CRISIS IN SOUTH ASIA: INDIA’S NUCLEAR TESTS; PAKISTAN’S NUCLEAR TESTS; INDIA AND PAKISTAN: WHAT NEXT?

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CRISIS IN SOUTH ASIA:
INDIA'S NUCLEAR TESTS

WEDNESDAY, MAY 13, 1998

U.S. Senate,
Subcommittee on Near Eastern and South Asian Affairs, Committee on Foreign Relations,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:05 p.m. in room SH-216, Hart Senate Office Building, Hon. Sam Brownback, chairman of the subcommittee, presiding.

Present: Senators Brownback, Helms, Grams, Hagel, Robb, Feinstein, and Biden.

Senator Brownback. I would like to go ahead and call the meeting to order and thank you all for joining us. Good afternoon. I should begin by saying I believe there is no way to sugarcoat the events, the shocking events that have occurred overnight.

The U.S. relationship with India has changed for the worse. Our Ambassador has been recalled, sanctions have been imposed, and our relationship that should have been blooming is in crisis. Monday’s, and now today’s, developments underscore what we have known all along, that our relationship with India cannot be viewed in simply economic or political terms, but must be evaluated in terms of larger regional security and nonproliferation matters.

India’s renewal of nuclear testing puts nuclear nonproliferation front and center and is the overriding bilateral foreign policy concern between the United States and India today for three reasons. First, not a single nonnuclear weapons State has overtly tested a nuclear explosive device since 1974, and that was India that did that in 1974.

Consider also that Russia is helping India build a sea-launched ballistic missile which will extend India’s nuclear reach beyond Southeast Asia to the world. The new Government of India, a Government which has been in power less than 2 months, committed to Ambassador Bill Richardson that there would be no change in India’s strategic posture for the time being.

Indeed, India did all it could to deny the international community forewarning of these tests, and at this moment the United States has to ask itself how we can ever trust this government again.

Second, India’s lack of restraint is a signal to the rogues of this world that they, too, can flout international opinion and international norms. I commend President Clinton for his decision to sanction India under the Arms Export Control Act. I hope that during the coming days at the G-7 meeting he will be able to prevail
on our allies to follow suit and multilateralize the sanctions. The world must know that the United States and all other peaceful nations will not tolerate India's actions.

Third, we must alert India's neighbors to our concerns. Neither Pakistan nor China should be provoked by India's irresponsibility. India's neighbors know the terrible consequences of any nuclear response to India's nuclear testing. I believe Pakistan is strong enough of a nation unto itself to avoid being sucked into an insane arms race with India.

Now, there is a group of historians and thinkers that believe we are at a point in the cycle of history where we will see ongoing clashes of civilizations no longer in a bipolar world of conflict built around government ideologies, that we are proceeding into a period of history where civilization centered around different core beliefs enter into cold or even hot conflicts.

Let us hope and pray and do everything we can to prevent this from being the case; and let us also prepare if, indeed, it is the case. Now, to illuminate us on the consequences of the actions this week taken by the Government of India we have several excellent witnesses.

We will have two panels that will present the administration's view, and there will be a significant number of questions as well of the administration's response, and then a panel of individuals very familiar with India to look at the consequences for India, for India-U.S. relationships, and for relationships throughout the region, and I look forward to hearing from those panels.

I am very pleased that we have been joined by the chairman of the committee, Senator Helms, who is with us today; and I would like to turn to Senator Helms for his opening statement as well.

Senator HElMS. Mr. Chairman, if you will permit me, I would prefer to yield to the distinguished Ranking Member of the subcommittee, Mr. Robb, for his statement; and then I will follow him, if you would.

Senator BROWNBACK. I would be more than happy to. Thank you for that gracious statement.

Senator Robb, the Ranking Minority Member of the subcommittee.

Senator ROBB. Thank you, Mr. Chairman, and I thank the distinguished chairman of the full committee for his courtesy, and I will be very pleased to proceed.

I would like to join you, Mr. Chairman, in expressing very serious, indeed, grave concerns about India's decision to engage in this series of nuclear tests. If Indian officials believe the decision to test bolsters their international credibility and enhances national security of their country, they are wrong. To the contrary, these nuclear tests destabilize an already fragile subcontinent and undermine global efforts at nuclear nonproliferation.

The administration has moved swiftly, slapping comprehensive sanctions on India; and I strongly support these punitive steps, notwithstanding my longstanding support for India and my reservation about the utility of sanctions in many circumstances.

I hope President Clinton will seriously consider as well canceling his trip to South Asia planned for later in the year, a trip I had strongly encouraged until this series of nuclear tests began.
Congress and the executive branch have worked assiduously in the last few years toward achieving an international moratorium on testing, culminating in the opening for signature of the comprehensive test ban treaty in late 1996. Indefinite extension of the nuclear nonproliferation treaty signified a commitment by nearly every country in the world to limit the scourge of nuclear weapons.

India's provocative actions strike a blow against those important multilateral regimes. Pakistan's Ambassador to the U.S. stated this week that India's actions show nothing less than contempt for nuclear nonproliferation generally, and I share that view.

Nationalistic fervor in India probably underlies the decision to engage in nuclear testing. It raises a whole series of concerns in my mind, including whether there will be an interregnum in the ratification of CTBT by numerous signatory countries, whether Pakistan and China respond with tests of their own, with cascading effects to nuclear aspirants like Iran, the increased likelihood of a conventional Indo-Pak war, which would be the fourth since 1947, the possibility of either country shifting from its embryonic nuclear status to overtly deploying a weapon, accelerating the missile competition already underway between Islamabad and Delhi and so on.

I have long considered myself a friend of India and enjoyed a productive working visit to Delhi late last year. In my meetings with senior Indian officials, including then-Prime Minister Gujral, I received no hints of plans to move ahead with testing.

In any event, in my judgment Indian officials have badly miscalculated the overall effect and strategic implications of moving forward with their nuclear program. Sadly, they have moved India closer to being ostracized in the world community rather than being welcomed as a member of the nuclear club.

I look forward to hearing from our witnesses today and in the hope of further understanding Indian motivations and identifying the new security risk evident in the subcontinent.

With that, Mr. Chairman, I thank you, and I look forward to hearing first from our distinguished chairman of the full committee and then from our witnesses.

Senator BROWNBACK. Thank you very much, Senator Robb. Senator Helms.

Senator HELMS. Mr. Chairman, I thank you very much.

Let me begin with a confession. I am absolutely astonished that the Indian Government was able to catch the U.S. intelligence capability so sound asleep at the switch, revealing the stark reality that the administration's 6-year cosying up to India has been a foolhardy and perilous substitute for common sense.

A small squadron of Cabinet officers had visited in the past two years in India; and President Clinton, as has been mentioned here, had been planning a trip later this year. Even so, the Indian Government has not shot itself in the foot. Most likely it shot itself in the head.

By conducting five nuclear tests India made a major miscalculation, not merely about the United States, but about India's own capability. The Indian Government has deluded itself into the absurd assumption that the possession of nuclear weapons will make India
a superpower at a time when hundreds of millions of India’s people are in abject poverty.

The fact is that India is tangled in economic knots. Disease and misery are rampant, hence the absurd assumption that a big boom would make them a big power. Not so.

This mentality is not merely dangerous. It is incredible. But the proliferation of nuclear weapons is certainly no laughing matter; and, pursuant to the Nuclear Proliferation Prevention Act of 1994, all manner of U.S. assistance to India, ranging from foreign aid to U.S. support for India in global financial institutions has been terminated.

For whatever it is worth, I had hoped that India would march sensibly and with caution into the 21st century. I have tried to be a friend to India, but for so long as there is breath in me, Mr. Chairman, I will never support the lifting of the Glenn amendments sanctions on India unless they abandon all nuclear ambitions.

Now, regarding Pakistan in all of this, I understand the position that Pakistan is in today. They are threatened politically and militarily, and no doubt the Pakistanis feel enormous pressure to act; and to Prime Minister Sharif I offer my advice, for whatever it is worth. This is the moment of truth for Pakistan as a nation as well.

This is the moment of truth, indeed. Pakistan can be a partner to the United States in fighting nuclear proliferation, or it can be a schoolyard rival to India and engage in the folly of nuclear weapons testing; and I hope Pakistan will choose to be our partner.

Additionally, Mr. Chairman, India’s actions demonstrate that the components of a test ban treaty from a nonproliferation standpoint is scarcely more than a sham, and I hope that the Clinton administration has learned from its mistakes sufficiently to refuse to allow India to pay for its actions by signing this CTBT; because I, for one, cannot and will not agree to any treaty which would legitimize de facto India’s possession of these weapons just so long as they are not caught further testing them.

The appropriate U.S. response must be vigorous international sanctions against India to be lifted only after India’s nuclear attack had been rolled back; and mind you, there are aspects of India’s nuclear detonations which are extremely troubling.

Today’s two tests were clearly intended to fall below any seismic detection threshold, which is a clear indication that India intended to remain a nuclear power at all costs, which demonstrates India’s intent to exploit the verification deficiencies of the CTBT by testing new designs in an undetectable fashion. I will be particularly interested in what former Director of Central Intelligence Jim Woolsey thinks about this, because he always comes up with a sound observation.

Indeed, if the administration plans to pressure India regarding arms control treaties, it should focus on the nuclear nonproliferation treaty, Indian ratification of that treaty as a nonnuclear weapons State; and that will do infinitely more than Indian ratification of the comprehensive test ban treaty. We do not need to worry about the Indian nuclear test if India has agreed not to have these weapons in the first place.
Now then, India's nuclear testing is compelling, additional evidence pointing to the need for national missile defense to protect the United States of America and the American people. Because India has a space launch capability which can readily be configured as an intercontinental ballistic missile, India's actions clearly constitute an emerging nuclear threat to the territory of the United States.

It is high time that the antiquated 1972 antiballistic missile treaty which prohibits a national missile defense, and which hamstring even U.S. theater missile defenses, is relegated to the ash bins of history.

Finally, Mr. Chairman, India's actions underscore how vital the U.S. deterrent, nuclear deterrent, is to our national security. What is needed at this time is not a scramble for an arms control treaty that prohibits the United States from guaranteeing the safety of the American people and the reliability of its nuclear stockpile.

What is needed, Mr. Chairman, in the judgment of this Senator, is a careful, top-to-bottom review of the state of our own nuclear infrastructure, and there should be no delay whatsoever in getting about it.

I thank the chair.

Senator BROWNBACK. Thank you very much, Mr. Chairman.

We now have Assistant Secretary of State for Near East and South Asian Affairs, Karl Inderfurth, who will testify. With him is the Deputy Assistant Secretary of State for Nonproliferation, Bureau of Political Military Affairs, Bob Einhorn.

And Secretary Inderfurth, when we first set this hearing up about a month ago we had a different topic in mind. It was India, but it was about the booming relationship between the United States and India and where the BJP party might take that nation. I dare say this week has changed all of that. We have changed the other panels after you and examine this relationship, and what should be a growing relationship is in crisis.

So we look forward to your testimony today, and then there will be questions, obviously, from members of the committee. Thank you for joining us.

STATEMENT OF HON. KARL F. INDERFURTH, ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS, ACCOMPANIED BY ROBERT EINHORN, DEPUTY ASSISTANT SECRETARY OF STATE FOR NONPROLIFERATION, BUREAU OF POLITICAL MILITARY AFFAIRS

Mr. Inderfurth. Thank you, Mr. Chairman, Senator Helms, Senator Robb, members of the committee. I do apologize for not getting my testimony to you the required 24 hours in advance. I think this was unavoidable, given the circumstances. I do apologize.

You have introduced my colleague, Mr. Einhorn, who is our top nonproliferation expert in the Department, and he has graciously joined me for the opportunity to address the committee and answer your questions.

Mr. Chairman, before I begin, I will, with your permission, read the President's statement this morning that he made in Germany
announcing his decision to invoke sanctions against India for conducting nuclear tests, and this is what he stated.

The President said:

I think it is important that I make a comment about the nuclear tests by India. I believe they were unjustifiable. They clearly create a dangerous new instability in the region and, as a result, in accordance with the United States law, I have decided to impose economic sanctions against India.

I have long supported deepening the relations between the United States and India. This is a deeply disappointing thing for me personally, but the nuclear tests conducted by India against the backdrop of 149 nations signing the nuclear non-proliferation treaty demand an unambiguous response by the United States. It is important that we make clear our categorical opposition. We will ask other countries to do the same.

The President went on to say:

It simply is not necessary for a nation that will soon be the world's most populous nation, that already has the world's largest middle class, that has 50 years of vibrant democracy, a perfectly wonderful country, it is not necessary for them to manifest national greatness by doing this. It is a terrible mistake.

I hope that India will instead take a different course now, and I hope they will adhere without conditions to the comprehensive test ban treaty; and, as I mentioned to the Pakistani prime minister, Mr. Sharif, today, I also urge India's neighbors not to follow the dangerous path India has taken. It is not necessary to respond to this in kind.

Now, Mr. Chairman, let me return to my statement. As you noted in your opening remarks, I, too, am deeply disappointed that I am compelled to deliver testimony that is far different than you and I had originally envisioned when we began planning for this hearing. I had hoped and expected to talk about our efforts to move forward with India across a full range of issues and to establish a new relationship befitting the size and strength of our two democracies.

As you know, however, recent events in India have altered significantly the message that I am delivering today and will affect far more than just our discussion. These events will have a significant impact on the substance of our relationship with India and our overall approach to the South Asia region.

On May 11, 1998, India announced it had conducted three underground nuclear tests. An official Indian spokesman said that these detonations occurred simultaneously, about 330 miles southwest of New Delhi, some 70 miles from the Pakistani border, at the Pokhran testing facility, the same location where India conducted its first test in 1974.

On May 13, just this morning, the Indian Government announced that it had conducted two more tests at Pokhran. After the first test, the spokesman amplified that the tests were of a fission device, a low yield device, and thermonuclear device.

This morning, a spokesman said that two more subkiloton nuclear tests were carried out. The official Indian spokesman stated that the first tests were intended, and I quote, "to establish that India has a proven capability for a weaponized nuclear program."

He added that the government is deeply concerned, as were previous governments, about the deteriorating nuclear environment in India's neighborhood, and that these tests provide reassurance to the people of India that their national security interests are paramount and will be promoted and protected.
After the second test, the spokesman said that the tests have been carried out to generate additional data for improved computer simulation of designs and for attaining the capability to carry out some critical elements if considered necessary.

Indian officials in contact with us after the first test have been more specific. They have cited a variety of issues as a rationale for testing, all of which, I should add, we firmly reject as providing sufficient justification for this most unwise act.

Specifically, they have pointed out two unresolved border problems with China, the great concern over China's ties with Pakistan, and to what they view as continuing hostility from Pakistan and Pakistani support for terrorism in the disputed territory of Kashmir. We cannot see, Mr. Chairman, how any of these concerns will be effectively addressed by testing nuclear weapons.

