

**BUILDING A STRATEGIC PARTNERSHIP: U.S.-INDIA
RELATIONS IN THE WAKE OF MUMBAI**

HEARING
BEFORE THE
SUBCOMMITTEE ON
THE MIDDLE EAST AND SOUTH ASIA
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
FIRST SESSION

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BUILDING A STRATEGIC PARTNERSHIP: U.S.- INDIA RELATIONS IN THE WAKE OF MUMBAI

THURSDAY, FEBRUARY 26, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE MIDDLE EAST
AND SOUTH ASIA,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 11:05 a.m. in room 2172, Rayburn House Office Building, Hon. Gary L. Ackerman (chairman of the subcommittee) presiding.

Mr. ACKERMAN. The committee will come to order.

On November 26 of last year, 10 terrorists crept ashore in Mumbai and proceeded to terrorize the innocent citizens of that city. The blood soaked rampage lasted 62 hours, and in the end 165 people were killed, hundreds more were injured, and the survivors were left dazed and shaken.

I want to express my own continuing outrage at this heartless, barbaric, senseless terrorist attack, to offer once again my sincerest condolences to the families and friends of the victims, and to provide my own assurances to the Government of India that your friends stand with you in the face of our common enemy: Violent Islamic extremism.

This attack was not the first incident in India, nor even in Mumbai. Long before September 11, India already had an unfortunately long history of combating terrorists, and has seen far too many of its citizens and even its leaders killed by terrorism, but I don't think we should simply add the latest outrage to the list—long list—of similar outrages.

The attack in Mumbai had some significant characteristics to it that require us to sit up and take notice. It appears that the targets of the attack were chosen specifically to link the attackers with the larger global Jihad movement.

The targeting of luxury hotels, the Harriman House, the Jewish Community Cultural Center in Mumbai and a cafe popular with foreigners also suggest that the attack in Mumbai was not just simply about Kashmir, but in fact an announcement about the Pakistani based terrorist group, Lashkar-e-Tayyiba, that they had adopted the larger goals espoused by al-Qaeda.

The first step in our response to the attack should be to increase counterterrorism cooperation between the United States and India in both frequency in consultation and depth of content.

I recognize that Admiral Mullin was just in New Delhi last December and reiterated the United States military's commitment to

work with his Indian counterparts to combat terrorism. That is a welcome signal, but it is time to stop simply issuing statements and to start actually cooperating.

While the United States and India have had a joint counterterrorism working group since 2000; the group has only met nine times. The annual meetings are nice, but more frequent and substantive meetings would be better.

In this regard, I would suggest that the United States and India establish a senior level strategic dialogue that occurs several times a year. I have in mind something similar to the dialogue between Strobe Talbot and Jaswant Singh.

I don't mean that there should be a special envoy for India or such talks should be issue specific, but I believe that regularized conversations between the most senior levels of both governments on the broad range of global issues where we have common interests will lay a foundation for the strategic partnership that everyone professes to want, but has thus far proved elusive.

Over the last decade and particularly since the 2005 joint statement, the United States and India have established channels of both governmental and in conjunction with the private sector to discuss energy, trade, agriculture, health care, high technology issues. These dialogues have proven useful, but insufficient.

For example, our discussion in both the Trade Policy Group and the Agricultural Knowledge Initiative were unable to prevent India and the United States from being on opposite sides during the Doha Round of the World Trade Organization negotiations.

With regular senior level dialogue, both nations would have had a better understanding of the other's concerns: Ours about open markets for agricultural goods, India's about how to protect the livelihood of small farmers in a competitive global economy.

It seems to me that the United States-India trade policy forum was either the wrong address or insufficiently senior enough to address the political and social issues that accompany any serious discussions about the expansion of free trade.

Both nations are also talking past each other on the climate change debate. While the United States sees the virtue in pursuing a cap on carbon emissions, India sees such efforts as an attempt to limit the pace of its economic growth and accuses the United States of ignoring its responsibility for cumulative emissions.

Yet both nations see the importance of addressing the question with Prime Minister Singh last year, unveiling India's first ever national action plan to address climate change. This is also an issue of sufficient size and complexity to warrant frequent discussions at the most senior levels of both governments.

Regional security issues would also benefit from such discussions. In particular, divergent views on how to deal with the challenge proposed by Iran have in the past been the cause of some friction. With the Obama administration in the midst of a policy review and having just appointed a new special advisor for Southwest Asia, it is my hope that whatever new strategy is developed India will have been consulted early in the process.

Any strategy addressing Iran's nuclear ambitions need to be supported by a broad international coalition, and India, based on its interests and value, should be a part of that coalition.

Right now is where I am supposed to talk about the shared values of the world's oldest and the world's largest democracies providing the basis for our strategic partnership going forward.

While the truth about shared values is undeniable, I would like to retire the cliché for a moment and instead urge both nations to roll up their respective sleeves and get to work on the substance of which true strategic partnerships are made.

Not bland agreements and principles, but binding commitments based on serious understandings about respective national priorities. The truth is we are not quite there yet, and there is not a moment to lose.

I would like now to turn to our ranking member of the subcommittee, the gentlemen from Indiana, Dan Burton.

[The prepared statement of Mr. Ackerman follows:]

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February 26, 2009

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"Building a Strategic Partnership: U.S.-India Relations in the Wake of Mumbai"
Rep. Gary L. Ackerman, Chairman
House Subcommittee on the Middle East and South Asia

On November 26 of last year, ten terrorists crept ashore in Mumbai and proceeded to terrorize the innocent citizens of that city. The blood-soaked rampage lasted 62 hours and in the end 165 people were killed, hundreds more were injured and the survivors were left dazed and shaken. I want to express my own continuing outrage at this heartless, barbaric, senseless terrorist attack; to offer, again, my sincerest condolences to the families and friends of the victims; and to provide my own assurances to the government of India that your friends stand with you in the face of our common enemy: violent Islamic extremism.

This attack was not the first terrorist incident in India, nor even in Mumbai. Long before September 11, India already had an unfortunately long history of combating terrorists and has seen far too many of its citizens and even its leaders killed by terrorism. But I don't think we should simply add the latest outrage to the long list of similar outrages. The attack in Mumbai had some significant characteristics to it that require us all to sit up and take notice. It appears that the targets of the attacks were chosen specifically to link the attackers with the larger global jihad movement. The targeting of luxury hotels, Harriman House, the Jewish cultural center in Mumbai, and a café popular with foreigners all suggest that the attack in Mumbai was not simply just about Kashmir but was, in fact, an announcement by the Pakistani-based terrorist group Lashkar-e-Toiba that they had adopted the larger goals espoused by al Qaeda.

The first step in our response to the attack should be to increase counter-terrorism cooperation between the United States and India both in frequency of consultation and depth of content. I recognize that Admiral Mullen was just in New Delhi last December and reiterated the U.S. military's commitment to work with his Indian counterparts to combat terrorism. That's a welcome signal, but it's time to stop simply issuing statements and to start actually cooperating. While the United States and India have had a joint counter-terrorism working group since 2000, the group has only met 9 times. Annual meetings are nice but more frequent and substantive meetings would be better. In this regard, I'd suggest that the United States and India establish a senior-level strategic dialogue that occurs several times a year. I have in mind something similar to the dialogue between Strobe Talbot and Jaswant Singh.

I don't mean that there should be a special envoy for India or that such talks should be issue specific, but I believe that regularized conversations between the most senior levels of both governments on the broad range of global issues where we have common interests will lay the foundation for the "strategic partnership" that everyone professes to want, but has thus far proved elusive.

Over the last decade, and particularly since the 2005 Joint Statement, the United States and India have established channels both governmental and in conjunction with the private sector to discuss energy, trade, agriculture, health care, and high-technology issues. These dialogues have proven useful but insufficient.

For example, our discussions in both the Trade Policy Group and Agricultural Knowledge Initiative were unable to prevent India and the United States from being on opposite sides during the Doha Round of the World Trade Organization negotiations. With regular senior level dialogue both nations would have had a better understanding of the other's concern: ours about open markets for agricultural goods; India's about how to protect the livelihood of small farmers in a competitive global economy. It seems to me that the U.S.-India Trade Policy Forum was either the wrong address or insufficiently senior enough to address the political and social issues that accompany any serious discussions about the expansion of free trade.

Both nations are also talking past each other on the climate change debate. While the United States sees the virtue of pursuing a cap on carbon emissions, India sees such efforts as an attempt to limit the pace of its economic growth and accuses the U.S. of ignoring its responsibility for cumulative emissions. Yet both nations see the importance of addressing the question with Prime Minister Singh last year unveiling India's first ever national action plan to address climate change. This issue is also an issue of sufficient size and complexity to warrant frequent discussion at the most senior levels of both governments.

Regional security issues would also benefit from such discussions. In particular, divergent views on how to deal with the challenge posed by Iran have, in the past, been the cause of some friction. With the Obama Administration in the midst of a policy review and having just appointed a new Special Adviser for Southwest Asia, it is my hope that, whatever new strategy is developed, India will have been consulted early in the process. Any strategy addressing Iran's nuclear ambitions needs to be supported by a broad international coalition and India, based on both its interests and its values, should be a part of that coalition.

Right about now is where I'm supposed to talk about the shared values of the world's oldest and the world's largest democracies providing the basis for a our strategic partnership going forward. While the truth about shared values is undeniable, I'd like to retire the cliché for a moment and instead urge that both nations roll up their respective sleeves and get to work on the substance of which true strategic partnerships are made: not bland agreements in principle, but binding commitments based on serious understandings about respective national priorities. The truth is that we're not there yet. And there's not a moment to lose.

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Mr. BURTON. Thank you, Mr. Chairman, especially for calling me a gentleman. I always appreciate those accolades.

Lisa, it is nice seeing you again.

Ms. CURTIS. Thank you, sir.

Mr. BURTON. It is nice to have a former top-notch person who worked for Senator Lugar here with us, and I am glad that you finally decided to come over and address the other chamber.

Male VOICE. The upper chamber?

Mr. BURTON. The upper chamber? What are you talking about? Anyhow, it is nice having you here.

Mr. Chairman, thank you for calling this important hearing, and I welcome our distinguished guests.

India, the world's second most populous country, the largest Hindu nation in the world, second largest Muslim nation, is an emerging power that will undoubtedly command international attention for many years to come.

Bilateral relations between India and the United States have been rocky in the past. However, since 2004, Washington and Delhi have been pursuing a strategic partnership based on our shared values such as democracy, multiculturalism and the rule of law. In addition, numerous economic security and globally focused initiatives, including plans for full civilian nuclear energy cooperation, are currently underway.

I support these initiatives, but I continue to be deeply concerned about the numerous serious problems that remain when it comes to India's respect for the rights of all her citizens. For many years I have been a critic of India's human rights record, and I still have deep concerns about human rights violations that continue to exist, particularly up in the northwest region near Kashmir.

I have longstanding concerns regarding Kashmir. India and Pakistan have fought several wars over Kashmir and almost fought another war because of what happened recently in Mumbai. As we speak, I have heard that there are troops and police that are still on alert for possible protests in Kashmir.

Islam inspired terrorism is a global threat to people and governments everywhere. Nevertheless, we should not forget that the two terrorist groups implicated in the Mumbai attacks were both spawned to fight against Indian occupation of Kashmir.

Solving the Kashmir problem will not likely make the terrorist groups operating in and from Kashmir lay down their arms, but it will I believe eliminate their ability to use the human rights situation in Kashmir as an excuse for their atrocities.

I don't know how we are going to solve the problem in Kashmir. I personally believe that the people of Kashmir should be given the plebiscite they were promised by the United Nations a long time ago.

Another idea which was discussed by former President Musharraf and Prime Minister Singh was a proposal to pull troops out of the cities, open crossings between India controlled Kashmir and Pakistan controlled Kashmir and allow the people to largely govern themselves. Regardless of the shape of the ultimate resolution, this situation must someday be addressed, and the sooner the better.

Today, though, we are attempting to look ahead following the successful wrap-up of last year's 123 nuclear agreement to the next phase in order, to broaden relations with India. I look forward to hearing from all our witnesses regarding what the Indian people want to receive from our growing bilateral cooperation and, more importantly, what the American people should expect from India.

For example, India has expressed interest in working with Iran on a prospective natural gas pipeline. I am not confident that the administration's decision to dialogue with Iran will be effective, but we are all on the same page that a nuclear armed Iran is unacceptable. What can and should the United States expect from India in terms of pressuring Iran to abandon their nuclear ambitions rather than rewarding them for their march toward nuclear weapons?

Also, United States foreign assistance toward India has for many decades been heavily centered on food aid programs, and yet Indian tariffs on United States agricultural products remain prohibitively and unwisely high. Even in the midst of a global recession, the United States remains India's largest trading and investment partner. Is the Indian Government willing to give concessions on these tariffs? And just as importantly, is our new administration going to backslide on free trade or press forward to open Indian markets to United States goods?

Finally, will the administration and our new Secretary of State use precious capital beating up India about global warming in the midst of the worst economic slowdown since the stagflation of the 1970s? This is simply not the time to dampen economic growth.

These and many other questions deserve answers, and I look forward to hearing from our witnesses on these issues and others, and I thank you once again, Mr. Chairman, for calling this hearing.

Once again, Lisa, it is good seeing you. Thank you both for being here today. I look forward to your testimony.

Mr. ACKERMAN. I thank the ranking member.

Mr. McMahan?

Mr. McMAHON. Thank you, Mr. Chairman. I would like to thank you and your staff for arranging this very timely and important hearing and thank the guests for coming to testify as well. My statement will be brief.

The images of the horrific attack on Mumbai in November will remain etched in all of our memories. These images include not only the carnage overseas projected by the global media, but they also include images of families in my district in Brooklyn and Staten Island desperately searching for clues about their relatives' well-being. It touched my heart to see my constituents of various backgrounds come together at the Staten Island Hindu temple and pray together.

I hope that in the interest of global security and peace the United States develops stronger ties to India. I think that it is incredibly important right now for nations throughout the global community to support one another and mirror what I saw at that Staten Island Hindu temple that day following the awful Mumbai attacks through all crises, both humanitarian and economic alike.

And speaking of support, I would request that our witnesses here today if possible address India's stance on the current conflict in Northern Sri Lanka. Many Southern Indians are protesting human

rights in that region daily, and I would like to know more of India's view on the conflict if you can and how the United States can work with India to address that conflict.

Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you.

Mr. Royce?

Mr. ROYCE. Thank you. Thank you, Mr. Chairman.

This hearing is going to look at the strategic partnership between the United States and India after Mumbai, and I think that part is easy. I think there is no question but that we should further expand cooperation with India across the board, particularly with respect to intelligence cooperation.

I think we also frankly should lead in terms of economic cooperation, in terms of trade liberalization. A good way to lead would be to reduce our wasteful, expensive farm subsidies, which frankly work against the interests of consumers here in the United States, but also against the people in the developing world who compete unfairly with the farm subsidies that we impose.

We could thereby lead and maybe begin the process toward further engagement on trade liberalization and liberalization of investment, and, frankly, that would help build the economies of South Asia.

Frankly, if the United States could further liberalize trade all across South Asia it would be a win/win. As the economists say, where trade crosses borders armies don't. It would be good to engage between Bangladesh, Pakistan and India on the trade front.

But I think the real question for us today is United States-Pakistan relations in the wake of Mumbai, right, as we discuss the India relationship because the situation in Pakistan is increasingly dire.

More political turmoil is occurring in Islamabad today. A safe haven in Swat was established last week, and the week before we had A.Q. Khan, the chief proliferator on the planet, released. I have introduced a resolution condemning Pakistan's treatment of the proliferation, and I appreciate Ranking Member Burton's support of that resolution.

But today's meeting comes as a key meeting coincides with senior Pakistani leaders, and that meeting with Washington focuses on us getting more concerted action in the tribal areas. It is nearly 8 years after 9/11, and I think for those of us that have been up to both fronts we know that the Pakistani army continues to face east.

The only country that has more artillery tubes per unit, the only country with more rocket launchers and cannons and mortars, is North Korea other than Pakistan. Artillery is good for holding back an invading army, but not running a counterinsurgency.

A new book describes a scene in which the former director of national intelligence is meeting with the Pakistani military. A senior Pakistani officer went on about how the real problem is not militants in the tribal area, but India.

"The Indians will surround us and annihilate us," he is reported to have said. "The Americans won't be in Afghanistan forever. Therefore, we must support the Taliban." This was a senior Paki-

stani army officer speaking to our top intelligence official. Pakistan has not come to grips with the threat.

Now, I wasn't part of that discussion. I don't know if the author got it exactly right, but from my trips to Pakistan and my discussions there with army officials and from what I take of the psychology of the general army staff and the ISI it sounds exactly like the mindset. From what we witnessed in terms of Pakistani inaction in terms of preparing for this counterinsurgency, it sounds like the mind set.

On Mumbai, Islamabad has reluctantly admitted that the captured gunman was indeed a Pakistani National, yet CRS reports that Pakistan may soon release findings which assert the attack was planned outside the country. Pakistan has to seriously confront the wave of extremism confronting Pakistani society, and that should be a key part of our focus here today.

