise in trade, technology and investment and emphasis on building ties of mutual benefit in order to help each other equitably, will also be a measure of success.

A statement of intent to work more closely together in Afghanistan has also Indian willingness for some burden-sharing to advance stability in the crucial Gulf region would strike a positive note.

A joint statement is expected from this visit, it will no doubt be mined and dissected for many hidden meanings, but much more than this, if Mr. Modi and Mr. Trump are able to establish a good comfort level with each other, the gods are bound to smile. Ultimately, this is a relationship with many anchors that provides ballast and stability, congressional ties and continuing support from Congress for new bilateral initiatives, trade investment and business ties, ties between research and educational institutions, state-to-state ties as I mentioned between the provinces.

The Indian American community and the mutually-compatible nature of two vibrant democracies make for a solid relationship that is resilient and exuberant. Mr. Modi and Mr. Trump have much to celebrate, grow and progress in the ties between our two democracies. Thank you.

MS. MADAN: Thank you, Ambassador Rao. Jamie, President Trump is no stranger to India, and vice versa he has been to the country, he has spoken about it, even during the campaign went out and gave a campaign speech to Indian-Americans. But we don't know much about what he thinks about them in a policy sense. Give us a sense of how the U.S. and your relationship well, broadly has been seen from a U.S. perspective, and how you think the Trump administration should approach it over the next few years?

MR. FLY: Well, thanks, thanks for putting this panel together, and thanks for including me on it. I kind of feel like the interloper here, the kind of non-India expert on the panel, certainly a proponent of U.S.-India relations, and someone who, in my previous think tank work, also then in Congress did everything I could to try to deepen U.S.-India ties.

I agree with everything the Ambassador said. I think that this is a relationship that the Trump administration is inheriting that's in very good shape, that successive administrations now have a deepened -- already closed ties between our two countries. I also, I don't want to run the risk of building up this visit into too much, or treating it as the mother of all visits, as the Ambassador said, because I do think there's a danger in that.

However, I'm going to be watching how things go with the visit very closely, also just get

a better sense of where this administration wants to go with the broader strategic policy. I think we've had a succession of foreign leaders now that the President has interacted with, you can put them into different categories, allies that the President needs to manage those relationships. You've had countries where the United States wants to deepen ties with, and often as well, I'll talk about economic engagement.

I haven't really seen this administration yet, though, meet with partners, and look at some of these relationships from a longer-term strategic perspective. I think the one danger that this administration faces, given the chaos and uncertainty in many parts of the world, is just getting sucked into crisis management, responding to the latest headlines, the latest problem overseas.

The great thing about the U.S.-India relationship, is if the administration wants to invest the time and energy, this can be a long-term success story for this administration. It can be something where, if they handle it effectively, and capably and build on all the good work that's already been done, where I really think they could leave their mark on a relationship that I think is going to define U.S. role in the world over the coming decades.

Obviously, this is because -- in large part because of the general importance of Asia, towards security and the future because of the rise of China, as India also rises and expands its economy. And so that's the main thing I'm going to be watching for, is do they just treat this as another foreign leader visit, they need to announce some investments, and job creation, or are they laying the groundwork for a real deepening of ties and taking this relationship to the next level. I think there are a lot of positive aspects that we'll probably see mentioned and discussed, and I'll briefly discuss a few potential pitfalls.

Obviously on the positive side, the defense relationship is booming, the number of exercises that the two countries are doing together has been steadily increasing, there's a lot of potential area for even deepening that cooperation further at this additional defense articles that can be sold. I'm sure we'll hear about more of that down the road. I think it's important to continue to expand our cooperation in those areas, because obviously the threats that both countries face continue to evolve.

We don't even have to just look at it through the rise of China and China's changing strategic posture in the region. If you look at the threat terrorism that India also needs to be concerned about the instability in the Middle East. Iran's, although there are obviously differences in terms of how

the two countries see the Iran threat, about Iran's continuing belligerence, these were all things that I think we need to discuss as partners and try to find ways to continue to deepen our ties to deal with those challenges.

On a number of diplomatic issues, I think there are also a lot of positive developments that we've seen, the traditional concern that India has had about the U.S. intentions in Afghanistan I would assume at least for now, will be somewhat will be somewhat satisfied by the fact that this administration has already decided that they are going increase our troop commitment in Afghanistan, that there is no intention of the U.S. abandoning Afghanistan anytime soon.

And at least what we've seen from press reports, seems to indicate as part of that development of an Afghanistan strategy, there's an interest in this administration in taking a tougher approach towards Pakistan, which is something I don't think we've seen really play out in the past even as the U.S. at various times has reviewed its strategy in Afghanistan.

The thing I'm a big proponent of in this area, is I think there's a danger that our U.S.-India dialogue often falls into just the traditional channels through the State Department, South Asia Bureau with people at the NSC, who work on South Asia, and I think there's a real opportunity, which at various times has been tried in the past, but I think it should be regularized of establishing dialogues on all of these issues. East Asia, Middle East, through the respective bureaus, getting those people together with counterparts in the Indian Government on a regular basis to discuss these issues; like we do, quite frankly, with many of our allies in East Asia, Japan, Australia and others.

On the trade front, I think there are opportunities, I think it is a big question mark for me though, just given the uncertainty about this administration's broader trade agenda. I think if this administration decided that it wanted to devote the time and energy, we could make some progress in the U.S.-India trade talks, or perhaps a bit -- I'm a bit concerned though, give the fact that we are now focused on bilateral trade negotiations.

And the reality is, and I've heard this all around the world as I certainly travel as a Senate staff, there are many countries that for years have been lining up to engage in bilateral trade talks with the U.S., and the reality is our USTR never has enough resources, never has enough staff, even when they were negotiating large, multilateral agreements, obviously India would have to a very high priority and at

the top of the list, but my guess is that this is going to be something that's going to just take a little bit of time, as the administration develops its broader trade strategy.

One other area of related trade and economic engagement that I think the administration should explore, is how the U.S. and India can work together given what China is pursuing with One Belt, One Road, this is obviously very key to India's broader neighborhood relations, a lot of its neighbors are engaging with China in this process.

I think the administration is also not completely developed its approach to One Belt, One Road. And this is an area where, I think it would in both the U.S. and India's interest to see how we can engage in South and Southeast Asia, perhaps together as we figure out how to direct our investment, or foreign assistance, growth of the various foreign assistance programs, so that's something that I hope will be on the agenda.

And one final point related to kind of trade and economic engagement, my understanding is that certainly business engagement has increased, a number of Americans, traveling to India is on the rise, and vice versa. The one thing that I've been concerned about though, and it's probably even more relevant working for a place, like German Marshall Fund at this point, a lot of our strong, partnerships in the past have been on the foundation of fellowship programs, exchange programs, and it's one area, as I've worked in D.C. now for several decades, where I've been struck how many Americans who are in key positions on Capitol Hill, in the Executive Branch, have never traveled to India.

It became a rite of passage for most young Americans working on foreign policy to go on a U.S.-German exchange program, or to join with another European partner on one of these programs, and that creates a lot of goodwill, it creates connections that people then end up using decades later, and that's one area where I do think we are lacking.

I'm not sure that this is an area where necessarily the government needs to step in and creates these sorts of programs, or if it's something that I think people in the -- companies in the private sector and other individuals who care about the U.S.-India relationship should be focused on.

Just very quickly on potential pitfalls, because I think most of them would have been already covered by the Ambassador, is you obviously have the concerns the Paris Climate Agreement decision by President Trump, the H1B issue which I would just caution my friends in the administration

that the last I was in India about two or three months ago, I was struck by how important this issue is to our Indian partners, and to the broader public discussion about the relationship.

Obviously the H1B issue was a thorny one, there are probably some reforms that need to be done to the program to ensure that it's not being abused. I think Congress can play a role there with some of the various initiatives, that certain Members of Congress have introduced, but I hope that this is not an issue that dominates this first meeting. I think that's something that should be worked out behind the scenes, and hopefully some middle ground can be found.

The big strategic issue though that I worry about as a potential pitfall, is the U.S.-China relationship, and perhaps we've already reached a pivot moment in this administration's thinking on China. I've been struck by the President's dealings with Xi Jinping, certainly North Korea, has changed the campaign focus of this President, which was very, obviously, anti-China, certainly on trade.

I had hoped, and I think many others had hoped that this might be an administration that would be very clear-eyed about the China challenge, and building on the good work of the rebalance that the previous administration did. My fear is that some of that has been put off for now because of this singular focus on getting Chinese cooperation on North Korea.

Now that, I think maybe the President is trying to realize that the Chinese are not going to deliver on that, maybe will revert to more of his campaign posture on China. But there is a danger I think if we are seeing the sort of G2 approach where the U.S. and China are going to solve many challenges together, where there is going to be economic -- a lot of focus on economic cooperation with China.

I do worry that that, over the long run may limit a potential that this administration has to deepen ties within the -- and I can say from my trip to India a few months ago, I think even, that was great. Before Mar-a-Lago Summit, but I've heard since the Mar-a-Lago Summit there's a lot of concern about what exactly this administration's approach to China is, because this is an area where I've been struck, as I've traveled to India over the last several years, that this is an area where the Indian debate is evolving significantly, and there's a much more, I think willingness to speak very frankly about the challenges that China poses to certainly India's security in the long run.

So, just to close, I think the big question is, is this going to be just a tending of an already-close relationship? Or is this going to be the relationship that the administration kind of grabs onto and

runs with as a real strategic opportunity, an opportunity to put their mark on American strategy in Asia? And I think, how they answer that question is going to be incredibly important given all of factors, that we see in that region that are going to affect our security in the decades to come, both of our countries' security in the decades to come.

MS. MADAN: Thank you, Jamie. Josh, you work for an administration that did put a lot of time and energy into the relationship at a time it wasn't in crisis. And for a country that wasn't an ally, the previous Bush administration did as well, one of those areas where there's been remarkable progress on considering that less than two decades ago, the U.S. sanctions on India have been defense and security cooperation.

Where do you see progress being possible on that front, what are you expecting particularly related to this visit? And what are some of the challenges ahead? If you could drill down deeper in terms of the defense and security cooperation relationship.

MR. WHITE: Sure. Thanks, Tanvi. It's good to be back here at Brookings. Before I talk about defense cooperation and defense trade specifically, I think it's important to set the stage for the leader's conversation about the regional environment, just to build on what Ambassador Rao said, and what Jamie said.

Ambassador Rao mentioned that a key shared goal, when the two leaders meet is some measure of rapport building, and I think that's exactly right. Jamie mentioned that one of the goals is to signal, in a sense that the U.S.-India relationship remains, for lack of a better word, special. That it's not the Montenegrin leader visiting the United States; it's something much more substantial and important to our shared interests.

I think there's a third objective that both leaders probably have, which is to do a measure of shaping, shaping the other's view of the regional environment. And this is, I think, both important and timely because, you know, as Jamie alluded to this, this new administration's views of South Asia, of Asia at large, are still relatively unformed, and are still taking shape.

So, if I were Prime Minister Modi, in particular, I think there would be a couple of issues of which I would want to see clarity but also press for, you know, to impart a particular viewpoint. And both of these were mentioned but I just want to tease them out very briefly, because I think they form a

foundation, in some ways for the kinds of cooperation that we do together.

The first is on Pakistan. I think India was hopeful when Trump was elected, that this new administration would take a more hawkish line on Pakistan and, you know, that remains to be seen, but I think, you know, they may get half-a-loaf in this regard. The most signals are that the Trump administration might take a tougher rhetorical line, might take a tougher public posture, and indeed might seek to exert some U.S. leverage over Pakistan to deal with certain counterterrorism issues.

But I think, if you are Prime Minister Modi you might see that, you might appreciate it, you might try to even encourage that, but there's an outstanding question as to whether that U.S. leverage would be exerted only against those groups, there are Afghanistan focused groups like the economy network. But whether the United States really retains and deepens the commitment to deal with the militant groups that most directly threatened in India; groups like Lashkar-e-Taiba and Jaish-e-Mohammed (phonetic).

And there I think it's still an open question, there's been very little public discussion on that point, and that's one where even if the Prime Minister doesn't get clarity, I think there's an interest in trying to shape this administration's views of that problem set, for if and when a crisis emerges between India and Pakistan, which I won't say is inevitable, but it's not unlikely in the next four years. So I think that's one area where it's actually a very timely moment to -- from both sides to be trying to sort of shape each other's view, and particular on Pakistan.