We have also heard the argument from Indian officials that Indian military capabilities are no longer respected in the region and, thus, this series of tests were necessary. We find that, too, to be unpersuasive as a rationale, despite the reaction from India itself, where the decision to test has been greeted almost universally within India with firm support, but bordering on euphoria.

Mr. Chairman, the international community clearly rejects India's decision to conduct these tests. Reaction by other nations has been swift and uniformly negative, and it accords with the sentiment that you expressed in the resolution that you introduced last night condemning India's actions.

To give just a flavor of what has been said, Japan, the largest bilateral donor of economic assistance to India, denounced the test, urged India to stop development of nuclear weapons immediately, announced a suspension of grant aid, and undertook consideration of suspending loans and indicated its intention to bring the issue before the G-8 meeting in Birmingham.

China expressed its grave concern, and pointed out the test would be detrimental to peace and security in South Asia.

Malaysia deplored the action, calling it a setback to international efforts to ban testing.

Russian President Boris Yeltsin criticized the tests, saying that India has let us down.

Ukraine invoked the tragic memory of Chernobyl to underscore its view that the test was unjustified.

Canada's foreign minister called these tests a major, a very major regressive step backward.

Both Australia and New Zealand have lodged official protests with India and have recalled their ambassadors.

France voiced its concern, as did Denmark, Sweden, and Finland.

South Africa, a long-time friend to India and a country uniquely placed to comment, having given up its own nuclear program, likewise expressed its deep concern.

United Nations Secretary-General Kofi Annan expressed his deep regret and noted that the test was inconsistent with international norms.

Mr. Chairman and members of the committee, the reaction of the United States has been equally swift and determined. I have already read to you the President's statement from this morning. Yesterday, the President stated that he was deeply disturbed by
the nuclear test, and that he does not believe that India's action contributes to building a safer 21st century.

The President added that this action by India not only threatens the stability of the region, it directly challenges the firm international consensus to stop the proliferation of weapons of mass destruction. The President called upon India to announce that it will conduct no further test, and it will sign the comprehensive test ban treaty now and without conditions.

The Secretary of State exercised her authority to invoke Eximbank sanctions and announced that we have recalled Ambassador Celeste to Washington for consultations.

The President's action today places sanctions against India pursuant to section 102 of the Arms Export Control Act, otherwise known as the Glenn amendment.

These actions, which meet the terms that you, Mr. Chairman, and your colleagues put forth in your resolution, will place stiff penalties on India and will affect a wide cross-section of our current activities in India, including development assistance; military sales and exchanges; trade in specified dual use goods and technology; U.S. loans, guarantees and credits to India; loans and credits by U.S. banks to the Government of India; and support for India within the international financial institutions.

As this is the first ever instance in which we have invoked the Glenn amendment, we are still in some respects entering uncharted territory. We are working hard and will keep you and your colleagues fully informed as we develop the mechanisms and procedures for implementing these sanctions.

I am certain that India will soon understand the far-reaching impact of the President's decision. For instance, our current level of development assistance to India is approximately $143 million. By global standards this is not a particularly large figure, and a substantial portion of it is PL 480 food debt, for which there is a specific exemption under the law, but it does represent by far our largest program in South Asia.

The requirement to oppose loans and assistance in the international financial institutions could potentially cost India billions of dollars in desperately needed financing for infrastructure and other projects.

The prohibition on loans by U.S. banks to the Government of India and on Exim and OPIC activities could cost hundreds of millions of dollars, affect projects already approved or in the pipeline, and could cause major U.S. companies and financial institutions to rethink entirely their presence and operations in India.

We are currently in the process of compiling a comprehensive study of the programs and activities to be affected, and the implementation process; and we will share this information with you as soon as it is available.

Mr. Chairman, India's decision to conduct these nuclear test explosions is a serious violation of international nonproliferation norms and a repudiation of international efforts to contain the further spread of nuclear weapons and pursue nuclear disarmament. This action constitutes a dangerous precedent for the international nuclear nonproliferation regime.
India is the only country defined by the NPT as a nonnuclear weapons state to have tested a nuclear explosive device now, three times over a 24-year period, twice within the last 3 days alone.

Clearly, India's nuclear tests are a serious setback. They highlight the risks associated with the proliferation of nuclear weapons, and raise the specter of further proliferation on the subcontinent and in other regions of the world.

But while India's tests have created new challenges for the international nonproliferation regime, we will continue to seek ways to create new opportunities. We will use these developments to call attention to the inherent risks associated with nuclear weapons proliferation, and to mobilize international support for all possible steps to guard against an escalation of confrontation and tension in South Asia.

In announcing its decision to conduct these tests, India indicated some willingness to show flexibility on a comprehensive test ban treaty and to participate in a fissile material cutoff negotiation, although its statements fell far short of indicating any meaningful commitment to either accord.

In the post test environment we will need to move energetically to strengthen the global nonproliferation regime and to take full advantage of any Indian willingness to move toward acceptance of international nonproliferation norms. In particular, we will intensify our efforts to achieve entry into force of the CTBT, to commence negotiations on and complete at an early date a fissile material cutoff treaty, and to promote nuclear and missile restraint in South Asia and beyond.

Mr. Chairman, I join the President and the Secretary and, indeed, the sentiments that you expressed and other members of the committee in our deep dismay over the recent events. In the time since I assumed my position as Assistant Secretary for South Asian Affairs, I have worked hard, in accordance with a well-considered administration decision, to broaden and deepen our relations with India and the rest of South Asia, and to pursue our nonproliferation objectives vigorously within the context of our overall relationship.

During my most recent trip to India, where I accompanied Ambassador Richardson and Bruce Riedel from the National Security Council, we were continuously reassured by the most senior levels of the new BJP Government that India appreciated our efforts to strengthen ties, and was looking forward to the President's scheduled trip and a far-reaching dialog on a vast array of issues.

At the same time, we were assured privately and publicly that India would continue to show restraint in the nonproliferation field, and would do nothing to surprise us.

As a direct result of India's decisions and actions, we are now compelled to look again at our approach to India. Instead of highlighting our cooperative efforts with India to promote trade and investment, to work toward protecting the environment, halting the spread of AIDS and other infectious diseases, and to emphasize science and technology cooperation, we will now need to put much of the cooperative side of our agenda on hold and deal with the consequences of India's actions.
We must focus anew on seeking a meaningful Indian commitment to cease from further testing, to join the comprehensive test ban treaty immediately and without qualifications, and to respect other international nonproliferation norms.

We will need to assess how we will deal with India in accordance with the Glenn amendment and other U.S. laws which require sanctions far more restrictive than those placed upon Pakistan under the Pressler amendment.

Looking ahead, we will need to try to engage India on a number of issues, aside from the immediate crisis, but I must caution that India's actions have made such engagement far more difficult than would otherwise have been the case.

At the same time, we will need to work closely and cooperatively with Pakistan, whom we judge also to have the capacity to test a nuclear device, and to show restraint in the face of India's provocative actions.

Pakistan has the opportunity, now, to take the statesmanlike course in South Asia and to demonstrate that, as Chairman Helms said, it is committed to a peaceful future on the subcontinent. This is, indeed, a moment of truth.

I know that Prime Minister Sharif is committed personally to improving relations with India and understands that Pakistan's long-term interests rest on regional stability through increased cooperation. Although Mr. Sharif's task has been made significantly more difficult with the events of this week, we hope very much that he will persevere with the course he has charted and avoid the temptation to demonstrate a capability which the world already believes to exist.

Pakistan will earn the gratitude of the international community and will actually enhance its own security by following a policy of restraint.

Mr. Chairman, we have arrived at an historic juncture in our relationship with India. We continue to respect India as a complex democratic society, and we wish neither to diminish India's achievements nor underestimate its potential; but we regret, we deeply regret, that its current leaders believe that they must detonate nuclear weapons in order to be taken seriously as a nation.

There are reports from the Indian press which cite gleeful claims that India has now become the world's sixth superpower, a fact which is apparent only to those making the claim. Clearly, the world thinks otherwise.

We deplore India's new tests not only because of the breach they represent in global nonproliferation policy, but also because of the harm that it does to India's reputation and stature. We and, I trust, the international community, still desire productive and cooperative relations with India; but we are now forced to move ahead to the burden of these tests and their inexorable consequences.

The Government of India has chosen to separate itself from the responsible consensus of the world community on an issue of critical importance, and we must act accordingly.

Let me end, Mr. Chairman, on a hopeful note, despite this week's very bad news. Last year we were encouraged by the resumption of high level dialog between India and Pakistan, and we were
equally encouraged earlier this year when both Prime Minister Sharif and Prime Minister Vajpayee pledged to go the extra mile to improve relations between their two countries.

I harbor no illusions about the difficult challenge that the current environment poses to the resumption of the Indo-Pakistani dialog, but let me emphasize that the future prosperity and stability of the region depends upon it and we remain hopeful that progress can and will be made.

I will now be happy to answer your questions and to hear your views and recommendations, along with my colleague, Mr. Einhorn.

[The prepared statement of Mr. Inderfurth follows:]
condemning India's actions. To give just a flavor of what has been said, Japan—
the largest bilateral donor of economic assistance to India—denounced the tests,
urged India to stop development of nuclear weapons immediately, announced a sus-
pension of grant aid and undertook consideration of suspending loans, and indicated
its intention to bring the issue before the G-8 meeting in Birmingham. China ex-
pressed its "grave concern," and pointed out that the test would be detrimental to
peace and security in South Asia. Malaysia deplored the action, calling it a setback
to international efforts to ban testing. Russian President Yeltsin criticized the tests,
saying that "India has let us down." Ukraine invoked the tragic memory of
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Minister called these tests "a very major, regressive step backward." Both Australia
and New Zealand have lodged official protests with India and have recalled their
Ambassadors. France voiced its concern, as did Denmark, Sweden, and Finland.
South Africa—a long-time friend of India and a country uniquely placed to com-
ment, having given up its own nuclear program—likewise expressed its deep con-
cern. United Nations Secretary General Annan expressed his "deep regret," and
noted that the test was inconsistent with international norms.

U.S. Response

The reaction of the United States has been equally swift and determined. I have
already read to you the President's statement from this morning. Yesterday, the
President stated that he was "deeply disturbed by the nuclear tests," and that he
does not believe that India's action "contributes to building a safer 21st century."
The President added that "this action by India not only threatens the stability of
the region, it directly challenges the firm international consensus to stop the pro-
liferation of weapons of mass destruction." The President called upon India to "an-
nounce that it will conduct no further tests, and it will sign the Comprehensive Test
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authority to invoke EXIM bank sanctions, and announced that we have recalled Ambas-

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These sanctions, which meet the terms that you, Mr. Chairman, and your colleagues
put forth in your resolution, will place stiff penalties on India, and will affect a wide
cross-section of our current activities in India, including development assistance,
military sales and exchanges, trade in specified dual use goods and technology, U.S.
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in India. We are currently in the process of compiling a comprehensive study of the
programs and activities to be affected and the implementation process, and we will
share this information with you as it is available.

Impact on Nonproliferation Efforts

Mr. Chairman, India's decision to conduct these nuclear test explosions is a seri-
ous violation of international nonproliferation norms, and a repudiation of interna-
tional efforts to contain the further spread of nuclear weapons and pursue nuclear
disarmament. This action constitutes a dangerous precedent for the international
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a non-nuclear weapon state to have tested a nuclear explosive device—now three
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Clearly, India's nuclear tests are a serious setback. They highlight the risks asso-
ciated with the proliferation of nuclear weapons and raise the specter of further pro-
liferation on the subcontinent and in other regions of the world. But while India's
tests have created new challenges for the international nonproliferation regime, we will continue to seek ways to create new opportunities. We will use these developments to call attention to the inherent risks associated with nuclear weapons proliferation and to mobilize international support for all possible steps to guard against an escalation of tension and confrontation in South Asia. In announcing its decision to conduct these tests, India indicated some willingness to show flexibility on a Comprehensive Test Ban Treaty and a to “participate” in a fissile material cut-off negotiation—although its statements fell far short of indicating any meaningful commitment to either accord. In the post-test environment, we will need to move energetically to strengthen the global nonproliferation regime and to take full advantage of any Indian willingness to move towards acceptance of international nonproliferation norms. In particular, we will intensify our efforts to achieve early entry into force of the CTBT, to commence negotiations on and complete at an early date a fissile material cut-off treaty, and to promote nuclear and missile restraint in South Asia and beyond.

Impact on U.S. Relations

Mr. Chairman, I join the President and the Secretary in my deep dismay over the recent events. In the time since I assumed my position as Assistant Secretary for South Asian Affairs, I have worked hard, in accordance with a well considered administration decision, to broaden and deepen our ties with India and the rest of South Asia, and to pursue our non-proliferation objectives vigorously within the context of our overall relationship. During my most recent trip to India, where I accompanied Ambassador Richardson and Bruce Riedel from the NSC, we were continuously reassured by the most senior leaders of the new BJP government that India appreciated our efforts to strengthen ties, and was looking forward to the President’s scheduled trip and a far-reaching dialogue on a vast array of issues. At the same time, we were assured privately and publicly that India would continue to show restraint in the non-proliferation field, and would do nothing to surprise us. As a direct result of India’s decisions and actions, we are now compelled to look again at our approach to India. Instead of highlighting our cooperative efforts with India to promote trade and investment, to work towards protecting the environment, halting the spread of MDS and other infectious diseases, and to emphasize Science and Technology cooperation, we will now need to put much of the cooperative side of our agenda on hold and deal with the consequences of India’s actions. We must focus anew on seeking a meaningful Indian commitment to cease from further testing, to join the Comprehensive Test Ban Treaty immediately and without qualification, and to respect other international non-proliferation norms. We will need to assess how we will deal with India in accordance with Glenn Amendment and other U.S. laws, which require sanctions far more restrictive than those placed upon Pakistan under the Pressler Amendment. Looking ahead, we will need to try to engage India on a number of issues aside from the immediate crisis, but I must caution that India’s actions have made such engagement far more difficult than would otherwise have been the case.

At the same time, we will need to work closely and cooperatively with Pakistan, whom we judge also to have the capacity to test a nuclear device, to show restraint in the face of India’s provocative actions. Pakistan has the opportunity now to take the statesmanlike course in South Asia and to demonstrate that it could actually enhance its own security, by following a policy of restraint. Mr. Chairman, we have arrived at a historic juncture in our relationship with India. We continue to respect India as a complex, democratic society, and we wish neither to diminish India’s achievements nor underestimate its potential. But we regret deeply that its current leaders believe that they must detonate nuclear weapons in order to be taken seriously as a nation. There are reports from the Indian press which cite gleeful claims that India has now become the world’s sixth superpower—a fact which is apparent only to those making the claim. Clearly, the world thinks otherwise. We deplore India’s new tests not only because of the breach they represent in global nonproliferation policy, but also because of the harm that it does to India’s reputation and stature. We, and I trust the international community, still desire productive and cooperative relations with India, but we are now forced to move ahead under the burden of these tests and their inexorable consequences. The
government of India has chosen to separate itself from the responsible consensus of the world community on an issue of critical importance, and we must act accordingly.