Thank you again, Mr. Chairman.

Mr. ACKERMAN. Thank you.

Mr. Rohrabacher? I am sorry. Mr. Connolly?

Mr. CONNOLLY. Thank you, Mr. Chairman.

I want to personally welcome especially Mr. Inderfurth back. He may not remember, but when we were both younger we worked together on the Senate Foreign Relations Committee. Glad to see you back here, Mr. Ambassador.

Mr. Chairman, I want to thank you for convening today's hearing on the future of our relationship with India. When we look to South Asia, India stands out as a critical partner for the United States on a number of fronts, whether it is combating terrorism, promoting economic growth or addressing climate change.

I guess I would take a slightly different tact than the ranking member on that question. I don't see it as a zero sum game. I believe actually there is an opportunity in economic distress to move the green agenda forward and it could be win/win.

Indeed, both President Obama and the Secretary of State have already indicated their desire to further develop what has thus far been a strong and beneficial relationship for both countries, and it is evolving.

Clearly the security of the Indian people remains a concern. Last year's attacks in Mumbai received considerable international attention, but a series of smaller terrorist attacks throughout the country went largely unreported.

Our sympathy in response to such tragedies serve to strengthen our bond with the Indian people, but we must continue to collaborate with them on counterterrorism efforts. At the same time we will be monitoring the tenuous situation along the Pakistani border and the broader implications for United States interest in the region.

It also must be noted, Mr. Chairman, that India stands primed to be a chief partner of the United States with respect to trade and energy. While India's economy has felt some of the brunt of the global economic crisis, it has actually fared better than some others and appears to be poised for partial recovery.

I look to India to be a partner in our effort to promote a green economy which could help India address its growing electricity crisis and to tackle its growing carbon footprint, which now ranks

fourth worldwide. I look forward to hearing observations and suggestions from today's witness on next steps.

Thank you again, Mr. Chairman.

Mr. ACKERMAN. Thank you.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman. As much as I don't like being unpleasant, but let me just note Ambassador Inderfurth and I have had many disagreements in the past, which I believe if you are up for appointment this administration should be taking into consideration.

I, over the years, have had a very involved engagement with Afghanistan, and if there is anyone—and I have said this publicly. I have said this on the floor. It is on the Congressional Record. I might as well say it right here. If there is anyone responsible for the domination of Afghanistan by the Taliban and thus the horrendous outcome on 9/11 for the United States it is Mr. Inderfurth.

I would like to read into the record a letter that I sent to him in August 1998. This is a portion of that letter:

“I have no hesitation to say the policies this administration has been following with your active participation have been the worst kind of failures, causing needless deaths to civilian populations while undermining any real possibility for peace.

“This policy, intentional or not, has bolstered the intransigents and military powers of the Taliban, as well as narcotics trafficking, as proliferated while Pakistan has shamelessly intensified the supply of weapons and troops. In short, unless this administration, including your office, begins to take a more responsible approach you will continue to fail miserably,”

et cetera, et cetera.

I submit the whole letter for the record.

Mr. Inderfurth and I had major disagreements, for example, on whether or not emergency humanitarian aid should be sent to those areas of Afghanistan that were not controlled by the Taliban, Mr. Inderfurth of course saying that those areas not controlled by the Taliban should not be receiving that emergency aid.

Let me note in 1997 when there was a Taliban offensive that was defeated by General Malik in Mazar-e-Sharif, people who I knew very well, the Taliban were at that moment the most vulnerable they would ever have been and ever were since until 9/11.

The road to Kabul was open, and people I knew there were getting ready to actually defeat the Taliban, take Kabul, perhaps bring back the King, Zahir Shah, and Mr. Inderfurth and Bill Richardson, then our U.N. Ambassador, were dispatched.

They convinced the Northern Alliance not to take advantage of the situation and instead urged them to refrain from taking advantage of the situation, which resulted in giving the Taliban time to rearm through Pakistan and retake that country and eventually go forward and defeat those forces, those non Taliban forces of the Northern Alliance in Mazar-e-Sharif.

Mr. Inderfurth, I mean, I am trying to be responsible in my job by pointing this out. If someone has had a failure of judgment, and I am not casting aspersions on your character, but your judgments have been wrong in the past, so wrong that it has hurt this coun-

try, and I would hope anybody who is thinking about employing you in terms of another government job take that into consideration.

I leave that, and I submit these documents for the record. Thank you very much, Mr. Chairman.

[The information referred to follows:]

2/26/2009

<http://rohrabacher.house.gov/News/D...>

financed and built by the Saudis but taught nothing but hatred towards the west.

I pleaded with Saudi intelligence chief Prince Turki to at least give the old King Zahir Shah a chance to lead an interim government. No way. Again, our State Department let the Saudis and the Pakistanis take the lead rather than having us lead them. Rather than go with a pro-Western alternative we ended up supporting the Taliban, the creation of the Taliban as a means to bring stability to Afghanistan. And make no mistake about it, the Taliban's ascent to power as well as their ability to stay in power was a Clinton administration policy decision promoted by professionals in our State Department.

Let me just note that I fought that every step of the way, trying to push to get the king of Afghanistan Zahir Shah recognized as a moderate alternative. Unfortunately, once the Taliban came to power, yes, I gave them the benefit of the doubt for about 2 weeks before it was quite evident that our worst fears would be recognized and would come to reality under the Taliban.

X Again, who to put on the list of those who blame for 9/11? The policy of the State Department and the Clinton administration in collusion with the Saudis and the Pakistanis to create and support the Taliban control of Afghanistan, there is a huge cause of 9/11. They obviously did not learn, the Saudis and the Pakistanis and our own people, did not learn a thing from the horror that they created by backing Islamic fanatics like Hekmatyar Golbadin, and instead, went with the Taliban over the moderate alternative of the king.

Of course, our government's support for the Taliban was never publicly acknowledged. But for those of us engaged in that region, and there are darn few of us that were engaged in that region after the Soviets left, it was clear what our policy was.

But what is more poignant is the Afghan system believed the Americans were behind the Taliban. Why should they not? Our aid was channeled disproportionately through the Taliban controlled areas. I remember trying to clear the way for a shipment, private shipment of humanitarian relief for a non-Taliban area in northern Afghanistan only to be blocked by assistant Secretary of State Rick Inderfurth.

If there was any doubt about my suspicions, they were laid to rest and my suspicions were confirmed in 1997 when high level executives from the Clinton administration saved the Taliban from total defeat and extinction. This is long after it was clear what type of regime the Taliban had, the Nazi-like fanatics that they were.

What happened was this: In April of 1997 the Taliban launched a major offensive aimed at taking control over the northern third of Afghanistan, which to that point had remained free and under the control of regional leaders who were commonly referred to as warlords.

One of those regional leaders, General Malick, tricked the Taliban and managed to capture almost all of their frontline troops, along with most of their heavy weaponry. It was an utter disaster for the Taliban. The road to the capital, Kabul, was wide open. The Taliban were totally vulnerable and could have easily been wiped out.

I sent a message to Commander Masood and to others that Kabul should be liberated and that the King should be brought back to oversee a transition government, which then would hopefully evolve into a democratically elected government, perhaps like what happened in Spain where the King returned and it evolved into a democratic government; but before the anti-Taliban forces could strike, Assistant Secretary of

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State Rick Indefurth and American U.N. Ambassador Bill Richardson flew to northern Afghanistan and convinced the anti-Taliban leadership that this was not the time for an offensive. Instead, they insisted this was the time for a cease-fire and an arms embargo.

This clearly was a statement of U.S. policy. Two top foreign policy leaders in the Clinton administration flew to northern Afghanistan to convince the anti-Taliban forces not to take advantage of their one opportunity to soundly defeat and, thus eliminate, this enemy.

These Clinton appointees saved the Taliban, and let me underscore, by this time the evil nature of these Islamic Nazis was clearly evident. Right after the cease-fire and the release of prisoners brokered by these Clinton administration geniuses, the Pakistanis began a Berlin-like airlift to resupply and re-equip the Taliban, obviously financed with Saudi money. If I knew of this massive resupply effort, certainly the Clinton administration officials who had set up this scenario knew about it.

So why were the anti-Taliban leaders not notified of this situation? Why did we continue an arms embargo on the anti-Taliban forces, even as the Taliban were rearmed and resupplied? Well, the answer is it was U.S. policy.

So add Clinton appointees Assistant Secretary of State Rick Indefurth and United Nations Ambassador Bill Richardson on the 9/11 blame list, and I say that with great hesitation because Bill Richardson is a friend, and I enjoyed serving with him in this House; but this particular action did great damage to the United States of America's security and, as I say, led to 9/11. X

To be fair, they were obviously carrying out the policies that were made elsewhere and approved higher up in the administration, but how much higher can we go than the Assistant Secretary of State for the region and our United Nations ambassador? Well, I can tell my colleagues, it goes all the way up.

Last year, the current foreign minister of Pakistan visited California. Furious by my repeated accusations that Pakistan was responsible for the Taliban, the current foreign minister of Pakistan blurted out, and this was a well-attended event, that America was part of the Taliban deal from the first day it was created. I have been trying to prove that. I have been trying to prove the Clinton administration was covertly supporting the Taliban for a long time. Now, at last, I had confirmation by a nationally and internationally respected leader.

As a member of the Committee on International Relations, I have had the responsibility of overseeing such policy. During the last 2 years of the Clinton administration, I made numerous requests with the support of committee chairman Ben Gilman for Taliban-related documents. I wanted to find out what the genesis of our policy toward the Taliban was and try to expose exactly what our policy was. I asked for the cables, for talking points, meeting notes. This was part of my responsibility, as someone who is a senior member of the Committee on International Relations, to oversee the foreign policy of the United States.

Secretary of State Madeleine Albright made a commitment to me in an open congressional hearing to provide my office and Chairman Gilman with all the related documents concerning our policy toward the Taliban. Well, to make a long story short, years went by and we kept asking for them. We were stonewalled. They sent us meaningless documents that included innocuous news clippings. Well, this was about as arrogant as

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Text of Congressman Dana Rohrabac...

Congress of the United States House of Representatives

Text of Congressman Dana Rohrabacher's letter, dated 10 August 1998

To Assistant Secretary of State for South Asian Affairs Karl F. Inderfurth

It has been four months since I expressed to you my misgivings about your support for the so-called Pakistan plan for "ulema" negotiation to resolve the Afghanistan conflict. As I suspected, Pakistan was stalling for time in order to prepare a military solution in support of the brutal Taliban. Again, while your office and the Clinton administration is silent, the Afghan people are engulfed in an onslaught of destruction and bloodshed. I have received media and private reports of large numbers of civilian casualties in Shebergan and Masar, as well as ethnic cleansing through relocation and the rounding up of Hazara and Uzbek males by the Taliban and their foreign allies similar to Milosevic's murderous tactics in Bosnia.

It is obvious that your advisors misinformed you about the the intentions of Pakistan, as well as the ongoing need for emergency humanitarian assistance to the people in non-Taliban areas where a siege remains in place. Your advisors obviously misinformed you about the Taliban's intentions. It is obvious by your silence that you are now again advised to "not take sides," while the Pakistan/Taliban onslaught is funded by opium revenues and money from negative outside sources. If evidence proves that Osama bin Laden has been involved in the recent terrorist bombings in Africa, it will further show the tragic results of Administration policy.

In your new post, you have been given serious responsibilities. In the long term, your decisions toward current events in Afghanistan will determine whether this region of the world lives in peace and prosperity, or become part of an out-of-control cycle of violence and deprivation. I don't blame you for trusting your staff and inter-agency advisors, or implementing Administration policy pushed on you from above. But I have no hesitation to say that the policies this administration has been following, with your active participation, have been the worst kind of failures—causing needless deaths to civilian populations while undermining any real possibility for peace. This policy, intentional or not, has bolstered the intransigence and military prowess of the Taliban. Narcotics trafficking has proliferated, while Pakistan has shamelessly intensified its supplying of weapons and troops.

In short, unless this administration, including your office, begins taking a more responsible approach, you will continue to fail miserably, with all the serious national security implications that apply to the United States. It has already resulted in a horrendous human toll for the people of Afghanistan, while threatening to create a vicious cycle of violence and instability for the region. For example, you told me of your experience as a reporter to watch the Russian military leave Afghanistan. It is ironic that your policy has drawn a Russian military role back into Afghanistan. Unfortunately, this has added fuel to the Taliban extremist's fire, even though Moscow now has a legitimate fear that Taliban terrorism will spread throughout the region. I have been preparing serious alternatives for Afghan policy for the past six years. I have found no willingness on the part of this administration to even try the alternatives that I have suggested. I have come to the

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on the part of this administration to even try the alternatives that I have suggested. I have come to the conclusion that our goals are different. But for the time being, I'll give you the benefit of the doubt. The stakes go far beyond Afghanistan. There will be no peace in Central Asia, or on the subcontinent between Pakistan and India until the U.S. decides that there will be no peace in this region or elsewhere with a policy that is not based on the fundamental principles of representative government and opposition to tyranny.

There are decent and humane Afghans who share these values. But we continue with policies that strengthen the worst elements in Afghanistan. Because of this shortsightedness, the Administration could not even put together a credible emergency humanitarian relief operation, much less establish peace.

A decisive U.S. role is needed. The first step that must be immediately taken is to make clear to Pakistan that any other outside force that is supporting the Taliban that their activities must cease. In addition, we must strengthen those Afghans who are opposing Taliban tyranny, as well as prepare an emergency humanitarian and medical airlift, as quickly as possible.

printed in Ormaid Weekly Issue #332, 31 August 1998

Mr. ACKERMAN. The chair would note that there are two votes that are pending in the House and thinks that this might be a good time to break to take those votes.

While we are not going to get into any personal grievances here, certainly the chair will allow Mr. Inderfurth if he would like additional time outside of his allotted statement time to make any remarks—

Mr. ROHRABACHER. I would certainly agree with that, Mr. Chairman.

Mr. ACKERMAN [continuing]. He might want to make.

The committee stands in recess pending the call of the chair subsequent to the pending votes on the floor of the House.

[Recess.]

Mr. ACKERMAN. The subcommittee will come to order.

We are pleased today to welcome our two distinguished witnesses, both of whom bring years of professional experience and analytical expertise to today's hearing.

Ambassador Inderfurth is the John O. Rankin Professor of the Practice of International Affairs and Director of the International Affairs Program at George Washington University's Elliot School of International Affairs.

Prior to that he served as Assistant Secretary of State for South Asian Affairs where his responsibilities included India, Pakistan and Afghanistan, and I remember accompanying him on President Clinton's first trip to India and Pakistan.

His earlier experience includes serving as Special Representative of the President and Secretary of State for Global Humanitarian Demining, U.S. Representative for Special Political Affairs for the United Nations and a correspondent for ABC News where his work earned him an Emmy Award in 1983.

Lisa Curtis is a Senior Research Fellow on South Asia at the Heritage Foundation. Prior to joining Heritage in 2006, Ms. Curtis was a professional staff member of the Senate Foreign Relations Committee where she handled the South Asia portfolio for Senator Lugar, the former chairman.

Her experience includes serving as senior advisor in the State Department's South Asia Bureau from 2001 to 2003, covering India-Pakistan relations as a political analyst with the CIA in the late 1990s and serving as a political officer to the U.S. Embassies in Islamabad and New Delhi from 1994 to 1998.

We welcome both of you. Ambassador Inderfurth, we will start with you for your presentation, and then we will turn to Ms. Curtis.

**STATEMENT OF THE HONORABLE KARL F. INDERFURTH,
JOHN O. RANKIN PROFESSOR OF THE PRACTICE OF INTER-
NATIONAL AFFAIRS, DIRECTOR, GRADUATE PROGRAM IN
INTERNATIONAL AFFAIRS, THE ELLIOT SCHOOL OF INTER-
NATIONAL AFFAIRS, THE GEORGE WASHINGTON UNIVER-
SITY**

Mr. INDERFURTH. Mr. Chairman and Mr. Rohrabacher, thank you very much for this invitation to testify before the committee. I have a prepared statement which I have submitted. I will abbreviate this in my opening remarks.

I would like to begin by saying that in terms of your opening remarks, I certainly agree with you that counterterrorism needs to be a focus of our relationship. I think you made exactly the right points in the wake of Mumbai.

I was a part of the initial working group on counterterrorism that was established during the Clinton administration, and that needs to be strengthened and enhanced so I fully agree with that. I also agree with the statement that we should retire some of the common clichés in the relationship and roll our sleeves up. I think that we are moving in that direction.

I also hope that Ranking Member Burton will return because he had some important things to say about Kashmir, and I just wanted to call attention now to a very important article that is appearing in the New Yorker magazine by Steve Coll, the journalist who wrote Ghost Wars, a Pulitzer Prize winning account.

He has written an article entitled The Back Channel which talks about the quiet, secret negotiations between India and Pakistan since 2004 to deal with Kashmir, this issue which has led to two, three wars between the two countries and the decision by President Musharraf and Prime Minister Manmohan Singh to appoint special envoys to talk quietly about how to resolve this and put that behind them.