The second area, as Jamie mentioned, is the question of U.S. policy toward China, which I think is in a sort of an unsustainable moment right now, and has yet to be settled, and in particular I think the Indians, and many here in Washington share an anxiety, not just about India's rise, not just about -- sorry -- China's rise, not just about North Korea, but about the ways in which Chinese investment in South Asian, in Southeast Asia, could make it difficult for a number of countries, particularly some of the smaller (inaudible) countries, to have an independent foreign policy, could constrain their freedom of action; countries from Pakistan, Sri Lanka, Bangladesh, Myanmar, and others in Southeast Asia.

And this is a real concern, it's a strategic concern, I know it's one that's felt in New Delhi, and I think this is an important moment in the context of what China is doing with Belt and Road, to see where there's a foundational strategic alignment, and what concerns we share, what we might do about it,

cooperatively or perhaps with the Japanese or other partners that can bring resources to bear.

So, those are sort of some framing conversations, that I think are likely to take place, and that are important in sort of setting the groundwork for our defense cooperation.

When it comes to the substance of our defense cooperation, I very much agree that we are in a good place. And I'm proud of the work that I did, that many in the Obama administration did, and the Bush administration before it, to slowly and steadily build a regular tempo of engagements. And I would describe our defense cooperation with India as a low velocity, high inertia sort of relationship.

So, things move slowly, but they move today with enough mass, and therefore momentum that they are likely to continue in a positive way, unless there's -- unless the ground sort shifts beneath the relationship. And that's a good thing. When we in Obama White House developed the idea of major defense partner status in consultation with our Indian colleagues, it was really for three reasons.

The first was to recognize where the relationship had come to, the fact that we do now privilege technology transfer to India in a way that is comparable to our closest allies, the volume of our defense sales, the kinds of sensitive cooperation that we are doing in the defense and trade space; so, it was in the first instance, a recognition.

I think it was in the second instance a recognition that granted India some specific benefits that are still playing out. But third, and I think this is under-appreciated, major defense partner status and our decision to pursue that together was recognized on both sides as a way of institutionalizing the defense relationship, and ensuring that the Indian bureaucracy and the U.S. bureaucracy would continue to provide each other the kind of preferential treatment that we had built up to. Recognizing that we can't expect that this relationship will continue to be the high priority that it was, you know, onto the previous two administrations.

So, that, I think, has laid the groundwork such that even with the uncertainty on Pakistan and Afghanistan and China, and the regional environment, there is enough momentum here, that we see positive things happening. With the Malabar exercise, with deepening conversations about issues that years ago, a few years ago would have been very sensitive. Aircraft carriers, anti-submarine warfare, many things in the maritime and information-sharing domain that is moving along quite well.

What should we watch for in the defense cooperation space? You know, I think that any

leader coming to meet President Trump has to have the mantra that -- whether or not they are going to be helpful to the United States, they should try to appear helpful to the United States. And I expect that Modi will do this in a somewhat different than other world leaders have. But there are some ways where India can, at a minimum appear helpful.

One is on Afghanistan, and the provision of equipment or some of the less sensitive kinds of training in the security sector, policing and the like in Afghanistan. The second is, with a wider frame, thinking about terrorism and the counter-ISIL campaign, I don't know that India is interested in joining the coalition as such, but both India and the United States share a deep interest in border security, and making sure that terrorists can't travel trans-nationally.

And I know that from my experience with U.S.-India CT dialogues, the Indians know that they have a lot to learn from the ways in which the United States responded after 9/11 to protect ourselves and our borders, and then to begin sharing that information with global partners, so I think was a lot of space there to cooperate.

And then third, although this has a longer horizon, thinking about what India can do to be a burden-sharing partner in the Indian Ocean, without making the kinds of obligations that would make it uncomfortable. The United States does not ask India to be an ally, we don't ask them to do our work for them, and they wouldn't ask them to do their work for them.

And at the same time I think there's a way to say that the deepening India's defense base, the U.S. support to India -- its defense space over the long arc will make it such that United States doesn't have invest as much in the Indian Ocean, doesn't have to play as much of a role in protecting some of the common goods from Indian Ocean. And that's the sort of argument that I think Prime Minister Modi and other world leaders are going to try to find when they come to meet the President.

Third and finally, I would say on defense trade, this is also a good story. And I think this is a moment to recognize how far we've come. You know, Tanvi mentioned not many years back there were a -- there were a wealth of U.S. sanctions on India, and today we are in a space where there are billions of dollars and deals happening in defense, and energy, and elsewhere.

But I think our expectations for this visit should be relatively modest, for two reasons. One is that the Indian Government is general rather cautious about announcing specific defense deals in

conjunction with U.S. visits. Now they may recognize that Trump is a different -- is a different animal, and may want to drill down into specific issues, and they have to be ready for that. But all of the same I think that there's a trend there to consider.

But also that these deals often are long gestation, they take a long time in our system, they take a long time in the Indian system. You know, the large deal that's probably closest to the horizon, is the Guardian UAV deal, we'll see if we hear anything about that.

But some of the other -- some of the other major defense platforms that have been talked about either have to wind their way through a U.S. process, or through a new Indian process, like the new strategic partnership model, which finally emerged, that 17-page policy factor finally emerged after a year and is providing more guidance, and more opportunity space for American companies to partner in a structured way on major tenders in India.

So, all that to say, I think we are in a good place, I'm proud of what we've done, so I think that this new administration has a lot of good material to carry forward. And then on the defense and security side we have put in place, you know, over the years together, an architecture that is likely to keep things moving in the right direction.

Where I think this visit, and sort of circle around, I think to your point Jamie, I think with this visit, is really critical apart from rapport building is in revalidating some of the geopolitical foundations of our cooperation. It's one thing for our companies to sell equipment for our companies to cooperate, for us to do technology transfer, for us to do exercises, but I do think there's a sense here in Washington and in Delhi, that we want to make sure we are on the same page in two areas in particular.

One is our view of the global terrorist challenge from the global stage, ISIL, to Afghanistan, to Pakistan. Do we have a convergent view of the terrorist challenge and the tools that we have to deal with it? And second is, do we have a convergent view about the ways in which we want to try to shape the emerging balance of power in Asia, particularly the rise of China, and even more particularly, China's activities in the Indian Ocean region, which have a direct bearing on India's sense of security.

I think with greater fidelity on those two sort of geopolitical questions, that's the best thing that this visit can do to facilitate the practical defense partnership.

MS. MADAN: Thanks, Josh. It sounds like you are arguing for Prime Minister Modi to -- or saying that he will do the "help me help you" line to President Trump. With the work on the relay part of the relationship, and many have considered kind of the other kind of key driver, if not even more important in some ways than the strategic part of the relationship, arguably those two as well kind of the value side have been equal drivers.

But without the kind of economic ballast, it's likely that this relationship would be where it was, where it is today. It involves perhaps to a greater degree than the strategic side of the relationship all the anchors that Ambassador Rao talked about states these even cities perhaps, but also Congress and the private sector.

Having said, as people have discussed the Trump administration in India, those have also been in trade, and investment, have been one of the areas that have come up as potential areas of differences, even as FDI in India increases, et cetera, and trade has increased, but stalled a bit in terms of growth. How do you see this playing over the next few years? And where do you see challenges? Where do you see opportunities?

MR. ROSSOW: Well, in one word to sum it up, I'm nervous. And to expand that to an entire line I think looking at this trip, you've got the leader of the world's wealthiest country expecting the leader of one of the world's developing countries to come here, and give us benefits and gifts. And that's what we are on the cusp of right now.

Come to my country and give me trade concessions. And so I think that's a really tough mix to kind of begin with. But let me sort of unpack. When we talk about economic ties between our countries, there's two different ways that we can look at it. You know, the first is business to market, right. What are companies actually doing in practice? And the second is government-to-government. And they are two, very, very different stories.

On the business to market side, you know, what are companies actually doing right now, and how does it impact, which by the way, is way more important than government-to-government ties, in people's real life. Investment in trade, that's jobs, that's money, that's livelihoods.

So, you know, luckily that's probably better side of the story right now, on the business to market side, in terms of the relationship. You know, you've actually seen in the last 12 months, about

\$44.5 billion of fresh equity investment -- foreign direct investment into India, that's not reinvested earnings and other things, that's fresh equity for building plant, power and equipment, and that's up about almost 10 percent over the prior 12 months.

So, it's been growing pretty steadily under the Modi administration. U.S.-India goods trade is up just a hair under 70 billion, it had been stalled for a couple of years, but starting to take off again, that's up almost 5 percent from the prior 12 months. Still, you know, 2 to 1 trade balance in India's favor and goods trade, but still you do see a lot of ballast in terms of what companies are doing to support the relationship on the economic front.

The third that I oftentimes take a look at, is foreign portfolio investment, if you are familiar with what that is, if you have a retirement account and you invest in the Morgan Stanley emerging markets fund, and Morgan Stanley then parks that money in key markets, you actually see a lot more particular investment that are going to dig in. That installed out.

You know, the first year of the Modi administration India had an all-time record, then it dropped out, it was actually negative, in your two there was more money coming out of the Indian markets from foreign investors going in, but that started to take off again, and it's about 14 billion in the last 12 months. So, on all three, the three primary that I look at, foreign investment, foreign portfolio investment, and trade, goods trade, you actually see a pretty good ballast right now.

So, that's the positive side of the narrative. With that being said, those very same companies, I mean, both directions have, I think, an increased number of grievances. There are some old ones on the U.S. side, you know, we think that India should have a different patent regime, or we think that there are certain segments that are closed off. And I'm not here to argue in favor of anybody positions in these kinds of things, but there's a large group of American companies that feel very strongly, and they feel that they've got a better champion in office now to take up those issues, than they've had in recent years.

Indian companies as well. You know, we've got a couple of things taking place right now in terms of, you know, are there going to be limitations in H1B, there are concerns about the countries with which the U.S. has large trade deficit? I mean, India, we may not consider trade begin to be large in the overall picture, but actually to crack the top 10, India is number 9 goods trading partner now, and one

of our 10 largest trade deficits. So, they are under that scanner.

So, you know, the companies that see grievances in India, and there is an expansion of price controls, you know, you've see it with some medical devices recently, and things like that. You know, there is an expansion of compulsory local manufacturing rules that the cabinet just a couple of weeks ago, passed a new rule, for government procurement there has to be local content.

So, you know, the companies that look at maybe having a little bit less access to the market, you know, they are going to feel that the administration is definitely going to be their champion, because these are the kinds of things that the Trump administration has been talking about.

In areas where they feel that we don't have, you know, great market access. I mean, over 20 years, I mean, India has been pure play, opening more and more all the time, but there are still areas where you see convergence. So, the numbers are good, but there are grievances on both sides, and I think those are going to play.

Now from the government-to-government standpoint, you know, that's where I get a whole lot more nervous, I think, you know, the investment treaty for instance, I mean nine years ago, right, we announced our intention, this is the last year of the Bush administration to negotiate an investment treaty, and today, nine years later we are further apart than the day we began.

The U.S. made some slight amendments to our model, India made deeper amendments to its model treaty, and so today we are further apart, and you don't even hear it mentioned anymore. So, in terms of some kind of big economic issue that could tie us together, we are not part of the same trading blocs, we are on absolute opposite ends of the talk to the WTO, and even our attempts to cobble something together on the bilateral status, you know, hasn't been able to move in recent years.

So, there is no big-picture thing that's been tying us together for economic and instead, you know, we've been kind of subsisting on smaller and substantive issues. You know, there has been some increased attention on state-to-state engagement, and the energy obviously has been such a big underpinning for the Obama administration they gave to India and with Modi.

I think there's no part of the economy that Modi has moved further ahead from where I think Indian voters are, than the kind of commitments that he's made on climate change. 175 gigs of renewables, I mean for India to put that on paper far beyond any Paris commitment, and they probably

will fall short of the 175 gigs by 2022, but they are making a good go at it. You know, and that's expensive, and people aren't ready to pay that price for it.

So, you know, on the energy side, I think you have probably one high-level issue that recently tied us together but I don't think anybody would claim that's going to be a main driver in the years coming ahead. So, government-to-government, you know, I'm actually quite nervous, I think the initial signals you've seen from the Trump administration, and they are doing a review of immigration policies, specifically noting H1B visas, they are looking at the countries, whether it's the U.S. has a large trade deficit, and looking at those measures the United States should be taking.