Let me end, Mr. Chairman, on a hopeful note despite this week’s very bad news. Last year, we were encouraged by the resumption of high-level dialogue between India and Pakistan, and we were equally encouraged earlier this year when both Prime Minister Sharif and Prime Minister Vajpayee pledged to “go the extra mile” to improve relations between their two countries. I harbor no illusions about the difficult challenge that the current environment poses to the resumption of Indo-Pakistani dialogue. But let me emphasize that the future prosperity and stability of the region depends upon it, and we remain hopeful that progress can and will be made. I now will be happy to answer your questions, and to hear your views and recommendations, along with my colleague, Mr. Einhorn.

Thank you, Mr. Chairman.

Senator BROWNBACK. Thank you very much, Secretary Inderfurth. We will go back and forth on the committee with 5 minutes for each Member to either make a statement or questions as we go through the process, if we have somebody run the time clock so that people can know what time they have.

Secretary Inderfurth, I appreciate your statement. I certainly agree with your push toward Pakistan and to urge the Pakistan Government show all restraint possible in this situation. I think that would be very appropriate.

I want to direct your attention to the need for a multilateral response, the president’s with the G-7 countries. Now, the U.S. has automatic sanctions that kick in under the Glenn amendment. I think we all know the history of unilateral sanctions from the United States being less than a solid response. I think it is the appropriate thing, but a lot of times it does not get at what needs to be done.

Will the President be pushing strongly for multilateral sanctions, and not just that India, say, sign on to the treaties now, but rather, roll back its nuclear program from where it has taken it today?

Mr. INDERFURTH. Mr. Chairman, I would like to begin with a response and also ask Mr. Einhorn, because this is very much his bailiwick at the Department. We recognize this must be multilateralized.

In my statement I gave to you the reactions of many Governments around the world, all of whom have made strong statements about the Indian nuclear test as well as several of them taking strong actions, including our Japanese friends. We expect other Governments to be taking similar steps as well over the days ahead.

We are also working at this time at the United Nations and the Security Council, where Britain and Sweden have taken a lead in drawing attention to this, and work is progressing there in the Security Council, and also the G-8 meeting in Birmingham will be a further opportunity, so now that we have made our determination nationally we will be working with friends in other countries to see what can be done on the international level.

Senator BROWNBACK. Mr. Inderfurth, I would push, too, that we not just push for India to sign these treaties, which I think you will find different Members on this committee finding of greater or lesser utility, but to roll back their nuclear program from where they are today, that is our focus and that is our effort, and I hope the administration takes an aggressive position to push that, that they eliminate their stockpiles and their nuclear program altogether.
Mr. EINHORN. Senator, it certainly is our ultimate goal to have all nonnuclear weapons States join the NPT and give up the nuclear option. We think it is important to be realistic about what can be achieved in the near term.

In the near term, the highest priority is to try to put a lid on the emerging nuclear and missile competition we see developing in South Asia, so while we fully support your goals, we have to set our sights on what is achievable, and we think in the near term what is achievable is to ban all nuclear testing and ban additional production of unsafeguarded fissile material, that is, material that can be used to make bombs, and to constrain missile programs in a variety of ways.

We have to take it a step at a time, and we think this is the most realizable next step.

Senator BROWNBACK. I appreciate that. I just think that if we push that they join the CTBT, that this is not a verifiable step on their part.

Now we have a Government that Ambassador Richardson was just there 2 weeks ago, that the foreign minister was here very recently, no clue that this was going to take place, and we did not know of the two additional nuclear weapon, or nuclear type of devices that were just exploded.

We were not able to test that or to verify that, and to ask them to join a treaty that possibly we are not going to be able to verify their actions, my question is, is there validity to this treaty?

Mr. EINHORN. Senator, we do believe there is validity to this treaty. Other administration officials have testified to that effect and explained the reasons why we believe this treaty is effectively verifiable and will protect U.S. national security interest.

We believe it is important for India to join the treaty at the earliest possible date and, if India does, we believe there would be very good prospects for Pakistan to follow suit and to enable this treaty to enter into force, so this recent development in our view, as unfortunate as it is, could enable us to generate increased momentum toward entry into force of this agreement, which we think would be in everyone's best interest.

Senator BROWNBACK. But Mr. Einhorn, did we know that India set off these additional two devices within the past 24 hours, separate from their announcing it?

Mr. EINHORN. Senator, we read the announcement, as you did, and our analysts are looking at the data now and assessing the situation, and I do not have any more to say at this point as they conduct their analysis.

Senator BROWNBACK. We did not know about it ahead of time on the additional two devices, not the first three, but the additional two?

Mr. EINHORN. I understand the question.

Senator BROWNBACK. Is that correct?

Mr. EINHORN. I understand the question, but as I say, we are allowing our analysts to look at the data. I do not have any further comment on it at this stage.

Senator BROWNBACK. You did not know about it ahead of it being announced by the Indian Government?
Mr. Einhorn. Again, I would leave it to the analysts to sift through the data.

Senator Brownback. I understand, but you did not know about it, did you?

Mr. Einhorn. I personally woke up this morning and I did not know about it.

Senator Brownback. Neither did the rest of us.

Senator Robb.

Senator Robb. Thank you, Mr. Chairman, and I might add that I am not sure whether it is going to be an open or a closed hearing, but there will be a hearing by the Intelligence Committee tomorrow to look into some of those questions, and I suspect that whether it is open or closed, that there will be some announcements at least by the chairman and the vice chairman about some of the questions that you raise and are obviously on the minds of many.

Secretary Inderfurth, you indicated, and it was on the news this morning, that the President had a phone call with Prime Minister Sharif. Do you know if, in the course of that conversation, Prime Minister Sharif was able to give President Clinton any, either guarantee or reassurance that their response to the testing by India would not be a testing by Pakistan?

Mr. Inderfurth. He was not able, Senator, to give that assurance. He told the President that he appreciated his call. He told the President that he was under tremendous pressure to respond to the series of tests by India. He said that he would certainly take into account what the President had said to him.

The President also offered to send to Pakistan a high level delegation to discuss this further with the prime minister and other Pakistani officials, and the situation in South Asia as a result of these tests.

That delegation will be led by Deputy Secretary of State Strobe Talbott and General Zane. I will take part in that, and we leave tonight. We hope we will be able to have those discussions, and we hope that the Pakistani Government and Prime Minister Sharif will not move ahead with the tests.

Senator Robb. We wish you well. I join the—the chairman made a comment that I think is very important here, in suggesting that Pakistan could enhance its stature in the international community in a very significant way if it is able to control what would be the natural, emotional reaction by the people of Pakistan to what is obviously a very provocative act on behalf of the Indian Government.

I mentioned in my opening statement that I hoped the President would reconsider his planned trip to India this fall. Do you happen to know at this point whether any decision has been made, or whether any advice has been given to him by the State Department with regard to that particular trip?

Mr. Inderfurth. That reconsideration is underway right now. I am not in a position to tell you the outcome of that review. Ambassador Celeste has been recalled. He is back at the Department. We are discussing that now.

Senator Robb. What kinds of risks might the region, the international community be subjected to if India were to move forward beyond the stage that it is engaged with the first five tests in this series of two groupings of underground testing?
Mr. Inderfurth. I would like to ask Mr. Einhorn to join me. I will tell you from my standpoint, looking at the overall relationship, what we are very concerned about is that we have seen the briefest of hints that these two countries, after 50 years of hostilities and three wars, were beginning to move away from that.

Last summer at the SAARC summit in the Maldives there was a handshake between the two prime ministers and they set up a mechanism at the foreign secretary level to start talking about all issues. They set up eight different issue areas, the first being peace and security, which is a way of talking about nuclear and missile competition, second, Kashmir, which has been the longstanding dispute between the two countries.

We were hoping that they were moving in that direction, which is precisely why President Clinton met with the two prime ministers at the United Nations in September last year to try to give that very early process a nudge forward.

We are therefore greatly disappointed that rather than pursuing talks they are pursuing tests, and that is a turn of events which we think will have significant implications for the region and for a global nonproliferation regime, but I would like to ask Mr. Einhorn to discuss that as well.

Mr. Einhorn. The risk involved, Senator, in this testing activity is that, if either India or Pakistan engages in this kind of testing activity, the other feels strongly motivated to follow suit in part for technical and strategic reasons, but in part because of the strong domestic support to react in kind.

And with this kind of cycle of action and reaction it is very difficult to break this chain of events and it continues to escalate, not just in the nuclear area, but almost as dangerous is you have the efforts by both sides to develop longer and longer range missile delivery systems, which increases instability.

Senator Robb. You mentioned domestic reaction. Could you comment on that? In Secretary Inderfurth's testimony was one of the most troubling in terms of, I believe you used the word euphoria. I was following your text as you were delivering it.

Could you comment on the extent of that euphoria and how or if it was promoted by the Government in any way, shape, or form, either in immediate anticipation of the tests without an announcement, or after the tests were completed?

Mr. Inderfurth. Well, it is a nationalistic response to an achievement, as seen by the Indian people, which demonstrates scientific and technological prowess. It indicates that India has stepped onto the world stage, that it can do those things which only the major powers have been able to do in the past.

We have five declared nuclear weapons States. It is an indication that India has arrived on the world stage, that it should be taken seriously, that along with China it is the important player in Asia. It will become the most populous nation.

It is all of those things tied together. It is, we think, a mistake to be seen in those terms. Nuclear weapons do not make a great power. The principles and values that India has we think are far more important as a democratic society than the number of weapons they have of a nuclear variety, but nevertheless, it has created that reaction and it has probably been a boost to the Government.
as opposed to a setback, which will make our task of convincing them that this was a mistake that much more difficult.

Senator Robb. Thank you. My time has expired. Thank you, Mr. Chairman.

Senator Brownback. Thank you.

Chairman Helms.

Senator Helms. You know, Mr. Inderfurth, one of the sad things that has not been mentioned, but I have been thinking about it all day long, is how many Indians of dual citizenship, U.S. and India, and there has been for several years a concerted effort by these people with dual citizenship to build the relationship between the United States and India.

Now, I myself visited with about 1,000 such people, good citizens who are prominent in business and have—several medical doctors right here in this area who are leaders in their particular fields, and they have been working hard to build this relationship, and I thought this morning when I was getting dressed that all of this has been wiped out, at least temporarily, all the work they have done, all the public relations and all the working together and so forth. I hope that something can come out of this that will be valuable to them, and to us.

Now, having said that, it is my view that India at a minimum must sign the nonproliferation treaty and roll back its nuclear program completely prior to any lifting of U.S. sanctions. Do you agree with that?

Mr. Inderfurth. Mr. Chairman, I want to first agree with what you just said about the Indian-American community, over 1 million Indian-Americans in this country making an enormous contribution to our society, and I hope that what you said at least temporarily will prove to be the operative language.

I hope that we can get this relationship back on track. It is too important to all of us for the future, which is precisely the theme, if you will, of the President's visit that had been planned for November, which is to look to our future relationship for the 21st Century and those areas where we have so many common interests.

On the question of the NPT and a roll-back, again I would like to ask Mr. Einhorn to comment, but it is very clear that significant concrete steps will have to be taken by India before the administration will ever recommend to Congress any action with respect to removing the sanctions.

This will be your action. We will have to recommend it, and I think we have a long way to go before we see concrete steps by India that would put us in a position of making that recommendation.

Mr. Einhorn. Mr. Chairman, could I amplify a bit on that, on Ambassador Inderfurth's answer? We think it is too early to try to formulate the conditions under which these sanctions would be terminated. They have just only been imposed today. It is necessary to let them settle in, and we can begin to measure their impact, but it is clear, and this was the intention of the Congress in adopting this legislation, that these sanctions would be very hard to lift.

In fact, the Glenn amendment does not even provide for the lifting of sanctions. What you need is new legislation that enables the
administration to terminate, so this is a joint effort. We need the affirmative action of both Houses of Congress in order to terminate the sanctions, so you can be sure that we will be consulting with you and your staffs, and to figure out what are the appropriate conditions under which the sanctions would be terminated.

Senator HELMS. Well, I would say to you that, speaking only for myself, this having come up of late, if anything less than a rollback happens I hope the administration will tell us that they agree with some of us that nothing happens about restoration of our relationship with them.

I am going to yield back the balance of my time so there can be time for other Senators.

Senator BROWNBACK. Thank you, Mr. Chairman.

Senator Feinstein.

Senator FEINSTEIN. Thank you very much, Mr. Chairman. May I ask that my statement be entered into the record, please?

Senator BROWNBACK. Without objection.

[The prepared statement of Senator Feinstein follows:]

PREPARED STATEMENT OF SENATOR FEINSTEIN

Mr. Chairman, I would like to thank you for calling today's hearing. When this hearing was first announced, it was intended to provide an opportunity to discuss the growing U.S.-Indian trade relationship, and strategies to give new momentum to what at times has been a strained political and security relationship.

With the announcement of the three underground nuclear tests conducted by India on Monday, and the two additional tests today, however, I believe that we are now faced with the need not merely to review, but rather to reexamine virtually every aspect of U.S.-Indian relations. This hearing could not be better timed.

As someone who has considered herself in the past to be a friend of India, I must say that I am somewhat saddened by this turn of events.

Indeed, freed by the constraints of the Cold War, the past few years—until Monday—have seen several positive developments in U.S.-Indian relations. It was my hope that our hearing today would provide an opportunity to discuss how we could build on this record.

With these tests, however, I fear that U.S.-Indian relations may be irretrievably damaged.

The three underground nuclear tests on Monday, the two additional tests today, and the statement by the Indian government that "[T]these tests have established that India has a proven capability for a weaponized nuclear program" are, to say the least, deeply troubling signs for future cooperation and partnership on nuclear and missile proliferation.

Mr. Chairman, I can hardly think of a more important issue to the interests of the United States than preventing the proliferation of weapons of mass destruction. Each state that acquires nuclear weapons creates additional complications in maintaining international security.

In South Asia today it appears to be too late to talk about preventing the acquisition of nuclear weapons. India has demonstrated her capabilities, and it is clear to all that Pakistan also has achieved the capability to assemble nuclear weapons. Both India and Pakistan are developing sophisticated ballistic missiles which can deliver nuclear warheads as well.

The international community cannot successfully impose nonproliferation policies on India. Ultimately, India must determine for itself that its interests are best served by ridding South Asia of weapons of mass destruction—and not by turning the region into a potential nuclear battleground. We must seek ways to work with India to help it reach that determination, and structure our policies to make that outcome, even at this stage of the game, more likely.