As he reports, and as many of us have heard over the past several years, significant progress was made in that regard, the two of them dealing with this together. Unfortunately that came apart as President Musharraf, his domestic political situation unraveled, but I hope that that thread can be picked up again.

But that article I think is the latest installment in what can be done to address the Kashmir issue, and again I want to emphasize that it was done by the parties themselves, not by third party intervention, so hopefully they can come back to that.

With respect to Mr. Rohrabacher and his comments, we had profound disagreements about the issues and the events 10 years ago when I testified before this committee, and obviously we still do, so I think I will leave it at that.

I am not sure that either one of us will convince the other that they are correct in this, so I would leave the record as it stands and as he has exhaustively requested the documents from the State Department. I will stand by those records of those events and those times and what they have to say.

Now turning to the subject at hand, Building a Strategic Partnership: U.S.-India Relations in the Wake of Mumbai, let me take just a few moments. Congressman Burton, I just talked for a moment about Kashmir. Perhaps we can come back to that because I agree with the centrality of that issue. Fortunately, I think the two parties themselves have been making some headway there, and hopefully they can get back to it.

But let me turn to our subject at hand. You and I, Mr. Chairman, did indeed have the privilege of joining President Clinton on his 5-day visit to India in March 2000. Little did we know then that today that visit is now seen as the turning point in United States-India relations. It is truly amazing just how far the United States-India relationship has come in less than a decade.

This remarkable transformation in the relationship started under Clinton, was then accelerated under President Bush and I believe is now set to continue its positive upward trajectory under President Obama. I would like to add that this transformation has been an excellent example of policy continuity and bipartisanship in U.S. foreign policy.

Moreover, in each case the incumbent United States President found a willing and able Indian prime minister to partner with in this truly joint endeavor from Atal Bihari Vajpayee to Manmohan Singh. I am confident that this will continue to be the case after India holds its national elections later this year.

The question before us today is how should the new administration proceed to expand this strategic partnership? Following final approval of the landmark U.S.-India civilian nuclear agreement, which I strongly supported, we certainly do not want to lose momentum in strengthening our newfound ties.

India is a rising global power for the 21st century. We are already there, and we intend to remain one. As two of the world's great multiethnic democracies, we need to work together. Clearly this effort should be broad based, befitting the wide range of bilateral, regional and global interests shared by the two countries. Moreover, it should be ambitious, building on the foundation laid over the past several years.

Given this, I believe the following seven point engagement agenda should be considered. I will run through these points very quickly.

First, strengthen strategic ties. A strong India is important for balance of power purposes in Asia and for providing security, stability in the strategically important Indian Ocean area.

India is in a position to safeguard sea lanes that are used to transport more than half the world's oil and gas. The navies of the United States and India have begun to conduct joint exercises aimed against threats to maritime commerce, including piracy.

There has been a quantum leap in United States-India defense ties in the past several years with joint military exercises, the signing of a 10-year defense framework agreement and increased inter-

est in defense procurement and collaboration between defense industries. These ties should be accelerated.

Another area, one that we have already touched on in this area, for great strategic cooperation is in counterterrorism, the importance of which was tragically underscored by the terrorist attack on Mumbai last November.

India has been a target of terrorist attacks longer than the United States. We face common forces of extremism in today's world. Expanding counterterrorism cooperation requires increased information sharing, building tighter liaison bonds between United States and Indian intelligence and security services and assisting India improve its counterterrorism capabilities.

Second, we need to address regional challenges. Another area for greater collaboration should be at the regional level in the sub-continent itself. Both India and the United States want a South Asia that is prosperous, stable and democratic. Throughout the region, these goals are currently at risk. At the top of this collaboration must be Afghanistan and Pakistan. Both countries are facing serious internal challenges that pose grave threats to the states themselves, the region and beyond.

The appointment by President Obama and Secretary Clinton of Richard Holbrooke as Special Representative for Afghanistan and Pakistan is clear recognition of the highest national security priority these countries have for the new administration. The recent visit of Ambassador Holbrooke to New Delhi demonstrates that the United States intends to work closely with India as a partner to pursue our shared interest in security and stability in the region.

Third, realize economic potential. Underpinning the strategic partnership should be a concerted effort to reap the full economic potential of the United States-Indian relationship.

Steps need to be taken to deepen commercial ties, identify and remove impediments on both sides—still far too many—and clear the way for a new era of trade cooperation and investment. Deeper economic ties will also have the advantage of providing needed ballast in the overall relationship when political differences arise, as they surely will.

Fourth, pursue an expanded nuclear agenda. It has long been a goal of the United States to engage India as a partner in global efforts to control the spread of nuclear weapons.

I believe the successful conclusion of the U.S.-India civilian nuclear agreement opens the door to an even broader nuclear agenda that the United States and India could pursue, including cooperation to prevent nuclear and WMD proliferation and steps to move toward a nuclear free world, an aspiration both President Obama and Prime Minister Singh have endorsed.

Fifth, support India's United Nations bid. Enhanced United States-India cooperation should also extend to the institutions of global governance. The United States should publicly support India's bid for a permanent seat on the U.N. Security Council and work actively with India and others to accomplish the goal of Security Council expansion.

With its thriving economy, democracy, its billion-plus population, its longstanding contributions to U.N. peacekeeping, I believe the case for a permanent Indian seat has never been stronger.

Sixth, promote a cooperative triangle. Along with the much improved United States-India relationship come questions about the underlying motivations for this new direction in American foreign policy, specifically whether it represents a hedge by Washington against a rising China, India's most consequential neighbor.

These temptations to manipulate should be I believe resisted. Strengthened United States ties with India have their own strategic logic and imperatives and should not be part of a China containment strategy, something Indian officials would strongly object to.

Instead, the task for all three is to manage ties as a cooperative—not a competitive—triangle. One way to further a closer cooperative relationship between the United States, as well as with the leading industrial countries, and India and China would be to make these two rising global powers formal members of an expanded Group of Eight.

Another way would be to pursue initiatives in three critical areas that the three countries must all address and play a major role: One, energy; two, the environment and climate change; and three, international health. Secretary Clinton's recent visit to Beijing opened the door for this expanded agenda with the Chinese. It should also be pursued in her first trip to New Delhi.

Seventh and finally, we should dream big. In a letter sent to Senator Obama before his election, an Asia Society Task Force on India proposed that America and India should widen its collaborative focus to include the range of global issues facing the world today.

We should dream big, said the task force, establishing visionary goals and identify where our cooperation can change the world—for example, tackling AIDS in Africa through the combined strength of our scientists, our drug industries and public health experts; or pursuing new solutions for agriculture through research, as well as micro insurance innovations; and we should even focus our expert policy, finance and research communities on solutions for water security, a looming problem for us all.

Mr. Chairman, members of the committee, dream big. I believe that should be the touchstone for the next stage in United States-India relations not only for our governments but also for the equally powerful expansion of our private sector and people to people ties that are growing stronger every day. As Slumdog Millionaire would say, "Jai Ho."

Thank you very much, and I hope that you will consider the seven-point agenda that I have presented to you this afternoon.

[The prepared statement of Mr. Inderfurth follows:]

**Statement by Amb. Karl F. Inderfurth
House Committee on Foreign Affairs
Middle East and South Asia Subcommittee
February 26, 2009
“Building a Strategic Partnership: U.S. – India
Relations in the Wake of Mumbai”**

Chairman Ackerman, Ranking Member Burton, Members of the Committee:

Mr. Chairman, you and I had the privilege of joining President Bill Clinton on his five-day visit to India in March 2000. Little did we know then that today that visit is seen as a “turning point” in U.S. -India relations. After decades of being “estranged democracies,” the United States and India have entered a new era that can best be described as “engaged democracies.”

It is truly amazing just how far the U.S. -India relationship has come in less than a decade. This remarkable transformation in relations, started under Clinton, was then accelerated under President George W. Bush and is now set to continue its positive, upward trajectory under President Barack Obama.

This transformation has been an excellent example of policy continuity and bipartisanship in U.S. foreign policy. Moreover, in each case the incumbent U.S. president found a willing and able Indian prime minister to partner with in this truly joint endeavor – from Atal Bihari Vajpayee to Manmohan Singh. I am confident this will continue to be the case after India holds its national elections later this year.

The question before us today is how should the new administration proceed to expand this new strategic partnership? Following final approval of the landmark U.S. -India civilian nuclear agreement, we certainly do not want to lose momentum in strengthening our newfound ties. India is a rising global power for the 21st century. We are already there and intend to remain one. As two of the world’s great, multi-ethnic democracies, we need to work together.

Clearly this effort should be broad-based, befitting the wide range of bilateral, regional, and global interests shared by the two countries. Moreover, it should be ambitious, building on the foundation laid over the past several years. The following seven-point engagement agenda should therefore be considered.

I should mention that this agenda is derived from two longer pieces I have written on this subject -- a chapter on “U.S. -India Relations” for The Asia Foundation’s recent publication entitled *America’s Role in Asia* and an article with Bruce Riedel of the Brookings Institution entitled “Continuity In Change” that appears in the current issue of

the Indian journal *India and Global Affairs*. I ask that both of these be included in the record of this hearing.

Seven-point agenda

First, strengthen strategic ties. A strong India is important for balance of power purposes in Asia and for providing stability in the strategically important Indian Ocean littoral area. India is in a position to safeguard sea-lanes that are used to transport more than half the world's oil and gas. The navies of the United States and India have begun to conduct joint exercises aimed against threats to maritime commerce, including piracy.

There has been a quantum jump in U.S. -India defense ties in the past several years — with joint military exercises, the signing of a 10-year defense framework agreement, and increased interest in defense procurement and collaboration between defense industries. These ties should be accelerated.

Another arena for greater strategic cooperation is in counter-terrorism, the importance of which was tragically underscored by the terrorist attack on Mumbai last November. India has been a target of terrorist attacks longer than the United States. We face common forces of extremism in today's world. Expanding counter-terrorism cooperation requires increased information sharing, building tighter liaison bonds between U.S. and Indian intelligence and security services, and assisting India improve its counterterrorism capabilities.

Second, address regional challenges. Another area for greater collaboration should be at the regional level, in the subcontinent itself. Both India and the United States want a South Asia that is prosperous, stable and democratic. Throughout the region these goals are currently at risk.

At the top of this collaboration must be Afghanistan and Pakistan. Both countries are facing serious internal challenges that pose grave threats to the states themselves, the region and beyond. The appointment by President Obama and Secretary Clinton of Richard Holbrooke as Special Representative for Afghanistan and Pakistan is clear recognition of the highest national security priority these countries have for the new administration. The recent visit of Ambassador Holbrooke to New Delhi demonstrates that the United States intends to work closely with India, as a partner, to pursue our shared interest in security and stability in the region.

Third, realize economic potential. Underpinning the strategic partnership should be a concerted effort to reap the full economic potential of the U.S. -India relationship. Steps need to be taken to deepen commercial ties, identify and remove impediments on both sides (still far too many), and clear the way for a new era of trade cooperation and investment. Deeper economic ties will also have the advantage of providing needed ballast in the overall relationship when political differences arise, as they surely will.

Fourth, pursue an expanded nuclear agenda. It has long been a goal of the United States to engage India as a partner in global efforts to control the spread of nuclear weapons. I believe the successful conclusion of the U.S. - India civilian nuclear agreement opens the door to an even broader nuclear agenda that the United States and India could pursue, including greater cooperation to prevent nuclear and WMD proliferation and steps to move toward a “nuclear free world,” an aspiration both President Obama and Prime Minister Singh have endorsed.

Fifth, support India’s United Nations bid. Enhanced U.S. -India cooperation should also extend to the institutions of global governance. The United States should publicly support India’s bid for a permanent seat on the U.N. Security Council and work actively with India (and others) to accomplish the goal of Security Council expansion. With its thriving democracy, its billion plus population, its expanding economy, and its longstanding contributions to U.N. peacekeeping, the case for a permanent Indian seat has never been stronger.

Sixth, promote a cooperative triangle. Along with the much-improved U.S. -India relationship has come questions about the underlying motivations for this new direction in American foreign policy, specifically whether it represents a hedge by Washington against a rising China, India’s most consequential neighbor. These manipulative temptations should be resisted. Strengthened U.S. ties with India have their own strategic logic and imperatives and should not be part of a China containment strategy, something Indian officials would strongly oppose.

Instead, the task for all three is to manage ties as a cooperative — not a competitive — triangle. One way to further a closer, cooperative relationship between the United States (and the leading industrialized nations) and India and China would be to make these two global powers formal members of an expanded Group of Eight. Another would be to pursue initiatives in three critical areas that the three countries must all address and play a major role: energy, climate change and international health. Secretary Clinton’s recent visit to Beijing opened the door to this expanded agenda with the Chinese. It should also be pursued in her first trip to New Delhi.

Seventh, and finally, we should “dream big.” In a letter send to Senator Obama before his election, an Asia Society Task Force on India proposed that America and India should widen its collaborative focus to include the range of global issues facing the world today. “We should dream big,” said the task force, “establishing visionary goals, and identify where our cooperation can change the world – for example, tackling AIDS in Africa through the combined strength of our scientists, pharmaceutical industries, and public health experts; or pursuing new solutions for agriculture, through research as well as micro insurance innovations; we could even focus our expert policy, finance, and research communities on solutions for water scarcity, a looming problem for us all.”

"Dream Big"

"Dream big." That should be the touchstone for the next stage in U.S. - India relations, not only for our governments, but also for the equally powerful expansion of our private sectors and people-to-people ties that are taking place.

Indeed as the recent space collaboration between the two countries on India's highly successful lunar mission demonstrates, even the old expression "the sky's the limit" should no longer apply to the possibilities that exist for what the United States and India can do together in the 21st century.

Karl F. Inderfurth is a professor at the Elliott School of International Affairs at George Washington University. He served as U.S. assistant secretary of state for South Asian affairs from 1997-2001 and as U.S. representative to the United Nations for special political affairs from 1993-1997. He is a member of the Board of Trustees for The Asia Foundation.

Mr. ACKERMAN. [Away from microphone.]

Mr. INDERFURTH. Yes.

Mr. ACKERMAN. Ms. Curtis?

STATEMENT OF MS. LISA CURTIS, SENIOR RESEARCH FELLOW, ASIAN STUDIES CENTER, THE HERITAGE FOUNDATION

Ms. CURTIS. Thank you. Thank you, Mr. Chairman, for inviting me here today and to the ranking member, Mr. Burton, and Congressman Rohrabacher. It is a pleasure to be here to talk about India-United States relations.

Before I start my opening statement on that issue, I was told I could spend just 1 minute on the issues that Congressman Rohrabacher has raised with regard to Ambassador Inderfurth's role on Afghanistan policy.

Absolutely the U.S. should have not prevaricated on the Taliban as it did in the 1990s and should have been supporting the Northern Alliance in full force. In my research that I have done I have come across an unclassified or declassified cable that Ambassador Inderfurth had written to Secretary of State in 1999, I believe.

And in that cable Ambassador Inderfurth had counseled that the United States could no longer work with the Taliban, that it should treat Afghanistan as a pariah state and should be increasing pressure on Pakistan to break its ties to the Taliban, so I just note that for the record.

Mr. ROHRABACHER. What year was that?

Ms. CURTIS. It was 1999.

Mr. ROHRABACHER. Thank you.

[The information referred to follows:]

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United States Department of State

RELEASED IN FULL *Washington, D.C. 20520*

S2

INFORMATION MEMORANDUM
S/S

SECRET
DECL: 03/25/09

TO: The Secretary
FROM: SA ~ Karl F. Inderfurth
SUBJECT: Pushing for Peace in Afghanistan

Background

The prospects for peace in Afghanistan are not bright. The onset of spring likely will bring renewed fighting. However, a number of diplomatic cards are in play designed to try to find a path toward peace. To head off the fighting, we should back these efforts, which include attempts to schedule another round of talks between the Taliban and the Northern Alliance, continue the Six Plus Two process, and promote a greater role for Afghan neutrals who could play a moderating role with the warring factions. This paper examines our plans to promote a settlement. It also explores possible actions that we could take if that effort fails.

Discussion

Givens

We are operating on a number of working assumptions. With continuing support from Iran and Russia and absent defections by key commanders, Masood likely will survive another fighting season. The Taliban will continue to control most of the country and to receive assistance from Pakistan. The spillover from Afghanistan will continue to threaten American interests in the areas of terrorism, narcotics, regional stability, and human rights, particularly the rights of women and girls. We will continue our efforts to moderate the behavior of the Taliban; Afghan neutrals are willing to assist. The loathsome policies and image of the Taliban limit the rewards we and others in the international community we may be able to offer the Taliban in terms of international acceptance. Pakistan will continue to seek and support a Taliban military victory.

SECRET

UNITED STATES DEPARTMENT OF STATE
REVIEW AUTHORITY: ARCHIE M BOLSTER
DATE/CASE ID: 24 MAY 2007 200605003

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Iran and Russia will try to counter Pakistan's support with continued covert military support for Masood. Iran and Russia are more likely to end diplomatic and covert support to Masood than Pakistan would be to end its support to the Taliban.

