

# Heritage Lectures

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## A Future Unbound: U.S.–India Relations

*The Honorable R. Nicholas Burns*

I know you are here to talk about the future of the U.S.–India relationship that is very much on our minds. I think it is on the mind of Ambassador Raminder Jassal and of the Indian government. I thank Raminder and Ambassador Shankar Bajpai for being here. It is great to see so many friends of the United States from the Indian side.

I was thinking about this opportunity to discuss U.S.–India relations with you today, and as I was planning my talk I recalled the title of a book written by the former CEO of Procter & Gamble in India, Gurcharan Das. He wrote a sweeping economic history of India from independence to our present time entitled *India Unbound*. I know a lot of you have heard of that. He describes in that book one of the most extraordinary international stories of the late 20th century—India's evolution from a socialist, state-planned economy to essentially a vibrant free-market economy.

That transformation was brought about with the leadership of Prime Minister Singh in his various positions within government and with the dynamism of India's private sector. It has brought this extraordinary and remarkable economic growth in India, its emergence as a rising power in the world today.

### India: Past and Present

Within the first quarter of this century, in a few years, India will become one of the five largest global economies. It is now an undisputed global technology leader. Anyone who has been to Bangalore or Hyderabad recently, as I have, will attest to that.

### Talking Points

- India will soon be the world's most populous country. It has a large, skillful, and youthful workforce.
- The U.S.–India partnership rests on a very solid foundation—not just of democratic values, but of converging geostrategic interests between our two countries.
- The U.S. and India should extend their partnership on a global basis to all parts of the world and in some areas to accentuate what we can do together, including defense and industrial trade, military cooperation, counterterrorism cooperation, and the civil nuclear agreement.
- In the areas of counterterrorism and defense, we need to do more that will create a truly global military, as well as political and strategic partnership, between the two countries.

This paper, in its entirety, can be found at:  
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India will soon be the world's most populous country, as you know. It has a very large, very skillful, and youthful workforce. It's going to continue to possess larger and ever more sophisticated military technology that will serve it well and serve our partnership with India well. And it is a democratic country that is a symbol of what democracy should be in its own region.

That is a useful signal to Bangladesh, to Nepal, and to Sri Lanka, as well as to countries throughout Asia. I think that the United States and India have an emerging, major relationship, one of partnership and strategic value in the years ahead. President Bill Clinton recognized this 10 years ago. President George W. Bush has recognized this since he took office in 2001. Both of them have been responsible for building a U.S.–India relationship that is fundamentally different from any we have had with India since partition.

We once had a somewhat adversarial relationship. We were in different camps during the Cold War. We now have a very cooperative one. I was talking to Secretary Condoleezza Rice the other day about the fact that we never had the degree of involvement with India in trying to resolve the regional crises in Bangladesh, in Sri Lanka, or in Nepal as we have had over the last year. We haven't had the degree of global, political, and strategic cooperation with India in the past as we have had over the last several years.

So I think this partnership rests on a very solid foundation—not just of democratic values, but of converging geostrategic interests between our two countries. I believe that this partnership will be for the 21st century one of the most important partnerships that our country, the United States, has with any country around the world. I would wager that in 20 or 30 years' time, most Americans will say that India is one of our two or three most important partners worldwide. That is important for our country as we seek to expand our own influence and protect our interests in South Asia, but also in East Asia as well.

We are also witnessing an explosion of ties on the people-to-people basis. For those of us who are practitioners of diplomacy and are responsible for maintaining the health and welfare of any bilateral

relationship, it is these private-sector ties that are ordinarily the real strength of the relationship. It's not just what the governments do together; it's what people are doing in business, in culture, in academia, in athletics—and what we are seeing in India is a flowering of those ties that we have never had before.

I liken it to several other developments in relations that we have had in the last 20 to 30 years. Remember the expansion in ties to Japan on a societal basis in the 1970s and '80s? Remember the great expansion of American cultural and business ties with China in the late '80s and '90s?

I think now, in the 21st century, we are seeing a similar phenomenon in which “Bollywood” has become a force in Hollywood and where the high-tech firms of Hyderabad have become symbiotically linked to high-tech firms in Silicon Valley in California and to Route 128, that technology corridor in Boston, Massachusetts. I think we are beginning to see a degree of effectiveness in this relationship and its size and ties that will define our overall relationship for many years to come.