Yesterday, the Chairman of this Subcommittee, Senator Glenn, and I introduced a Resolution which expresses our condemnation, in no uncertain terms, of the decision of the Indian government to conduct these tests, and calls on the President to impose those sanctions specified by the Nuclear Proliferation prevention Act of 1994. The Resolution also calls on India to work to reduce tensions in the region, and to work with the international community to lessen the dangers of nuclear war in South Asia. It calls on the other states in the region to act with restraint.
Earlier today the President announced that he would be implementing the sanctions called for under the Nuclear Proliferation Prevention Act. Although I believe that sanctions are sometimes too blunt a tool to be effective in pursuit of U.S. interests, in this case the law is clear, the violation is clear, and I applaud the President's actions.

I believe that the United States and India, the world's oldest continuous democracy and the world's most populous democracy—still have the opportunity for a constructive partnership. Mr. Chairman, I thank you for calling today's hearing, and I look forward to the testimony and discussions with our witnesses.

Senator Feinstein. Let me just begin by saying this to both of the gentlemen in front of us. I think it is well known that the two riskiest potential nuclear flashpoints in the world today are, 1) North Korea and 2) India and Pakistan. North Korea is being worked on, I hope successfully. So far, so good.

Mr. Einhorn, for whom I have a great respect, you have briefed me on this situation between India and Pakistan on a number of occasions now, and I think it is a fairly foregone conclusion to the world that both these countries have nuclear capacities and therefore there is extreme danger.

I, for one, think the President has done the right thing. He has moved forcefully. He has moved rapidly. I would like to thank him for that.

I would also like to respectfully suggest that the next step ought to be American leadership in the organization of a wide international effort at condemnation of this detonation. Without it, I am afraid all is lost, because it is my deep belief that this is a political kind of nationalistic effort more than anything else.

I am very concerned about what Pakistan might do in response and would be hopeful that Pakistan, whose Government officials have reassured this country and many of us in specific, that they have no nuclear intent and no intent on developing these nuclear materials, would certainly show to the world that they have not lied to us.

I think we would urge restraint in the strongest of terms and, Mr. Inderfurth, if I have a great respect, you have put it much more diplomatically than I would. Pakistan has nothing but to gain if they are restrained at this point in time, and this comes from one who has been a longstanding friend of India, who has tried in my small way to reconcile concerns with prior Ambassadors to the two countries related to certain problems.

This explosion was a major shock and a major jolt to me. I do not believe that if the Congress Party were in control this would have happened, and so my first question to you is, to what degree do you attribute these nuclear tests to the domestic political weakness of the BJ P Government?

Mr. Inderfurth. Well, I think whether it be domestic political weakness or domestic political strength, the BJ P has had a long period of time making its way to leading the Government in India, which it now is doing with Prime Minister Vajpayee, so it has arrived, and I guess it has signaled its arrival with these nuclear tests, which is extremely regrettable.

There is no question that the decision to test had a very large domestic political content we have also seen in the statements, and that is why I wanted to read for you the rationale that the Indian Government gave for the testing.
They see this as their security environment. They point to China, which has clearly a much larger nuclear and missile capability. They also point to what they refer to as the other neighbor, and the concerns it has about its nuclear capability, but I think that this was largely a domestic political decision.

The BJP, in statements prior to taking office, had called for nuclear testing at times, had called for inducting nuclear weapons at times, had called for declaring formal nuclear status, so the answer is very much a domestic political consideration. We are hoping that the restraint that you said we should call for in the strongest possible terms will be followed.

I should tell you that in every meeting that I have attended since taking office, in the meeting with the President in New York, in the meeting that Secretary Albright had when she traveled to India and Pakistan in November, in meetings that Under Secretary Pickering has had in pursuing our strategic dialog with India, in meetings that we attended with Ambassador Richardson, we always talked about nuclear restraint, not to move forward in nuclear programs, and with the new Government in India we had proposed to both countries a strategic pause.

As you know, there was a Pakistani missile test just a few weeks ago. We had been saying, pause. Think about how to respond to the new political environment before any further actions are taken. Regrettably, that pause was not adhered to.

Senator FEINSTEIN. Thank you. I have one other quick question. I see the yellow light. Let me get it out there.

In addition to concerns which have been raised about India's nuclear weapons potential there has also been concerns about its development of advanced ballistic missiles. What is your assessment of the capabilities of the Prithvi and Agni systems, and what is the status of India's Russian-assisted sea launch ballistic missile program? Does this program violate the missile technology control regime?

Mr. INDERFURTH. Mr. Einhorn can talk about both Prithvi and Agni and the sea-launched.

Mr. EINHORN. The Indians have a very active ballistic missile development program. Its most advanced system is the short-range Prithvi. The Prithvi comes in three different versions, a short-range Army version, about 150 kilometers in range, a longer-range Air Force version, about 250 kilometer range, and a sea-based version that the Indian defense minister spoke about several weeks ago.

About 16 flight tests have been carried out of the Prithvi missile. We do not assess that the Prithvi is operationally deployed. We believe that the units that have been produced are still in storage.

As far as the Agni program is concerned, this started out as what the Indians called the technology demonstrator. They conducted three flight tests. We would categorize this as a medium-range ballistic missile. The last flight test was in 1994.

They have not flight-tested since then, but they have continued to do developmental work on what they now call the Agni-plus, and there have been official statements by the Indian Government recently that, especially in the wake of the Pakistani medium-range ballistic missile test, that the Indian Government would pursue
and even accelerate a follow-on to the Agni. In other words, they will pursue the Agni-plus program.

India is also working on submarine-based missiles. There is an Indian plan for a nuclear-powered submarine that would carry missiles, but the submarine itself is a long way off. It is in the development stage, and we do not anticipate operational capability for quite some time.

They are also looking at missiles to be carried on that submarine, but those, too, we think are a long way off.

Mr. INDERFURTH. I think you can see, Senator, why I asked Mr. Einhorn to join me for this.

Senator FEINSTEIN. Yes. Thank you. Thank you very much.

Senator BROWNBACK. Thank you. Senator Grams.

Senator GRAMS. Thank you very much, Mr. Chairman. I also have a statement I would like to submit for the record.

Senator BROWNBACK. Without objection.

[The prepared statement of Senator Grams follows:]

PREPARED STATEMENT OF SENATOR GRAMS

Mr. Chairman, I share my colleagues' anger and disappointment with India's decision to conduct three underground nuclear tests near the Pakistani border on Monday—and two more yesterday—in the face of widespread condemnation. This is obviously a destabilizing development for South Asia—India has made it clear that these tests were conducted to establish that India has a proven capability for a weaponized nuclear program.

The regional Cold War between India and Pakistan, which up until now has involved the development of missiles with increasing ranges, could openly escalate to the nuclear realm. The Pakistani Foreign Minister has already declared "a headlong arms race," promising that his country would keep pace with India "in all fields." But Pakistan is not the only country that is directly affected by this latest development. India's Defense Minister identified China as the principle military threat to his country, and we must ensure China keeps its promises and commitments not to transfer nuclear weapons technology to Pakistan.

While the geopolitical ramifications of India's actions must be considered, I am particularly concerned about the failure of the Administration to detect that these tests were about to occur. It's hard to believe that our intelligence services were unable to detect the preparations for tests on this scale—not once, but twice. The possibility that India would take this path should have been on this Administration's radar screen. Pakistan test-fired a missile capable of carrying nuclear warheads that it claims has a range of nearly 1,000 miles. We should have expected that India would counter with such a response.

Both the campaign platform and the stated agenda of the newly elected Hindu nationalist party promised to "exercise the option to induct nuclear weapons." The nuclear tests were conducted at the same site and on the same festival day as India's 1974 test. Clearly, this had symbolic importance for a nationalist party. Pakistan warned our government last month about India's intentions. So when a U.S. satellite clearly depicted activity last week at the "wellheads" where devices were ultimately detonated, I find it incredible that our analysts were not put on alert, and were asleep in their beds when the tests occurred.

Senator GRAMS. Thank you very much, gentlemen, for being here today. While the geopolitical ramifications of India's actions need to be considered, I am particularly concerned about the failure of the administration to be able to detect that these tests were about to occur.

I find it hard to believe that our intelligence services were unable to detect the preparations for these tests not once, but twice. The possibility that India would take this path should have been on the administration's radar screen.
As you mentioned, Mr. Inderfurth, there was a test by Pakistan just a couple of weeks ago of a missile with a range of nearly 1,000 miles, and maybe we should have expected this type of a response. In a letter to the President the Indian prime minister stated that China’s aid to Pakistan has helped Pakistan become a covert nuclear weapons State.

I do not want to justify the actions by India this week at all, but Congress has repeatedly called on the administration to address this very concern. Is the administration willing to step up to the plate and confront the proliferation of missile and nuclear technology to Pakistan as well?

Mr. INDERFURTH. Again, Mr. Einhorn—but I would say that only in terms of the possibility of this. We were quite aware of the possibility that there would be further steps by both Governments in the nuclear missile field. We have been watching that very carefully.

That is why, as I mentioned in the earlier response, we have been raising it at every opportunity from the prime minister, to the foreign secretaries, to the defense ministers, in each of our meetings urging there to be no further steps.

The fact is, this could get worse, much worse, before it gets better. They have not deployed nuclear-capable missiles. They have certainly not exported nuclear missile technology beyond their borders, India or Pakistan, and so there are a number of things which could take place which would make this situation even worse than it is today, so we have been following it closely.

We think your questions about what we knew and when are the right questions. I am afraid you have the wrong witnesses to answer those questions, but I am sure you will pursue that.

But I would like Mr. Einhorn to say about the other question.

Mr. EINHORN. Senator, the reality is that there is a lot of momentum in the strategic programs, including the ballistic missile programs of both India and Pakistan. I think it would be in the interests of both of those countries to curb this momentum and to put a lid on these strategic capabilities.

In terms of the U.S. effort, as Ambassador Inderfurth has pointed out, we put a very high priority in trying to promote restraint in the ballistic missile capabilities of both sides, and I can say without fear of contradiction I believe that if it had not been for the persistent efforts of the U.S. Governments these missile programs would be much farther advanced than they are now. I would suspect we would see missiles operationally deployed today.

Because of U.S. efforts with other supplier Governments, our multilateral efforts to constrain the export of missile technology, we believe we have managed to inhibit these programs because to varying degrees they depend on external sources of supply, the Pakistani program more than the Indian program.

Senator GRAMS. Despite the sanctions by the U.S. and world condemnation, it appears both countries, Pakistan and India, feel that it is in their best interest to continue to move forward with these type of programs. Mr. Inderfurth, you mentioned that the President placed a personal call to Pakistan. Aside from threatening to impose the sanctions on Pakistan that are now being applied to India, is there anything else the administration is doing now to convince
Pakistan that it is not in its best interests to continue to pursue or escalate its nuclear program?

Mr. INDERFURTH. I mentioned the President offered to send a high level delegation to Pakistan, which will depart this evening. I think we have to try to make our way through the next several days in terms of a possible Pakistani response and to see where we are.

We will make the point that a test by Pakistan will bring about the same sanctions on Pakistan that we have now placed on India and, quite frankly, because of the already existing Pressler amendment sanctions on Pakistan, these will be very, very significant for Pakistan to have these sanctions placed upon that country.

So we also—as I mentioned, we are working with others at the United Nations and the G-8 as well as going out to other capitals to see what can be done. We think right now the international community is responding in a very unified fashion to this. We want to see, as I think everyone wants to see, not only words but actions. I think that is our primary focus.

The more fundamental issue is, why are they pursuing these programs, which we in the international community find to be so mistaken? It is because of their history.

It is because of 50 years of hostility going back—and this is the fiftieth anniversary of both countries. One only has to read about those early days of partition, what happened there, and the lingering historical problems that that has created, to understand something of why they feel compelled to move ahead in these programs, including for India with the Chinese program.

It is through those countries resolving their differences themselves and lowering their own view of the threat that they pose to each other that we will see a rolling back and hopefully an elimination of their nuclear and missile capabilities.

Senator GRAMS. Mr. Chairman, I have just a parting comment about the bilateral sanctions. I think it is very important that we get our allies or other world members to condemn this as well. Is that something the administration also is working on very hard right now?

Mr. INDERFURTH. We are very much working on—in our discussions with other Governments either bilaterally or multilaterally we are working in that direction.

But I will also tell you, as a case study in sanctions, there are 28 F-16's that are still sitting out in the desert which have gone nowhere that have already been paid for by the Pakistani Government and, despite their feeling that they have fallen further and further behind on the conventional side, they will not budge on their nuclear program to see those aircraft released.

So sanctions can work to a point, but national security considerations by countries will often override even the harshest of sanctions.

Senator BROWNBACK. Senator Biden.

Senator BIDEN. Thank you very much. Gentlemen, let me begin where you just left off, Mr. Secretary.

You said until the mutual threat is perceived to have diminished, you are not likely to see a rolling back of any of these programs. I think that is what you said, the essence of what you said. I think
you are right, if that is what you said. If you did not say it, you should have said it. It is a good idea.

Mr. INDERFURTH. We said we can have some impact.

Senator BIDEN. I agree with you completely, and I would like to ask unanimous consent, Mr. Chairman, that my opening statement be placed in the record, if I may.

Senator BROWNBACK. Without objection.

[The prepared statement of Senator Biden follows:]

PREPARED STATEMENT OF SENATOR BIDEN

Mr. Chairman, this has not been a good week for nonproliferation. India's five nuclear detonations have reminded us in the most dramatic terms of the continuing perils of nuclear weapons proliferation.

One would have hoped that the international outcry after Monday's tests would have convinced the Indian government to behave more responsibly. Instead, India has effectively thumbed its nose at the international community by conducting two additional tests this morning.

These tests are sure to alter fundamentally the U.S.-India relationship which had begun to blossom in recent years after a lengthy chill.

It is difficult to see what benefits India derives from its irresponsible actions.

As required by law, the President has imposed sweeping sanctions on India. Other important donor nations such as Japan and Germany have also taken punitive economic steps.

These measures and others promise to set back an economy that has only recently begun to show signs of improvement.

India's claim to global leadership and its bid for a United Nations Security Council seat will certainly suffer because of an act that so clearly violates an international norm.

If India thought that demonstrating its nuclear know-how would enhance its prestige, it thought wrong. These tests have stained India's reputation as a responsible member of the international community.

It seems, Mr. Chairman, that a weak, minority government in India has thrown good international citizenship by the wayside for the narrow calculations of domestic political advantage.

Mr. Chairman, let me outline a series of steps that I think are important at this point.

First, preventing a Pakistani test should be our top priority. Pakistan faces enormous domestic pressure to respond in-kind. I commend the President for engaging Pakistan at the highest levels.