Working for Peace; Building on Ashgabat and the Six Plus Two

Lakhdar Brahimi and his staff and Turkmen Foreign Minister Sheikhmuradov deserve considerable credit for getting direct talks started between representatives of the Taliban and the Northern Alliance. As the weaker party, Masood and the Northern Alliance appear sincere in entering the talks. We have suspicions over the true commitment of the Taliban and Pakistan to the talks, however. That said, there is no reason for us not to support the talks and to urge both sides to continue.

If the talks continue, we will turn our attention to the next steps in the Six Plus Two process. We will be guided by the counsel of Brahimi whom I will meet shortly after he returns next week from an extended visit to the region. Our talks with him will help to clarify our thinking on what is possible. At minimum, we will want to follow up the suggestion that the Six Plus Two hold a special meeting at the Deputy Minister level (U/S Pickering) in Tashkent. Such a meeting would be advisable only if it could accomplish something significantly greater than what we might do in New York. A key to that would be representation of Afghans. Such representation would directly build from the Ashgabat talks. It would be hard for either major Afghan faction to avoid dialogue with the Six Plus Two given that they have met themselves. We also will have to determine what other Afghans might participate at Tashkent. The purpose of having the Afghans at Tashkent is to capitalize on their participation to goad the factions toward a political agreement among themselves.

You will have a personal opportunity to advance a possible settlement on the fringes of the upcoming NATO meeting. The heads of state or foreign ministers of Tajikistan, Uzbekistan, and Turkmenistan will be in Washington. The Russians also may be represented at a high level. You or Under Secretary Pickering might consider convoking an informal meeting of this group, along with the Pakistani and Chinese ambassadors to discuss our next steps.

If the factions continue talking and the Six Plus Two group moves forward, a future step would be to take up Japan's offer to host a meeting to discuss the rehabilitation and reconstruction of Afghanistan. This conference would be a centerpiece of our efforts to present the rewards that would stem from peace. We would also consider if a parallel

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political meeting, again bringing the major Afghan players together with an eye toward pushing them to come to terms with themselves, would be appropriate.

Dealing with the Taliban

Taliban control of most of Afghanistan will remain a reality for Afghanistan, for at least the next year and probably beyond. The Taliban has become the vehicle of Pushtun ethnic power. The largest single ethnic groups in Afghanistan, the Pushtuns simply will not permit non-Pushtun suzerainty over the country. We have significant problems with the Taliban on a wide variety of fronts. At the end of the day, we may have to consider the Taliban to be an intrinsic enemy of the U.S. and a new international pariah state. We are not there yet and we do not want to be there. We will continue our policy of trying to mitigate Taliban behavior where and when its ill advised policies cross our path. Its policies now preclude us and others from offering the Taliban what it wants -- recognition as the rulers of Afghanistan. But we could begin to take steps toward recognition if -- and only if -- the Taliban takes the steps: getting rid of Bin Ladin and the terrorist networks; beginning real efforts against the cultivation, processing and trafficking of illicit narcotics; and improving its respect for human rights in general and treatment of women and girls in particular. To bring this about, we need to continue to engage with the Taliban and seek other levers to influence their behavior.

New Role for Afghan Neutrals

One possible lever to influence the Taliban is the Afghan Diaspora -- technocrats, intellectuals, and former officials who have fled the fighting but still care about their country. Former Afghan King Zahir Shah, with the financial support of Italy, ~~is willing to call a conference of Afghans neutrals and moderates to explore how such a group could foster peace.~~ Zahir Shah would appear as an Afghan citizen, not as a former sovereign. Such a meeting would easily incorporate other neutral Afghan efforts such as the Intra-Afghan Dialogue process that has held meetings in Turkey and Germany and a similar effort that would have received Swiss support if its conclave would have included the former king.

Great care must be taken in promoting the neutrals. The Taliban would have to be assured that the mobilization of neutrals, particularly around Zahir Shah who shares the Taliban's core base among Pushtun tribals, did not represent a political challenge to them. Although the neutrals have no military assets, many of them are held in respect by the Taliban and the movement's core base. We want the neutrals to be available to moderate Taliban behavior and to help explain

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the nuances of internationally respected norms of behavior. If in the future the involvement of the neutrals does serve to diminish the Taliban's power among the Pushtuns, so much the better.

What could the neutrals bring to the Taliban? If there is a viable political settlement that includes the Taliban and the various Afghan ethnic minorities, the neutrals could serve to endorse the process and bring a sense of internal and international respectability and legitimacy. Along with the Taliban, Pakistan also will have to be brought around to supporting a role for the neutrals.

Steps if Diplomatic Efforts Fail

If these diplomatic efforts fail, we need to explore our response. Continued fighting and the absence of a political settlement will make it less likely that we will get satisfaction from the Taliban on our key issues. We will not cease our efforts to negotiate formation of a broader based government or toward our particular concerns over terrorism, narcotics, and human rights, but a new tact will be required. Renewed fighting will call into question the immediate value of the Six Plus Two (and Brahimi's personal involvement). Pakistan and Iran will continue to be key to an eventual settlement. Our efforts will have to shift away from trying to work with Pakistan and to a lesser extent with Iran in the Six Plus Two toward bringing greater pressure to bear on Pakistan and Iran. We will look to Russia to support this process, particularly with Iran. We may have to move from a Six Plus Two process to a "Eight Minus One" (Pakistan) process, emphasizing the isolation of Pakistan.

Pakistan has not been responsive to our requests that it use its full influence on the Taliban surrender of Bin Ladin. ~~We believe that Pakistan can do more, including cutting POE~~ supplies that mostly flow into Afghanistan from Pakistan. We should demand that Pakistan help us meet our core goals in Afghanistan and foster a political settlement compatible with Pakistan's own long-term interests.

If we see continued Pakistani resistance and/or duplicity, we should begin to seriously consider seeking Security Council backing, including reference to Chapter Seven, to ensure that Pakistan and the outside players abide with pledges to cease outside support as called for in UNSCR 1214 and 1193 and in a series of Six Plus Two declarations. Another stick we might consider using on Pakistan is the idea of expanding the Six Plus Two to include other Central Asian states and India, a move Pakistan would oppose.

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Finding a way to end the over twenty years of war in Afghanistan has been a belabored and frustrating process. But now more than ever, the interest for the U.S. to see that peace returns to Afghanistan has never been higher. Our involvement in the peace process will in no way guarantee a success, but if we do not remain directly involved any prospect for peace will be unlikely.

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SUMMARY

DISCUSSION

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Attachments:

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Ms. CURTIS. The United States' relationship with India has improved dramatically over the last several years. Former President Clinton's famous 2000 visit to India created mutual goodwill and was a catalyst for improved relations, but it wasn't until President Bush set forth a broader vision for the relationship that we witnessed a substantive shift in the ties between the two countries.

During the Bush administration, United States officials broke the habit of viewing India solely through the Indo-Pakistani prism. Washington also developed a greater appreciation for the Indian democratic miracle and viewed our shared democratic principles as the bedrock for a broader strategic partnership.

Last November's terrorist attacks in Mumbai that killed nearly 170 people, including six Americans, have provided new impetus to United States-India counterterrorism cooperation. Much like the effects of 9/11 on the United States, the Mumbai attacks have catalyzed Indian efforts to adopt a more integrated and structured approach to India's homeland security.

The United States and India alike should recognize the value of their shared experiences in fighting terrorism and pursue a robust dialogue on counterterrorism strategies, including deepening intelligence sharing. But the most important steps that can be taken to prevent another Mumbai-like attack anywhere in the world is for Pakistan to punish those involved in the inspiration, planning, training and equipping of these terrorists and to dissolve the group behind the attacks, the Lashkar-e-Tayyiba or LET.

The United States made a mistake in not forcing Pakistan to close down the LET directly after 9/11. The Bush administration operated on the assumption that Pakistan was an indispensable partner against al-Qaeda and failed to press Pakistan to crack down on other groups like the Taliban and Kashmir-focused groups such as the LET.

Washington should demonstrate its commitment to uprooting terrorism in all its forms by adopting sharper policies toward Pakistan that hold the country's officials accountable for stopping all support to terrorists.

The Enhanced Partnership with Pakistan Act of 2008, which was introduced in the Senate last year, seeks to simultaneously bolster support for democracy and economic development in Pakistan by tripling nonmilitary assistance while strengthening Pakistan's commitment to fighting terrorism by conditioning military assistance.

Conditioning military aid is necessary to demonstrate that the United States will not tolerate dual policies toward terrorism and that there will be consequences for Pakistani leaders if elements of the security services provide support to terrorists.

United States-India ties have expanded over a broad range of issues, but the most tangible sign of the strengthened United States-India relationship is last year's passage of the civil nuclear deal.

There are still some steps the Indian Government must take to make the agreement fully operational for United States firms, including identifying civilian nuclear sites for construction of nuclear installations and completing accident liability protection agreements for U.S. companies. The U.S. looks forward to the expedi-

tious completion of these final steps so we can operationalize the agreement for mutual benefit.

Although India and the U.S. share many common interests that will lead their strategic objectives to intersect on most occasions, they will not see eye to eye on all issues. India will seek to leave open its strategic options and avoid being tied down by an alliance with any major power.

There have been questions in particular, particularly in this chamber, about India's relationship with Iran. India opposes Iran's pursuit of nuclear weapons, but also views ties to Tehran through its own regional context, which include a desire to maintain cordial relations to prevent Tehran from drawing too close to Islamabad.

Contrary to some perceptions, however, New Delhi does not have a strong military relationship with Tehran, although it occasionally holds symbolic and nonsubstantive military exchanges.

Another irritant in United States-India ties has been India's role in the collapse of the Doha Round of global trade talks. Despite these hurdles, it is strongly in the U.S. interest to build strategic ties to India which will increasingly play a stabilizing role in Asia.

The United States and India do share concerns about China's military modernization and view with some wariness signs of Chinese military presence in and around the Indian Ocean. Moving forward, Washington should continue to encourage India's permanent involvement in values-based strategic initiatives like the U.S.-Japan-Australia trilateral dialogue.

The fact that India shares our commitment to democratic principles matters. A country's commitment to democratic values forms the character of that nation and shapes the way it approaches other nations.

Lastly, I believe Washington should avoid falling into the trap of trying to directly mediate on the Kashmir dispute and should instead quietly encourage India and Pakistan to resume bilateral talks that had made substantial progress from 2004 to 2007, which is documented in the Steve Coll articles that Ambassador Inderfurth raised.

Recent assertions that the United States should try to help resolve the Kashmir issue so that Pakistan can focus on reigning in militancy on its Afghan border is misguided. Raising the specter of international intervention in a dispute could actually fuel support for violence as militants try to push an agenda they believe is within reach.

The new administration has a firm basis on which to strengthen and expand the United States-India partnership for a safer and more prosperous Asia. Maximizing the potential of the United States-India strategic partnership should be a major focus of the new Obama administration.

Thank you.

[The prepared statement of Ms. Curtis follows:]

Testimony before
Foreign Affairs Committee
Subcommittee on the Middle East and South Asia
United States House of Representatives
February 26, 2009

“Building a Strategic Partnership: U.S.-India Relations in the Wake of
Mumbai”

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Building a Strategic Partnership: U.S.-India Relations in the Wake of Mumbai

Last year's November 26–29 terrorist attacks in Mumbai that killed nearly 170 people, including six Americans, have provided new impetus to U.S.-India counterterrorism cooperation. While Washington and New Delhi have expanded ties across a broad range of issues over the last several years, the two capitals have not yet taken full advantage of the tremendous opportunity to build an effective counterterrorism partnership to the benefit of both countries. Stronger U.S.-India anti-terrorism cooperation will strengthen our overall strategic partnership and improve the safety and security of both Indian and American citizens.

Maintaining Momentum in the U.S.-India Partnership

The U.S.-India relationship has improved dramatically over the last decade. Relations started to improve in the early 1990s following India's economic reforms, but lingering mutual suspicion from the Cold War era, India-Pakistan tensions (which resulted in three major military crises between 1990 and 2002), and the 1998 nuclear tests stalled genuine strategic engagement. Former President Clinton's famous 2000 visit to India created mutual good feelings and was a catalyst for improved relations, but it wasn't until President George W. Bush entered office with a broader vision for the relationship that we witnessed a substantive shift in the ties between India and the United States. The centerpiece of this paradigm shift in relations was the completion of the civil nuclear deal last fall, an historic agreement that has removed a major irritant in U.S.-India relations.

During the Bush Administration, U.S. officials broke the habit of viewing India solely through the India-Pakistan lens. Washington developed a greater appreciation for the Indian democratic miracle and viewed our shared democratic principles as the bedrock for a broader strategic partnership. Washington began to view India's growth in power as a positive development for the balance of power in Asia. India is now broadening its engagement throughout Asia through closer relations and trade links with China, strengthened political and economic ties to the Southeast Asian states, and a budding security partnership with fellow democracy Japan. India's increased economic and political involvement throughout the Asian continent will help to ensure that one country does not dominate the continent, and will encourage stability in a region that accounts for a quarter of U.S. trade and investment and almost half of the world's population.

There is some uncertainty over whether the new Obama Administration will maintain the current momentum in improving U.S.-India ties. Mr. Obama's statements during last year's presidential campaign linking the resolution of the Kashmir conflict to the stabilization of Afghanistan have raised concerns in New Delhi that the new Administration might revert back to policies that view India narrowly through the South Asia prism rather than as the emerging global power it has become. Indian concerns were somewhat assuaged by the late-January announcement that

Richard Holbrooke, special representative to Afghanistan and Pakistan, would focus on those two countries, not on India or Jammu and Kashmir.

Mumbai Attacks and the Need for Stronger U.S.-Indian Counterterrorism Cooperation

One key area of cooperation that needs more attention and nurturing involves countering terrorism. The terrorist attacks in Mumbai have highlighted the urgent need for India and the U.S. to work together more closely to counter regional and global terrorist threats. Despite general convergence of American and Indian views on the need to contain terrorism, the two countries have failed in the past to work together as closely as they could have to minimize terrorist threats. New Delhi and Washington both stand to gain considerably from improving counterterrorism cooperation and therefore should seek to overcome their trust deficit. Indian suspicions revolve around the issue of Kashmir and U.S. policy toward Pakistan, which has provided training, financing, and military and logistical support to militants fighting in Kashmir, who more recently have conducted attacks throughout India. Credible U.S. media reports, citing U.S. officials, indicated there was a Pakistani intelligence link to the bombing of the Indian embassy in Kabul last July that killed two senior Indian officials and more than 50 Afghan civilians.

The U.S. made a mistake in not forcing Pakistan to close down groups like the Lashkar-e-Tayyiba (LET)—the terrorist group responsible for the Mumbai attacks—directly after 9/11. The Bush Administration operated on the assumption that Pakistan was an indispensable partner against al-Qaeda and failed to press Pakistan to crack down on other groups like the Taliban and Kashmir-focused groups, like the LET and Jaish-e-Mohammed (JEM—responsible for the 2002 kidnapping and killing of *Wall Street Journal* reporter Daniel Pearl). U.S. officials tended to view the LET (and the JEM) through the prism of the Indo-Pakistani conflict, despite well-known links between these groups and international terrorism. For instance, shoe bomber Richard Reid apparently trained at an LET camp in Pakistan; one of the London subway bombers spent time at an LET complex in Muridke, Pakistan; and al-Qaeda leader Abu Zubayda was found at an LET safe house in Faisalabad, Pakistan.

The LET links to al-Qaeda go back even further. In 1998, the LET signed Usama bin Laden's fatwa for Muslims to kill Americans and Israelis. It has been a failure of U.S. policy to not insist long ago that Pakistan shut down this group. Turning a blind eye to this group's activities is equivalent to standing next to a ticking time bomb waiting for it to explode.

Since the Mumbai massacre, Islamabad has raided LET training facilities, shut down several LET offices throughout the country, and arrested and detained key LET members. These are positive, albeit much belated, steps. But Islamabad must go further: It must prosecute individuals found to be involved in the Mumbai attacks and shut down LET's ability to sustain itself as a terrorist organization.

On December 31, 2008, the Indian government passed legislation that would strengthen its ability to investigate, prosecute, and—most important—prevent acts of terrorism. Much like the effects of 9/11 on the U.S., the Mumbai attacks have catalyzed Indian efforts to adopt a more

integrated and structured approach to India's homeland security. The U.S. and India alike should recognize the value of their shared experiences in the war on terrorism. Drawing on these experiences, India and the U.S. should pursue a robust dialogue on counterterrorism strategies and deepen their intelligence sharing and other forms of cooperation related to homeland security, thereby improving the security of both nations.