## U.S.–India Ties

There are over 76,000 Indian students in the United States; that is more than the number of Chinese students in the United States. There are now over 1,800 Americans studying in India; that is an increase of 50 percent in the last year alone. Our top universities are now attracting some of the best minds in India, and the reverse is happening as well. These types of ties tend not to show up in statistics measuring short-term growth in the relationship. They are incredibly important as you look down the road 20, 30, or 40 years to see the types of relationships that will underpin this relationship between our two countries in the future.

The Indian–American community is another example of this. There are now 2.5 million Americans who owe their ancestry to India. This is one of the most highly educated and highly skilled ethnic groups in the United States—very important not just in academia, but increasingly in business. We witnessed in 2006, when Congress deliberated on the Hyde Act, the coming-out party, if you will, of this community in the United States. Its voice was

heard here in Washington, D.C. Its voice is being heard nationally. That is an important force for congruence and for stability in this relationship.

If you go to Delhi, if you go to Mumbai, if you go to Bangalore and Hyderabad, you see an increasing number of Americans working. I saw this firsthand in Hyderabad. I was there in December. I met an American who is now heading a high-tech firm in that city who is originally from that city. He spent the last 20 years in Silicon Valley. He helped to start an American company in California. He now represents that American company in a joint-venture relationship in India itself. It is a good example of how this relationship is working for both of our countries.

We are also beginning to see an explosion in business ties between the two countries. We are seeing many more state delegations: Our governors travel to India to stimulate exports and to stimulate investments. We are beginning to see in the knowledge base between our countries' scientists, engineers, researchers, academics, and our business people a degree of mutual economic research and development that is going to pay off for many years to come.

### Points of Convergence

We are building very close ties in space exploration, in satellite navigation, and in the space science area. We have a U.S.–India Working Group on Space Cooperation, which is focusing on satellite earth observation, on satellite navigation and its application, on space science, on natural hazards research, and on education and training in space. I think some of you know that India has a lunar mission, and the United States is providing the instruments for that mission.

When Prime Minister Singh and President Bush have talked over the last couple of years, they have of course talked about the civil nuclear agreement that has gotten all the press in terms of representing symbolically the growth of this relationship. But they have also talked about the fact that we are knowledge economies, that we have exceedingly strong academic and private sectors, and that we ought to be pushing together those sectors for our mutual benefit.

We have also talked about the fact that India still has 60 percent of its people living and depending on agriculture. The Prime Minister, who comes from the Punjab and is devoted to Indian agriculture, wanted to see a second green revolution in India itself, and he wanted to reconnect the American land grant institutions with their Indian counterparts who were responsible for the first green revolution in the 1950s and '60s to see if we could replicate that in the 21st century. We are now beginning to do that.

There are so many points of convergence where our private sectors and technology sectors are working together. I think it is, frankly, the number one strength of this relationship. Through the inevitable political ups and downs, and whatever disagreements or agreements that we have on the political side for which governments are responsible, I think the strength of our private-sector ties in agriculture, in science, in space, in high tech, and in finance are going to be the foundation of this relationship for the future, much as it has been the foundation for our relationship with Japan over the last 20 or 20 years and is now becoming the foundation of our relationship with China.

### The Civil Nuclear Agreement

On the civil nuclear agreement, I met with Indian Foreign Secretary Shivshankar Menon here in Washington on May 1, just about three weeks ago. We were both encouraged by the discussion that we had. We have just had our technical delegations meeting over the past couple of days in London.

I think all of you know that we have made a lot of progress on this agreement over the last two years. The President and Prime Minister of India have had two separate agreements that underpin it; the U.S. Congress has passed the Hyde Act by overwhelming majorities in both the House and Senate. India must now complete a civil nuclear technical agreement with the United States, then a safeguards agreement with the International Atomic Energy Agency (IAEA), then have the Nuclear Suppliers Group agree by consensus to give internationally the same treatment to India that the United States is willing to give it bilaterally. Then the United States Congress will vote again finally to consummate the entire deal.