The imposition of sanctions on India should be seen as an important signal to Pakistan. But disincentives may not be enough for a country that is already under a stiff sanctions regime for its own nuclear weapons activities. It may also be necessary to consider extending security assurances to Pakistan in order to dissuade it from conducting its own tests.

Second, we need to coordinate our actions with key donor countries and step up the pressure so that India will cease and desist from further testing. If India is truly committed to promoting international security it should immediately and unconditionally sign the Comprehensive Test Ban Treaty and the Nuclear Non-Proliferation Treaty.

Third, we should talk to China to ease any anxiety in Beijing. Recent comments by India's Defense Minister that China was his country's number one security threat created tensions between the two Asian giants. It is vital for Asian security that Sino-Indian relations not deteriorate.

Fourth, we should step up our efforts to curtail missile development in South Asia.

Fifth, and finally, we need to increase diplomacy to address the underlying sources of tension in South Asia.

Mr. Chairman, in spite of our justifiable outrage at this moment, I think it is important to keep in mind our long-term strategic interests. We also need to make distinctions. Despite its grave miscalculation this week, India is not a rogue state. It is not a Libya, a North Korea, or an Iraq. It is the world's largest democracy and it is a country with which we share much in common.

It is a country with which we should have good relations. But these tests will make a better relationship much more difficult.
India should pay a steep price for its irresponsible acts, lest we encourage others to follow the Indian example.

But a nation of India's size, importance, and stature cannot be isolated forever. We will have to engage India. India can hasten that, but only if it undoes some of the damage it has done. It can do that by signing the Comprehensive Test Ban Treaty and the Nuclear Non-Proliferation Treaty immediately and without conditions.

Finally, Mr. Chairman let me conclude by echoing comments President Clinton made this morning in Germany. India did not need to conduct these tests in order to be considered a great country. It already is.

I only hope that it realizes this soon and comes to its senses.

Senator Biden. This is a big problem, and big problems require big ideas, and we need a new idea. I support sanctions. I think they are the only alternative available at the moment, but you do not have to be—no pun intended—a rocket scientist here to figure out that you can trace India's nuclear program back to getting drubbed and humiliated in 1962 by China.

You do not have to be a rocket scientist to understand Pakistan's lack of confidence when it is out numbered 100 million to a billion, roughly, in terms of population.

All you have to be is a plain old politician, an honest politician in the Democratic or Republican Party of the United States, to understand that when you have a real problem of putting together a majority, the one thing that unifies a country, that moves you from a minority position to a majority mode, is to do something that your whole country is going to rally around.

I do not think you have to be real smart to figure out what that is. That may not have been the objective, but I would be dumbfounded if that was not the objective. They are dumber politicians than in most countries if that was not the rationale, because why would you risk going from being a good international neighbor to being a temporary and maybe long-term pariah? Well, the answer is real simple: solidification of your political position at home.

I do not know many international leaders who have concluded that it is better to lose support at home in order to gain the international recognition, rather than have it at home, even if it is against your long-term interest. We have even seen that in America once in a while.

So that all leads me to a couple of questions that I have not resolved in my own mind because, to be honest with you, I have been thinking in the traditional box that we have been operating in, in terms of how we deal with India, Pakistan, China, actually South Asia generally.

After all, it has always kind of worked. There is a whole fiction associated with all of this. It is what we don't want to acknowledge, that there are those other countries that have nuclear capability. We all know they have it, but if they acknowledge it and we bring them in, then somehow we are encouraging other folks, the argument goes, to think they need not pay a price for seeking nuclear capacity and capability. We already know the countries that have the nuclear capacity and capability. We can name the countries.

So I have two questions. Actually, three, and you might not get a chance to answer all three. The first one is, has there been any discussion— I am sure there has been no decision—about whether or not there is a way in which the international community, being part of it, could essentially become some form of a guarantor...
for Pakistani security in return for them acting appropriately from our perspective—that is, not testing, not matching, not dealing with India's tests? The irony is that Senator Helms, I think, has been right about this, although I think he is wrong on the test ban treaty, by pointing out he was one of the ones hoisting the longest and loudest about China's sale of M-9 and M-11 technology to Pakistan. I cannot believe that has not significantly impacted upon the attitude in India about whether or not they should be doing what they are doing now. I think China is the bigger deal, but I cannot believe this does not feed on concern over Pakistan, and there has got to be something to a tourniquet here. Has anyone thought about or discussed the possibility of guarantee for Pakistani security relative to India? Now, granted, that then raises guarantees to India against China, but Pakistan is where we are now.

The second question, and maybe you can answer them all at the same time, is that one of the most imaginative guys I ever served with is a guy who is going to testify next, Mr. Solarz, and he is going to make a proposal, as I understand it, that essentially says, hey, look, we know who they are. Let us bring them in. Now, regarding various countries, in this case particularly Pakistan and India, we could bring them both in, get them to sign the test ban treaty, get them to sign the nuclear nonproliferation treaty, acknowledge them as nuclear powers, and lock it down and be done with it, because South Asia is a particularly unique circumstance.

You may not want to answer either of those, because I realize this is pretty short notice, but do you have any thoughts, even if there is no discussion now? What do you think about those two notions? I have not made up my mind on them, but it seems like we have got to move out of the traditional box here to figure out how to deal with this.

Mr. Inderfurth. Senator, I think we do have to move out of the traditional box. Quite frankly, we have tried that in a traditional way, if you will, over the last several months by trying to place our concerns about nuclear and missile competition in the context of our broader relationship, tried to make it clear that the United States has an interest in the region that goes beyond the fact that they have fought three wars and the fact that they have a nuclear capability.

We have been trying to focus on the economic dimension to the relationship. With economic reforms in India in 1991, this country is one of the big emerging markets.

Senator Biden. Beyond that, India is not China. It is a democracy. This is a country that in the middle of the next century is going to have a larger population than China if the rates continue.

Mr. Inderfurth. And that is precisely why we have wanted to establish a new relationship with India so they did not think that the only thing we talked to them about was their nuclear missile program, so we have tried to place in the context of all of these things, hoping that they would almost sort of have a drag effect, if you know auto racing, pulling things along.

We are now at a point that has not been a productive approach with Pakistan. We also want to broaden that relationship. With the
end of the cold war and the end of the Soviet occupation of Afghan-
itian we are trying to build a relationship with Pakistan for the
future that is not going to be the one we had in the past, but we
need new ideas, because quite frankly they keep coming back.

We are now back in that box. We are now back in the traditional
box, and whether it be guarantees for Pakistani security, or wheth-
er it be items that Congressman Solarz has talked to me about as
well, about bringing them in, these are things that we I think will
have to look at, because I also do not believe that sanctions in and
of themselves will bring these countries around where we would
like them to be. They are necessary, but I do not believe they will
be sufficient for that purpose.

Senator Biden. As a technical point, the test ban treaty does not
speak to whether a country is nuclear or not, and were India to
agree to cease further testing, it seems to me, all by itself, that
would be a good idea, and so I disagree with Senator Helms about
the test ban treaty.

Mr. Einhorn. Senator Biden, that would be a good idea, also
agreeing on a commitment not to produce more unsafeguarded nu-
clear material, so-called fissile material. Cutoff would be a good
idea, even though it does not go all the way in giving up these nu-
clear options.

Let me just say, the traditional approaches to nonproliferation in
South Asia have helped. They have slowed things down. They have
complicated these programs.

Senator Biden. I am not criticizing.

Mr. Einhorn. I accept the premise, though, that these tradi-
tional approaches have not succeeded. Clearly, this week dem-
strates they have not succeeded. We need to think outside the
box.

On the two ideas you mentioned, the first one I am not going to
comment on much, the question of security guarantees to countries
in South Asia. You all have come through a debate on the expan-
sion of the North Atlantic Alliance, where solemn guarantees were
extended. This is always a tricky matter.

Senator Biden. I agree. It is a big deal.

Mr. Einhorn. It takes a lot of careful thought.

On the more specific question, I have not seen Congressman So-
larz’ suggestion. You mentioned, I think, what if—


Senator Brownback. If we could, we are going to need to wrap
this up. Senator Feinstein has one final question and quite an ex-
cellent resolution that I would recommend for a lot of Members to
look at that I am cosponsoring on this issue.

And if we could, then I would like to go to the next panel.

Senator Feinstein. Just a final question that I did not get an an-
swer to was when I was talking about the missile programs and
you mentioned the submarine sea launch program. Do any of these
programs violate the MTCR?

Mr. Einhorn. The programs themselves do not violate the
MTCR, which has to do with importing or exporting goods and
technology. The question is whether any of the transactions them-
selves have to do with it. For India, most of these programs really
are indigenous, very little outside assistance at this stage.
We have raised questions about Russian cooperation, the cooperation of certain Russian entities with the submarine missile.

Senator Feinstein. Yes. This would be the one, the Russian contributions to these programs.

Mr. Einhorn. This is what we are exploring. We are exploring that now with the Russian Government. As you know, we have been dealing with the Russians on missile technology exports to Iran on a very intensive basis, but we also need to talk about India.

Senator Feinstein. Thank you very much.

Senator Brownback. Thank you very much, and we may have some additional written questions. We would appreciate it if you could get back to us in a timely fashion, and any statements any people want to put in will be included in the record as well for the witnesses that testified.

I would particularly be interested in some of the dual use technology that has flowed to India recently, in looking at that, and also further into the future use of dual use technology.

So I thank the panel very much. I appreciate you coming here. I thank the panel. I am sure we will have further discussions.

Response to Additional Question Submitted for the Record by Senator Thomas to Secretary Inderfurth

Question. One of the functions of the Indo-U.S. Economic Subcommission, chaired on the U.S. side by Undersecretary Eizenstat, is to address major policy issues that affect the bilateral relationship. In this regard, what steps is the State Department considering in response to the two and one half year Indian embargo on U.S. soda ash, one of this country's largest chemical exports.

The September, 1996, Monopolies and Restrictive Trade Practices Commission injunction, which was requested by India's monopolistic soda ash producers, remains in place. This highly protectionist and anticompetitive action was taken by the local producers shortly after the Indian Government reduced the import tariff on soda ash and after one U.S. shipment entered the country. If the Commission's action isn't overturned, not only will tens of millions of dollars in U.S. soda ash exports be lost but other Indian industries will see this as a successful blueprint for circumventing new trade liberalization reforms to keep out U.S. goods.

Answer. Following the decision by the Government of India in May, 1998, to test nuclear devices, the U.S. government implemented Congressionally-mandated sanctions affecting our bilateral economic relationship. The sanctions resulted in indefinite postponement of the next meeting of the Indo-U.S. Subcommission of Economic and Commercial Affairs which had been planned for July, 1998, in New Delhi.

The Departments of State and Commerce and the Office of the U.S. Trade Representative have and will continue to place the resolution of the soda ash embargo at the top of our trade agenda notwithstanding India's decision to test and the resulting change in our economic and commercial relations. Most recently, Ambassador Celeste met with Indian Minister of Industry Sikander Bakht on June 22 and forcefully raised the soda ash issue. In a May 29, 1998 letter to Indian Minister of Commerce Hegde, Ambassador Barshefsky stated that "the facts in the Soda Ash case demonstrate forcefully that there is no basis for the Indian industry allegation of predatory pricing or for the Indian Monopolies and Restrictive Trade Practices Commission (MRTPC) injunction, and that the Indian producers have sought this avenue of restriction in the absence of being able to qualify for WTO-compatible relief * * * I request your assistance in obtaining immediate relief from the preliminary injunction and expeditious and objective review by the MRTPC of the facts of the American Natural Soda Ash Corporation petition."

I now call up the next panel: the Hon. James Woolsey, former Director, Central Intelligence Agency. The second presenter will be Dr. Fred Ikle, former Director, U.S. Arms Control and Disarmament Agency. And the final witness will be the Hon. Stephen J.
Solarz, the former U.S. representative from New York and the former Chairman of the Subcommittee on Asian and Pacific Affairs for the House Committee on Foreign Affairs.

Gentlemen, we very much appreciate you joining us today. What I will do is I think run a time clock on 7 minutes, if you do not mind, so that you can see how much time you have got pending up here. I will not hold you too much to it, but do not push me too much either, if you would not mind, so that we could have your testimony and then go to a series of questions.

I appreciate you joining us on such short notice, Mr. Woolsey.

STATEMENT OF R. JAMES WOOLSEY, FORMER DIRECTOR, CENTRAL INTELLIGENCE AGENCY

Mr. WOOLSEY. Thank you, Mr. Chairman. And I appreciate the opportunity. If it is all right, I will, for the second time this spring, speak extemporaneously under the circumstances.

Senator BROWNBACK. That would be fine.

Mr. WOOLSEY. There are two points to make, I think, with respect to the Indian test. First, their substantive effect; and, second, the issue about warning and the role of intelligence.

With respect to the substantive effect, clearly this was a major and very negative development. Mr. Chairman, your opening statement, I think, said it well in addressing the key issues. It pushes the world toward proliferation and toward an arms race in South Asia. I am glad that the President promptly invoked sanctions. We have been treated for some decades now to Indian Government officials and diplomats dining out by striking very moralistic stances with respect to the United States and a number of other countries on weapons issues. And I believe that memory, plus the fact that the world really expects something better from Mahatma Gandhi's nation, adds a certain particular poignancy and feeling of betrayal, essentially, to the world's reaction to what India has done here.

Clearly, the impact on Pakistan and its possible move toward nuclear testing is salient. My own view is that Iraq and North Korea are likely to do whatever they are going to do anyway and are not too likely to be affected by this. Over the long run, Iran, however, may learn some lessons about how to move into the nuclear club from India's tactics. And all of these effects are ones that we should be concerned about.

The Speaker of the House appointed me to a commission chaired by Don Rumsfeld that reports in July on ballistic missile threats to the United States. And I am sure the issues that are raised by these Indian tests, as well as the many other things we are studying, will be more fully explained to the Congress then. But it is, I think, important to note, as the Wall Street Journal did today, that India was, in this matter, taking a leaf from the book that was written by France and China in 1995 and 1996. This did not come out of nowhere.

Ultimately, one of the serious problems, I believe, is going to be the encouragement, directly and indirectly, of other countries to move in the nuclear direction. That means more fissile material in the world. That means the possibility of nations and also
terrorist groups finding it easier to get their hands on nuclear materials for weapons.

Part of the lesson here, I think, for the United States is that to some extent weakness begets weakness. We have not taken a strong stance up until the last two days or so with respect to Indian proliferation, just as we have, I think, been too weak with respect to dealing with Russia’s aid to Iran, China’s aid to Pakistan, and others. And we signed on to an agreement with North Korea that, although on balance probably was the best we could have done, nonetheless led many in the world to believe that a vigorous nuclear program could get you some substantial benefits from the West.

I have testified before, before you, Mr. Chairman, on what I have termed our flaccid and feckless policy toward Iraq since 1991, and I will not burden these hearings with any further description of that.