U.S.-Indian counterterrorism cooperation has expanded considerably in recent years, particularly since 9/11. The U.S. and India had already launched a formal Counterterrorism Joint Working Group (CTJWG) in 2000 that meets one or two times a year, although the two countries cooperated informally before 2000. India's success in combating Sikh terrorism in the 1980s and 1990s stemmed in part from intelligence shared by the U.S. and other countries, as well from as a U.S. law signed in 1996 that barred fundraising in the U.S. by the Indian Sikh separatist groups.²

Through the CTJWG mechanism, India and the U.S. have exchanged information, training material, and methods related to interrupting terrorist financial networks, and have taken institutional and law enforcement steps to strengthen homeland security, border management and surveillance techniques, aviation security, and disaster management in the event of a terrorist incident involving weapons of mass destruction.³

Despite this wide-ranging anti-terrorism cooperation, a lingering trust deficit pervades the relationship and prevents deeper cooperation on specific regional threats. In the past, India has been frustrated by what it viewed as inconsistencies and backsliding in U.S. public statements concerning the Pakistan-based terrorist threat to India.⁴ Indian officials also believe the U.S. has withheld information on terrorist operatives suspected of having ties to Kashmiri militants.⁵ Indian analysts believe the U.S. has been reluctant to assist the Indian government with investigations related to terrorism in Jammu and Kashmir to spare embarrassment to Pakistan, which has assisted Kashmiri militant groups, many of which are also connected to al-Qaeda.

The convergence of U.S. and Indian interests in Afghanistan could help to build confidence between Washington and New Delhi in terms of intelligence sharing, since both U.S. forces and Indian interests have been targeted by the same terrorists. India has developed a significant political presence and substantial assistance programs inside Afghanistan, which have fueled concern within the Pakistani security establishment that it is losing influence in the region and is being encircled by hostile regimes in both New Delhi and Kabul. Indian media reports reveal that the U.S. possessed intelligence information related to the attack on its embassy in Kabul that it shared with the Indian government weeks before it occurred.⁶ U.S.-Indian intelligence sharing and cooperation could not prevent this dastardly attack, but there may be future opportunities for

²Polly Nayak, "Prospects for US-India Counterterrorism Cooperation: An American View," in *US-Indian Strategic Cooperation into the 21st Century: More than Words*, Sumit Ganguly, Brian Shoup, and Andrew Scobell, eds. (London and New York: Routledge, 2006), p. 133.

³U.S. Department of State, "India-U.S. Joint Working Group on Counter-Terrorism," January 24, 2002.

⁴Nayak, "Prospects for US-India Counterterrorism Cooperation: An American View," p. 135.

⁵*Ibid.*, p. 144.

⁶Praveen Swami, "ISI Engineered Kabul Embassy Bombing: NYT," *The Hindu*, August 2, 2008, at <http://www.hindu.com/2008/08/02/stories/200808025181200.htm> (February 25, 2009).

the U.S. and India to assist each other in preventing Taliban and al-Qaeda attacks against both coalition forces and Indian interests in Afghanistan.

Civil Nuclear Cooperation. The most tangible sign of the strengthened U.S.-India relationship is last year's passage in the U.S. Congress of the civil nuclear deal. Completing the deal marks a significant departure from the past when U.S.-India ties were constrained by misunderstanding over the nuclear issue and when India found itself outside of the nuclear mainstream. This deal will help deepen U.S.-Indian ties at the strategic level and help India develop its power-generation capacity. There are still some steps the Indian government must take to make the agreement fully operational for U.S. firms, including identifying civilian nuclear sites for construction of nuclear installations by U.S. firms and completing accident liability protection agreements for U.S. companies. India has already allocated civilian nuclear construction sites for French and Russian companies, which are exempt by their governments from liability for potential industrial accidents.

Defense Ties. One of the cornerstones of the U.S.-India partnership is the military-to-military relationship. Military contacts between the U.S. and India have expanded considerably over the last several years with the resumption of the annual Defense Policy Group meetings beginning in 2001, the signing of a major defense agreement in mid-2005, and an extensive number of training exercises. One of the most significant of these exercises was held in September of last year and involved three other nations—Japan, Australia, and Singapore—in the Bay Bengal.

Although the level of military exchanges and training exercises between our two countries has been impressive, the defense trade relationship has been slower to develop. Last year's sale of six C130-J Hercules military transport aircraft worth one billion dollars is the largest U.S. military sale to India ever, and, hopefully, marks the beginning of a substantial defense trade relationship. India's military market is one of the fastest-growing in the world and has become a key leverage point for New Delhi in cultivating relations with the major powers. India has long relied on Russia for arms supplies, and about 80 percent of its existing military equipment is of Russian origin. Indian military personnel complain about the quality and reliability of Russian equipment, however, and Indian strategic planners are increasingly looking to purchase advanced weapons systems from countries like the United States, Israel, France, and Japan.

Indian defense industrialists and officials have long complained that questions about U.S. reliability as a supplier (due to past nuclear sanctions) have dissuaded them from buying American military hardware. The civil nuclear deal was aimed at overcoming these suspicions and bringing Washington and New Delhi into closer alignment on nuclear issues. The signing of a 10-year defense framework agreement in 2005 that called for expanded joint military exercises, increased defense-related trade, and establishing a defense and procurement production group, has also helped boost confidence between our two militaries.

Missile Defense. The U.S. position toward Indian missile development, and Washington's interest in discussing missile defense systems with New Delhi also signifies that mutual confidence is increasing in the relationship. Missile defenses, such as high-powered lasers, limit the potential for regional conflict and serve as a deterrent to enemy threats. They also provide an alternative to massive retaliation in the face of an actual attack. The American record on military

laser research and its many cooperative ventures with friendly and allied powers suggests that a joint U.S.-Indian-directed energy program is certainly achievable. The shared interests of both nations in promoting security and stability in Asia indicates they have a common cause in developing military technologies that would lessen the potential for conflict.

India was among the first countries to support U.S. moves away from the Anti-Ballistic Missile Treaty and toward a missile defense program, which was unveiled by the Bush Administration in May 2001. The U.S. and India have engaged on the issue of missile defense since it became the fourth plank of the Next Steps in Strategic Partnership in early 2004. The U.S. has provided India with classified briefings on the Patriot Advanced Capability (PAC-3) theater missile defense system and authorized Israel to sell the Phalcon airborne early warning system to India.

The China Factor. The U.S. and India share concerns about China's military modernization and seek greater transparency from China on its strategic plans and intentions. Both countries also view with wariness signs of Chinese military presence in and around the Indian Ocean and are carefully considering what it means for energy and sea-lane security. China's attempt to scuttle the civil nuclear agreement at the September 2008 Nuclear Suppliers Group (NSG) meeting was evidence for many Indians that China does not willingly accept India's rise on the world stage, nor the prospect of closer U.S.-India ties. In a speech last year, Indian Home Affairs Minister Palaniappan Chidambaram, citing China's position within the NSG, said that, "From time to time, China takes unpredictable positions that raise a number of questions about its attitude toward the rise of India."

Signs of India's and China's deep-seated disagreements have begun to surface over the last two years and it is likely that such friction will continue, given their unsettled borders, China's interest in consolidating its hold on Tibet, and India's expanding influence in Asia. China has moved slowly on border talks and conducted several incursions into the Indian states of Sikkim and Arunachal Pradesh since January 2008.⁷ China also is strengthening ties to its traditional ally Pakistan and slowly gaining influence with other South Asian states. Beijing is developing strategic port facilities in Sittwe, Burma; Chittagong, Bangladesh; Hambantota, Sri Lanka; and Gwadar, Pakistan, in order to protect sea lanes and ensure uninterrupted energy supplies. China also uses military and other assistance to court these nations, especially when India and other Western states attempt to use their assistance programs to encourage respect for human rights and democracy.

Economics. As a result of Indian development and reform, new trade and investment opportunities have made America India's largest trading and investment partner. U.S.-India bilateral trade topped \$44 billion and cumulative U.S. investment in India reached over 14 billion in 2008. Like all other countries, however, India is suffering from the worldwide economic downturn, and is likely to see its GDP growth rate decline from 9 percent last fiscal year to around 6-7 percent for the fiscal year ending in March. India lost over one million jobs because of the global economic crisis as of late January, according to the Indian government.

⁷Rajat Pandit, "Fresh Chinese Incursions Across LAC," *The Times of India*, September 10, 2008.

In the World Economic Forum's most recent *Global Competitiveness Report*, India ranks high for its domestic market size and for its strong business sophistication and innovation. It also gets high marks for the large number of scientists and engineers and for the quality of its research institutions. The report also notes areas of concern like poor health indicators and low educational enrollment rates. There are many challenges India will have to address over the coming years to sustain growth and begin to lift the two-thirds of its population that still live on less than \$2 per day out of poverty. Some of the important measures India needs to adopt to keep pace economically include investing more in infrastructure; reducing the burden of the bureaucracy on business; liberalizing labor laws; and reducing the tariffs and non-tariff barriers that deny consumers and firms access to a wider variety of less expensive imports and that inhibit investment, growth, and development.

Challenges

Although India and the U.S. share common interests, including commitment to the principles of democracy, the fight against terrorism and extremism, and peace and stability in Asia, which will lead their strategic objectives to intersect on most occasions, they will not see eye-to-eye on all issues. There is still some debate within the Indian strategic community and Indian political circles over the extent to which India should associate itself with U.S. power and global policies. India will seek to leave open its strategic options and avoid being tied down in an alliance with any major power. India's leftist parties are particularly skeptical of close U.S.-India ties and would like to see India prioritize other relationships. This debate came to the fore over the U.S.-India civil nuclear deal with India's Left parties objecting strenuously to it on grounds that it would tie India too closely to U.S. policies and jeopardize its independent foreign policy. In the end, Prime Minister Singh's Congress Party split with the Left parties and went ahead with the deal, demonstrating that his left-of-center political party and a vast majority of Indian foreign policy thinkers want to develop a new framework for cooperation with the U.S.

There have been several questions about India's relationship with Iran. U.S. concerns about Iran's pursuit of a nuclear weapons capability and its support for terrorism drives Washington's policy toward Tehran. India, on the other hand, has a multifaceted relationship with Iran that is characterized by long-standing regional, historical, and cultural ties. India opposes Iran's pursuit of a nuclear weapons program and voted against Iran on that issue at International Atomic Energy Agency (IAEA) meetings in September 2005 and again in February 2006. New Delhi, however, views its ties to Tehran through its own regional context and believes that it must maintain cordial ties with Iran to prevent Islamabad and Tehran from drawing closer. India also views Iran as a potential source for its growing energy needs and currently ships goods to Afghanistan through the Iranian port at Chabahar, since Pakistan does not allow Indian goods destined for Afghanistan to transit its territory.

Contrary to some perceptions in Washington, New Delhi does not have a strong military relationship with Tehran, although it occasionally holds symbolic and non-substantive military exchanges. Observers also note that India's relationship with Iran has not impacted growing Israeli-Indian defense ties, demonstrating that Tel Aviv accepts to a certain degree New Delhi's need to maintain cordial relations with Tehran. Israel has emerged as India's largest defense

supplier behind Russia and the two countries have signed contracts worth up to \$5 billion since 2002.⁸

Another irritant in U.S.-India ties has been India's role in the collapse of the Doha round of global trade talks. India's position has been to push for wealthy countries to abandon their trade barriers (especially agriculture subsidies) without reciprocal trade concessions from developing countries. India's demand for developing countries to be allowed to backpedal on commitments made in previous rounds or in their accession agreements, in particular regarding tariffs on rice and other farm goods, essentially killed the deal. Kamal Nath, India's commerce minister and top trade negotiator, placed blame for inadequate investment in the developing world's agriculture sector on rich countries subsidizing their own agriculture. Although U.S., European, and other agriculture subsidies do distort world prices and influence the global pattern of food production, they are not principally to blame for the lack of agricultural development in poorer countries. Much of that rests on the protectionist barriers to trade and other distorted economic policies that undermine incentives to invest. This direct confrontation about the way trade facilitates development keeps the talks from moving forward.

India and other developing nations need to embrace a freer trade strategy that will provide meaningful new market access in each other's economies as well as promote competitiveness, productivity, and investment in their own economies. Under such a strategy, there would be a real chance to conclude a new global trade agreement that promotes sustainable development. With the benefits it stands to gain, India cannot afford to turn away from making progress on economic reform at home and advancing freer trade around the world.

U.S. Policy Recommendations

The U.S. should continue to build strategic ties to India, including a robust military-to-military relationship to assist India in playing a stabilizing role in Asia. To ensure peaceful political and economic development in South Asia, the U.S. also will need to collaborate more closely with India in initiatives that strengthen economic development, freer trade, and democratic trends in the region.

Washington should encourage India's permanent involvement in values-based strategic initiatives like the U.S.-Japan-Australia trilateral dialogue. Former Japanese Prime Minister Shinzo Abe had proposed that Japan, India, Australia, and the U.S. formalize a four-way strategic dialogue. The government in Canberra led by Kevin Rudd, however, has since backed away from the initiative. Washington should convince Canberra of the benefits of reviving and elevating a quadrilateral forum focused on promoting democracy, counterterrorism, and economic freedom and development in Asia. In the meantime, the U.S. can also pursue U.S.-Japan-India trilateral initiatives, especially in the areas of energy and maritime cooperation, and through the institution of regular dialogue on Asian security issues. Indian-Japanese relations have been strengthening in recent years, as demonstrated by Indian Prime Minister Singh's

⁸Trefor Moss, "India Surveys its Strategic Options," *Jane's Defence Weekly*, January 7, 2009.

October 2008 visit to Japan, where he signed a joint declaration on security. It was the third such pact Japan has ever signed, including one with the U.S. and one with Australia.

Washington should expand cooperation with India on matters of intelligence and homeland security and position itself to be a resource for India, finding means of sharing the lessons it learned after 9/11. Since 90 percent of counterterrorism concerns intelligence, Washington and New Delhi should focus on breaking down barriers to intelligence-sharing. Indeed, the Mumbai attacks have already spurred greater U.S.-India counterterrorism cooperation. New Delhi and Washington should also increase official diplomatic and non-governmental exchanges on improving counterterrorism cooperation. The level and frequency of the U.S.-Indian Counterterrorism Joint Working Group meetings should be raised and increased. These meetings should include talks on ways to organize and streamline operations of various intelligence-gathering and investigative institutions as well as a free exchange of ideas on how to address the ideological foundations of terrorism.

Washington should demonstrate its commitment to uprooting terrorism in all its forms by adopting sharper policies with regard to Pakistan that hold the country's officials accountable for stopping all support to terrorists. The most important measures that can be taken to prevent another Mumbai-like attack anywhere in the world is for Pakistan to punish those involved in the inspiration, planning, training, and equipping of the terrorists while proactively undercutting the extremist propaganda that led to the Mumbai massacre. Pakistani officials must be held to account for any links to terrorism. If such links are discovered, as in the case of last July's bombing of the Indian embassy in Kabul, there must be consequences for the Pakistani officials in charge of these individuals.

U.S. legislation referred to as the "Enhanced Partnership with Pakistan Act 2008" introduced last year in the Senate Foreign Relations Committee (SFRC) seeks to simultaneously bolster support for democracy and economic development in Pakistan by tripling non-military assistance, while strengthening Pakistan's commitment to fighting terrorism by tying military assistance to preconditions. As Ranking Member of the SFRC Senator Richard Lugar said, "It is not a blank check...it calls for tangible progress in a number of areas, including an independent judiciary, greater accountability by the central government, respect for human rights, and civilian control of the levers of power, including the military and intelligence agencies." Beginning in fiscal year 2010, the bill would require the Secretary of State to certify that Pakistan is making concerted efforts to prevent al-Qaeda and associated terrorist groups from operating on its territory before the U.S. provides additional military assistance to Pakistan.

Conditioning military assistance to Pakistan is necessary to demonstrate that the U.S. will not tolerate dual policies toward terrorists, and that there will be consequences for Pakistani leaders if elements of the security services provide support to terrorists. Such consequences are necessary to stem regional and global terrorism. The inherent political instability in Pakistan and continued domination of the country's national security policies by the military will make it difficult to carry out the policies laid out in the Kerry-Lugar legislation. It will require close coordination and consultation between the executive and legislative branches in order to understand clearly and respond quickly to developments inside Pakistan. In this regard, the inclusion in the legislation of a national security waiver that allows the executive branch the

necessary flexibility to play its role as chief executor of the foreign policy of the United States is essential.

Washington should avoid falling into the trap of trying to directly mediate on the Indo-Pakistani dispute over Kashmir, and should instead encourage the two sides to resume bilateral talks that had made substantial progress from 2004 to 2007. Recent assertions that the U.S. should try to help resolve the Kashmir issue so that Pakistan can focus on reining in militancy on its Afghan border is misguided. Raising the specter of international intervention in the dispute could fuel unrealistic expectations in Pakistan for a final settlement in its favor. Such expectations could encourage Islamabad to increase support for Kashmiri militants to push an agenda it believes to be within reach. Such a scenario is hardly unprecedented: Former Pakistani President Pervez Musharraf initiated the Kargil incursion into Indian-administered Kashmir in 1999 precisely to raise the profile of the Kashmir issue and to encourage international mediation.

The U.S. can play a more productive role in easing Indo-Pakistani tensions by pursuing a quiet diplomatic role that encourages the two sides to resume bilateral negotiations that reportedly made substantial progress on the vexed Kashmir issue through back channels from 2004 to 2007.⁹ India and Pakistan also achieved tangible progress in these peace talks, including holding dozens of official meetings, increasing people-to-people exchanges, augmenting annual bilateral trade to over \$1 billion, launching several cross-border bus and train services, and liberalizing visa regimes to encourage travel between the two countries.