So it is a long continuum. I am optimistic that we are going to get to the mountaintop and that we are going to finish this together, Indians and Americans.

I know what this agreement is going to do. It is going to allow India to emerge from its nuclear isolation of the last 35 to 40 years. It is going to allow American companies to partner with Indian companies to have what I think will be historic growth in the civil nuclear energy sector in India itself. It is going to be good for the environment because India will be less reliant on carbon-based fuels, and it is going to represent in many ways the most important achievement in U.S.–India relations in many, many years.

I have said before that it has become the symbolic centerpiece of this relationship. It certainly has. And like all good things, it is going to require a little bit more hard work and some compromise on the part of the United States and Indian governments to complete the deal. I am confident that we can do that. This agreement is too important to both of the governments and to the private sectors of both countries for us to allow any temporary disagreements or backsliding in progress to be cemented. I think in the next several weeks you will see us make a major effort to bring this to a conclusion. I think we have to do that.

Having said all that, ladies and gentlemen, I just wanted to say a few more things.

### **Forces for Peace and Stability**

I wanted to say that our two countries have to be forces of peace in the world. India and the United States for many, many years were countries that did not have a global basis to our strategic engagement politically in terms of our foreign policies. That is beginning to change. The first two contributors to the United Nations Global Fund for Democracy were the United States and India in 2005. The countries that are now asserting the lead in fighting against some of the pandemic diseases that threaten much of the developing world are the United States and India. We are working on global HIV/AIDS treatment and prevention together.

We are also factors for peace and for stability. As the civil war unfortunately and tragically continues in Sri Lanka, the two leading countries that are try-

ing to figure out a way to bring peace to Sri Lanka and to get the government and the Tamil Tigers back to the negotiating table are the United States and India.

Bangladesh has been riven by political disputes over the last 6 months. It is a major and important country, and both India and the United States are trying to convince the caretaker government to schedule elections and to have a full return to democracy in the nearest possible time.

In Nepal, where we have been concerned by the rise of Maoists, obviously we want a constitutional democracy to continue. India has been very active, and we have been very active, in trying to help and support the government in its policies. We haven't had this degree of cooperation before, and it is important for stability in South Asia. I think, ultimately, where this relationship needs to go is to extend that cooperation on a global basis to all parts of the world and in some areas to accentuate what we can do together.

### **Global Cooperation**

The first area would be defense and industrial trade and military cooperation. At the Bangalore air show earlier this year, we had the largest-ever presence of military defense firms. India is seeking to modernize its military forces, and in helicopters, multipurpose aircraft, and other technology areas, the United States has the best technology to offer. If there is a level playing field for American firms, we know that American firms will succeed and do well.

I think you will see an increase in defense industrial cooperation. You will see an overall increase in the military-to-military ties between the two governments because we are partners in South Asia, as well as in Asia in general. We have had an increasing number of defense exercises between our navies and air forces just over the last several years.

I also think you will see an increase in counterterrorism cooperation. India is a victim of terrorism. We saw that unfortunately and tragically just several days ago in Hyderabad, where one of the most venerable and beautiful mosques in India was bombed and a great number of people were killed and wounded. The United States said at the time, and we say it again today, that we commiserate with

the people of Hyderabad who were subject to that terrorist attack. We support them. We support the Indian government in trying to reduce the attacks that emanate from Kashmir and from Kashmiri separatist groups. I think Indians need to know that the United States is going to stand with the Indian government in trying to counter terrorism from wherever it is directed.

We need to be worldwide partners in the fight against terrorism. In those two areas, defense cooperation and counterterrorism, there is room for further growth, and it is in the strategic interest of the United States to do more. I think you will see us working, as I intend to do in my upcoming trip to India, to further the cooperation in both of those areas.

Any relationship has to have ambition. One has to have ambitions for any strategic relationship between two countries. We have done well to bring us together politically to effect the civil nuclear agreement that has so much promise. In these two areas, counterterrorism and defense, we need to do more, and we can do more, and that will create a truly global military as well as political and strategic partnerships between the two countries.

So I wanted to say these few words to provide a framework for how you and your conference might understand the efforts of those of us in government to create a sounder, fuller basis of relations with India. I wish I could stay the entire day and listen to this conference, but I do want to subject myself to some of your questions or ideas as how we can do even a better job on a governmental basis to build this relationship in the years to come.