So, substantively, I think we have a very negative development. Part of it we can understand from South Asian history. Part of it we can understand from some of our own steps over the course of the last several years.

Let me turn to the issue of warning and the role of the intelligence community about this particular event. You should always divide warning into two parts. Fred Ikle will talk about it in terms of strategic and tactical. One could talk about it in terms of long term and short term. But long-term or strategic warning is often given in rather vague indications, which look clear when you look back with 20/20 hindsight. But, nonetheless, if you assess it accurately, when you think you should have had strategic warning events should have put you at least on notice that something was likely to happen.

Here—and I want to stress this—the elements of strategic warning with respect to what this Indian Government might do were not matters of subtlety, not matters only available to the intelligence community. Insofar as there has been a failure of the U.S. Government or anyone else to understand what direction the BJP might take, it is a failure of academics, of think tanks, of the press—if I may say so—of the Congress, of the executive branch as a whole, and is not just an intelligence failure, per se.

The BJP has a platform which quite clearly issued a blast at what they called nuclear apartheid. When Mr. Vajpayee was Prime Minister-designate in mid-March he stated publicly that he was not at all worried about American annoyance about nuclear proliferation. The Economist magazine, one of my favorites, on March 28th ran a lead article on India as a nuclear power, and included the following:

What cause would be served by setting off a nuclear chain reaction? The answer lies in the weakness of India’s Government. The new coalition will be fractious. With the nuclear issues popular with voters, proud of India’s technological prowess, building nuclear weapons could be one of the few policies the coalition can agree on, and thus the easiest way for the BJP to trumpet its Hindu nationalist pride.

Another issue which should have given us all some strategic warning is that the Indian Government has for many months, back before the BJP became the governing party, been maintaining their nuclear weapons test facility in a very high state of readiness. They
probably learned—in late 1995, early 1996, when we protested—what we knew about their test program, and decided to bring the test range up to a state such that they could test with very, very little advance warning.

They probably learned something about our own reconnaissance satellite capabilities by the way in which we delivered our demarche. This often happens. I have had demarches delivered over my objections when I was DCI. And, if I am to be fully honest about this, I would have to admit that I have delivered remonstrances to Soviet diplomats when I was an arms control negotiator that disclosed indirectly information from reconnaissance satellites; I did this when Washington approved it, but I knew there was a debate in Washington about whether or not it was a good idea. So I have been on both sides of this argument. It is a natural tension.

But it is important to realize that insofar as we go around delivering demarches to the world on what they should and should not do, almost always the information comes from intelligence, and it therefore reveals something about intelligence sources and methods. It is also, I think, clear that over the course of the last several years, beginning in the late 1980's, the beginning of the nineties, we have been through inflation, principally, cutting the intelligence budget substantially.

I said when I was DCI that the number of reconnaissance satellites were unfortunately going to have to be cut in about half during the 1990's. I had many debates with Senator Shelby's predecessor once removed, Senator DeConcini, about cuts in reconnaissance satellite programs, which I did not believe were wise. And reconnaissance satellites are a bit like aircraft carriers. No matter how capable they are, if you go from a large number to a small number, no one of them can be in two places at once.

So, the fact that the intelligence community did not detect the immediate event within a day or so of—when the Indians were probably giving some type of last-minute indication that they were going to do something on the range—I think should not be particularly surprising. It is unfortunate, but we all had some degree of strategic warning. If the intelligence community had been tweaked to be watching specifically that test range, day in, day out, 24 hours a day, they might have given the government another day or so of warning.

My hunch is that would not have been enough time for the United States to have dissuaded the BJP from the course of action it was embarked on, certainly given the strength of its position. It would have prevented a lot of people in Washington from being embarrassed by having the announcement made by India rather than by the U.S. Government, but that is a somewhat different matter.

Let me close, Mr. Chairman—I know I am over time—with one point that I know was of interest to Senator Helms. With respect to these two most recent tests announced by the Indians to be of sub-kiloton yield, it is important to realize that once one gets down in the range of a kiloton, and certainly below, the capacity to verify detonations from afar is limited in the extreme—almost, I would say, to the vanishing point, particularly if those detonations underground are isolated from the Earth by taking place in caverns, e-
other natural or artificial—as it is called "decoupled" from the surrounding geology.

Under those circumstances, seismic signals are really virtually nonexistent that could distinguish these types of low-yield detonations from normal seismic events. Consequently, as one is thinking about a comprehensive test ban treaty with an absolutely zero yield limitation—not a ton, not 20 tons, not 100 tons, but zero nuclear yield is permissible under the CTBT as negotiated—one has to realize that law-abiding nations will of course, if they sign and ratify it, go along with it and behave themselves under such a regime. But nations that are willing to cut corners, whether it is India or any others, in my judgment, would probably find it quite easy to have sub-kiloton-yield detonations in secret, even after they have signed a CTBT.

So if that should occur at some time in the future, I would simply like to suggest to the committee that the cause will not be an intelligence failure.

Thank you, Mr. Chairman.

Senator Brownback. Thank you very much, Mr. Woolsey. And I look forward to some good questioning. And thank you for your statement, and on short notice. Dr. Ikle, thank you for joining us.

STATEMENT OF FRED C. IKLE, PH.D., FORMER DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY

Dr. Ikle. Thank you, Mr. Chairman, for inviting me.

I would like to draw some lessons from this experience we are talking about today. My first one relates to intelligence. I think Mr. Woolsey made the point so well I shall skip over that essentially to save time, except to put down the other side of the coin of strategic intelligence. As we gnash our teeth and castigate the poor intelligence community for not having given us tactical warning to make us feel better, we should remind ourselves—Congress, the public—that we have a lot of strategic warning about things for which we are not making the effort properly to prepare ourselves.

What comes to mind here, just to mention one example, is the many warnings about the loose nukes, the tens of thousands of nuclear weapons, inherited from the Soviet Union, in various areas, which may be stolen, diverted, get on a journey by a ship or airplane, with the destination of this country, reach this destination. Here is something to which we are woefully unprepared.

But let me move on—the rest Mr. Woolsey said much better than I could—I let me move on to the second lesson learned. And that is the inseparable entanglement of military and peaceful uses of nearly all important technologies. High-powered computers can be used for improving nuclear weapons or for predicting the weather, plutonium to fuel reactors or to make nuclear weapons. And there is ample evidence in the case we are discussing today that India's nuclear weapons capability was accelerated and enhanced by the assistance India received since the 1950's which was intended for peaceful purposes—assistance from Canada, the United States, Great Britain, and other countries.

Now, in our lawyerly fashion, we usually ask the nations to whom we give assistance, technological assistance intended for peaceful purposes, to sign a promise that they will not use it for
weapons. And sometimes we even try to add an elaborate verification system. But now, some 30 years later, we should be wiser and should have realized that this can easily be circumvented.

One of the clearest recent examples of course is North Korea, which had an IAEA inspection, but they simply shoved the IAEA inspectors aside; or Iraq, before the Gulf War, which got a clean bill of health from the IAEA inspection. (The IAEA is the International Atomic Energy Agency.) And this lesson will be particularly serious for biological technology, where the peaceful and the weapons applications are even more inextricably intertwined, back in the laboratory.

So let us absorb this lesson. But somehow with a triumph of hope over experience, we keep perpetrating the same mistake. In his State of the Union Address this year, President Clinton told Congress that he is seeking a treaty to verify the existing ban on biological weapons, and thus “enforce” the ban. But the administration’s proposal provides for no enforcement whatsoever. It provides for an elaborate verification scheme, which every competent scientist will tell you cannot work. So, that is going down a blind alley at best.

And this leads into the third lesson relevant for today, that the global spread of technology is a force so powerful, so elemental, that it cannot be stopped with dikes and dams made of the parchment of arms control treaties. To be sure, sometimes these treaties can keep the good intentions on the right track. But they can also be bypassed, even by relatively friendly nations, as is the case with India with the peaceful assistance it got on nuclear reactors, or with impunity almost openly by dictators.

Let us remember again what happened not too long ago with North Korea. After they violated the Nonproliferation Treaty that that country has signed, it got rewarded with the gift of oil deliveries—and Congress is being asked this week, I think, to make the appropriations for the reward to North Korea—and with a gift of two reactors, costing billions, for which we put pressure on our allies to put up the money.

And this leads to my last point, the lessons we ought to teach, not the lessons we ought to learn. If halting nuclear proliferation is really so high on our priority, as the language here in Washing-ton seems to suggest, then we should seek to convince other countries that acquiring nuclear weapons will cost more than it is worth. Instead, we often purchase ambiguous promises from these countries for which we then pay with handsome gifts. I mentioned the Korea example.

Now, I had made a prediction—and I wrote this in my written testimony last night—that was a bit more pessimistic than what Assistant Secretary Inderfurth mentioned today that tentatively may promise a more effective response. But let me give you the pessimistic prediction if the more effective response does not materialize, which is quite possible because our allies, our close allies, will not support us in the sanctions, particularly in the World Bank, where it would count.

I think then we will be under pressure to minimize the economic sanctions. And I think Congress will be under pressure. I would not be surprised if some of you, when you go back to your office,
already find lobbyists saying that we should not be too harsh, it would hurt exports, it would hurt business in your district. And the President has announced, of course, as we heard, that he will try to induce India to sign the Comprehensive Test Ban Treaty. There is some differences about the language. I could easily foresee some compromise will be reached with New Delhi, and that the compromise will be sweetened with the promise of then resuming U.S. technical assistance, computer sales, aid, and get the Test Ban signed with India and this will be presented by the spin masters as a great victory in nonproliferation.

Now, if this happened, what will we have taught Pakistan and Iran and other countries?

We will have taught them: “go ahead, carefully design a series of five or seven tests, accept the American tongue lashing, let it roll off your back; then sign on to the Comprehensive Test Ban; then hold out the tin cup for more aid from the Japanese, from the Europeans, from the Americans again; and by signing the Comprehensive Test Ban you are then a member in good standing in the international nonproliferation community and you will not be prevented from building a large nuclear arsenal with the weapons that you had just tested.”

Now, maybe the fissile material restriction that Mr. Einhorn mentioned would make a difference here. But maybe, again, it would not. These materials are good for peaceful as well as for military purposes. And you again get back into the problem of that hard to define dividing line.

Well, that is a pessimistic prediction. Let me close with a more positive note. Since the beginning of the nuclear age more than 50 years ago, the United States policy has been to fight against nuclear proliferation, in our own interests of course. And it can be said with all our hindsight that we have succeeded—we the United States—in slowing down the spread of nuclear weapons significantly. Each administration has contributed some successes and some mistakes to this long-term policy.

I think if we can learn from our mistakes, stop repeating them, we will be more successful in the future.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Ikle follows:]
try. We do have the strategic warning now! But we are woefully unprepared. Like-
wise, for similar warnings about biological weapons.

Our reliance on precise intelligence warnings must not become an excuse for being
unprepared should the feared event, one morning, come as a surprise.

The second lesson to be learned, or re-learned, Mr. Chairman, is the inseparable
entanglement of military and peaceful uses of nearly all important technologies.
Highpower computers can be used for weather predictions, medical research—and
to perfect nuclear weapons. Plutonium can be used to fuel nuclear reactors and to
build bombs. There is ample evidence that India's nuclear weapons capability was
greatly accelerated enhanced by the assistance on "peaceful" nuclear technology that
India received since the 1950s from Canada, the United States, and other countries.
(This is not to belittle the great competence of Indian scientists and engineers).

In typical American lawyerly fashion, we ask the nations to whom we sell or do-
not sell the technology in question. We are offered a piece of paper promising they won't divert their
technology to make weapons. With countries that are truly determined to misuse the
technology, the piece of paper will not help much. And elaborate international inspec-
tion regimes to back up such promises can always be circumvented, especially by
the most dangerous and secretive regimes like Iraq and North Korea, but even
by an open democracy—as we discovered in 1974 when India exploded a nuclear
bomb it called "peaceful."

This lesson is particularly serious for biological technology, where the most bene-
ficial peaceful uses and the most evil weapons uses are much more intertwined than
in nuclear technology. Yet, with a triumph of hope over experience, we keep repeat-
ing the same mistake. In this year's State of the Union address, President Clinton
told Congress that he is seeking a treaty to verify the existing ban on biological
weapons and thus to "enforce" the ban. The Clinton Administration's proposal here
provides for no enforcement whatsoever, and the verification envisaged—every com-
petent scientist will tell you—cannot work.

This leads to the third lesson, that the global spread of technology is a force far
too powerful, too elemental, to be stopped with dikes and dams built with the parch-
ment of arms control treaties. Sometimes these treaties help to reinforce and keep
on track good intentions. But they can be by-passed even by relatively friendly coun-
tries, and can be violated—usually with impunity—by dictatorships. We did not
punish North Korea for violating the Non-Proliferation Treaty it had signed. The
Clinton Administration rewarded North Korea with the gift of oil deliveries (which
Congress is being asked to pay for) and with the gift of two new nuclear reactors
(which the Administration presses our allies to pay for).

Now my last point—the lessons we ought to teach. If halting nuclear proliferation
was as high a priority for the United States as the talk and complaining here in
town halls, the United States would seek to convince other countries intent on
nuclear arms that acquiring these arms costs more than it is worth. Instead we pur-
chase ambiguous promises from these countries by offering handsome gifts. We pur-
chasen an ambiguous promise from North Korea to halt their illicit bomb program
with the billion dollar gifts I just mentioned. My prediction, Mr. Chairman, is that
we will do the same for India. The Administration will seek to minimize the impact
of the economic sanctions (mandated in 1994 by Congress); and Congress will come
under fierce pressure from the business community to wink and to blink. The Presi-
dent, as he has already announced, will try to cajole India into signing the Com-
prehensive Test Ban Treaty. Perhaps some compromise in the treaty language will
be offered to New Delhi; a compromise sweetened with new US computer sales to
India, more US technical assistance, more aid. And when this treaty is signed by
India, it will be presented by the White House press office as a victory over pro-
liferation.

And, by the way, we will have taught a lesson to Pakistan, to Iran, to every aspi-
rant for building some nuclear bombs. Go ahead! Carefully design a series of five
or seven tests and let the American tongue-lashing roll over you. Then sign the
Comprehensive Test Ban. Hold out the tin cup for US aid, Japanese aid, European
aid; and make the donations pile in by going along with the charade that this Test
Ban will somehow prevent you from building an arsenal of the weapons you just
tested.

Let me not end, however, on so pessimistic a note. Nuclear proliferation has been
slowed down significantly by American policy since the beginning of the nuclear age.
Each administration has contributed some successes and some mistakes to this
long-term policy. Let's learn from the mistakes to enhance our success rate.