In 2006, then-President Musharraf and Prime Minister Singh had begun to craft their statements on Kashmir in ways that narrowed the gap between their countries' long-held official positions on the disputed territory. For instance, Musharraf declared in December 2006 that Pakistan would give up its claim to Kashmir if India agreed to a four-part solution that involves 1) keeping the current boundaries intact and making the Line of Control (LOC) that divides Kashmir irrelevant; 2) demilitarizing both sides of the LOC; 3) developing a plan for self-governance of Kashmir; and 4) instituting a mechanism for India and Pakistan to jointly supervise the region. Musharraf's plan followed Singh's call in March 2006 for making the LOC "irrelevant" and for a "joint mechanism" between the two parts of Kashmir to facilitate cooperation in social and economic development.¹⁰ If talks resume between Islamabad and New Delhi, the Indians and Pakistanis can pick up the threads of these earlier discussions, rather than starting from square one or rehashing traditional positions.

Part of U.S. trade strategy with respect to India should be the promotion of domestic liberalization. India has concerns about access to American labor markets and freedom for American companies to operate overseas, among other things. Our discussion of their concerns should include liberalization on the Indian side, as well. This will not only pay off in a stronger

⁹Steve Coll, "The Back Channel," *The New Yorker*, March 2, 2009, at http://www.newyorker.com/reporting/2009/03/02/090302fa_fact_coll (February 15, 2009).

¹⁰Lisa Curtis, "India and Pakistan Poised to Make Progress on Kashmir," Heritage Foundation *Background* No. 1997, January 12, 2007, at <http://www.heritage.org/Research/AsiaandthePacific/bg1997.cfm>.

Indian economy and direct improvements in market access for U.S. multinationals but in speeding a resolution of the WTO standoff. As India liberalizes outside the WTO framework, the domestic political balance will shift toward those willing to move forward with open trade.

The U.S. should continue and expand cooperative initiatives with India on areas of mutual concern like HIV/AIDS, tuberculosis, education, and developing alternative energy solutions. The 2.5 million Indian-American community can play a vital role in spurring such cooperation and bringing together American and Indian technology and scientific innovation through cooperative ventures to deal with the most pressing challenges of the twenty-first century. India's demographic trends give it the highest percentage of potential workers of any country in the world. However, ensuring good education for the 250 million Indians currently under the age of 15 will be a major challenge. Much attention has focused on training for technology jobs, but the technology sector cannot absorb all of these "potential workers." The Indian government needs to ensure a level of basic education that can accommodate a flexible work force. The U.S. government can play a role by expanding an existing tool, the U.S.-India Educational Foundation, which currently focuses only on higher education, to emphasize primary and secondary education as well. This will allow the Educational Foundation to focus on the needs of the largest portion of the population—who lack even the most basic of education and skills.¹¹

Conclusion

The new Administration has a firm basis on which to strengthen and expand the U.S.-India partnership for a safer and more prosperous Asia. As former Secretary of State Condoleezza Rice recognized, the civil nuclear agreement "unlocks a new and far broader world of potential for our strategic partnership in the 21st century, not just on nuclear cooperation but on every area of national endeavor." Maximizing the potential of the U.S.-India strategic partnership should be a major focus of the Obama Administration.

¹¹ A further discussion of India's economic prospects, including the future of the education sector, will be forthcoming in a Heritage Backgrounder to be published by Derek Scissors and Michelle Marinaro.

Mr. ACKERMAN. Thank you.

Let me begin with Ambassador Inderfurth. Your testimony discusses the need to address regional challenges and mentions Afghanistan and Pakistan, but you don't mention Iran. India's relationship with that country has been the source of some friction with us in the past and seems to be an issue where we continue to talk past each other.

Is there a way for both the United States and India to work jointly on the Iran question, or is this an issue where we are just going to disagree or ignore?

Mr. INDERFURTH. Well, I certainly hope, Mr. Chairman, that we can work with India on the Iran issue.

This will be part of the Holbrooke mission, if you will, to look at a regional approach to dealing with Afghanistan and Pakistan. He has already made his first trip to India to talk with the Indians about this, and he will be dealing with others in the region.

He has already spoken about the need to have some opening of a dialogue with Iran on Afghanistan. That took place during the time I was in office in the so-called Six Plus Two process, and according to Ambassador Jim Dobbins at the Bonn Conference after 9/11 the Iranians were actually in a helpful role to facilitate the establishment of an interim government in Afghanistan.

Whether or not it will be possible to encourage any kind of cooperation with Iran on Afghanistan remains to be seen. They do have serious problems about the narcotics situation in Afghanistan. They have actually lost quite a few people trying to patrol their borders against the drug trade.

We will have to see. Ambassador Holbrooke has that as part of his regional approach that he will be looking into, which will go beyond the countries I have mentioned, will also include the Central Asia republics, will include China, will include Saudi Arabia, will include Turkey. I mean, this is to bring all hands on deck to try to deal with this clear and present danger of what is taking place today in Afghanistan and Pakistan.

I hope that we can have a serious discussion with India about Iran. The overlay of the nuclear issue is clearly going to remain there, and India has made it clear that it does not want to see other states acquire a nuclear capability, and those states that have signed the NPT should fulfill their obligations. That is why they have voted with us in those votes at the IAEA.

Because India has maintained a relationship, whether or not we can get them to use that relationship that they have with Tehran to work productively on that issue and on other issues, including Afghanistan, we will have to see, but I think it will be helpful for the United States to no longer take the view that we won't talk to the Iranians.

I think we have to speak to them. Now, whether or not they are going to respond in a constructive way, that remains to be seen.

Mr. ACKERMAN. Thank you.

Ms. Curtis, first I would like to ask unanimous consent that the letter that you cited before be placed in the record at the point that you cited it.

[No response.]

Mr. ACKERMAN. Seeing no objection, so ordered.

Ms. Curtis, among the challenges to the bettering of the relationship between the United States and India, you note that India's multifaceted relationship with Iran as well, so I would like to ask you, as you note that India's opposition to Iran acquiring nuclear weapons and India's courageous votes in the IAEA which you cited.

How do you suggest this question move from one of contention between us and India to one of cooperation?

Ms. CURTIS. Yes. I think we need to continue to emphasize to Indian leaders the importance of India cooperating and ensuring that Iran doesn't achieve the objective of obtaining a nuclear weapon, which also they share that same objective, but I think we will need to continue to assert our position.

And I think we should push India to play a stronger role in dissuading Iran on the nuclear weapons issue. They do have a relationship with Iran, so I think we should be encouraging them to move in that direction, and I think it was helpful, the votes that they made at the IAEA. I understood that took U.S. encouragement.

But I think this is what we need to build on and continue to emphasize how important that issue is to us. I think part of building a strategic partnership is you get to know the issues that are most important to your partner.

You have to acknowledge that you and your partner are not always going to agree on every single issue, but each partner needs to understand what are those core national security interests to the other, so I think we will need to continue pressing on this issue, and I think we do have opportunities to garner more Indian support on the Iran nuclear issue.

Mr. ACKERMAN. Thank you.

The chair notes that the timekeeper, in restoring the 30 seconds for my unanimous consent decree, inadvertently gave me back my full 5 minutes. I will overrule that and say that my time has expired.

Mr. Burton?

Mr. BURTON. Mr. Chairman, I would never want to cut you off. You are so eloquent.

Mr. ACKERMAN. Could you repeat that? I didn't hear.

Mr. BURTON. I will put that in the Congressional Record for you.

First of all, some of the remarks that were made concern me. I believe that we should help India. I believe we should work with them on a peaceful nuclear program. But the tone of some of the comments I heard was that Pakistan was a bad actor.

Pakistan has been an ally of ours forever, through thick and thin, through war and peace, and India has not. India worked with the Soviets during the Cold War, built T-55 tanks. There was a whole thing, but that is the past.

But I just think that while we are trying to point out the things that we need to be doing to solidify our relationship with India, I don't think we should in any way try to denigrate our relationship with Pakistan in particular because of the situation with the Afghan-Pakistan border.

They have some real serious problems over there with regions up there along the border where you have a lot of sympathy for the

radical elements like the Taliban, and for the government to succeed they have to handle that in a very careful way in my opinion.

The other thing I wanted to mention is this issue about Kashmir. There has been occupation by the Indian troops up there for a long time, at one time well over 1 million in Kashmir and Punjab, and I believe that the 1948 resolution, Resolution 47 by the U.N. Security Council, called for a plebiscite.

I think that the United States, unless we want to repeal that U.N. resolution, the United States should do what we can to see that that U.N. resolution is carried out.

Along those lines I would like to ask you in just a second when I get through with my comments what you think about how we should resolve the Kashmir issue and what we can do while not being directly involved as a mediator to get the Indian Government, and I know you mentioned this while I was gone, and the Pakistani Government together to solve that problem because that is a tinderbox, and we don't want it to blow up into a full scale war.

I would like to say one more thing about nuclear power. It is clean. It is effective. France does about 80 percent of their electrical production with nuclear facilities. We are pushing India and helping India develop a nuclear capability as far as their electric generation. They have 800 million people in poverty over there, so we really want to help them, but we ought to do it here in America.

And so for those who may be listening, the President in his State of the Union message the other night mentioned nothing about nuclear generation of energy, and I think that we ought to look at that as well. I am not going to go into that any further. You and I will probably fight about that later on.

But if you could just give me the answer to two questions real quickly? I only have 1 minute 32 seconds to go.

First of all, what roles should we take in trying to resolve the India-Pakistan issue regarding Kashmir and how you think we can proceed in an unobtrusive way to get them together, and the second thing is, Ambassador Inderfurth, you said you were talking about some glowing remarks about India.

The Human Rights Watch said on January 2009,

“The Indian Government lacks the will and capacity to implement many laws and policies designed to ensure the protection of rights. There is a pattern of denial of justice and impunity, whether it is in cases of human rights violations by security forces or the failure to protect women and children and marginalize groups such as the dalits, tribal groups and religious minorities. The failure to properly investigate and prosecute those responsible leads to continuing abuses.”

You might just comment on that as well. We want to work with India, but we also need to recognize and hold them accountable for human rights abuses as we would Pakistan or anybody else.

Mr. ACKERMAN. Twenty-five seconds to respond, and there will be another vote on the floor shortly.

Mr. BURTON. Okay. I was going to ask unanimous consent for another 15 seconds, but whatever you say, Mr. Chair.

Mr. Inderfurth. Well, I will start and Ms. Curtis will continue on this.

I fully agree as we pursue our broadened relationship with India we should not be denigrating our relationship with Pakistan. These two countries are important to the United States for their own reasons. They are not hyphenated any longer in terms of India-Pakistan hyphenation. There has been a dehyphenation.

Quite frankly, we have very strong relations with both countries now and they are both vital to our interests, so there should be no denigration of Pakistan in this discussion, and indeed with the new civilian leadership we should be doing all we can to enhance that, and indeed there is legislation in play already to triple our assistance to Pakistan in nonmilitary ways.

All of that I fully support and these current efforts underway to get the two countries to work together on Afghanistan-Pakistan and their delegations here in Washington now.

On the issue of Kashmir, Ms. Curtis mentioned this in her remarks. I fully agree that our best role is to be supportive. There is a long history of their dealing with this issue and agreeing now that it is a bilateral matter. We can support that, taking into account the Kashmiri people themselves.

This article that I mentioned that Steve Coll—and Ms. Curtis has mentioned—have written in the New Yorker is the first detailed account that I have seen of something that many of us have known about that has been taking place since 2004, special envoys for India, Ambassador S.K. Lambah and for Pakistan their national security advisor, Tariq Aziz. They have been talking since 2004 trying to find a way through this thicket of Kashmir.

One thing they have done, and I want to go to this about the plebiscite. President Musharraf himself has said he is not insisting on following those U.N. resolutions. Now, that has been a major sticking point about calling for a plebiscite. Musharraf said we do not need to go down that road. There are other ways to address this and to try to find ways to give Kashmir more autonomy.

I will leave the details of that, but read that article.

Mr. Ackerman. Thank you.

Mr. Inderfurth. He is a great reporter.

Mr. Ackerman. Mr. Costa?

Mr. Costa. I am interested in the other witness responding, and then I will proceed with my question.

Ms. Curtis. Thank you very much, sir. Yes. I think we have equally important relationships with Pakistan and India for very different reasons, as Ambassador Inderfurth pointed out, but it is a fact that both countries are moving on very different trajectories.

One of the roles that I think we should be playing a stronger role in is to prevent either country from undermining the other. We know that both countries try to undermine each other in different ways, so I think the U.S. should assert a role in trying to prevent that from happening and also in encouraging them to get back to bilateral talks, but we can't deny the fact that both countries try to undermine the other in different ways.

When I talked about Pakistan with regard to the terrorism issue and the need to shut down the Lashkar-e-Tayyiba and to condition military assistance based on their role in the fight against ter-

rorism, I was thinking about protecting American lives and preventing another 9/11 type of terrorist attack. It had nothing to do with denigrating Pakistan.

I think we should be supporting Pakistan, helping it turn into a democracy that is prosperous, that serves the needs of its people. I think we should have a strong partnership with Pakistan, but I also think we need to ensure that if there are instances where there is support to terrorism among any of the elements within the Pakistani security establishment that there are consequences for that.

On to Kashmir.

Mr. COSTA. Quickly, because I do have some questions.

Ms. CURTIS. Okay. Yes. I would just point out a paper I had written in January 2007, India and Pakistan Poised to Make Progress in Kashmir, which basically backs the Steve Coll article.

You could tell in the kinds of statements that both former President Musharraf and Prime Minister Singh were making with regard to Kashmir that the gap was closing on this position of the two sides. They talked about things such as making the line of control irrelevant, demilitarizing both sides of the line of control, developing some kind of plan for self-governance.

Mr. COSTA. And so with the current line-up do you think that still with Musharraf no longer in place is possible?

Ms. CURTIS. Well, I think the Mumbai attacks have made it extremely difficult for the two sides to engage.

Mr. COSTA. So a setback at this point?

Ms. CURTIS. It is a setback. If we see Pakistan take steps against the Lashkar-e-Tayyiba, reign in that group, I do think there is a chance to get back to bilateral talks—

Mr. COSTA. All right.

Ms. CURTIS [continuing]. And pick up on these threats.

Mr. COSTA. My question to both of you very quickly. There is a group of us that are intending on going to both India and Pakistan in April. I would like your sense of the current leadership.

What is realistic to expect in terms of what we can question in terms of the leadership's intent both in India and Pakistan to assist us as it relates to this effort on terrorism that you both spoke of in your testimony, as well as how we deal with the Taliban specifically in the territorial areas where now Pakistan is making a supposed truce in the Swat Valley and such with some of the various folks there that we obviously have problems with? Quickly.

Ms. CURTIS. Okay. Yes.

Mr. ACKERMAN. I have 1½ minutes.

Ms. CURTIS. Yes. I would emphasize the need to integrate the region economically, to encourage greater trade between all of the South Asian states and to look at ways to build those linkages and again to come back to the progress that was made from 2004 to 2007 in terms of establishing more transport links between India and Pakistan and encouraging it in that direction, but recognizing that we do have a serious situation in terms of Indo-Pakistani rivalry in Afghanistan, and we need to look at that very carefully.

Mr. COSTA. That tension is always there.

Mr. Ambassador, quickly. With regard to these treaties or truces or whatever you want to call them with the Pakistan Government I think trouble many of us.

Mr. INDERFURTH. I think they are troubling. You mentioned April will be the time for your visit there?

Mr. COSTA. Right.

Mr. INDERFURTH. I think that is light years away right now in Pakistan because things are happening so quickly, including the decision now to not allow Nawaz Sharif and his brother, Shahbaz Sharif, to actually stand for election.

Things are happening every day there, and I think that between now and April a lot more will change, including we will know a lot more about this agreement in Swat, which I think gives us grave concern that this may be creating a safe haven for these groups.

Mr. COSTA. That is my thought.

Mr. INDERFURTH. So Pakistan, check in sooner to the date to see what can be done there.

India will be in an election at that point. They have national elections that will be coming up. They have to take place by May, so they will be in an election period so that is going to determine a great deal of their ability to take strong positions or to take controversial positions, just as in any election cycle.

So it will be an interesting time for you to visit, and both of these things are going to impact on how much you are able to get done.

Mr. COSTA. Thank you very much. My time has expired.

Ms. CURTIS. Can I add just one thing?

Mr. COSTA. Sure.

Ms. CURTIS. On the Swat Valley agreement, I share the skepticism and just note I was in Pakistan in December, and I met with residents of the region and they are extremely nervous and scared about what is happening there.

They lamented the fact that the government does not have a strategy to deal with the situation, so I think this is a signal of government weakness and we should be extremely concerned about this situation, the viability of the agreement even lasting.

Mr. COSTA. Well, some of the examples that the Taliban have used there in the Swat Valley have been horrific to enforce their rule.

Mr. ACKERMAN. Mr. Rohrabacher?

Mr. ROHRABACHER. Thank you very much. Again, I want to emphasize that nothing that I have said today or will be saying indicates anything about or questions the character of Ambassador Inderfurth.