## Questions and Answers

**CAROL GIACOMO, REUTERS:** Undersecretary Burns, could you describe what this major effort to try to close the nuclear deal will look like? When is your trip going to happen, and when you talk about compromising and backsliding, who needs to compromise and who is doing the backsliding?

**UNDER SECRETARY BURNS:** We started negotiations on this deal a few years ago this week when I first went to New Delhi to talk to then-Foreign Secretary Saran, and we have made enormous progress since then: the July 18, 2005, agreement

between the President and Prime Minister; the March 2, 2006, agreement between the President and Prime Minister; the passage of the Hyde Act; the fact that the United States is sponsoring India in the Nuclear Suppliers Group for the international change that has to occur. So I think we are 90 percent of the way there.

What has happened inevitably is that, as the Indian government has looked at the Hyde Act, a number of questions have arisen on which they wanted further clarification on a technical basis of how this agreement will be put into effect, and so we have been negotiating since the beginning of this year to put the finer points on the civil nuclear accord, the 123 Agreement. I think what I will do is call Foreign Secretary Menon in the next day or two, once I talk to my negotiating team that is returning from London this afternoon. I am sure I will agree for a time or date for my trip to Delhi, which I think will happen in the next week or two.

I know that we will work well together, and I have every confidence that we will complete these negotiations on the 123 accord, the U.S.–India civil nuclear agreement, and then we will go on from there to see what India must do with the IAEA and the Nuclear Suppliers Group to complete the international aspect of this.

Both sides need to compromise in order to reach a final agreement. Both of us are responsible for this agreement. I believe the Indian government has the best of wills and the best of intentions. It is an enormously complex agreement. I know it has been subjected to intense scrutiny in the Indian Parliament. It was subjected to an equal degree of scrutiny in the American Congress.

We spent between late March and mid-December of 2006 on Capitol Hill talking to Members of Congress, testifying, and seeing the passage of the Hyde Act, and we will have a similar process in the Indian Parliament. That is how democracies work. So it has taken longer than we thought to nail down the 123 Agreement, but I believe we will get there. I am looking forward to visiting India to make that final effort.

**JAMES ROSEN, FOX NEWS:** Since you mentioned the IAEA, there have been some published

reports and some comments attributed to the head of the IAEA, Director General Mohamed ElBaradei, in which he has said that events on the ground in Iran have obviated the need to try to get that country to suspend its uranium enrichment program.

Is it true that the United States is rallying its allies for some kind of formal protest against the head of IAEA? If so, what did you find objectionable about his comments?

**UNDER SECRETARY BURNS:** As you remember, we passed U.N. Security Council Resolution 1747 on March 24. That was the sanctions regime against Iran. The Security Council asked Director General ElBaradei to submit a report by May 24 on whether or not Iran is complying with its obligations to the IAEA and to the United Nations Security Council.

That report just arrived in my office as I was leaving to come here to Heritage, so I haven't had a chance to go through it; but I will when I get back to my office, and I know that report will say that Iran is not in compliance, that Iran continues its enrichment activities in its plant at Natanz, that it continues to not allow full and complete and transparent inspections of those enrichment facilities or of the Arak heavy water reactor. It continues to fail to answer many of the leading and important questions that Dr. ElBaradei has put before the Iranian government.

So Iran is out of compliance. Iran is once again thumbing its nose at the international community, and you will now see two things happen.

First, the United States, Russia, China, Britain, France, and Germany have asked Dr. Javier Solana to meet with Ali Larijani, the head of the Iranian National Security Council. I think they are meeting early next week to put back on the table the offer we made about a year ago—and that is to have a negotiation between Iran on one side and the countries of the leading members of the Security Council on the other. We want to get to the negotiating table because we want Iran to know that it does not have a right to develop nuclear weapons, that we will oppose it in its drive to have a nuclear weapons future, and that instead we want to help Iran create an opportunity to build a civil nuclear capacity for electricity production in Iran itself along the lines of the offer we made on June 1.