So, we'll see those things. Of course the results of those studies won't come out until after the visit I hope, I hope you don't have some kind of big announcement on trade remedies and India in the next two days, or something like that. That would certainly paint things a little bit differently, but don't put it past the U.S. once in a while to, you know, one hand moving in a different direction than the other hand, or something like that.

So, you know, I do think that the government-to-government side, I think we are in for a rocky period. There is no big-picture issue, either on the multilateral scene or bilateral tie us together. And these grievances that are out there, companies are sharpening their knives and they are saying, now is the time I can get my government to be powerful advocate, and on both sides you see an increase in friction.

So, I hope that, you know, what Josh had talked about on the strategic front, I think in the Obama administration, both for the real progress on defense ties, and Modi as a partner on global energy issues and climate change, we are able to ignore, for the large measure, of these small grievances.

The energy is off, and the defense side, you know, are we going to ask for practical cooperation in a deeper way than we see in recent years. And if we ask for that and he's not ready to deliver then, you know, we may not see quite as much momentum as we saw on the defense side.

So, you know, absent those big-picture things, these minor grievances on trade could become a lot more prickly. People talk about, like, okay, if we lose the narrative on the strategic side, and you've got all these minor grievances, you know, well, maybe we'll just be in cruise control for a little while, but I just look back to a few years ago, I mean, the end of 2013.

We lost the narrative on the strategic issues, we had a small number of grievances on trade that were blown out of proportion, the rest of a diplomat, and suddenly both sides seemed very happy. I know it's not exactly true in practice but, you know, by and large, I mean the relationship really fell apart. Because of a small number of steps that took place in quick succession.

Some unrelated things, like downgrading in the airport authority, and things like that. So I think that hopefully, what Josh had brought up, I hope it's on point because the reasons are still there, and the cooperation that the groundwork that has been laid is very important. And I think having something big, like the defense security relationship to make sure these trade grievances don't get us off course is going to be pretty important at this point.

So, I'll leave it at that, and I'm happy to take any questions. Thanks, Tanvi?

MS. MADAN: Thanks, Rick. I mean, what was interesting, not just was the kind of 2013 kind of bad year in U.S.-India relations, and some ways it was a strained year, but to me what was also interesting is how quickly the two countries bounced back, recognizing the structural imperatives for the relationship, and how you saw from kind of that one summer of 2013, to the one summer of 2014, and didn't just have to do with the change in government. That there were these drivers, and so is there that capacity to recover?

I'd say the one issue in energy where you might see, I think we won't hear the term climate change, you might hear clean energy, but I'd say LNG, you know, that's one area if they can get the pricing right. We've all mentioned, kind of this idea of transactionalism in various forms, the need for tweetable winds, so to speak, and there have been a couple of recent kind of private sector deals that have been announced over the last few months that could possibly be repackaged and announced in a tweet at least; but just drilling down on some of these kinds of transactions, if you want to think about that, and that the agreements that are possible.

Ambassador Rao, you mentioned India doing more in Afghanistan in the Gulf potentially, could you drill down on that a little, and what could India do? And Josh if you could talk about what you mentioned it as well, what the U.S. would like to see India do more in Afghanistan, or for that matter in the Middle East.

MS. RAO: Well, I think on Afghanistan, when you speak of drilling down, I think the new

Trump administration and Mr. Modi's government really need to sit down and have a heart-to-heart talk about, not only how they view the emerging situation, but what their plans are for the next four to five years, in terms of not only contributing to stability in Afghanistan, that's in terms of governance, and you know, better management of the internal situation, not from our point of view, but for the Afghans themselves.

As well as, you know, improving the capacity of the Afghan establishment, the security establishment, and the defense establishment, to deal with threats within the country. And I think in terms of political reconciliation within Afghanistan, I know that India has had a position, has had a point of view about the involvement of the Taliban, and the integration of Taliban elements into the administration. Perhaps, you know, we will have to see when you examine the situation, whether India is prepared to take a more holistic view of how we integrate these elements into, you know, and administration within Afghanistan, that helps contribute to better stability within the country.

I think India's involvement in Afghanistan, is an almost permanent fixture now, in terms of what it contributes to development in that country, and just in terms of all the ties that have built up, particularly since 2002, I don't think any government in India would like to sacrifice on those gains. So, it's important I think, for us to focus more closely on this situation.

What is the U.S. plan? You know, if it means more troop deployments, it doesn't amount to very much in terms of augmentation of numbers. But is there something beyond that? What is view beyond that? So, I think there is much more need for clarity, and high resolution when it comes to how we deal as India as a near neighbor of Afghanistan, and the U.S. as a country that has obviously, very definite stakes in the region.

How we are going to -- how India can be, you know, can contribute more? We'll have to see what the Americans have in mind, when they talk -- and they've always spoken of, you know, India being able to -- not so much in Afghanistan, but in terms of the region as a whole how India could be more active and perhaps less risk averse? But we'll have to see how that really is defined in terms of what Afghanistan looks like for both countries.

In terms of the Gulf, I think India has very, very real stakes in what happens in the Gulf, and it's not talking of the Saudi, Qatari, you know, imbroglios that you see now. But in terms of energy

security what we get from the Gulf, the large presence of the Indian Diaspora, Indian workers in all the countries in the Gulf. Across, you know, any divides that there may be.

In terms of Iran, you know, Mr. Trump has been, not just tweeting, but also, you know, the signals don't look very good on Iran, and how the new administration regards the nuclear deal. What implications does that have for instance, India's plans to develop the Chabahar Port in Iran and, you know, our desire to get more access in terms of connectivity into Afghanistan given the Pakistan attitude about India's involvement?

So, all this, I think, you know, what happens if the U.S. imposes fresh sanctions on Iran, what happens projects like Chabahar? Where does it leave India? I mean it would be a body blow to India's aspirations for that connectivity and, you know, just to be able to -- you know, in terms of OBOR, one of the teachers mentioned OBOR, you know, it's not just, not only connectivity but also, you know, where in India and the U.S. can align their interest better in terms of not only addressing the issues emerging from China's rise in the region, and also the network of communication, and the presence that China is building up in the region, how does that affect our own -- you know, the balance of power as we see it.

As also, you know, where do our views converge? I know that recently there's been talk of revival of the New Silk Road Initiative, and helping to build better connectivity between India, that is South Asia and Southeast Asia, and the U.S. being much more affirmative on these issues, and that may provide an opening.

So, I think the possibilities as they exist are enormous, and that leads me back to the central premise that I've made. This relationship between India and the U.S. is in a good place, and you know, Mr. Trump, is essentially, to use a cricketing term, starting off on a good wicket.

MS. MADAN: Josh? You can use baseball terms if you want.

MR. WHITE: I think India has been helpful in Afghanistan, has been recognized. India has made significant investments in economic development; India has ties to a whole class of political leaders, and has played a constructive role. At the same time I think that there will be value for India especially with respect to this new administration, in saying we want to be even more helpful in Afghanistan.

And it doesn't have to be in new and different ways, but I suspect that NATO is likely to disappoint President Trump in stepping up to the plate, and providing substantially more troops, or substantially more funding. And I was involved in the last funding rounds, on both the defense side, and the civilian assistance side over the last couple of years. And I can see it's getting much more difficult in the -- given the array of global problems that we all face to get funding for Afghanistan, for the security forces and for economic assistance.

And I think that it's going to be hard to rally Europe in a very substantial way. So, in some ways India has the ability to say, regardless of what others are doing in the space, we've been an economic partner and we want to continue to be.

There are also some things that they've been doing on the defense provision side, that I think are helpful, you know, it used to be, there was a time when the United States strongly advised India not to do anything related to security in Afghanistan. Not to provide equipment, not to do any kind of trainings, and that was for fear that even Indian presence, or the perception of Indian activity in Afghanistan would feed Pakistan neuralgia about Indian activities and Indian influence in Afghanistan.

Around 2013, there was an inflexion point inside the U.S. Government, where I think people began to be more open in our conversations with India, recognizing that India has largely been self-deterred. Not deterred by us, but recognizing that it wasn't in their own interest to do things that seemed provocative.

And I think India is still in that position, and that there are things that they can do in providing helpful equipment, in providing some non-sensitive training that would demonstrate that they are trying to be helpful, that would actually be helpful in this environment, where what I think this administration is trying to do on Afghanistan has as much to do with political engagement, with training and capacity building with the security services, as it does with troop numbers or anything else.

So, I think India does have a place there. And I'll also say one of the things that has been a really positive trend line, between the United States and India, is that our consultations on the region have become much more substantive, and much more candid. Our conversations on Afghanistan, for example, even though India has not been part of the Taliban reconciliation groups like the QCG, there have been very close consultations with India, and even closer consultations on Sri Lanka and

Bangladesh, and the regional issues where India used to be quite defensive, but any conversation the United States would have about those countries.

So there's that trend line where the new administration can pick up in its own way, with its own discourse, and it will rename every dialogue we have, as well as it should, but it can pick up the substance of those conversations which, you know, you don't see in the public domain, but have deepened substantially below the surface. And I think that's a space where India can say, we want to do more, we want to consult more, we want to be helpful where we can, and they have some opportunities to do that.

MS. MADAN: Thanks Josh. I had questions for Jamie and Rick, but in the interest of kind of getting as many audience questions in, I'm going to take audience questions first and in cluster, so that we get in as many as possible. We'll take the two here, and then the one there. If you could, please, identify yourself, and then keep your question short, so that we can get in as many as possible.

SPEAKER: Sure. David Braddon with Resorts (phonetics). I want to see if any of the panelists could reflect on U.S.-India cooperation on global health security. Secretary Price raised that in a Cabinet meeting recently, and talked about how proud he is to work on that. But on the India side, we still see India preferring to rely on Global Fund and the Case Foundation to finance its program on tuberculosis, you know, regardless of how serious that epidemic is, and the global health implications.

I just met a six-year-old in Baltimore who had XDR TB, which is the worst form you can have. An Indian-born child, fortunately I think she's going to be okay now, thanks to physicians in Baltimore. But it's an area where India's own investment in addressing this massive epidemic is really quite pathetic, and that's call to task in today's New York Times.

MS. MADAN: A question back there?

MS. BOURBON: Hi. My name is Contessa Bourbon from The New York Times. I'd like to ask Richard and Ambassador, and the other panelists, what sectors should be liberalized or be open in India, so U.S. investors could increase their investments that should be possible discussion with Mr. Modi and President Trump? And how big are Indian investments in the U.S.? Thank you.

MS. MADAN: And a question over here?

SPEAKER: Ambassador, my name is Dee (phonetic), I'm Indian, I was born in this

country, and I'm a lawyer. I thought it would be interesting if you tell the audience the beautiful, the beautiful hotels that Donald Trump has, the Taj Mahal Motel, and why that wouldn't be a conflict of interest in this relationship? Why would that be a conflict of interest?

MS. MADAN: Do we have another? We'll take that one back there, and then we'll go to the panelists.

SPEAKER: Hi. I'm (Inaudible), I'm currently a student at Johns Hopkins SAIS. So, my question is about India's deepening ties with Russia. Actually this is in light of Arun Jaitley, who is the Defense Minister, and his recent visit to Russia, and there were deals which were finalized almost for 10 billion, and there were reports which came out which said that India might get its second nuclear submarine from Russia.

So, I'm pretty curious to know whether this, India's deepening ties with Russia will sort of be of concern to the Trump administration; and would the Trump administration, in some sense, also will be expecting India's loyalty in that sense? Or where do you see this going?

MS. MADAN: Great. Thank you. We'll start maybe with Rick, do you want to take the question about economics, and any of the others?

MR. ROSSOW: Yes. You know, actually there aren't so many sectors in India anymore that still have FDI limitations, so the answer, I can almost gotten around to the ones that are left there. I think the one sector that U.S. kind of pushes for, probably the most active these days, is on retail.

You know, India has absolutely like shattered the model where they have different regulatory regimes if you area selling from business to business, business to consumer, online offline, wholesale, retail, duty-free stores, you know, there's a thousand different regimes; (a)I'd love for my own sanity to consolidate those, because it's always about selling something to somebody. But I understand the restrictions there, but some of the areas still are barred, there really isn't an opening for multi-brand retail.

Not that I think there's a lot of companies from around the world that would go in. It's not just Walmart, and (Inaudible) and others, but the ones that were going and becoming with pretty substantial resources and, you know, services jobs or those sort, I think would take off pretty quickly.