I think that he is an honest person, and people who are honest can have basic fundamentals or you can say profound disagreements. However, that does not at all mean people should not be held accountable for advocating and implementing the wrong policies that lead to bad results.

I believe that nothing I have heard so far indicates that Mr. Inderfurth during the time period that we had many conflicts over which direction to go in Afghanistan was not making the wrong decisions.

The memo that has been surfaced today, while it indicates in 1999 Ambassador Inderfurth was questioning perhaps some of

those policies, and perhaps we didn't have such a profound disagreement by 1999. Let me note, however, the disclosure of this memo raises other serious questions.

In 1999, Chairman Gilman, chairman of the International Relations Committee, and myself requested all documents from the State Department, meaning from Ambassador Inderfurth's office, concerning our policy in Afghanistan. That document which you now say has been unclassified was not part of the documents given to us.

At that time I suggested that the State Department was withholding information from Congress. Mr. Inderfurth, do you know of any other documents that were withheld from that request, an official request by the chairman of the International Relations Committee and myself, a senior member of the International Relations Committee, of your office? Are you aware of any other documents? You obviously withheld that document.

Mr. Inderfurth. Well, I didn't withhold this document, Mr. Rohrabacher. This was a release that occurred in 2007. This is an Associated Press report.

Mr. Rohrabacher. Yes.

Mr. Inderfurth. I mean, a lot of documents are released through Freedom of Information Act.

I did not see the full list of all the documents you got. This simply was an AP report in 2007, so you will have to go—

Mr. Rohrabacher. Excuse me. I am not talking to you about the report of the documents.

Mr. Inderfurth. Yes.

Mr. Rohrabacher. I am asking you back when you were in a position of authority and were requested by the chairman of the International Relations Committee and myself officially for the documents concerning Afghan policy, that document was not included that we—

Mr. Inderfurth. I don't know if that document was included or not. I think you would have to look through the full inventory, which I have not seen.

Mr. Ackerman. Excuse me. If the chair could respectfully suggest when the witnesses were invited the topic of the hearing was India and not something that might have happened during the previous administration or several administrations ago.

Male voice. Yes.

Mr. Ackerman. Not wanting to stifle your right to be critical of the witness, but in all fairness this is about India, and we didn't ask anybody to prepare and look back through three administrations ago to what the record might be.

I would just like to refocus. Your comments are fair, and you might recall that of the entire 48-member committee or whatever we had I was the only one on either side besides Mr. Gilman, who supported—

Mr. Rohrabacher. In fact, you may have well supported our request for those documents.

Mr. Ackerman. I certainly supported your request as a Member of Congress to get whatever documents needed to do our work, but our work today is presumably about India so I would respectfully

suggest that we restore Mr. Rohrabacher's if we can get back to India.

Mr. ROHRABACHER. If I could have my time restored from the time that you now—

Mr. ACKERMAN. I am indicating if we can get back to India—

Mr. ROHRABACHER. All right.

Mr. ACKERMAN [continuing]. The chair will—

Mr. ROHRABACHER. Mr. Chairman, I think that it is important for us when we are hearing recommendations, policy recommendations from people who have participated in the implementation and the creation of U.S. policy in the past, for us to note whether or not they have been accurate in the past, and I believe Mr. Inderfurth, and again I am not questioning at all his integrity.

I am just suggesting at that time we did come head on head on these very policy issues. I believe history has proven me right, and I would just suggest that when we now listen to other policy recommendations from him, whether it is India or somewhere else, that needs to be taken into consideration.

So I appreciate that he is not prepared for this line of questioning because he came here to discuss India so it is not proper for me to push beyond a certain limit. I do think it is right to bring up such issues.

With India, let me note that I certainly agree with Mr. Burton and disagree with Ms. Curtis on this idea that if we bring up Kashmir that we in some way incite more violence in the Kashmir. What the problem is is that we need to be recognizing legitimate forces throughout the world.

We are doing India a favor, I believe, in the cooperation that Mr. Inderfurth is recommending to us with India on a broad scale and especially on the nuclear energy situation, but we need to be honest with the Indians and say to eliminate what is going on in Kashmir they need to have a plebescite, and we are your friends. We recommend that you do this. I don't believe that allowing the people of Kashmir to have a vote will encourage bloodshed, but just the opposite.

So with that said, I would certainly grant the last part of my time to Mr. Inderfurth to rebut me in any way that he would choose. We did have a lot of disagreements, but we had a lot of good exchanges there as well.

Mr. Inderfurth. Mr. Chairman, I had a sneaking suspicion this would come up at this hearing so I am not surprised, but I am glad that you are trying to refocus on the issue at hand—

Male VOICE. All right.

Mr. Inderfurth [continuing]. So I would like to respond to those issues.

Mr. ACKERMAN. But we will cite the earned run average of each of our witnesses in the future.

Male VOICE. All right.

Mr. ROHRABACHER. Thank you very much, Mr. Chairman, and thank you both to the witnesses.

Mr. ACKERMAN. Thank you very much, Mr. Rohrabacher.

Mr. Crowley?

Mr. CROWLEY. Thank you, Mr. Chairman. Ambassador, good to see you again.

Mr. INDERFURTH. Good to see you.

Mr. CROWLEY. Ms. Curtis, thank you for being here as well today.

I will bring this back to the subject at hand today as well in listening to the chairman's request. In regards to India as a powerhouse, a potential powerhouse or a powerhouse within Asia that many people are talking about, they still lack a great deal in terms of infrastructure, roads, bridges, mass transit, for instance, and they have a tremendous need for energy that continues to grow.

Do you see India spending both the time and the energy and the resources to create a world class infrastructure that will in many respects further their image as a major power in the region? For either one.

Mr. INDERFURTH. Well, Congressman, good to see you again, and that is certainly their aspiration. That is a direction they want to go.

When they were having the growth rates of eight, nine, approaching 10 percent for their economy they were moving in that direction. Unfortunately, they too have been hit by the global economic crisis, probably less so than others because they have been more cautious in terms of stepping into that global marketplace, which has its drawbacks in other ways. Infrastructure has been a high priority for them.

As I mentioned earlier, with the elections coming up I imagine that that is going to be an election issue for both parties—who can do more to address these longstanding needs for infrastructure and for opening up the economy—so I think that that is a very high goal.

Energy is a major issue, which is the reason I fully strongly supported the civilian nuclear agreement because the Indians saw that more as an energy agreement than a nonproliferation issue. They have got to get more civilian nuclear power. They have to find other sources of energy.

And I also believe that this does open the door for a broader discussion with India, as I mentioned in my testimony, on energy security issues, and that also opens the door for environmental and climate change issues. These are inextricably linked.

And I think now that the new administration is—how shall I say this diplomatically—open to moving ahead on climate change and global warming I think that that will now open ways to talk to the Indians about that.

If we take steps that we need to do to address those issues I think the Indians are going to be far more willing to cooperate with us, and I hope the Chinese will as well because all of us have to work together on it.

Mr. CROWLEY. Thank you. Ms. Curtis, before you respond, I only have a limited amount of time. I want to get two other questions in. Maybe the chairman will give you an opportunity to respond.

I want to talk about Burma just briefly. What should the new administration do to encourage India to play a more active role in encouraging the current junta to liberalize and become more transparent and open up for democratization within Burma?

And one last thing. In terms of our relationship with India, we spoke in terms of what they are lacking. Our growing relationship,

though militarily, with them. There has been some discussion about that and what is being called interoperability between the two militaries.

What benefits and potential problems do you see in our system of foreign military sales and export regimes as India attempts to purchase more U.S. technology and hardware?

Ms. CURTIS. Well, on Burma I think I would definitely put that in the category of being a source of a bit of tension between India and the United States and our policies there. I think when India looks at Burma it is looking sort of geopolitically, geostrategically, and seeing some of the inroads that China has made there.

But you also have the support from the Congress Party to democracy there, and of course Ong Sun Suki had spent time in India, so there are those connections there, but I think right now in the current environment India is looking at concerns with regard to China and its role. So again we need to be asserting our position why it is important for India to use its leverage or influence to support the democratic forces there. This is an area where we need to work diplomatically frankly.

In terms of the growing military to military cooperation, just note we had the largest sale ever, the Hercules transport military aircraft last year. It was very positive and hopefully the start of an even broader defense trade relationship.

There are a lot of issues involved there. I think the Indians tend to sort of trust the Russians in terms of providing the kind of technology they are looking for, so we need to do a lot of work there in terms of building up the mutual trust and the technology that is being transferred there, so I think we do have some work to do there.

But I think the completion of the civil nuclear deal, one of the reasons behind that is to increase the mutual trust, particularly from the Indian side. I think they have always been nervous about the nuclear sanctions, given the past relationship, but now hopefully we have instilled some confidence that things have changed. We trust India, and this can build our military to military relationship.

Mr. CROWLEY. Thank you. Thank you both.

Mr. ACKERMAN. Thank you.

Mr. Inglis?

Mr. INGLIS. Thank you, Mr. Chairman.

I am interested in knowing what you all might recommend by way of what the United States could do to promote human rights and religious freedom in India.

A number of friends and constituents have mentioned to me their concern about persecution particularly against Christians in Karnataka and Orissa. As I understand it, the Hindu Nationalist Party, VHP, draws support from umbrella—it is kind of social-political movements, VHP and then a militant youth organization, RSS, the result being that they emphasize importance of Indianess as a basis of national identity, and that leads apparently to the use of a wedge issue against using religion as a wedge issue against their opponents with the result of some pretty brutal persecution against Christians in these provinces.

Any ideas about what the United States could do to support religious freedom in India and to encourage an end to that kind of violence?

Ms. CURTIS. Well, I think we do have issues. You know, you have India, the largest, most multireligious, multiethnic country in the world. You know, I think the fact that it is a working, functioning democracy is a miracle in and of itself, and it is something that is really astounding to see.

We are coming up on an election, and you will see millions of Indians voting. They have to stagger the election over several weeks, but it really is something that I think the country should be proud of and something that I think we can admire here from the U.S.

There are certainly legislative measures in the Constitution to protect minority rights. Now, I agree on the ground this doesn't always happen. There is interreligious tension, not only Hindu-Muslim, but Hindu-Christian. As you pointed out, the situation in Orissa is something of concern that we should be watching.

I think the best way we can support these groups is by calling attention to the issues, raising the issue, maybe traveling to areas, seeing firsthand what is happening and support that.

So I think it is a valid issue to raise and something that we should be discussing, but we also need to understand that India does have the constitution and the structures in place to protect its minorities and takes that very seriously.

Mr. INGLIS. Yes.

Ms. CURTIS. I think the U.S. has spoken out. For instance, when we had the Gujarat riots in 2002 in which many Muslims were killed—the numbers range from 800 to 2,000—but this was something where the U.S. decided that the Chief Minister, Narendra Modi who was a member of the BJP Party, did not do everything that he could to stop that rioting and so he was denied a visa here to the U.S.

So I think it is important for the U.S. to continue to speak out on these issues when you have anomalies come up.

Mr. INGLIS. It makes a point, doesn't it, that we really don't want to spread democracy.

What we want to spread is constitutional republics because in a democracy if you got more Hindus and Muslims or Christians you can vote them out of religious services. It is all right in democracy.

But the wonderful thing about a constitutional republic is it limits the power of the government and gives freedom to individuals, so I hope that they discover the importance of a constitutional republic and not a democracy because in a democracy if the VHP, along with the VHP, want to beat up on the Christians or the Muslims it is really okay in a democracy I suppose.

But we really don't want democracy. We want a constitutional republic, right? We want to encourage those.

Mr. INDERFURTH. Could I interject here, because I want to support what Ms. Curtis said, but I also want to make the point that India is both a democracy and a constitutional republic. I have been to their Republic Day celebrations. They are very proud of their republic and the guarantees in their constitution for minority rights.

Now, this issues goes to something that Congressman Burton also mentioned about the human rights report. These are legitimate issues to be discussing with India, and we do do that.

I mention in my testimony that we are two of the world's great multiethnic democracies. We are also multireligious democracies. We need to protect those rights and to allow freedom of expression and to talk to them about that.

When I got up this morning I heard on CNN that there was a report from the Southern Poverty Law Center—this is done, and Morris Dees, if I remember correctly, who was a founder of that saying hate crimes are on the rise in the United States. Hate crimes on the rise in the United States.

We have these issues that we have to deal with. The Indians have theirs that they have to deal with. Hopefully we can talk to each other about these. Neither of us are perfect societies.

The Indians know, and I have spoken to them, Gujarat and other examples. I have spoken at length with Indians about that. They see this as a stain on their country, a stain on their country, and they are doing what they can.

So I hope that this is something not to use the clichés, but as the oldest and the largest democracies we can work together on this and to do what we can to address these very important issues.

Mr. INGLIS. Thank you, Mr. Chairman.

Mr. ACKERMAN. Thank you, Mr. Inglis.

And with that I want to thank each of our very distinguished witnesses today for your expert testimony. You have benefitted us greatly.

Ambassador, you wanted a word?

Mr. INDERFURTH. I was told, Mr. Chairman, that I needed to request that two articles that I have written on the subject of United States-India relations be included in the record, so I would like to make that request.

Mr. ACKERMAN. Without objection. That is ordered.

Mr. INDERFURTH. With an excellent background report by The Heritage Foundation on the subject of After Mumbai, Time to Strengthen U.S.-India Counterterrorism Cooperation that Lisa Curtis be included.

And finally, an old friend of ours, Ambassador Dick Celeste with the Pacific Council on International Policy, has recommendations on enhancing United States-India cooperation in our global economy.

I would like for that to be included if I may.

Mr. ACKERMAN. Without objection. The public record is greatly enhanced by that addition. It is so ordered.

Thank you both again very much. The committee stands adjourned.

[Whereupon, at 1:57 p.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

Subcommittee on the Middle East and South Asia
Gary L. Ackerman (D-NY), Chairman

February 19, 2009

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Subcommittee on the Middle East and South Asia, to be held in **Room 2172 of the Rayburn House Office Building**:

DATE: Thursday, February 26, 2009

TIME: 11:00 a.m.

SUBJECT: Building a Strategic Partnership: U.S.-India Relations in the Wake of Mumbai

WITNESSES: The Honorable Karl F. Inderfurth
John O. Rankin Professor of the Practice of International Affairs
Director
Graduate Program in International Affairs
The Elliot School of International Affairs
The George Washington University

Ms. Lisa Curtis
Senior Research Fellow
Asian Studies Center
The Heritage Foundation

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON The Middle East and South Asia MEETING

Day Thursday Date 2/26/09 Room 2172

Starting Time 11 Ending Time 1:57

Recesses 1 (11:30 to 12:45)

Presiding Member(s) Ackerman

CHECK ALL OF THE FOLLOWING THAT APPLY:

Open Session Electronically Recorded (taped)
 Executive (closed) Session Stenographic Record
 Televised

TITLE OF HEARING or BILLS FOR MARKUP: (Include bill number(s) and title(s) of legislation.)

Building a Strategic Partnership: U.S.-India Relations in the Wake of Mumbai

SUBCOMMITTEE MEMBERS PRESENT:

Ackerman, Burton, Connolly, Costa, Crowley, Inglis, McMahon, Rohrabacher, Rayce

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not Members of IIIRC.)

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

(1) Continuity in Change, (2) U.S.-India Relations, (3) 3/25/09 Memorandum from State, (4) Floor Proceedings from Rohrabacher (2 pages), (5) Text of Rep. Rohrabacher's letter 3/10/08, cont. in next section

ACTIONS TAKEN DURING THE MARKUP: (Attach copies of legislation and amendments.)

(6) Heritage Foundation Backgrounder, (7) Policy Recommendations from Pacific Council on International Policy

RECORDED VOTES TAKEN (FOR MARKUP): (Attach final vote tally sheet listing each member.)

Subject	Yeas	Nays	Present	Not Voting

TIME SCHEDULED TO RECONVENE _____

or
TIME ADJOURNED 1:57


Subcommittee Staff Director

Opening Statement
Ranking Member Dan Burton
Subcommittee on the Middle East and South Asia
Committee on Foreign Affairs
February 26, 2009
Building a Strategic Partnership: U.S.-India Relations in the Wake of Mumbai

Mr. Chairman, thank you for calling this important hearing, and I welcome our distinguished witnesses.

India – the world’s second most populous country, largest Hindu nation and the world's second-largest Muslim nation – is an emerging power that will undoubtedly command international attention for many years to come.

Bilateral relations between India and the United States have been rocky in the past, however, since 2004 Washington and Delhi have been pursuing a “strategic partnership” based on our shared values such as democracy, multiculturalism, and the rule of law. In addition, numerous economic, security and globally focused initiatives, including plans for “full civilian nuclear energy cooperation,” are currently underway.

I support these initiatives. But I continue to be deeply concerned about the numerous serious problems that remain when it comes to India's respect for the rights of all of her citizens. For many years I have been a critic

of India's human rights record. I have deep concerns about human rights violations that continue to exist.