Iran turned down that offer early in the autumn. Should it turn down the offer again, I would think what you would see would be a strong drive by the U.S. and all the other members of the P-5 for a third sanctions resolution under Chapter 7. Then I think you will also see an effort by countries to go even beyond those Security Council sanctions, outside those sanctions to enact even tougher measures against the Iranian government.

The Iranians can't have it both ways. They can't pretend to be a member of the international community and of IAEA and the U.N. and yet violate the rules of both the IAEA and the U.N.

On the issue of suspension that you asked about, the position of China and Russia and the European countries and the United States is that Iran shall suspend all of its nuclear activities, all of its enrichment activities at Natanz. There is no possibility of us deviating from that. That is the fundamental basis of our position.

We would disagree with anyone who would say that we should throw in the towel or accept Iran at its present level, which I think the IAEA will say is 1,300 centrifuges. We would not want to agree that that should be permitted. We want Iran to completely suspend all its nuclear activities at Natanz on a verifiable basis. That is the position in the U.S. but, more important, of the permanent five countries. There is great unity among us. The Iranians ought to be listening to this because they are rather isolated in the world today.

Our ambassador, Ambassador Greg Shulte, is in Vienna today. I know he is seeking to meet with Dr. ElBaradei, and I think there will be a meeting of some of the permanent five countries, including the United States, with Dr. ElBaradei where we will certainly put forward the view that the P-5 will stick to its present policy, and that is to demand that Iran fully suspend all of its enrichment activities; that Iran pay attention to its international legal obligations; and that the strategy that we have had—which is to seek a peaceful and diplomatic resolution to this dispute—be continued but on the basis of asking Iran to meet its obligations.

So we are not going to agree to accept limited enrichment; we are not going to agree that 1,300 centrifuges can continue to spin at their plant in

Natanz. We are going to demand that everyone connected with the United Nations support the policy of the United Nations. There are two Security Council resolutions that demand that all of us support the decisions of the Security Council—and those are sanctions against Iran and an expectation that they will shut down the nuclear plant.

**AMBASSADOR TERESITA SCHAFFER, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES:** I wanted to pursue the issue of the democracy bond between India and the United States. It strikes me this is both a bond and complication as we negotiate the nuclear deal.

But the interesting question is one you alluded to briefly about India and the United States being contributors to the Global Fund for Democracy. Historically, India and the United States have had quite different ideas about the extent to which democracy was, if you will, an export product. I wonder if you could talk a little bit about the nature of the activities that India and the U.S. are now interested in working together on in this democracy-building area.

**UNDER SECRETARY BURNS:** Both of us realize, as the world's oldest and largest democracies, that we have an obligation to support democratic groups around the world and to support the success of democracy throughout the world. We are the first two contributors to the U.N.'s Fund for Democracy. There was a long period in our relationship where we didn't work together on this, but now both of us understand that to achieve peace and stability, not just in Asia, but around the world, one is most likely to see that type of progress when governments become democratic and when democracies are sustained and assisted.

Democracy in Bangladesh has been under some assault. The elections were postponed, and the caretaker government came in. For a while, the two major political leaders of the country were under threat of not being allowed to stay in the country. The United States didn't agree with that. Sheikh Hasina Wazed had been here to visit her son in suburban Virginia, and the caretaker government indicated that it didn't want her to return, and we said she ought to be able to return. Bangladesh should

be a democracy. So there is an example where the U.S. and India have worked to try to preserve democracy and encourage a return to democracy.

The same is true in Nepal. The same is certainly true in Sri Lanka. But the same is also true in Africa and Asia and Latin America, so I think you are beginning to see an effort by both governments to see what we can do together for democracy in various parts of the world and to assert that democracy is the best form of government. It is most peaceful and most stable and best for the people because it provides liberty to people—something that Heritage has always stood for and is the essence of what this organization has stood for.

So we want to make this relationship more than just a military partnership, more than just a relationship based on trade and investment, but to speak to the values of both countries and to try to work together as best we can. This is new in the relationship, and it is very promising.

**COLONEL DUTTA, FOREIGN POLICY ASSOCIATION:** Would you say a few words about the unrest in Pakistan, the judicial crisis, as well as the resurgence of the Taliban? How will it impact India-U.S. relations?