Insurance, they made a slight increase to 49 percent FDI, but they inserted this poison

pill which robbed foreign companies, which previously have been able to observe management authority, from being able to exert that, so a lot companies have it when they are 149 (phonetic). So, you know, retail, insurance, law firms, foreign law firms, they are still barred from practicing there. So there are still a few areas where there are limitations so, you know, the basic answer is, there's only a few sectors left, so those are the ones I'd like to see opened up.

I'll touch briefly on the Russia bit there. I mean, my perception is, you know, I think with Russian's invasion of Ukraine with Russia's deepening military ties, they are India's reengagement. I think the United States largely has been trying not to make that really a proved point in the relationship because, you know, for us it's about getting better access to a huge market, it's about strengthening a counterweight in Asia to China, and so we've -- I think been a little bit more comfortable, that probably is too strong of a word, but not trying to press the issues on Russia, and even India's other relationships, that may make us uncomfortable.

So, I think so far so good as long as the East Asia focus that we've been really engaging for has been on the table. If we lose the narrative on East Asia, then maybe some of these other relationships, I think would become, you know, points of a little bit more tension.

MS. MADAN: Jamie, the Modi government and India more broadly was one of the few countries that during the campaign was quite -- was looking forward to kind the approach with Russia that they thought was coming. It hasn't come, and especially on the Hill, there's the sentiment on Russia is going to deteriorate, how is this likely nuclear role, and has it affected the relationship?

MR. FLY: I agree with Rick, I think from the White House perspective I doubt that there will be a lot of focus on Russia in this visit. I do think India runs the risk over the long run though, because I do we think we are headed in a rather negative trajectory with Russia. Certainly, once we get beyond the investigations about what actually happened with the election.

And then the attention in Congress and elsewhere turns to figuring out how we calibrate and how U.S.- Russian relations should be affected going forward I think we are in a period of rather negative U.S.-Russia relations for quite some time to come, given the likelihood that President Putin is not going to change his behavior. So, I think it's a risk that India runs by continuing to focus on that, but I agree with Rick, I don't think it's going to become the test of the U.S.-India relationship.

I'll just say one other thing quickly on Iran, I understand the concerns that India has about the evolution of this administration's Iran policy, I am somewhat optimistic though, on that. I do think you are going to see a tougher line with Iran, we've already seen various rounds of sanctions from this administration. I don't know what they are going to do the JCPOA, but even if they move towards an effort to try to renegotiate the JCPOA, and improve elements of it, I just don't see us as a country returning to the same approach that we had prior to the nuclear negotiations, of basically chasing after every deal, going country-by-country around the world and trying to shut down every piece of economic engagement with Iran.

So I just think that the approach from this administration is probably going to be more calibrated, more targeted to exert pressure, to hopefully fix some elements of the deal that this administration feels are not in our interest in the long run. And so I'm sure there's going to be a lot of sensitivity to that in India, I think there are probably ways to manager that in the bilateral relationship.

MS. MADAN: Josh?

MR. WHITE: Yeah. I just want to add on Russian point, I think India's relationship with Russia, we also have to look at it in the regional context in which Russia is flirting Pakistan. I think it's only flirtation, but flirting about deeper defense corporation, in which Russia is playing a more explicitly-maligned role in Afghanistan through funding and engagement with the Taliban, so it seems.

So, in those environments India is, I think, increasingly suspicious of Russian activities and its immediately neighborhood which, you know, could over the long run, temper some aspects of that cooperation. I also want to say, sort of to your point on global health security, and this is an issue that has bipartisan support in this town for being a problem that we have to deal with together.

And it was one that President Obama felt very strongly about. And I remember over lunch, President Obama raised this issue with Prime Minister Modi, and really raised some of the frustrations that the United States had had about India's unwillingness to participate in the global regime that was trying to deal with this problem. And this was quite frustrating to the President.

And I'm paraphrasing, but Prime Minister Modi essentially said, you know, I here you, but we just do it that way. And there's a reticence on the part of India to be engaged even in sort of a multilateral setting where there are voluntary commitments, so I think they had some bureaucratic

reservations.

Now the good news is that in this new administration, we don't really do it that way either. (Laughter) There's a bias toward bilateralism. The bad news; and so maybe some space to do some things bilaterally, the bad news is that global health security is not a problem set that's well suited to bilateral interactions because, you know, diseases don't respect those kinds of boundaries, and there has to be a sort of a wider look at this.

I think that's an issue that we are going to face in a number of domains, and trade to others when you try to say, you know, we have skepticism about multilateral frameworks, we want to move bilaterally, you face problems of bandwidth, and you face problems with the challenges you are dealing with are not always well suited to those sort narrow bilateral channels, and securing may be one of those.

MS. MADAN: Ambassador Rao?

MS. RAO: Yes.

MS. MADAN: Do you want to address any?

MS. RAO: I will. I basically agree at what has been said by the other panelists. I think as far as this visit is concerned, I really don't know if there will be much focus on some of these particular issues that have been mentioned, but certainly I assume that there will be a continuing dialogue between the two administrations, and all these areas of cooperation that have been established over the last few years, and that includes health too, and there's healthy, science and technology, energy, space, you name it. So, it's a multifaceted relationship.

As far as Russia is concerned, I think, you know, anybody standing in South Asia today, or especially in India, would understand the need for India also to be looking at multiple alignments given its own security situation, and given this long-standing relationship that it has had with Russia, I'm not just talking of the Soviet Union, but post-Soviet Union disintegration.

We have maintained a steady dialogue and cooperation with Russia, so it's not one swallow making a summer kind of situation, it's been there for a long time, and I think the United States understands the context in which this cooperation takes place. So that's basically, what I'd like to say. And I think the others have addressed the questions.

MS. MADAN: So, we are going to take a very quick round. We've got three questions there. I'm not going to get to all of them, sorry, but we'll this question here, and that question from the lady in the middle.

SPEAKER: My name is Elliot Horwitz (phonetic), I'm a Former State Department, World Bank and intelligence community person. I appreciate the panel's presentation. It was very good. I just wanted to ask Mr. White. He said that NATO is likely to disappoint Trump. I believe that Trump has already disappointed NATO. So, I'd appreciate any comments on that point.

SPEAKER: Ray Victor (phonetic) from Wilson Center. In terms of tweetable deals, and jobs, jobs, jobs, America first, make in India. Josh has mentioned guardian drones. What about F-16s, and the new deal evidently, the agreement with Tata and Lockheed on that? How does that fit with all that?

MS. MADAN: And then back there?

SPEAKER: Thank you. I'm Julie Ackerman (phonetic), the State Department. I have a question probably for Josh, but anyone else who wants to chime in. In the context of the nuclear non-proliferation regime, where do you see potential for cooperation on nuclear security, and where do you see support for India's bid for the NSG going? Thank you.

MS. MADAN: Josh, do you want to start?

MR. WHITE: Sure. So on NATO, I mean, sir, I think your right in the sense that NATO seems frustrated this new administration's approach to their own security and to the alliance commitments. Some of that frustration is probably one factor, not the only factor, but one factor in making them reticent to commit to the expeditionary mission, which has been, you know, very significant, but a very anomalous for NATO in Afghanistan.

And I think that perhaps if they felt -- some of them are more reassured about America's commitment to Europe they would be a bit more willing to extend themselves in Afghanistan. But again, there are other sort of wider questions about the global array of problems that the United States and our NATO allies are having to deal with, and the fact that Afghanistan is enormously expensive, and that those resources could go elsewhere.

So I think there are a number of issues in play, not just the current state of the

relationship between the President and NATO. The question of F-16s, this has been in the news and, you know, it's not entirely unexpected that Lockheed would announce this tie up with Tata, and to be clear, this is not a deal being consummated, this is their marketing pitch for them to get the deal.

And there will still be a competition that happens for the single-engine fighter that happens under this brand new rubric that the Indian Government has put out, as a way to try to engage private sector Indian defense firms, and not just the large, lumbering -- largely ineffective public sector undertaking. So, this is going to take a while to play out. I mean, I do think it's notable that the Obama administration made that F-16 -- or approved that F-16 offer to begin with, it's something that wouldn't have happened several years ago, given the sensitivities with Pakistan having the F-16 is a critical part of its defense platforms.

So, I think that was a significant step and recognition of where the U.S.-India relationship has come. There's seems to be, you know, a little bit of uncertainty about whether you can reconcile America first, American jobs first, with moving a production line to India. And I do think there is a good logic for this that fits together in a production line, likely will be closed, and it sustains, potentially, a lot of jobs in the United States on the engineering side.

So there is a case to be made that this would be viable, and I think there's a case to be made for India as well, that they would be buying into not just the latest widget although the new block 70 is quite impressive, but they would be buying into a plan to integrate themselves in with the global supply chain.

And in my interactions over the years with Indian defense officials and firms, there tends to be an obsession with the bright, shiny object of a particular widget, a particular defense technology, and less concern for: hey, how do we integrate ourselves into a global defense marketplace that is increasingly global, where pieces of planes are being assembled all over the world from companies all over the world.

That's the game that India needs to get in, and that, I think is the comparative advantage that F-16 joint venture would put forward. Briefly on the nuclear question, nuclear security has been a very sensitive subject between the United States and India, and I think India is rather defensive about its nuclear security record, you know, especially in the civilian domain, and has responded negatively to

some of the non-profit reports and others that have come out, that have poked some criticism.

Here I think there is space for India to improve candidly. Pakistan has improved quite a lot, because it knew that it was under the microscope and it knew that it faced serious internal threats because of the extremist environment, and they've taken a lot of steps perfectly, but a lot of steps to deal with that.

So, I do think there's a bit more than you can do. I'm not sure how cooperatively you will want to do it, I think it will probably focus on doing it by itself and internally, but those are good discussions to have. It's important to talk about the ways in which the things that India is doing, the things that its neighbors are doing, change the environment for regional safety and security on nuclear issues.

And finally on the NSG, you know, we made a strong push for this at the White House to support India's membership. My feeling is that this is not an independent variable in India-China relations, so much as a depending variable. So when those relations are bad, for other reasons, which they are now, it's much less likely that that happens, because the NSG is a consensus organization. At the end of the day China has to agree under some framework.

So, I'm not optimistic in the near term, but I do think that a lot of the groundwork that was laid, a lot of thinking and months of consultations, will eventually circle around again, some of those products and consultations, in providing a pathway eventually, for India, I just don't see it happening in the next few months.

MS. MADAN: Ambassador Rao, Rick and -- (crosstalk)

MS. RAO: I think I'll (inaudible) best solutions.

MS. MADAN: And I want to end with a question to you about one of the anchors in the relationship, and we've often heard it said on both sides, that this is -- there's bipartisan support for the relationship. We've particularly seen that on the Hill. You mentioned particularly kind of engaging a younger generation kind of policy entrepreneurs, for want of a better term, on both sides.

But in terms of the Hill what more would you like to see? We saw a couple of congressional delegations go out in the last two recesses, but what would you like to see? What do you think can be done more in terms of congressional engagement, or whether it's a legislative -- a kind of connect of legislative connection between the two legislatures. What do you think is possible on that in

that sphere?

MR. FLY: I think you are right. The congressional views of India had been an anchor in the relationship, and I actually think it's a very positive story, so I don't believe that a lot more needs to be done. I think as with any U.S. partnership with another democracy, the more exchanges especially between parliamentarians the better. And so that might be one area to try to get members of Congress, both over in India, but also their Indian counterparts here, and I'm sure a lot of that already happens, but to maybe regularize that a little bit more. Because the thing that strikes me about this relationship is it's a really -- it's just the utmost long-term strategic importance, and the one danger, I would ask about tweetable deals, or just kind of the NATO debate.

The real concern I have about this administration, is I think they are very much focused in the moment, about America first is about delivering immediately to the President's voters. And I think there are things that they can highlight from this partnership that will be in the moment.

But the real play is long-term. And so I think this will, fundamentally, as we see their India policy evolve, a broader question about what America first is about, and whether there's a long-term strategic horizon to an America first foreign policy, because if they are willing to have a long-term perspective I think there are real opportunities, but I think that's to be determined at this point.

MS. MADAN: To be determined is a tremendously good note on which to end this panel. We are going to go straight into the next panel on Prime Minister Modi's visit to Israel in early July.

Thank you so much. Please join me in thanking our panelists. (Applause) Thank you all as well.