To date, the only response from Administration officials has been shock that their
diplomatic counterparts in India were not more forthcoming with their plans. John
Holm, the Acting Undersecretary of State for Arms Control and International Se-
curity Affairs, commented that India had promised restraint in the nuclear area
until it completed its review. Not all countries find it in their interest to telegraph their punches; that is not an adequate explanation—that is not an adequate excuse. This is just the latest example of the Clinton Administration reacting to foreign policy developments, instead of shaping them according to a coherent foreign policy. The Administration has lurched from one crisis to another, acting on an ad hoc basis according to the developments of the moment, confusing our allies and emboldening rogue nations. North Korea was emboldened to further the development of their nuclear weapons capabilities; Saddam Hussein was emboldened to strengthen his position in northern Iraq; and now India has been emboldened to conduct nuclear tests near the border of Pakistan.

Senator Brownback. Thank you, Dr. Ikle. A very wise statement.

Representative Solarz, thank you for joining us. I appreciate your being here. The floor is yours.

STATEMENT OF HON. STEPHEN J. SOLARZ, FORMER U.S. REPRESENTATIVE FROM NEW YORK

Mr. Solarz. Thank you very much, Mr. Chairman. It is good to be here and to see some of my old friends on the other side of the table.

Let me begin by paying tribute to you for your exquisite sense of timing in scheduling the hearing this afternoon. If it is true, as I am told it is, that you picked this date for the hearing several weeks ago, it strongly suggests that unlike the CIA, unlike the State Department, unlike the Pentagon, unlike the White House, unlike even our embassy in New Delhi, you knew what lay ahead. And that is a truly impressive feat.

Senator Brownback. If this panel had been invited at that point in time, I would take credit for that. We had planned a different type of hearing; unfortunately, it went another route.

Mr. Solarz. Let me also say, Mr. Chairman, particularly in light of some of the observations I will offer toward the end of my testimony, that I fully share the concerns which have been expressed by all of the members of the committee, as well as the previous witnesses and the administration.

The events which have taken place in India in the last couple of days are, to put it mildly, not a very positive development. It will stimulate an overt nuclear arms race on the Subcontinent. It will almost certainly lead to a decision by Pakistan to test its own nuclear devices. It has put a deep chill on Indo-American relations. And it could easily lead to a significant downward spiral in the relationship between the world's most powerful and the world's most populous democracies.

Under these circumstances, and particularly given the mandatory character of the sanctions that were enacted a few years ago, the President clearly had no choice but to impose the sanctions which were required by American law. Yet it is important, I think, to keep in mind that however unwanted and unhelpful these tests may have been from an American perspective, they do not really tell us anything we have not already known for close to a quarter of a century about India's nuclear program.

Now, the chances that India will totally abandon its nuclear option under existing circumstances, however desirable that would be—and it clearly would be desirable—are somewhere between nil and negligible—probably closer to the former than to the latter. At the same time, I think it is probably fair to say that the prolonged
application of these sanctions, especially if they lead to a suspension of lending to India by the World Bank and the other international financial institutions, could put the relationship between the United States and India into a deep freeze for a prolonged period of time in a way that cannot possibly serve our longer-term political, economic, humanitarian, and even strategic interests.

Yet it is also clear, I think, that absent some change in Indian policy, there is no prospect whatsoever that the administration would request, or that the Congress would enact, legislation to repeal or waive the sanctions imposed by the Glenn amendment.

So what can be done? Senator Biden asked if there was any new thinking here.

Is there a way out of this mess? Can we find a formula acceptable to both the United States and India which would simultaneously enable us to advance our nonproliferation objectives and avoid a deepening and downward spiral in our bilateral relationship with India?

I believe there is a way to reconcile these seemingly conflicting objectives in a way that would be entirely consistent with our national interests and values. But first, and very briefly, some home truths. Because this is, I think, a moment when we need to go back to basics and to consider not only what is desirable, but what is possible. Too much is at stake to let our policy be shaped by either legitimate outrage or wishful thinking.

From an American perspective, it would obviously be desirable, as Senator Helms and others have suggested, if India entirely abandoned its nuclear weapons program. India, of course, has said that it would forego its nuclear option in the context of universal nuclear disarmament.

The truth of the matter is, as we all know, that China is not going to give up its nuclear weapons so long as Russia has them. And Russia will not give them up so long as we have them. And we are certainly not going to give them up so long as there are rogue regimes like Iran and Iraq which are trying to obtain them. And even if Iran and Iraq did not exist, we all know there is no way the Senate would ever ratify a treaty, nor should it, which is not verifiable. And no such treaty would be verifiable.

Some will say that just as other countries, such as Germany, Japan, and Korea, that have also faced nuclear armed adversaries have unilaterally foregone a nuclear option, so too should India. Yet, if you think about it, each of these other countries, particularly Germany, Japan, and Korea, has been placed under the American nuclear umbrella. And I see no indication whatsoever that we have been prepared, in the past or in the future, to give such a commitment to India.

Yet without such an assurance, and perhaps even with it, I fear that so long as a nuclear armed China continues to hold large swathes of Indian territory, there will be no way to convince India to unilaterally abandon its nuclear project.

So what can be done?

After the dust settles, I believe we should invite India to join the Nuclear Nonproliferation Treaty as a declared nuclear weapons state, and to simultaneously sign the Comprehensive Test Ban Treaty, the Missile Technology Control Regime, and to join in a
new treaty banning the unsafeguarded production of fissile material. This would of course require an amendment to the NPT. But if it were amended to permit India, and presumably Pakistan, to join the NPT as a declared nuclear weapons state, I believe that India—which would at long last be treated on an equal basis with the other members of the nuclear club—would accept and would be willing not only to join the NPT but to sign the CTBT, the MTCR and a new treaty banning the unsafeguarded production of fissile material.

Looked at in these terms, the real issue is whether we want a nuclear-armed India, constrained by the nonproliferation provisions of the NPT, the CTBT, the MTCR and a treaty prohibiting the unsafeguarded production of fissile material, or whether we would prefer a nuclear-armed India which is unconstrained by the international nonproliferation regime.

Now, the argument against this approach, obviously, is that it would send the wrong signal about the determination of the U.S. and the international community to prevent nuclear proliferation. In the abstract, as we have just heard, this argument has considerable merit. But looked at closely, I believe that it is not very convincing.

The truth is that it is impossible to think of a single country that is now trying to obtain nuclear weapons, such as Iraq or Iran, that would desist from their effort to produce or acquire such devices merely because of the prolonged application of sanctions against India. If far more comprehensive sanctions against Iraq and Iran have not convinced them to abandon their nuclear ambitions, I rather doubt that sanctions against India will do so.

Conversely, I find it hard to believe that the admission of India as a declared nuclear power to the NPT, combined with India’s acceptance of the CTBT, the MTCR and a new treaty prohibiting the unsafeguarded production of fissile material would induce any country that is not already trying to obtain nuclear weapons to embark on a nuclear weapons program they had previously eschewed.

In conclusion, Mr. Chairman and members of the committee, let me just say that as we all know, the perfect is often the enemy of the good. In this case, by eschewing an unachievable perfection, we may be able to achieve a demonstrable good by bringing India largely into the international nonproliferation regime in a way that would justify, after they took these actions, a decision to waive these sanctions, thereby avoiding a totally counterproductive and perhaps quasi-permanent downturn in the Indo-American relationship.

Senator BROWNBACK. Thank you very much, Mr. Solarz.

We will go through a round of questioning, where each member will have 5 minutes to question. And we would appreciate short, concise answers, if that would be possible, as well, so we can get in as many questions as possible.

Mr. Woolsey, let me start with you if I could. You had stated sometime back, perhaps clairvoyantly as well, that the most likely flash point in the world for nuclear war is the Asian subcontinent. Obviously, with the recent developments this week, whether you foresaw those or not or just the confluence of events, do you believe that will move on forward, that Pakistan will be able to resist set-
ting off a nuclear weapon? And do you have any advice for us on
dealing with either Pakistan or China at this point, given the state
of events now set up by India?

Mr. Woolsey. I believe I said that when I was Director of Cen-
tral Intelligence several years ago, Mr. Chairman, and I believe it
is even more true today. The fact that neither India nor Pakistan
threatens the United States, and therefore we are not intimately
involved in this in the same way we are, for example, in protecting
our troops in South Korea from a potential North Korean weapon
of mass destruction—even though that is in fact the case—it seems
to me that if one looks at it objectively from the point of view of
where in the world might a nuclear weapon most likely be used in
anger by a government in combat—set aside terrorism for a mo-
ment—I thought several years ago, and I think now, that the Asian
subcontinent, and particularly an Indian-Pakistani war, would be
the most likely circumstance.

One has now, with the BJP, a strongly religious/nationalist
party. One has the festering dispute over Kashmir. One has the
history of 1947. And one has three wars since then.

The one halfway bright spot—I would not put it more than
that—is that these are, at least up until now, two more or less ra-
tional states, and most of the time both of them are democracies.
And the possibility of some type of long-term stand-off is certainly
what one would hope for, if we cannot have a better solution. Nei-
ther one is a rogue regime in the same sense that, say, North
Korea or Iraq is. But it is still a very serious circumstance.

I think the cutting edge of the problem here now is Pakistan. I
think if I were a Pakistani politician, I would feel under exactly the
same type of pressure that the Prime Minister said he was, appar-
etly in the conversation with President Clinton in the last day or
so. This is Pakistan’s traditional enemy. Pakistan is outnumbered
10 to 1 by India. And India’s technology is better on most major
matters. And India has now tested.

So, it will be a real act of statesmanship and courage for the
Pakistan Government to forego testing. And in my judgment, we
should do everything we can to try to encourage that. I would sug-

Senator Brownback. That is a good point.

are we, in a long-term basis now, past the bipolar world? Are we
heading into this sort of clashes of various civilizations that the
United States is going to have to prepare differing types of re-
sponses to head that off?

Mr. Woolsey. I hope not. I have been a long-time admirer of
Sam Huntington. But I believe that thesis is somewhat overdrawn.
I think that—and I hope India and Pakistan are not the first major
exception—generally speaking, democracies do not go to war with
one another. And the spread of democracy in the world has been,
indirectly at least, a move toward peace.
I think that people of different cultures—any of the half dozen or so that the Huntington thesis has emphasized may clash—I think the peoples of those cultures can work things out between themselves. And with our help and the help of our friends and more prosperous allies, including Europe and Japan, I think we can help avoid hostilities in places like the Asian subcontinent.

But it takes continual effort. It is a lot of work. And this last few days has been a big setback.

Senator BROWNBACK. Senator Robb.

Senator ROBB. Thank you, Mr. Chairman.

Mr. Solarz, provocative as usual, stimulating. Let me play the devil’s advocate for just a minute with you, and suggest that the plan that you have suggested—and I fully appreciate the wisdom of the perfect being the enemy of the good, and we frequently see that in other situations where we are sometimes just too stubborn to recognize that part of a loaf is better than no loaf at all, so I do not take issue with your basic premise, but would you not suggest to other wannabes as members of the nuclear club a rather different scenario than they might believe was in their best interest by, in effect, saying you are free to bully your way into the club, and if you can make it through all of the obstacles that we in the international community put up for you, then we will put out the welcome mat and you will get a locker number and the whole 9 yards?

Just respond to that if you would, please.

Mr. SOLARZ. Senator, I do not deny the force of that argument. In the abstract, I think it in fact is a compelling argument. What I am trying to suggest is that in the particulars of the case that confronts us, not just with India but with the countries that we know are trying to obtain nuclear weapons, I do not believe, if you think about it hard and deeply, that it is likely to produce the result which at first blush, as your argument suggests, it will produce.

Because who are we really talking about here? Essentially, we are talking about Iran and perhaps to some extent Iraq. I gather Iraq seems to have momentarily stopped its nuclear weapons program, but no one doubts it will resume doing so as soon as it feels it has the chance, in spite of the sanctions that have been imposed against it.

And my point here is that we already have far more comprehensive sanctions against Iran, which have been imposed to a large extent precisely because of their nuclear weapons program. Those sanctions—and I am not suggesting we lift them, because I do not think under existing circumstances we should—but those sanctions have apparently not succeeded in inducing Iran to give up its nuclear weapons program. And I see no indication that they are about to do so.

Consequently, I fail to see how lifting sanctions against India in the context of India’s agreeing to all of these other things, which so far they have not agreed to do, would send the clear signal to Iran or Iraq that it is permissible for them to continue with their nuclear weapons program because you know and I know—and I would hope the Iranians know, and I believe they do know—that
so long as they continue their nuclear weapons program, far more comprehensive sanctions will remain in place by the U.S.

So, I think, set against these considerations, the ones you have advanced and the ones I have advanced, there is another set of realities which need to be taken into account. And that is, is it in the long-term political, economic, humanitarian, and strategic interests of the U.S. to have a frigid relationship with India for the next 20 years?

I do not think anybody here thinks that it is.

Senator Robb. Indeed, it is clear that the United States and most of those who consider themselves friends of India were working in exactly the opposite direction.

Mr. Solarz. Right. If we could get India to agree to abandon its nuclear weapons program and do all of these other things, without admitting them as a declared nuclear power to the NPT, I would be next in line after Senator Helms and yourself and the chairman and others in celebrating. I think it would be wonderful.

What I am trying to suggest is we have tried that approach for close to 25 years. It has not worked. I think we can get India into these agreements if we recognize them as a nuclear power. And if we were to do that, I do not think we would be saying anything to the world it did not already know for over two decades. Everybody knows India and Pakistan have nuclear weapons. Better sometimes to adjust to reality if by so adjusting you can get some significant progress on related issues than continue to sort of bay into the wind like a wolf, hoping that the prey will fall into your clutches when there is no chance that it will do so.

Senator Robb. I see my time has expired. Thank you, Mr. Chairman.

Senator Brownback. Thank you, Senator Robb.

Senator Helms.

Senator Helms. Thank you, Mr. Chairman.

I want to direct a question to the Hon. Ambassador, and perhaps to Fred Ikle, as well. Now, as I understand it—and if I am not correct about this—when India detonated the two low-yield devices this morning, neither of were detected by the United States; is that your understanding, as well?

Mr. Woolsey. I believe that is true, Senator Helms. But I am not certain of that. I have not had any direct contact or information from the people who would know. But I believe it is the case that we all learned about it through the Indian announcement.

Senator Helms. Well, let us assume just for the purpose of discussion that it is true. In that case, I want you to think with me what in your opinion—and both of you are experts—are the implications for this for verifying the Comprehensive Test Ban Treaty?

Mr. Woolsey. I will take a first cut at that, Senator Helms.

I believe that a zero-yield comprehensive test ban treaty is extraordinarily difficult, to the point of near impossibility and possibly to the point of impossibility, to verify from afar. I suppose I do not have a view yet on how verifiable it would be with a very large number of extremely intrusive presences in a country, with sensors and the like at many, many locations. But if one gets down, let us say, below a few hundred tons, down into a few tons of equivalent high explosives in a very small experimental nuclear detona-
tion, I think verifying that through such things as seismic sensors and the like is virtually impossible.