**UNDER SECRETARY BURNS:** Pakistan is a great friend of the United States. We have a very close relationship with President Pervez Musharraf. We strongly supported President Musharraf, and we will continue to do so. We are concerned about the growth in numbers of the Taliban and about the increased severity in the number of terrorist attacks by the Taliban against Afghan civilians, against Afghan government officials, trying to close Afghan schools so that girls can no longer go to school—that is their objective.

You have seen the United States hit back; you have seen the Afghan National Army do the same; you have seen NATO do the same. The Taliban is not winning in Afghanistan. We have taken the fight to them over the last 18 months since the increase in Taliban attacks has been so evident, and the Taliban has lost nearly all the encounters that it has had with the United States, Afghan, and NATO militaries.

The Afghan government is obviously dedicated to seeing its own authority remain in the country

and to see that of the Taliban reduced. I think all of us around the world agree that no one wants to see the Taliban return, and we all want to see its influence diminished.

In Pakistan itself, we certainly hope that in North and South Waziristan and Baluchistan further and stronger efforts can be made by Pakistani authorities to make sure that terrorist groups are not using Pakistani soil to attack inside of Afghanistan. We have a good relationship with Pakistan. President Musharraf is a friend of our country, and we hope that there can be progress in building Pakistan's own democracy over the months and years ahead.

**WOLF GROSS, NORTHROP GRUMMAN INTERNATIONAL:** Mr. Ambassador, I appreciated your remarks about defense cooperation. I would submit, however, that to date the visible evidence of defense cooperation beyond visits back and forth and military exercises, which is somewhat ephemeral, consists of a low-level radar deal and a sale of a used LPD [Landing Platform Dock] that the U.S. Navy sold to India.

One of the drawbacks that I see, and I would like you to comment on, is the Indian concern about the release of technology. We keep getting questions from the Indian side about technology release and whether they will be getting up-to-date technology. That seems to be a hangup, and I would like your comments if you don't mind.

**UNDER SECRETARY BURNS:** I think it is early in the days of the relationship. For a very long time, the Indian government had not been as open to foreign international sales and the purchase of foreign technologies as they are now. The Indian military has been a partner of the United States for many years. If you remember the tsunami of December 26, 2004, it was the Indian and American, as well as Japanese and Australian, navies and air forces that acted together in the early days of that crisis to deliver assistance to the afflicted populations, and that began a much more active period of interactions, particularly between the navies as well as the air forces.

The Indian government is now planning over the long term a very ambitious expansion and modernization of its military. That will require the Indian

government to purchase foreign military technologies. Fighter aircraft are one of the largest and most important competitions that will ensue, and we think American firms are well positioned in that.

Obviously, we always work on the issue of export control and access to American technology. I have had good conversations, as well as my Defense Department colleagues, with the Indian government. I think we can make progress in that area.

**WALTER ANDERSEN, SCHOOL OF ADVANCED INTERNATIONAL STUDIES, JOHNS HOPKINS UNIVERSITY:** You mentioned tsunami cooperation between the U.S., India, Japan, and Australia. The Japanese Foreign Minister has recently suggested that the trilateral talks that now take place between the U.S., Japan, and Australia should be expanded to include India. Would you support that?

**UNDER SECRETARY BURNS:** We do support it. There has been an effort made, and I think there will be a meeting at the Assistant Secretary level of the four countries to talk about our cooperation.

We think this is a positive idea by the Japanese government, and it will take place in the next couple of days in Asia. It doesn't mean an alliance is being created. We are four very different countries. This is not a threat to any country. It is just four like-minded countries wanting to work together and continue to work together in areas that are important to each of the four. So it is a logical outgrowth of some of the cooperation we have had in years past.

**QUESTION:** [Inaudible; paraphrased] What do you think about India's relationship with Iran? More specifically, do you think India's military relationship with Iran may jeopardize the civil nuclear agreement between the U.S. and India?

**UNDER SECRETARY BURNS:** First, let me say that I think it is important to note that the United States government does not believe that any country should be selling arms to Iran. Iran is an aggressive power; it is the central banker for Middle East terrorism, and it is a supporter of Hamas and Hezbollah.