(Recess)

MS. MADAN: Thank you to those of you who've come in to this second panel and to those of you who have stayed for it. We're here to discuss, in the second panel today, Prime Minister Modi's upcoming trip to Israel which will be in early July, less than a couple of weeks after he's visited here. 25 years ago, India and Israel established full diplomatic relations. The India/Israel relationship is a close one and has been broadened and deepened by multiple Indian governments since 1992. It is only over the last few years that it has become a much more public relationship under the Modi government and will become more visible even more so in early July with this Modi visit to Israel.

One of the questions we're going to be discussing amongst other things is how come it is becoming more visible. We're also going to look at more broadly, what has been driving this India/Israel relationship, where does India fit in Israeli strategy and vice versa, what is the current state of the partnership and what might be expected from this visit in particular.

We're going to do something slightly different this time in the sense that I will double as moderator and panelist. So, I will be one of the panelists. As those of you who've been here, I'm Tanvi Madan, Director of the India Project and a fellow in our foreign policy here at Brookings. To my left is Natan Sachs, director of the Center for Middle East Policy at Brookings who is cohosting this event and he's also a fellow in the foreign policy program here. And to my right, Sadanand Dhume, resident fellow at the American Enterprise Institute next door as well as South Asia columnist for the Wall Street Journal. We have detailed bios on the handouts you have.

We're here to talk Israel but it just struck me that the other eye country that Natan and Sadanand have in common is Indonesia, so we could probably do an entire panel on that but we'll leave that for another day. What we are going to talk about is this trip and what I was going to do is lay out the state of the relationship, what to expect from the visit and Natan will talk about the Israeli perspective on this and how this is seen from Israel. He's just back from there just a couple of days ago. And then Sadanand will talk a little bit about the domestic political drivers and the dynamics in India related to this relationship and then we'll turn to Q&A.

Just in terms of the state of the relationship, this is a very close relationship and there have been essentially four broad areas where this has been a close relationship. I think the primary and the one gets talked about the most is kind of the basket of the heads of security cooperation. The security cooperation has kind of broadened and deepened not just Homeland Security and counterterrorism but increasing discussions on cybersecurity cooperation as well as border management. This has been driven to some extent by shared concerns about terrorism and other security matters but also commercial interests as well. Israel's quest for additional defense market has meant that it has sought the Indian market which is one of the largest importers of defense equipment in the world and this has been a mutual benefit. Today, India has become the largest external market for Israeli suppliers.

Israel, in turn, has become especially the figures I have are that in the three fiscal years

ending in March 2016, Israel was the third largest supplier for India. As the Indian President kind of remarked when he went as the first Indian president to visit Israel a couple of years ago, he mentioned, he said what makes this particularly special, this defense partnership and this strategic partnership is that Israel has been there at the toughest times or when others haven't. Kind of the reliability even when India has faced sanctions or others haven't been willing to supply India, that Israeli defense equipment has gone to India. So, you do see this level of trust as well as well as bureaucratic familiarity that has made this kind of defense and security partnership quite key in the relationship. We don't know much publically about some aspects of it but nonetheless, it gets talked about much more.

One area that doesn't get talked about much more but in some ways perhaps has created constituencies for the Israel relationship in India to a greater extent to any of the others is the cooperation the two countries have in the agriculture sector. You've seen and this is kind of really a bottom up effort with Israel, long before other countries did this. Engaging with State governments in India in terms of water management, research and development, sharing of best practices and broadly the area of irrigation. There are some kinds of plan in terms of desalination technology which might move forward as well. Israel is also going to set up, up to 30 centers of excellence in this area. I think about a dozen have already been set up.

The third broad area that has been growing over time but as the two governments have highlighted at various times, is the economic relationship, the two governments have acknowledged that it hasn't gone as far and fast as it could and they'd like to take it further. It's going to be traded investment side. They have been negotiating free trade agreement for a while. Bilaterals create stands about four or five billion dollars and they really have been trying to get this. This is just non-defense trade because that is calculated separately by the two countries. They have been trying to get this jump started a little bit as well as the investment side. One of the two areas that the two countries have been looking at, in particular, because they're both hubs in terms of information technology, that is kind of cooperation in that sector or greater cross country investment is one are they've been looking at.

Finally, I would say in terms of you put this both in the economic box as well as the people to people ties box, is the kind of question of tourism and education ties. Tourism has been kind of an interesting feature in the relationship. The numbers vary but in essentially about 50,000 people a year

go from one country to the other. This is striking from the Israeli side given the population of Israel being nothing in comparison to India. But a number of Israeli's travel and I know Natan is going to talk a little bit more about that in his remarks. There has also been an effort to try to increase educational exchanges over time and how students from each side, particularly Indian students go out to Israel and that's an area that people have been focusing on.

So, what can we expect from this visit. The primary thing from coming out of this visit, the takeaway will be the symbolic value of it. This is the first visit by an Indian Prime Minister to Israel, a country, as I've said, that Indian's had historic ties with not just since 1992 when they normalized relations but even before that. Even though they weren't talked about as much, in a number of wars India has fought, Israel has provided support but there has also been exchanges over time. This is really that first visit and therefore I think we will see a visit that will be very much about the optics. A lot of Prime Minister Modi's visit are but I think they're making an extra effort to highlight different, at least these four or five different aspects of the relationship that I mentioned, these will be highlighted in different ways during this visit. The message coming out of New Delhi is we want to reflect the fact, this is more than a defense relationship. Having said that, we have seen and I'll talk about this in a minute. We have seen some defense agreements signed in advance of the visit itself.

I think you also see in terms of the optics, the desire to highlight the fact that the two countries are democracies. I think you will see that in when Modi, perhaps, speaking to elected Israeli leaders but I think you'll also see that with Prime Minister Netanyahu when Modi spending as much time as possible with each other and Natan's really the expert on domestic politics and so we'll talk about maybe how that could help Netanyahu domestically and globally. They have been known to get along and have spent some time with each other either together face to face tweeting at each other or kind of on the side lines of summits.

Another part of this symbolic value and what will be highlighted in terms of optics, is the presence of thousands of Jews of Indian origin who are Israeli citizens. We will likely see a diaspora event that Prime Minister Modi is known to do in a number of places that he visits. Probably slightly smaller due to sheer numbers but we will see that. I think the people to people side, I think we're likely to see, you've already seen Air India suggest that they're going to start a direct flight from Delhi to Tel Aviv.

They don't have a direct flight between the two countries. I think you also might see some announcements in terms of these policies towards the other countries.

Just briefly in terms of actual agreements, what might be signed, what might not be. As I said, they want to get beyond the defense factor but in some ways, this visit has already been an action forcing event. We've seen a few deals that have been in the works for a while, signed in the last couple of months. We saw a deal for advanced surface to air missiles worth \$2 billion. These are going to be jointly developed but be announced in April. I understand this is one of the largest defense deals for an Israeli company ever signed. More recently, we saw another deal worth \$630 million signed for an Israeli Indian company to collaborate and equip for Indian Navy ships with missile defense systems. I think you might see a couple of other deals that they're trying to push through in the meantime but as was mentioned in the previous panel, other than with Russia, Indian leaders with visits haven't tended to mention defense deals because it makes the relationship seem too transactional. I think they want to highlight this more broadly.

The other agreement we are looking to see if there is going to be any movement on is the free trade agreement that the two countries have been negotiating. I think there have been nine or ten rounds of discussions and looking to see whether there will be any movement on that front. I think you will also see some announcements of ways that the Israeli government, Israeli companies and well as research and development in universities might be helping achieve, might help fit into some of Prime Minister Modi's domestic goals. Israel has already offered at a government level a help in terms of the clean Gunga program that Prime Minister Modi has featured. Also, some of these defense deals, for example, are already doing and moving forward in terms of the making India concept of manufacturing in India as well.

Just finally, I will say in terms of what else to watch out for. I am also watching out for the language that the Prime Minister uses, particularly the question of what has been called India's dehyphenation of its relationship with the Israeli's and Palestinians. India de facto recognizes, it supports a solution. It recognizes a Palestinian state. When the Palestinian authority President Rami Hamdallah was in India, he was referred to as leaders have been, as the president of the state of Palestine and he was given a weeklong visit. What was striking about that is one of the reasons he visited India is that

Prime Minister Modi will not be doing what most leaders have done and the Indian President did when he went which was visit Hamdallah as well. So, Modi has essentially, it is not in his schedule to go to the West Bank and this is kind of the most visible form of this kind of dehyphenation following kind of separate track or parallel track policies towards Israeli's and Palestinians. But the language that I'm looking for is when Abbas was in India, Prime Minister Modi expressed support for "a sovereign independent united and viable Palestine coexisting peacefully with Israel". What was interesting about this is the phrase that was missing in what he said and what Indian formulations have usually included which was the phrase with East Jerusalem as capitol. Will we see him mention this or not, will he mention the issue at all we don't know about that but that's something to watch out for during this visit.

With that, I'm going to turn to Natan to talk a little bit about how this looks from Israel. Place this India relationship in the broader context and Israeli foreign policy and what makes this relationship different perhaps from some of the others.

MR. SACHS: Thank you, Tanvi, and thank you all. I think Israeli foreign policy in some regards is a very anomalous one and maybe not in the way it that one often thinks. Israeli foreign policy first and foremost is about the United States. So, Israeli foreign policy is its American policy. And then there is all sorts of other things, all of the other countries of the world. All the other countries of the world and often the United States think is hyphenated. Everything is always the way others regard Israel always seems to be hyphenated with the Palestinian issue which you can imagine the Israeli Prime Minister and many Israeli's don't love. So, everything is about Israel. Sometimes even Israel/Palestine as if to say it's not even clear if it's the same thing that one should replace the other. At best, it's hyphenated of two closely related issues.

This is especially true with the second most important relationship has which is with the European Union and European countries in general which are by far the largest trading partner of Israel. So, for the Israeli economy, they're absolutely essential but also at the Israeli academy for many different aspects of the Israeli economy and the Israeli society. And then suddenly, Israel discovers this whole realm of other possible relations that have nothing to do with Europe that are less hyphenated especially now that seem to offer this wonderful opportunity and in particular, that's in Asia.

So, Israel has had its own pivot to Asia in a sense just like the previous American

previous administration, of rebalancing and almost trying to convince itself that, okay well if Europe is going to constantly annoy us with the settlement issue and the pesky Palestinian talks and all that kind of stuff, well we can turn to Asia and we can find opportunities. I'll start immediately by saying this is grossly exaggerated to some degree. No one in Asia is about to replace the European Union in terms of the economic importance and many other aspects as well. The Palestinian issue is not going to disappear and it's not like Asian countries don't care about her at all. But it does mean there is a whole realm of opportunities here from the Israeli perspective that are very important and are untied to previous concerns.

Unlike in some realms in this Asia pivot, Israel has been quite strategic and quite deliberate. The Prime Minister's office for quite a few years now, has had a good process in place in some respects at least, not in all of these aspects, and serious people in charge of these relationships. It's not just India, it's China perhaps first China but then India as well, Japan, South Korea. There has been quite a bit of care from this prime minister and the prime minister's office in general not to play favorites among them because the last thing Israel needs is to get involved in more quarrels somewhere else in the world. So, trying to say, of course, no one is at the expense of anyone else, in particular, China and India.

But then India, if we think of it just for a moment in structural terms, is this beautiful opportunity for Israel but almost has no cost. Usually, the cost would be that whoever your rival is, is then going to be angry with the country that is approaching it. So, in this case perhaps let's say Pakistan. Well, Israel has very little prospects of relations with Pakistan anyway. In fact, to a certain degree, the rivalry with a large Muslim rival and questions of terrorism et cetera, especially in the way its perceived by the governments now in Israel and in India actually offers room for cooperation, certainly on the intelligence and security side which is robust and big. It's not just arms sales it's cooperation, training, a lot of other things. But also in terms of the way they situation themselves in the world. Now for years, India was, of course, aligned with the non-aligned movement, the founding member and then also the Soviet Union to a certain degree, Israel was very clearly from the beginning, on the western side increasing on the American side at least from 70s if not earlier. In that regard, they were always rivals. As soon as this issue, as this block for the relations started to dissipate with the falls in the Soviet Union

with the Oslo process in particular with the closing of relations between India and the United States, then the opportunity for Israel grew dramatically.

So, if you ask me inside Israel what's the view of the Indian relationship, it's actually one of the easiest questions I've ever met, positive, great. No one in Israel thinks anything else about it. There is no controversy about it. On the contrary, there is a feeling this is a wonderful opportunity for recognition. That is part of why for Netanyahu tweeting in Hindi at Prime Minister Modi, congratulations for your election and then receiving a Hebrew tweet from New Delhi saying congratulations to you, this my friend Bibi in good Hebrew by the way. This is wonderful. This is great politics domestically, it is cost free. There is no anti-India lobby in Israel and I don't expect there would ever be one at least until Pakistan has beautiful relations with Israel and, of course, there is none at the moment whatsoever. In that regard, it's cost free.