I have long-standing concerns regarding Kashmir. India and Pakistan have fought several wars over Kashmir and almost fought another war because of what happened recently in Mumbai. As we speak, I have heard that there that troops and police are still on alert for possible protests in Kashmir. Islam-inspired terrorism is a global threat to people and governments everywhere. Nevertheless, we should not forget that the two terrorist groups implicated in the Mumbai attacks were both spawned to fight against the Indian "occupation" of Kashmir. Solving the Kashmir problem will not likely make the terrorist groups operating in and from Kashmir lay down their arms but it will, I believe, eliminate their ability to use the human rights situation in Kashmir as an excuse for their atrocities.

I do not know how we are going to solve the problem in Kashmir. I personally believe that the people of Kashmir should be given the plebiscite they were promised by the United Nations decades ago. Another idea, which was discussed by former President Musharraf and Prime Minister Singh, was a proposal to pull troops out of the cities, open crossings between India-controlled Kashmir and Pakistan-controlled Kashmir and allow the people to largely govern

themselves. Regardless of the shape of the ultimate resolution, this situation must some day be addressed; and the sooner the better.

Today though, we are attempting to look ahead, following the successful wrap up of last year's 1-2-3 nuclear agreement, to the next phase in our broader relations with India. I look forward to hearing from all our witnesses regarding what the Indian people want to receive from our growing bilateral cooperation, and more importantly what the American people should expect from India.

For example, India has expressed interest in working with Iran on a prospective natural gas pipeline. I am not confident that the Administration's decision to dialogue with Iran will be effective, but we are all on the same page that a nuclear-armed Iran is unacceptable. What can and should the United States expect from India in terms of pressuring Iran to abandon their nuclear ambitions rather than rewarding them for their march toward nuclear weapons/

Also, U.S. foreign assistance toward India has for many decades been heavily centered on food aid programs. And, yet, Indian tariffs on US agriculture products remain prohibitively (and unwisely) high.

Even in the midst of a global recession the US remains India's largest trading and investment partner. Is the Indian Government willing to give concessions on these tariffs, and just as importantly is our new Administration going to backslide on free trade or press forward to open Indian markets to US goods!

And finally, will the Administration and our new Secretary of State use precious capital beating up India about global warming in the midst of the worst economic slowdown since the stagflation of the 1970s? This is simply not the time to dampen economic growth.

These and many other questions deserve answers. I look forward to hearing from our witnesses on those issues and others and I thank you once again, Mr. Chairman for calling this hearing. One final closing note, I wanted to extend a special welcome to one of our panelists, Lisa Curtis, from the Heritage Foundation. In addition to her recognized expertise on India, Lisa is a born and bred Hoosier native from Ft. Wayne, who worked for our Senior Senator, Chairman Richard Lugar, on the Senate Foreign Relations Committee for many years. Welcome Lisa.

Thank you Mr. Chairman.



ents, such as the Afghanistan. The Obama administration has made it one of the highest priorities of the new President. We should work closely with India to achieve these goals. The U.S. and India have a shared interest in ending the nuclear impasse in North Korea. We need to work together with India and the U.S. to bring about a comprehensive test ban treaty between India and the U.S. should be a high priority for the Obama administration. In the South Asian neighborhood, we need to work with India and the U.S. to bring about a comprehensive test ban treaty between India and the U.S. should be a high priority for the Obama administration.

ON NUCLEAR PARTNERSHIP
 In his letter to Prime Minister Singh, Obama also wrote that it was his hope that the civilian nuclear agreement between the U.S. and India would be a little ahead of their time.

A NEW COURSE
 Obama's proposal is a decision that moves the U.S. and India away from their old-fashioned relationship of "managed democracy" to a new relationship of "managed democracy." The Obama administration is now in the process of formulating a new view of the world. Singh indicated in his speech to the United Nations on September 21 that India would be a willing partner in the opening of international civil nuclear cooperation with India. It is a vision of India's responsible role in the world. Some even suggested that the Obama administration should be held responsible for this. It is a vision of India's responsible role in the world. Some even suggested that the Obama administration should be held responsible for this.

The resumption of trade across the Line of Control after 45 years has been a major step. The Obama administration should be held responsible for this. It is a vision of India's responsible role in the world. Some even suggested that the Obama administration should be held responsible for this.

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- RELATED BOOKS**
- A Call to Conscience: Challenging the World's Most Dangerous Weapons** by Paul R. Pillay
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 - India's Nuclear Ambitions: A Strategic Assessment** by Thomas E. Workshoff
 - India's Nuclear Ambitions: A Strategic Assessment** by Thomas E. Workshoff

new directions in India's foreign policy, including its intention to maintain its own autonomy and independence. Some perspective is also useful with New Delhi's efforts in the coming years, both countries will need to work with India to establish a network of bilateral relations of the Karan Government in Afghanistan. In the Obama administration, the Obama administration is now in the process of formulating a new view of the world. Singh indicated in his speech to the United Nations on September 21 that India would be a willing partner in the opening of international civil nuclear cooperation with India. It is a vision of India's responsible role in the world. Some even suggested that the Obama administration should be held responsible for this.

DREAM BIG
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Manmohan Singh, Prime Minister of India, is seen in a meeting with U.S. Secretary of State Hillary Clinton. Singh is on the left, and Clinton is on the right. They are both wearing suits and are looking towards the camera.

[NOTE: The article, "U.S.-India Relations," by Karl F. Inderfurth, is not reprinted here; the article from Backgrounder entitled "After Mumbai: Time to Strengthen U.S.-India Counterterrorism Cooperation," by Lisa Curtis, is not reprinted here. Both are available in committee records.]



**KEY POLICY RECOMMENDATIONS FOR
ENHANCING INDIA-U.S. COOPERATION
IN THE GLOBAL INNOVATION ECONOMY**

Highlights from a forthcoming Task Force report
sponsored by the Pacific Council on International Policy (www.pacificcouncil.org)
and the Federation of Indian Chambers of Commerce & Industry

Reinvigorate the Economic Dialogue

Following the upcoming Indian parliamentary elections, President Obama and his Indian counterpart should look for an early opportunity to define their mutual vision for enhanced economic interaction in the years ahead. As part of this vision, the two governments need to reach agreement on reenergizing the U.S.-India Economic Dialogue, which has lost its momentum. Unlike the Strategic Economic Dialogue with China that was headed by Treasury Secretary Hank Paulson, the U.S.-India dialogue during the Bush administration was coordinated by the less-visible National Economic Council. With the NEC having a higher profile under President Obama, a visit to New Delhi by Lawrence Summers in the second half of 2009 would send a positive signal that the administration intends to bolster the bilateral relationship's economic dimension.

Sign a Free Trade Agreement focused on the Innovation Economy

Suggestions have been floated about crafting a U.S.-India free trade agreement. But with Washington and New Delhi at loggerheads in the Doha Round negotiations, the sensitivities of the agricultural access issues that will need to be included, and skepticism about trade deals increasing in both countries, the prospects for a broad-based bilateral FTA are not strong in the foreseeable future. Policymakers should focus instead on two more attainable objectives: 1.) a trade arrangement relevant to the innovation economy; and 2.) an accord regulating the investment relationship.

To be sure, the reciprocal economic gains accruing from a far-reaching multidimensional U.S.-India FTA make it a worthy long-term goal and both governments should announce a commitment to signing such an accord by 2015, even if it is one whose provisions take effect over an extended period. But the immediate energies of senior officials in Washington and New Delhi would be more profitably focused on crafting a bilateral free trade mechanism relevant to the advanced technology sectors. Unlike a more comprehensive arrangement, which would entail prolonged negotiations, unwieldy bargaining tradeoffs and protracted coalition-building at home, an initiative with a limited

but sharp focus on the innovation economy could likely be formulated quickly and its self-evident “win-win” features could override domestic opposition.

A model for such an initiative exists in the 1997 Information Technology Agreement (ITA), which eliminated tariffs and non-tariff measures on a range of capital goods, intermediate inputs and final products in the information and communications technology (ICT) sector. The agreement was negotiated in late 1996 by 14 original countries (then representing about 80 percent of the global IT trade). Although conducted under the auspices of the World Trade Organization, the agreement was formulated quickly outside of its normal (and cumbersome) negotiating process. The final agreement was soon joined by other countries (including India) and currently has some 70 signatories (collectively representing 97 percent of the global IT trade). The ITA is credited with spurring the world trade in IT products in the late 1990s and it remains the only industry-specific comprehensive free trade agreement ever signed.

The ITA remains in effect but its value has been significantly diluted by a series of technological developments in the decade since its creation. Specifically, disputes have arisen among the signatories over how to apply the agreement to hundreds of new IT products that were not foreseen 10 years ago. Moreover, multi-party negotiations to update the ITA have been stalled for years.

In light of the ITA’s recent problems, the United States and India should launch a bilateral initiative to further liberalize the trade in the ICT field or, even more, one that covers the entire innovation economy. Given the critical role the high-tech sector plays in the American and Indian economies, not to mention the broader world economy, such an initiative would pay robust commercial dividends. Additionally, with Washington and New Delhi are at odds in the Doha Round talks, the initiative would have great political value, further solidifying the U.S.-India partnership and providing an important example of joint leadership in the global economy. It might also have the effect of renewing momentum for multilateral trade negotiations or, in the absence of that, offer a concrete roadmap for promoting mutual gains applicable for interested nations in a vital segment of the global economy.

Conclude an Investment Treaty

India has investment agreements with 61 countries and the United States has negotiated agreement with 45 countries, but Washington and New Delhi have yet to sign an accord regulating their investment relationship. During the Bush administration, the United States and India launched exploratory discussions on an investment treaty; the Obama administration should seek to commence formal negotiations at an early date.

Both governments have strong interests in the rapid conclusion of a global standard-setting investment agreement, especially India, whose economic future hinges, in large part, on attracting greater infusions of foreign capital. An accord would also rationalize U.S. investment flows into India by eliminating the need to route funds surreptitiously through Mauritius and Singapore. And, given American concerns about the Indian regime for protecting intellectual property, an agreement would afford additional safeguards for U.S. companies wanting to expand operations in India.

Grow the Talent Pool

The United States and India have a keen mutual interest in cooperating in the area of human capital, the most critical resource in the global innovation economy. To foster a more conducive policy environment for building linkages in the higher education field, Washington and New Delhi should consider launching a high-level annual dialogue that would bring together the U.S. Secretary of Education and the Indian Minister of Human Resource Development. Such a forum could begin with a joint review of practices on both sides that presently hinder deeper educational partnerships. The two countries recently agreed to establish a Higher Educational Council that will bring together university officials and business leaders from both countries to assist India in capacity building and training. Since the United States is the global leader in the area of strong connections between higher education and the private sector, the Council might take on as its first project a joint assessment of U.S. best practices and their applicability to the Indian context.

Expand Science and Technology Cooperation

The past decade has seen a flurry of activity aimed at enhancing bilateral research and scientific linkages, but this activity has failed to reach a critical mass. The Indo-U.S. Science and Technology Forum, for instance, is severely under-resourced, lacks dollar-denominated funds and makes do without a full-fledged U.S. secretariat. In 2006, a high-level Science and Technology Joint Commission was announced along with a \$30-million Bi-national Science and Technology Endowment Fund to spur joint undertakings in industrial research and development. Three years later, the Joint Commission has yet to convene and the Endowment Fund has not been operationalized.

The United States needs to redouble its commitment to science and technology cooperation with India, including expansion of the Science and Technology Forum. President Obama should send the White House science advisor to New Delhi early in his administration to work out with senior Indian officials a roadmap for deep bilateral engagement in the coming years. It is important that this commitment then be backed up by with a sufficient level of funding specifically earmarked for bilateral projects. As part of this roadmap, Washington and New Delhi will need to come to quick agreement on activating the Endowment Fund and on providing it with appropriate funding. In particular, officials should consider modeling the Endowment along the lines of the very successful, but so far *sui generis*, Israel-U.S. Bi-national Industrial Research and Development Foundation. BIRD was jointly endowed in the late 1970s with a \$110 million in funding, to generate mutually beneficial cooperation between the private sectors of the U.S. and Israeli high tech industries. Any pair of Israeli and American companies may apply for a loan that covers up to 50 percent of each firm's research and development expenses associated with a joint project. Repayments are due only if commercial revenues are generated as a result of the project. Since its initial endowment, BIRD's activities have been funded through loan repayments and accumulated interest.

New Delhi has announced plans to establish a quasi-independent National Science and Engineering Research Board along the lines of the U.S. National Science Foundation. Both organizations should be encouraged to develop a detailed program of collaboration, together with strong commitments to provide the requisite funding. Washington and New Delhi also should revive the U.S.-India Science and Technology Fellowship that operated for a three-year span in the early 1990s. Under this program, a relatively small

number of scientists – 70 Indians and 10 Americans – spent 3-12 months in research facilities in the other country. The program deserves to be resurrected and expanded. Finally, both governments need to improve the bilateral visa process for scientific researchers. The current U.S. visa system (particularly the so-called Visa Mantis process) stymies many collaborative research opportunities by placing undue burden on travelers and New Delhi recently retaliated by tightening its own visa restrictions on researchers. And to help expedite review of visa applications from India's scientific community, Washington should consider opening a consulate in Bangalore, a key node in the global innovation economy that is without a formal U.S. diplomatic presence. India's consulate in San Francisco is within very close proximity to Silicon Valley, but the U.S. consulate in Chennai is some 200 miles from Bangalore. The United States recently opened a consulate in Hyderabad, a growing technology cluster in its own right but one that is even further away (300 miles) from Bangalore.

Addressing the Twin Crises of the Energy and the Environment

Enhanced U.S.-Indian cooperation on energy and environmental issues should be a natural priority for the Obama administration. The Energy Dialogue created in 2005 has failed to capitalize on opportunities for intensifying bilateral cooperation on energy research and development activities, largely because it has been a policy forum lacking real resources for action. Washington and New Delhi need to revitalize the Dialogue and charge it with drafting a detailed plan to stimulate joint collaboration on energy innovation and coordination of research efforts. A model for this might be taken from the U.S.-China Ten-Year Energy and Environment Cooperation Framework that was signed last June. Among many other things, the Framework seeks to foster joint research on clean fossil fuels as well as alternative and renewable fuels. The Obama administration should seek to craft a similar initiative with India, one that more closely links American and Indian scientists and entrepreneurs and allows both countries to share research and development costs.

Washington and New Delhi should also seek the expeditious conclusion of a bilateral agreement on eliminating tariffs and other trade barriers on clean-energy technologies and services, promoting investment flows in this sector, and clarifying intellectual property protections and technology-transfer rights. It would be ideal to include this accord within the innovation-economy free trade agreement that was outlined above, but if that accord for some reason is delayed, the two countries should move ahead on the clean energy agreement.

A renewed ministerial dialogue should give priority attention to the diffusion of clean energy technology – including cleaner coal, renewable power and those aimed at improving energy efficiency – that will be important in inducing India and other emerging economies to participate in a global climate change regime. For instance, Washington could markedly increase Export-Import Bank funding for the export of advanced power plant technology to India as well as continue supporting New Delhi's efforts to finance the construction of cleaner coal-fired plants through international financial institutions. In addition, both governments should explore how to better utilize other multilateral initiatives to promote cooperative technology development in this sector. For example, the G-8 countries recently pledged \$6 billion to the World Bank's Climate Investment Funds. Such funding could be used to strategically complement bi-

national efforts. In addition, the expansion of programs such as Clean Development Mechanism to include clean coal technologies could also facilitate additional investment.

Finally, Washington should work with New Delhi on deepening Indian interaction with the IEA, with the aim of eventual Indian membership.

Launch the Second Green Revolution

Nick Burns recently stated that the next significant item on the bilateral agenda was partnership in the area of agricultural technology. Despite the rhetoric attached to the Agriculture Knowledge Initiative, funding in Washington has been scarce. Indeed, the AKI was established with a fundamentally lopsided financial commitment, with Washington offering to put up a fifth of the \$100 million program with the balance contributed by New Delhi. Moreover, the three-year U.S. funding commitment to the initiative expired in late 2008. The Obama administration should move quickly to renew this commitment, at a higher level of financial support and for a longer period, contingent upon a joint review of AKI activities to date and consideration of necessary policy changes. This is a review that deserves to be carried out deliberatively but expeditiously.

Foster Hollywood-Bollywood Connections

Given the dominant roles of the United States and India in the world entertainment and media industries, the two have a shared interest in keeping global markets open for entertainment products. Washington and New Delhi should craft a common approach on cultural market access and use their strategic positions to advance it in global trade negotiations. Like the proposal above for a free trade mechanism relevant to the innovation economy, a joint proposal on cultural access would focus U.S. and Indian energies on discrete, easily-managed global trade issues in which the mutuality of economic benefit is self evident. Such partnership would also help heal the wounds in the bilateral relationship caused by the breakdown of the Doha Round trade negotiations and provide an example of global cooperation between a developed and an emerging economy.

Real-time creative and production partnerships could also be enhanced by the development of advanced fiber-optic networks capable of transmitting data at a rate of one gigabyte per second between the two countries. Efforts now underway by U.S. and Indian universities to create collaborative network tools need to be encouraged by adequate government funding on both sides. Such networks would not only spur interactions in the entertainment and media field but in other innovation economy sectors as well.