We would encourage any of our friends not to have normal military relations with Iran for the

same reason, because Iran is such a negative and aggressive power. Obviously, we believe that Iran should be isolated in the world if it's going to thumb its nose at the United Nations Security Council and the IAEA, as the IAEA report today will demonstrate. So a business-as-usual approach by any country around the world—not just India, but European countries, Asian countries—we think is unwarranted, given the number of problems associated with Iranian foreign policy.

Having said that, the reality is that while the United States does not have a diplomatic relationship with Iran, nor do we have economic relations, all of our allies in Europe have diplomatic and economic relations with Iran, as do all of our allies in Asia—Japan and South Korea and other countries. I think, looking at the question of India's relations with Iran, it really has to be measured by what we expect from all our allies. We understand that many of our allies have diplomatic and economic ties. We wish that those ties would be diminished as an expression of international concern. I do think that India needs to be judged in comparison with the Asian countries and with European allies, not looked at in isolation.

I don't think this needs to threaten the civil nuclear agreement. We have actually done a study of this. We don't believe that India has a highly developed military relationship with Iran. There are some ties, and maybe one of the most high-profile aspects of those ties was a visit by an Iranian training vessel with 17-year-old cadets on it to an Indian port. I don't think that it has gone to lengths much greater than that, but if there are specific instances that require attention, obviously we will discuss that on a respectful and private basis with the Indian government.

I don't think there needs to be an air of crisis about this. We will continue to watch it. We will obviously respond very respectfully to any concerns by members of our own Congress as to what we should do. I do think we can manage the development of the U.S.–India relationship and not have India's relationship with other countries hinge upon this relationship. I do see it as somewhat of being equal to what other allies of the United States have done in Asia and in Europe.

**MARTIN WALKER, UNITED PRESS INTERNATIONAL:** In my own interviews with some of the Indian nuclear scientists who have been in the forefront of criticizing the first deal, they mention three things about the results of the Hyde Act. They said it is going to limit India's ability to reprocess; they said it puts a question mark on the future of supplies; and they said it jeopardizes India's authority over technology.

Are they right? Are they mistaken? And if they are right, can you resolve this in the 123 Agreement?

**UNDER SECRETARY BURNS:** I would just say this: I have great respect for the Department of Atomic Energy officials who played such an important role in the development of this agreement, and I know many of them very well and have worked with them. I will say I think an adjustment needs to be made, perhaps psychologically, from a time when India was completely isolated in developing its own nuclear potential to the time now that the Hyde Act and the Nuclear Suppliers Group, when it does act, will provide for India, and that is a time when India can be engaged with the rest of the world; where India can be delivered from its nuclear isolation; when India can be treated respectfully; and where there can be two-way trade in the nuclear field, certainly in terms of nuclear fuel and nuclear technologies.

For that to happen, people on both sides of the equation, in India and in the Department of Atomic Energy, as well as my own government and other governments, need to adjust to this new world. That means compromise. It means understanding that what you did in isolation will not be the same in a more integrated world and where India is working with the international community to provide for growth in civil nuclear power.

I think that in some of the problems that we have had working out the final small details of this agreement, you are seeing an intersection of a prior world of isolation with its future of integration. I would hope that there will be an open mind on the part of everyone in the Indian government, as well as our own government, to see that we make this transition together.

That does mean compromise, and it does mean that if India wants the benefits of civil nuclear trade with the United States or France or Russia, it is going to need to subject itself to inspection by the IAEA. That is what a safeguards agreement is all about, and that means that civil nuclear scientists in India will not be working alone anymore. They will be working in concert with others around the world.

I think you will see us make this leap. You are seeing some of the difficulties on both sides in getting there, but I am confident we can do it, and I will go to India, when I do go, with a great deal of confidence.

This is the right agreement for us, and we need to make a final push to cement it. When we do that, it will be one of the great achievements in the U.S.–Indian relationship going back to 1947. The benefits to our countries are going to be real and concrete, and that is why we are going to continue with an optimistic and purposeful basis to work on these issues and produce a final agreement.

—*The Honorable R. Nicholas Burns is Under Secretary for Political Affairs at the U.S. Department of State. These remarks were delivered as the keynote address at a May 23, 2007, Heritage Foundation conference on “U.S.–India Relations: The Road Ahead.”*