What does Israel want out of it, well Israel despite being powerful et cetera still has some hang ups that go back to the early days of May 1948 and that's a craving for recognition. Simply recognition by a major world power where one's future is ahead of it is a benefit in Israeli eyes and is a big one, in fact. The stamp of approval of legitimacy, the dehyphenation can sound like a wonky foreign policy issue but for Israeli's it's very important. The idea that Israel could actually be discussed as a real country and not just as part of the Israeli/Palestinian conflict is very important to Israeli's and is one that they appreciate dramatically.

But secondly, if we think not just about the geo politics but about the actual countries themselves and the economy, there is huge opportunity for growth here, there is great complementarity. It can sound odd, Israel is a country of 8.5 million, India is a bit larger than that. Of course, that limits --

MS. MADAN: Delhi is slightly larger than that.

MR. SACHS: Delhi is slight larger than that, exactly. I was one of the Israeli backpackers in India and people would turn to me and think that Israel is probably around the size of Russia and the United States because some places are awash with Israeli backpackers and they would not be convinced that Israel is tiny. This, in fact, adds to it. Many, many Israeli's have been to India and have very fond feelings towards India. This can sound trivial but it's not. It means many Israeli's have an idea of what India looks like, what different parts of India might look like about the vastness of the country,

the diversity of it. The realm that the diversity of opportunities, the resources, the difference between what Mumbai might look like and what many, many different parts of the country might look like very differently from Mumbai. All of this offers opportunities because those same backpackers who came out of the military go rampaging around India but then they are many of the players in the economy and that is very important.

In terms of economic terms, Israel has a lot of expertise in many of the things that India needs. India provides a huge potential market for many of these things. Arms and weapons are certainly a part of that story, they're a big part of that story but they're not the only one. Water technology is a very big one. Israel sits just on the border of the desert. More than half of the Israeli territories, the smallest territory is desert itself so there is a lot of Israeli expertise in water. Agriculture in these arid areas is something that Israel has been working on since the 50s and have a lot of expertise in so in India, that has a lot of potential.

I would say one more thing. This also has potential in human terms. If you think of the needs of the vast Indian population. A lot of the high tech that we hear about in Israel, a lot of it is apps that help you navigate ways from here to there but there are a lot of other things too, things that can save lives. One company that I was speaking to recently in Israel that operates medical devices, mobile medical devices that in a place with a lot of need and relatively few sources per capita can offer to save many thousands of lives. There is a wealth of opportunities there for growth.

Let me go back a bit for a moment to the foreign policy realm of this. I think a lot of it, and I think it is quite apparent in Washington as well, we should remember in the context of the U.S. relationship with India. This panel comes after the previous one and I don't think it's by chance. Israel, a lot of its foreign policy, at the end of the day is dictated by questions of global spheres and of closeness to the United States. In the 70s, perhaps the most important development Israeli foreign policy, the peace with Egypt had to do with Egypt leaving the Soviet sphere and moving to the American one. In the 90s, a lot of what happened in the opening of doors not just in Delhi but elsewhere, Turkey, China, elsewhere, had to do with the notion that in a unipolar world, everyone wanted to get to Washington. The road to Washington maybe doesn't go through Jerusalem or Tel Aviv but is helped by stopping in Jerusalem and/or Tel Aviv along the way. There is a similar effort here as well. The closeness with the Israeli's is

always related to that too.

Finally, I think one more aspect that I think is important to mention is the question of what the cooperation actually entails. Israeli's when you talk to them, Israeli officials when you talk to them about is really relations around the world, they will often take pride in the fact that they are there when they are needed. Not just with countries that officially have recognition with Israel or recognize Israel and other official ties but with other countries with which Israel has contacts as well. Now in the Middle East, we're all talking about many things. One of them is about this convergence of interest between Israel and many of the Sunni Arab States that are traditional rivals of Israel, Saudi/Israeli relations in particular. The Israeli's will often hint intonate that the relations are deeper than one thinks and that a lot of it has to do with the Israeli's being there when their partners need them. This is especially true on the intelligence side. Israel has a very robust intelligence apparatus, it's less robust than many people's imaginations but it is still robust. Israel has often, from very early on even before relations with the United States were strong, Israel has used that card to create favor with the governments. One of the first things the Israeli gave the American's were documents about the Soviet revelations of Stalin's regime in the 50s. This helps solidify relations of the United States and similarly today with everyone else. That is probably true with India as well. Intelligence sharing in an attempt to help the Indian's with a very serious terrorist threat that they have, all of these things are very important from an Israeli perspective.

So, in short, it is non-controversial. I don't think I've ever said that about any Israeli policy. Inside Israel, everyone is for it, period, there is just no one against it. Two, and also actually rather unusual, Israel has been strategic, deliberate and I think handled it quite well in quite a few years. That is not always the case but perhaps because it is not a heightened partisan issue inside Israel, it has allowed the bureaucracy and the Prime Minister's office, in particular, to do it very seriously, the foreign ministry as well. And third, the room for growth here is dramatic. I'll add one more thing if I may on this. On arms, as well. You think of China, the other huge gambit. The other huge gambit in Asia, there is always the limitation on sharing of technology and on weapons because as keen as Israeli's are on a pivot to Asia, they know exactly what the most important capital is and that's this one right here. So, with China in particular, there were two big arms deals that were cut short. One for (inaudible) and even before that for adapted for aerial intelligence and command and control systems. These were blocked by the Americans

that said, you who receive all this money from us and aid, you cannot sell something that might face us in the Taiwan straits.

With India, the Americans have limitations but these are not them, they're much easier. So, the Israeli cooperation on that too has been free from these constraints that we've seen repeatedly on the Chinese side. For the Israeli's, the question of how to move forward with China is something that they deal with all the time. It's a question that is still on the table for them with the Americans to figure out what the boundaries are with India it has been much simpler. Many of the same systems including the falcon were actually sold to India and we see a wide variety of those things still happening.

So, in short, in terms of the future, I think there is actually an enormous amount of potential for growth. If anything, the limitation is just a matter of scale, Israeli scale, it's just a small country. So, perhaps there are limitations there.

MS. MADAN: Thanks, Natan. Sadanand, before we kind of talk about the future again, can we just looking back into the past a little bit. Natan talked about Israeli agricultural technological and water management techniques development going back to the 50s. I'll get to the point of the politics of this which is it reminded me of a memo I saw that Prime Minister Nehru wrote in the 50s where he was engaging with one of his agricultural senior bureaucrats. He said the country with whom it makes most sense for us to engage with us on the subject, the natural partner would be Israel but for political reasons we cannot. He didn't even elaborate what they were but over time they tended to be the two kinds of things of why did it take so long for India to normalize relations as well as once it was normalized, why keep it hidden. We've heard different formulations of this, some that can be mentioned in a public audience than others but essentially why has it been kept hidden or in the closet. One aspect was India's relations with the Arab countries but the second has been domestic politics. Particularly related to India's millions of Muslims but also a broader aspect. Talk a little bit about those domestic political dynamics, how they are different in this case, whether you think they still play a role to the extent and also how, in some ways, this is a visit that Prime Minister Modi's political base has been expecting and perhaps would want to have wanted to see sooner.

MR. DHUME: Well thanks, Tanvi. I'm going to start my comments with an anecdote which, I think, really sort of captures exactly the exchange that you're speaking about. In July 2014,

almost exactly three years ago, there was a UN Humans Rights Council resolution which recommended a probe against Israel for its offensive in the Gaza Strip. What you saw immediately after that, India voted for that resolution. This was just less than two months after Modi had been sworn in. Immediately you saw this backlash against the Indian vote and I've sort of gathered a few of these quotes from Twitter. Here is someone saying, "as an Indian, I oppose and reject the vote and #iamwithisrael." Here's another one: "The government's UN vote against Israel is not a minor error, it's a monumental blunder." There was an article two days later in the *Economic Times* with the headline, "It's Time the Government Got Its Act Together."

But to put this in perspective and explain how astounding this is, the India where I grew up, on my passport there was a stamp which said, there were two countries that I was not allowed to visit, Israel and South Africa. It gives you a sense of how much and how far not only the country itself has traveled in terms of its diplomacy and its relationship but also in terms of public opinion. The Tweets that I mentioned and the article were all by people who in the run up to the 2014 election had been seen as broadly supportive of Modi. So, the pitch and the depth of the disappointment that they were reflecting reflected really an aspect of this domestic political conversation about Israel. The idea that the Modi prime ministership would signal a broad departure of foreign policy but specifically on Israel, a sharper and clearer embrace of Israel as an ally.

So, I'm going to speak a little bit about the sources of both the opposition and support for Israel in domestic politics very briefly and then I'm going to thwart forward with a few thoughts about where I think things are headed. When you speak about Israel and India domestic politics, it's quite striking because India, in many ways, is like the United States. It's very large and a very inward looking country. It's not as though foreign policy tends to play a very large role in Indian elections. To the degree that people think about foreign countries at all in domestic politics, you have the usual suspects, the United States obviously because it is the one country that everybody thinks about, China because there is a border issue, Pakistan depending on what is happening in terms of terrorism. In certain parts of the country obviously the relationship with Pakistan has some salience. In a more sort of limited regional sense in (inaudible) for instance, they care about the relationship with Sri Lanka. In Bengal, they care about the relationship with Bangladesh and so on.

But Israel is sort of not in any of these buckets and yet it matters. I would say that it matters in two ways that are quite different and striking. The first is it's an ideological hot button issue. It is not as though any regular or most regular Indian voters. It's not as though some peasant in some village in Bihar is waking up and trudging to the polling booth on election day and saying what does the candidate really think of the UN resolution about Gaza or whatever. It is sort of very, very far from people's minds in that sense. But you do have, for opinion makers, for ideologues, for intellectuals, this is a hot button issue. It evokes a great deal of passion and it is one of the dividing lines between the left and right in India.

The second is that to a large extent, I would say that India's conversation about Israel, it is all the things that we spoke about and the counter terrorism cooperation and agriculture and trade and all these things that you can look at in traditional foreign policy terms. I would say it is also a conversation that India is having about itself and its past which is very interesting. In a way that how Israel has -- probably in a way that most Israelis don't understand become kind of proxy for certain kinds of very sensitive conversations that India is having about itself, the conduct of its own foreign policy in the past and what kind of country it wants to be and so on.

The sources of our position and support, I would say that broadly speaking to come back to why this thing was so slow I would say there are two reasons. You have two blocks of people who even now would be not in favor or completely full, open, explicit embrace of Israel. You would have the sort of nostalgia foreign policy, people like Mani Shankara who think it's an abomination that India even has diplomatic relations with Israel and we should all sort of wait for this horrible Zionist entity to disappear off the face of the earth. And then you have the Communists who have for various ideological reasons particularly over the past few decades had a real problem with the very idea that India has effectively pivoted. It has not abandoned its support for the Palestinian cause but it has very clearly pivoted away from that more towards Israel in terms of its priorities. So, there are no surprises over there.

But what is more interesting, I think, are the sources of support. I would broadly divide it into three categories. Again, emphasizing we're not talking about grass roots. We're not talking about the kind of people Natan would have encountered while backpacking. We're talking about intellectual elites, opinion makers and so on. I would say the three kinds of categories would be I'd say realists. People who recognize that the old Indian reflectively pro-Arab position was not really getting it too much. The

idea that India could somehow appeal to the Arab countries by being holier than the Pope when it came to being hostile towards Israel. India voted in 1975 for the Zionism as racism resolution. It was one of the first known Arab countries to recognize the Palestinians and so on. There was a growing realization that this wasn't getting India very much and also a growing understanding coming back to that memo in the 1950s. There are great opportunities that were not being realized.

So, you have the realists, then you have mainstream Hindu nationalists and to a large degree, this conversation is about, there's a great admiration for Israel. I would say that most Hindu nationalist probably view Israel in the way that many American's do. They view it as this doughty, plucky country that has stood up for itself. It happens to be located in a very hostile part of the world and they've done a great job of defending its borders and defending itself. Then you have the third part which we don't often talk about but I think needs to be put on the table which is the lunatics. There is this lunatic fringe support for Israel too and that, quite frankly and quite unfortunately, really comes down to look at these guys and how to sic it to the Muslims.

Each of these three, at a certain level, they may blend into each other in different ways. But what you're seeing is, I'd say the first two are dominant and you're seeing this change. You start seeing this in the early 1990s and many people who are for the relationship are really looking out for like look, this is something that is beneficial to India. The conversation that I think that many people in the BJP is slightly different. I'm not saying they are the only people who have this idea of Israel but I'd say it's predominant there. Some of the elements there are this idea that the Jews and the Hindus are both very ancient peoples. This goes back all the way to Savarkar who was the main Hindu nationalist ideologue and who once famously said when he was asked about Israel he said, of course, Israel is the homeland of the Jews, it was the homeland of the Jews 2000 years before the prophet Mohammad was born. Which is a very, very different idea from say what Nehru held which we celebrating 100 years of the Balfour declaration. He opposed the Balfour declaration and Gandhi also was very explicit in saying Palestine is for Arabs the way England is for the English.

The Hindu nationalist movement in that sense always had this different view. One is the idea of honoring or understanding this notion of an ancient connection to a land and a place that is based at least partly on faith. There is also this idea that and there has been a flurry of recent articles about this which

has been quite fascinating about the Israeli experience and the Indian experience being similar in the sense of both expressing the kind of political rebirth of people. That is a people who did not have political power and again this is where the Hindu nationalist discourse and imagination diverges from the more traditional Indian view. The more traditional Indian view was that Islam came to India and was as Indian as anything else. But for many Hindu nationalists a period of Islamic rule is essentially viewed as a period of foreign rule. So, when India was born in 1947 as the Republic of India and Israel a year later in 1948, the way they're looking at this is that for the first time in a long, long time, these are ancient peoples who now have the chance to wield political power and forge their own destinies.

And then, of course, there is this idea that opposition to this notion that India should forge Hindu Muslim unity by using its foreign policy. This obviously goes back not just to how many people on the right view the Indian position on Palestine but also actually weirdly to the caliphate movement. This goes back to again a philosophical divide which the caliphate movement was in the 1920s. Gandhi started this movement where he protested the Turkish abolition of the caliphate and by doing this, he would build bridges between Hindus and Muslims in their joint fight against the British. This is something that was always opposed in Hindu nationalist's circles and is sort of looked upon as putting the cart before the horse.

So, all of this is a long winded way of saying the philosophical sources of what is changing, I think, are quite profound. I'll just sum up with looking ahead and my own sense of this is that you now have a very strong consensus. So, you have this sort of realist view which is that this is a very important relationship for all these concrete reasons but you also have this more kind of mystical almost romantic idea of Israel which has really grown in prominence I would say particularly over the last three years. Along with that and I would say this is not confined to foreign policy, I would say that you have this broader shift going on in India where it's a sort of revolt against all elites, as I put sometimes flippantly, a revolt against people who can spell. I think part of this revolt against all elites is also a revolt against past policies. For whatever reason, I think Israel has ended up being a great beneficiary of this because the sense that while the failure to recognize Israel was a great symbol of a broader failure is something that certainly places, stronger Israel/India relations in a more positive light for the people who, I think, dominate today and are, in my opinion, likely to remain dominant for a while.

MS. MADAN: Thanks, Sadanand. It's worth commenting that in this case it's actually striking that despite these differences and the philosophical ideological dimension that what is different is the visibility. The policy itself that it was a congress government that in 1992, congress led government that established these relations. It has actually been a relationship for some of those structural reasons that has deepened despite whether there has been a congress led government or a BJP led government. I'll give you the defense relationship that we talk about so much. It really was in the last decade that it really took on a different character. I'd say that visibility is actually something you've also seen as a feature of Prime Minister Modi's foreign policy which is this attitude that if we have these relationships or why are we hiding. So, if we have differences with China, let's talk about them publically. If we have this close relationship with the U.S., why not invite an American president to be chief guest of India's Republic Day. And frankly, if we have this relationship with the Palestinians why not for the first time, and this has happened under the Modi government, stop foreign office consultations with the Palestinians as these efforts state. And so, in that sense, it is almost as much a part of that.

One of the things I'm going to want to go back to and maybe set this relationship in the broader setting of the Middle East. Because I think one thing that has changed that is arguably made this relationship from India's perspective at least easier is the Middle East, Iran and particularly the Arab States. And then one very realistic reason that along with Vietnam, along with this view that perception that politicians have that this would hurt them at the poles if they had certain voting blocs was this real idea that India was heavily dependent for oil on the Middle East. And putting that 1975 resolution in the context of what was happening with the energy crisis. And that India didn't have very much leverage with these countries particularly the GCC countries who had not just because of India's oil dependence on them but because of the many millions of Indians that work there leverage that India did not have and arguably today has partly because of market (inaudible). And that has made it easier.

But in those dynamics, I have a question for both of you on this. Modi has also because of that, before he is ever getting to Israel, he has been to Saudi Arabia, he went to Iran, he went to the UAE, he went to Qatar, he's hosted the Turkish leader, he's hosted the Egyptian President as well. So, he's made sure he's done these rounds. Natan, for you, how are these relations seen from the Israeli perspective? Not just the Arab (inaudible) and if you could talk a little bit about what has been with the

Israelis and the Saudis but also particularly Iran that has come up including in conversation here.

And Sadanand, you can respond to what I said but also one thing both of you eluded to was this idea that the Indian relationship with Israel has helped create a constituency for it in the U.S. I think Natan referred to the opposite that the relationship with the U.S. has created a constituency to Israel. But on the other hand, India's relationship with Iran has also created complications with Iran in the Middle East has created complications with the U.S. How do these dynamics play out in terms of balancing these various relationships. And if you could also comment since we are kind of meeting just after President Trump went to Israel and Saudi Arabia and you just returned from India, how that visit was seen in India.

MR. DHUME: So, I think in many ways the challenge for India has been to sort of reconcile its broader traditional foreign policy with some of these new political undercurrents and I think it has done a very good job of it. I think the visit itself is going to acknowledge what Modi's base wants and what has changed. But all that has come before that including Abbas' visit to India, including India reaching out very actively to the Saudis and other Gulf countries shows that there's a sort of maturity in the policy process and continuity and everything isn't just thrown overboard and things don't just lurch you one direction or the other.

I think your point, I agree with the core point of yours that the relationship was established under Congress but I do have a caveat which is sort of one of those things we'll never know. It was established at a point when the Nehru Gandhi family was not in charge of the congress. I think that is extremely important because in many ways, the baggage that the congress carries here is the baggage of history. What we saw during 2014 when the congress was in power certainly they didn't end the relationship but you did see things go beyond that. The two big things you saw is one that you mentioned, which is that the relationship was suddenly put in the closet. So, you don't have any prime ministerial visit, you also didn't have an Israeli prime minister or president visit in those ten years. I would speak privately with so many Israeli diplomats who felt quite upset about that.

But there were also substantive changes. So, the language you refer to, for instance, on East Jerusalem as a capital which was not there also and had been removed when (inaudible) with Modi recently. That was put in during the UPA. So, there was a sort of clear sense over those ten years that

wow, maybe we shouldn't go so far. That is a reflection partially of history but partially also of politics.

In a different context and sort of a related sort of small conversation I had with an NP which has nothing to do with Israel but the dynamic shows you how the domestic political dynamics of these things work. There was a lunch for Bush when Bush was visiting India in 2006 or so. This NP decided that he would not go for this lunch. I was like why and he said, you know, there are all these Muslim groups in my constituency who really hate this guy. If I go, I'm not going to get any extra votes but if I skip it, he had nothing against him, it was just completely -- that kind of crude political logic was part of that really did inform India's policy towards Israel. And now what you're seeing in part is a backlash against that.

Very quickly on the trip to Saudi Arabia, I think that many people in India have been profoundly disappointed. Partly because on transcript. I've always thought this was completely unrealistic and you and I have had somewhat similar views on this. There was this cartoonish notion, particularly on elements of the Indian right that Trump was going to come with his big stick and fix the terrorism problem. And then he goes to Saudi Arabia of all places and goes on and on about how this wonderful place that is going to be central cooperation against this and so on. I think a lot of people, you could almost see the scales fall from their eyes. I don't think that's been taken well and they certainly can have questions about how reliable is the U.S. in this.

MR. SACHS: Let me start on the Middle East Side. In the Middle East in general for Netanyahu and many others the top priority is Iran and the (inaudible) remains that. And so, a lot of what is happening in terms of Israeli relations in the region is with Iran in the backdrop. So, cooperation today that is growing between Israel and Saudi Arabia and the UAE and others in particular Jordan and Egypt which are already at peace in relations with Israel. All of this is in the backdrop the idea of a group of countries that have their first priority is the same, which is standing up to Iran, preventing Iranian attempts at influencing the region. In Syria and Lebanon and Yemen and Libya et cetera and in the Gaza Strip. And so, from that perspective, we see this new alignment of interest between Israel and the closest between Israel and traditional Arab States, in particular, Saudi Arabia which is quite dramatic. Saudi Arabia literally was at war in Israel very symbolically but there is a state of war and in that case it's very dramatic.

Now, how do Israelis regard great powers or large countries like India with relations with others in the region, the truth is there is a mix of realism and a bit of hypocrisy. The realism is, if you're India or if you're Japan which has very important relations with Iran including energy relations, you're going to get away with it. Israel understands exactly that Japan has interests in the Middle East that have nothing to do with Israel but to do with energy that Israel has no way to compete with. So, what I mentioned before about Israel craving recognition, the side that craves recognition if you give them recognition even if you have relations with everyone else. In that regard, it's still an old kind of attitude to it but it's a healthy one. It's one that doesn't expect India to try and now adjudicate stuff in the Middle East.

On the contrary, Israel is very happy to have India and other powers in Asia disregard the Middle East as a faraway issue that maybe they have sympathies towards the Palestinians and that's fine but it would not dictate the way they have policy. And similarly, would not want them to come and try and adjudicate the Middle East issues. There is a limit to that, however. So, first there's a hypocrisy. If it's a very small country, Israel might flex its muscles, that's normal international relations. And second, that there is a limit and the limit is on security intelligence proliferation issues. When it comes to that, then the Israelis take a very hard (inaudible). So, even with Russia which is, of course, extremely powerful, much larger and all that, the Israelis try to push back as much as they can on transfer of, for example, advanced anti-aircraft systems to the Iran (inaudible) even though it is clearly much on commercial interests and is an issue of discussion between the Israelis and the Russians. Not a simple one but the Israelis have managed sometimes to forestall the sale of anti-aircraft missiles to Iran.

That is not a problem on the Indian side. We're not going to see advanced Indian systems going to Iran that will tilt the scale in any kind of way. So, in that regard, there's not a problem. In short, the symbolic aspect matters a lot and the Israelis care dramatically about this recognition and about the fact that finally Israel will host an Indian Prime Minister. Israeli Prime Ministers and Presidents have been to India but never reciprocated. India actually has a free hand to a certain degree in continuing relations with everyone else. From the Israeli perspective, it has never been so much of a zero (inaudible).

This is part of the point of recognition. From the Israeli perspective, they always wanted

it to appear as a conflict, as an issue that needs to be resolved, not a question of basic legitimacy of whether Israel can even exist. The demand often from the other side was don't even talk to us with a Zionist entity because that would be giving ground, it's illegitimate to a certain degree. That changed a lot, of course, in recent decades but that was the core of it. So, when you mentioned a Nehru-Gandhi kind of approach of seeing even recognizing Israel as an issue, a mistake and geological question, that's exactly what got the Israelis mad because the feeling was you can think Israel should do X, Y or Z but to even question legitimacy, that's what got their (inaudible).

MS. MADAN: Of course, we now know that Nehru-Gandhi during the '71 war asked and received military equipment from Israel and a few others would send military aid to India. We have time for questions if you could put your hands up. We'll take these three first. Please identify yourself and if you can keep the questions short so we can get to all of them.

MS. CARTIER: Thank you. My name is Veronica Cartier, (inaudible) conflicts. I wondered, you haven't spoken about your business relation between India and Israel which is growing in a security sector. So, also in the security sector, I have a question with the increasing rising security tension in the Pacific region and this I think is very important for Modi to visit the U.S. Do you think maritime exercises that have been conducted between U.S., Australia and India to include Indonesia. Because now the rising tension in the straight Molucca and Indonesian water. Thank you.

QUESTIONER: So, you mentioned the joint Indian fight against British colonists in the past. So, my question is, do you think that Indians and their suffering from their colonial past would impact the way that Indians view the settler colonial reality and occupation that Palestinians live in the future and the present.

MR. WINECHALD: Thank you, I'm Leon Winechald, U.S. Foreign Service, retired. I wonder if in the long run, the freedom of action that India might feel it might like to take would perhaps be constrained by a number of factors. Number one would be the sizeable Muslim population within India and second, the possibility that the Muslim world, perhaps at the instigation of Pakistan might reenergize the problems in Kashmir and use that as a point of leverage against India if they felt things were getting a bit too involved with Israel.

MS. MADAN: I think we've got one more back there which we can take as well in this

round.

MS. SHRETTA: Hi, I'm Shretta, student at Johns Hopkins majoring in conflict management. My question goes to the question of recognition of Israel. So, I think I was sort of wondering about what exactly you meant by recognition in the sense that India is already recognized as well as an Asian state and that has been done historically. So, when we talk about recognition in a very contemporary sense, do you just mean a reaffirmation by Prime Minister Modi that yes, Israel can actively exercise their control? I'm not really sure what the reaffirmation of recognition means and to what extent would that impact what goes on there.

MS. MADAN: Okay Sadanand, do you want to start?

MR. DHUME: Yes, I'll go really fast. I don't think the South China Sea has to do with this particular discussion. I don't think that's an India/Israel thing in particular. I think it would be a great idea to have Indonesians involved in common interests in that part of the world.

On the sort of settler colonial question, let me answer that provocatively. The answer to your question is no. I don't think there is sort of an Indian public opinion today. There is any particular deep sympathy for the Palestinians. I think there was, in fact, a poll on this some years ago that suggested this. There are exceptions, of course, among activists and so on and there is certainly some element of this in India's Muslim population. Generally speaking, I think India has sort of become much more realist in its approach and it would like to see a (inaudible) state solution, of course. I don't think anybody or most people would like to see any Palestinians suffering. I certainly don't think India is viewing this issue through the prism of its experience with colonialism at all.

In terms of long run, I think that's a really good question in terms of what happens. Ultimately, India is a democracy and in a democracy what voters think, matters. So, what you have is this tension between one view which is that maybe the Muslim minority played a disproportionate role in determining policy, that's certainly new on the Indian rite. But then the counter to that is that in any democracy and we're certainly see that play out in Europe and elsewhere, you have to take into account the views of your citizens. So, is it possible to imagine a future where India's freedom of action in terms of taking this relationship forward is constrained, yes. I would say that the domestic elements of it would be probably more important than reenergizing Kashmir and so one. If I had to predict, at least in the

immediate future, I don't see that happening. What I see instead is much more of this sort of rising nationalism that is very sympathetic for some of the reasons I outlined to Israel.

MS. MADAN: I'll just add to that and then turn to Natan. On the one area where I do think the Indo Pacific dimension does come into here is something Natan talked about which is China. We will likely see the Modi government and the Shi government try to get the relationships back on track, the China/India relationship. It has been a pretty bad two years. Particularly some of the things that have been set in motion with one belt one road will I think traverse both these parts of the continent. India is still part of West Asia, not the Middle East. But also, what Israel does with China will be watched, particularly in the defense space by India. I think this is also just going to become an issue over time.

On the question of private sector collaboration, I think you've seen on the defense side, quite close collaboration and the Israelis have shown a willingness also to speak to some of Prime Minister Modi's priorities in terms of not just core development but core production at home, so manufacturing. So, you have seen companies and it will be interesting to see if you see greater collaboration between the Indian private sector in the defense space which is now developing more as well as Israeli companies. So far we've mostly seen it on the state owned company side. I think broadly tech, there is a lot of in the innovation space and the tech space, there is potential.

Just in the freedom of action, I think one of the things that has changed in terms of India's relations with particularly the Arab States is that this is really the first time we've seen in decades it's not in independent India's history, that India has significant leverage with these countries. It is going to be if it's not already, the fastest growing oil consumer in the world. It is the second fastest growing likely to be a gas importer in the world. This gives it the kind of leverage at a time of much lower oil and gas prices than these countries had ever expected. It gives India market power and therefore leverage in a way that India never had. To give you an example, India renegotiated its long term gas field with Qatar in a way that wouldn't have been possible a few years ago.

But also, I think some of the concerns that some of these countries had about counterterrorism, for example. They are now actually on the security side cooperating a little more. You've also seen in kind of a maritime security space, India now engaging with these countries whether it is in terms of port security, potential defense exchanges et cetera in a way it didn't. So, I think just kind of

the nature of the, it's become a less asymmetrical relationship. As for the kind of the OIC, the organization of Islamic states, every one of Islamic countries, they've been having resolutions and Kashmir for a while hasn't gone very far. I think to some extent, a number of these countries, India in very kind of real tangible terms has become a key factor that they are dehyphenating between India and Pakistan. Even Saudi Arabia which has a special relationship with Pakistan and has been reluctant is now kind of helping India on some things particularly in terms of intelligence sharing and counterterrorism is it's also slightly fed up. It will not give up the Pakistan relationship, it's too important. It's a little fed up with Pakistan given that Pakistan's refusal to help Yemen and refusing to take a very forward leaning stance on things like the situation in Qatar. So, I think the dynamics have changed and for all the ideological talk, at the end of the day, this comes down to kind of very material things as well.

I'll just say to the question about support for the Palestinian cause, I think it's been India governments there for even this government has supported and said that it doesn't want to see -- it wants to see two states and it doesn't want to see the use of violence. One thing that has also changed in India in the last couple of decades is that there is very little sympathy now for the use of terrorism as a tool. That has changed significantly. So, things that the PLO did in the 70s would not be acceptable in terms of Indian action today. So, that is something that has changed significantly and even UPA governments that kept the Israel relations slightly less visible but moved it forward was very conscious of that. You will not see Indian public sympathy across the board on that go very far. Natan.

MR. SACHS: I'll be very brief. I think the question as support for the Palestinians and the colonial past is a good one. I think throughout the world, Israel is often faced public natural inclination will always be in favor of the underdog which I think is a natural and probably healthy attitude. The Israeli perspective, again what I mentioned, for example, on relations with India, it's not purview just of the right wing. This is actually something across Israel is supported including those who are very much against the occupational settlement.

The desire for recognition, this relates to the second question. The desire there is one recognizing Israel as a party to this conflict and then, of course, having opinions on it. And so, you think of many countries in Europe, for example, where anti-colonialism in Ireland is extremely strong. There are still full relations with Israel, there are public visits, there's business ties, there is all of the above. The desire for

recognition that I mentioned, well first it's especially early in the state. It was literally a desire for recognition. Most countries in the world did not recognize Israel at all. So, I think it's a false kind of assumption that Israel is recognized, what's the big deal. There was a real question of whether it was even recognized as a legitimate country. In more recent decades it was less of an issue mainly because Israel survived. The desire has been for relations that were normalized even with the disagreements. Obviously Egypt, which has full relations with Israel, at least in theory, is pro-Palestinian and is against settlements et cetera. Countries of Europe are against settlements but nonetheless, they are full relations with Israel and visits at the highest level. That's what I meant.

I have one more point and this relates to this question of sympathy for the Palestinians and the partisan. I know it wasn't addressed to me but this might be part of the point actually. The question of partisanship is one that is very dangerous from the Israeli perspective. So, if Israel is associated with only a Modi approach one which is anti-Muslim, that's not a healthy basis for long term relations. It is certainly not healthy in the United States if Israel becomes more partisan, that is obvious, but it's not healthy in other countries as well. I think the Israelis, even this government of Israel, would be conscious of the fact that it would like relations with India not with the BJP. It doesn't want relations with Modi, it wants relations with India, the Republic of India. It is not necessarily so simple to do. I know much less about India than anyone here but that is something I think the Israelis are conscious and probably should be more conscious of. Especially with the questions of the Palestinians and settlements, they're not going to disappear. The Israelis hope that in Asia, no one cares and the Israel people care much less but they still do care.

MS. MADAN: An area where these parallel tracks and this is why it's hard to dehyphenate. Speaking on that which does in general frustration within the Indian system is things like when India is trying to set up technology facilities, training centers in the West Bank, they have not been allowed to, for example, take in equipment or there have been delays because of restrictions or delays on the Israeli side. And it is where these parallel tracks kind of end up intersecting and does create a sense of frustration even with this government about what the Israelis have been doing. We have, since we started five minutes late, we have maybe just to take these two questions and then we'll end with that.

MR. HURWITZ: Thank you very much for a very good presentation. I'm Elliot Hurwitz,

former State Department, World Bank and intelligence community person. I'd like to ask Dr. Sachs, he talked about the relationships between Israel and the traditional Sunni States. I'd like him to expound a little bit on what their relationships are and where that might be going.

MS. MADAN: One more back there and Natan, if you could also add, what is the latest state of affairs in Israeli Palestinian negotiations with special (inaudible) Jared Kushner.

MR. SHARI: Thank you. My name is Bimal Shari and I just enjoy policy and national security policy as well. In my discussions with various Israeli businessmen they are beginning to view India as the scalable manufacturer for Israel for global markets. Do you have an opinion on that especially as it relates to the various sectors you've discussed.

MR. SACHS: Sure let me start from the last part. Israel now has the trade ministry not just the prime ministry. Trade ministry has two or three permanent stations in India including in Bangalore. One more aspect of that I think is very important is the high tech sector which in Israel, of course, is very central. We've all heard of startup nation and all that. The prevalence of English in India is very important. The acquaintance of the populations. This all does offer a wide variety of opportunities for business, I think.

There are some limitations, especially the kind of manufacturing that Israel does is usually not labor intensive. So, the abundance of labor in India is not always what more of the Israeli industry needs but some of it is. In that regard, (inaudible). So, the short answer is yes, I think there is a tremendous amount of possible cooperation there. Much of it is already happening and I think that is probably the sign of the health of the relationship is that it's happening without some big decision made between prime ministers. It is happening simply because there are semi-normal relations and business interests that are growing already.

On the questions of relations in Israel and the Sunni Arab States and I'll tie it to the (inaudible) issue, Kushner and Greenblatt is the President's envoy to this area in Israel right now. This alignment of interest between Israel and the Sunni Arab State is led on both sides to a sense that the profound differences especially on the Palestinian issue all though important are not the first priority. If confronting Iran are first priority for both of them and in public it's obviously the Israeli first priority but in private it is most definitely the Saudi first priority and in public too then there is a lot of room for

cooperation. It is not some big new love affair. It's not that Saudi Arabia discovered the actually the lead in Zionism, it's that they think that their main issue is not the Palestinian question and certainly not the specific differences between the latest Israeli offer and the latest Palestinian offer. Also, a lot of longstanding disenchantment by some of the Arab States with the Palestinian leadership, both the Saudis and the Egyptians have cause for frustration with (inaudible). In particular, with regard to the Gaza Strip where it tends to resolve the differences between (inaudible) and the seeming and willingness of (inaudible) to be forthcoming on that we're seeing it just the last couple of weeks with the cutting off of the electricity in Gaza.

So, in that regard there is opportunity for cooperation. There is a wide variety of ideas about where that would go. Many people have talked about a regional approach and this is the approach of the administration right now or seems to be at least. One which would bring in these regional partners, the Arab quartet of Egypt, Jordan, the Emirates and the Saudis to support the Palestinians, perhaps nudge the Palestinians towards a deal with Israel. But, of course, each one of these parties has different issues in mind. The Palestinians are fearful and with some reason but for the Israelis this is a bypass to the Palestinian issue. You get the prize by getting Arab cooperation perhaps not for the Palestinians, something that would be very hard to sell to the Arab public including Saudi Arabi or elsewhere which it still doesn't matter.

So, in short where are the state of things, we don't know where it stands. In part, they're still exploring. Greenblatt has been listening very well and everyone has been talking about that. There seems to be a regional approach in hand. But a regional approach that is, President Trump has said more than once, aimed at the ultimate deal in reaching a full peace agreement between the Israelis and Palestinians. I tremendously hope I'm wrong but I remain skeptical that that's available in the short term. And then the question is what is done in the interim that might survive the failure of such negotiations and where will the President and the American policy be if it fails and where we stand the morning after. I think those are crucial questions today as well.

MS. MADAN: On that pessimistic note, thank you all very much for coming to this panel and for those of you who came to both, thank you. Thanks to the panelists as well and both of these videos will be available online for both the panels. Thank you again.

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