Now, frankly, I would have preferred a CTBT—if we were going to have one—with a yield permitted something below a kiloton. I do not know how many tons would have worked, but I believe the possibility of maintaining the reliability of the stockpile would have been greater with the possibility of some of these very low yields. And most importantly, in a way, I think the possibility of ensuring that we could disarm and neutralize small terrorist weapons, roughly constructed, primitive nuclear weapons, would be much greater if we were able to have yields down in this sub-kiloton range be legal and proper under the treaty.

With the yield at zero, I have very serious doubts that we would be able to verify. It is difficult to go into many of the details of this in open session. And anyway, you are talking to a lawyer/history major here, not a physicist. But this is something that I think deserves extremely careful and thorough study, especially because of the zero-yield part of the CTBT.

Senator Helms. I agree with you. And I want to ask you and Fred Ikle—and maybe Steve will want to chime in—do you think that the Test Ban Treaty is effectively verifiable, yes or no?

Mr. Woolsey. I have a hard time giving an absolute yes or no answer on that. But with a zero yield, I am skeptical to the point of just about saying it is unverifiable. I am willing to listen to other views. I am willing to look at what types of extremely intrusive verification procedures might be proposed. So I am not ready to plant my flag in the sand here today and say it simply cannot be verified. But I am quite far along the spectrum in that direction, Senator Helms.

Senator Helms. So am I.

Fred?

Dr. Ikle. I do not think it is effectively verifiable if effective means low yield and if it means you have to have evidence on which you could act. But if I would be permitted, despite the yellow light, to also answer the gentleman on my left who argued rather persuasively that Indians cannot be easily dislodged from the course they are set on; I would say it sometimes happens. Brazil and Argentina were on the track of building nuclear weapons. They both gave it up, South Africa was.

On another issue, my friend, Steve Solarz, and I were totally in agreement: the only solution for the nuclear and biological programs in Iraq is a change in regime.

Now, if you reward the BJP with all these treaties, which cannot be verified in the fine detail, then we entrench and empower them. If, in contrast, our sanctions make things go a bit sour in India, and instead the people in the streets of New Delhi and Bombay do not dance and celebrate the nuclear tests, but demonstrate like they do now in Indonesia, you may get a regime again, as we had in India before, which is much more restrained, which will pull things back; they will not go down to zero, I agree, but we will accomplish more.

Senator Helms. I ask unanimous consent that Steve have an opportunity to comment, too.

Senator Brownback. Absolutely.
Senator Helms. But before I do that, I want to make clear that my question is prompted by the administration’s claim that it is effectively verifiable. And I do not believe it is. And I do not think the American people ought to be misled on that point.

Steve?

Mr. Solarz. Thank you, Senator and Mr. Chairman. Three very brief points.

First, on the verifiability of the Comprehensive Test Ban Treaty, I was no longer here when that came up. I had been involuntarily retired, so I am really not fully competent to address the question. But I will say this, I do not believe we should sign on to any arms control treaties which we do not believe are verifiable.

Dr. Ikle. We would not have any treaties then.

Senator Helms. Now we are getting down to the nitty-gritty, Mr. Chairman.

Go ahead.

Mr. Solarz. We can differ about whether a particular treaty is verifiable. From my view, a principal position is that if it is not verifiable, we should not enter into it.

As for the other points, I do not think we would be rewarding India if India agreed to sign the various international proliferation regimes. I think that has been an objective of American policy for some time. And I think it is far better to have India constrained by the provisions embodied in these treaties than to have them outside them.

Finally, if the prolonged application of American sanctions against India produces demonstrations, if I know anything about my Indian friends, those demonstrations are much more likely to be in front of the American embassy than in front of the Prime Minister’s residence.

Senator Helms. Next-to-the-last word, Fred.

Dr. Ikle. It is a risky cause whichever way we go. But making the nuclear testing a portal to become a great power status could stimulate others. Maybe not in this decade, but in the next decade. Brazil again comes to mind. They are capable of building nuclear weapons. Who knows how things will develop in Nigeria. They make a claim to Security Council membership. So instead of closing a door, we tend to open it and make it attractive to walk through it.

Senator Helms. All right.

And quickly, Ambassador?

Mr. Woolsey. I tend to agree with Dr. Ikle on this point.

Senator Helms. Very well.

Thank you, Mr. Chairman.

Senator Brownback. Thank you very much, Senator Helms.

Senator Feinstein.

Senator Feinstein. Thank you very much, Mr. Chairman.

Welcome, gentlemen. And, Mr. Solarz, good to see you again.

Mr. Woolsey, help me understand some of this. Because, like other members, I have seen some pretty sophisticated satellite photos, particularly in desert areas, where you can virtually identify a single individual. You have said that it is not possible to verify the explosion of a device of a kiloton or below, and yet Hiroshima was 10 to 15 kilotons. And I can see the devastation that
was done at Hiroshima. So if we cannot, either by satellite photos or human intelligence, tell if huge—oh, I have lost the word for what you carry wires in or implanted under the desert; I have just lost the word—but if we cannot detect the wiring——

Mr. Woolsey. Those are seismic sensors, right, yes.

Senator Feinstein. If we cannot detect unusual movements around the facility, I would have to assume that the nuclear facilities in both India and Pakistan are sort of on a constant watch now with what we all know is possible in this area of the world, and yet this could not be detected. And it makes me wonder, you know, if Senator Helms really was not correct that this means that we really cannot have any kind of meaningful verification, because obviously most of these explosions or detonations are going to be to avoid knowledge of others.

Mr. Woolsey. Senator Feinstein, this is a question of degree. Again, you are getting this from a lawyer/history major, but I will tell you at least my——

Senator Feinstein. No, I am not a lawyer; I am a history major, too.

Mr. Woolsey. I meant me. I am the lawyer/history major.

Senator Feinstein. Oh, I see.

Mr. Woolsey. That is why I am saying this with a sense of hesitancy, because you really ought to be getting this from a physicist. But, first of all, tests will be undertaken underground. Second, if one decouples the nuclear device from the surrounding ground, by detonating it in either an artificially constructed cavern or a natural cave of some sort, that radically reduces the amount of seismic activity that the test produces.

This is a question of degree. And it depends probably in part on how near the test site would be to some sensors that might be deployed. It depends on a number of factors of that sort. And clearly a 1-kiloton test is going to be easier to verify than a 100-ton test. So there is sort of a sliding scale here.

My concern is that the CTBT is set at absolute zero. And there are things, useful things, one can learn from the point of view of developing nuclear weapons in tests of, let us say, tens of tons or a few hundred tons, well below the 1-kiloton level. So what I was referring to was the possibility that under a CTBT, India or, if it should sign one, some country that we know would cheat, such as say North Korea or Iraq, could take a public posture that it was abiding by the treaty, but in reality be undertaking some tests. They would not be as useful as large tests, but they could be extremely useful in perfecting nuclear weapons and in maintaining their reliability and the like.

So I would simply encourage the committee, as this issue comes up, to get a spectrum of scientific opinion from physicists, including, if I may say so, people who are retired from places like Livermore and Los Alamos, not only people who are there now, and to get a full spectrum of views about verifiability and what would be required.

The reason I was not willing to go the entire way on Senator Helms’ question is I think this could vary with the number of sensors that were deployed, the degree of intrusiveness and the like. But at this level of zero yield, which is being negotiated—and we
were not always on that wicket; there were other important countries that wanted somewhat higher levels, above zero but well below a kiloton—if we had done that, verification would be easier. At zero, I think it may be difficult, as I said, to the point of virtual impossibility.

Senator FEINSTEIN. One more quick question.

Senator BROWNBACK. Sure.

Senator FEINSTEIN. The good Doctor mentioned something that, Mr. Solarz, Steve, I would like you to comment on. One has to speculate on why now. Why was this done now? Things seem to have been engaging into some period of rapprochement between the two countries. The only kind of new addition is a new party in power. And therefore, as the good Doctor speculated, American policy is left with the concept that there is now a ruling government in India which is very different in its approach to these matters, and would cause some major alarm for us in developing a policy to deal with a country, a democracy, a booming economy, a very significant country as a friend of the United States.

Would you comment on that, and do you agree?

Mr. SOLARZ. It is a very thoughtful question. And my answer is that, as best I can determine, Senator, the decision had much more to do with the imperatives of domestic politics than the requirements of nuclear strategy. It resulted, I think, from several factors. First, you have a narrowly based government, with a fragile coalition of eight different parties, and a relatively small margin in the Lok Sabah, the Indian lower house.

In order to create that coalition and to stitch together this disparate governing majority, the BJP, which constitutes the main phalanx in this political formation, was obligated to back away from most of the essential planks in its party platform, precisely because those planks were very controversial in a domestic political context.

For example, they abandoned their commitment to build a Hindu temple on the site of the Babri Massid, the Muslim mosque that had previously been destroyed. They walked away from their commitment to have a comprehensive secular code that would apply to all of the groups in India, as distinguished from the current arrangement in which the Muslims are governed for social and family matters by Islamic law. And they put on hold their commitment to repeal Article 370 of the Indian Constitution, which accords a special status to Kashmir.

The one element of their party platform which distinguished them from the other parties, which they had not definitively walked away from, was the commitment to make India a declared or overt nuclear power. Unlike the other provisions, however, which were all very controversial, in an Indian political context, the commitment to go overtly nuclear was actually, and as we can see from the events of the last 2 days, quite popular. I mean, this has been supported, rightly or wrongly, not only by their own activists, but even by the opposition, by and large, and by the Indian press.

So I think they saw in this an opportunity to solidify their position by taking an action that would be widely approved.
And, finally, even though those of us who run for office periodically tend, over the years, to get a little bit cynical, one can never completely dismiss the extent to which, from time to time, there are parties and political leaders who believe what they say. And I think the BJP, and particularly the current Prime Minister, genuinely believe that India, as they see it, is a great power, it is a great civilization, it does face threats which look much more serious to them than they perhaps do to us. And I think he genuinely felt the time had come for India to come out of the nuclear closet and openly demonstrate its nuclear capabilities.

Now, I gather, in his previous incarnation as Prime Minister, which lasted about 12 days or so, he wanted to move in that direction, but was told, according to reports in today's press, by the technocrats that they did not want to go ahead with an explosion until his government received a vote of confidence in the Lok Sabah. It never got that vote of confidence.

Now, I think he felt he had gotten that vote of confidence, he had a governing majority, and why wait. And in the internal discussions that must have taken place about what to do here, I suspect the argument must have been made that in terms of the international implications of such an action, in terms of its implications for the Indo-American relationship, no time is a good time. It will generate a furor no matter when they do it, so let us get it behind us and move on. Show the faithful that we keep our commitments when we can, solidify our position in the Parliament, and demonstrate to the rest of the world that we are entitled to do the same things that China and Russia and the U.S. and others have done to protect their security.

That, I would imagine, is why they came to the decision they did. I do not believe it reflected a careful strategic analysis. Indeed, one of the reasons I think we were put off and did not anticipate this is that when the government was established, at the same time that they said we are putting all these other commitments on hold—on the mosque, on 370, on the secular code for the Muslims—they also said, with respect to the nuclear project, we are going to appoint a commission to study it, with a view toward inducting nuclear weapons into the Indian arsenal.

But that was almost universally regarded by our people as an Indian version of the classic political technique in our country, where executives appoint commissions to avoid having to make decisions. And, in any case, we certainly thought, if they did make the decision, they would wait until the study had been completed. My impression is the study has not even commenced. Or, if it has, it has not gotten very far.

So, if you ask me why they did it and why they did it now, that is basically what I think is the reason.

Senator Feinstein. I think Dr. Ikle wanted to say something.

Senator Brownback. Yes, Dr. Ikle, we wanted to hear from you, as well.

Dr. Ikle. Yes, I have a very brief point. Another possibility is, in addition to the political reasons that I largely agree with, that the timing was also primed by the very desire of this government to have good and expanding economic and technical relations with the United States, but they found themselves under pressure to
sign this CTBT, this comprehensive test ban, and they did not
want to stop their nuclear ambition, as Steve Solarz correctly says.

How do you get out of it? You do your tests and get it over with,
and then you sign the Test Ban and you continue with the eco-

nomic expansion and relations with the United States. So, paradox-
ically, the pressure on the CTBT could have accelerated the deci-

sion to test.

Senator Brownback. That seems to make some sense to me, Be-

cause although what you say, Representative Solarz, makes some
good sense about here is a political party complying with a promise
that they had made during the campaign, and it is one we can do
and we are going to get if done, but they did five tests of weap-
ons—three yesterday and two today—which would also seem to sig-

nify not only a domestic political component, but also a component
of saying we want to get past the Test Ban Treaty, let us get all
this done, let us get all the data we need; we will be a certifiable
power; therefore, we have accomplished what we want to, and we
can move on forward—that there was also a military objective,
along with the domestic one.

Mr. Solarz. I think that is a very intriguing analysis. And if in

fact India now indicates that it will sign the CTBT on the same

basis as the other signatories, I think that would tend to confirm
the accuracy of what Dr. Ikle has suggested.

But if India, as it turns out, is not prepared to sign the CTBT
for the same reasons it has not signed it until now, which I suspect
is likely to be the case, then I would think, in retrospect, it would
turn out that analysis is not accurate. So, the proof will be in the
pudding.

My view has been—and I may be wrong here, but my view has
been that we could get India to sign the CTBT if we could get them
admitted to the NPT as a declared nuclear power. Because I think
one of the major motivations for the India nuclear weapons pro-
gram has been the extent to which, politically and psychologically,
they have genuinely felt diminished and discriminated against by
virtue of the fact that the rest of the world treats China and the
other members of the nuclear club differently. And I think if they
were accorded that equal status, which they believe as a great civ-
ilization and country they are entitled to, that most of their objec-
tions to these other treaties would vanish very quickly.

Senator Brownback. My problem with that analysis—and I un-

derstand your point, and I think it is well made—is you seem to

set the template for other nations that seek to do that same route,
whether it is the Iranians or if it is the Brazilians, in the future.
You almost say, OK, you want to get in the club, here is the way
to do it. And it is a very dangerous mode.

Plus, if I might point out, I have been notified that the Indians
have offered to sign the CTBT today, but only as a declared nuclear
power.

Mr. Solarz. Well, I would say to you, Senator—and, you know,
we are talking about a very complex question; obviously there are
good arguments on both sides—I would say to you the difference
between India—and, by the way, everything I said to India more
or less applies to Pakistan—the difference between India and Paki-
stan and Brazil or Nigeria, for example, is that everybody knows
India and Pakistan have had nuclear weapons for a long time—India longer than Pakistan. So, it is not as if a country which has never had them suddenly develops them and then we say, OK, join the nuclear club. These people have been de facto members of the nuclear club for a long time.

Yet, by virtue of the fact that they are not in the NPT, they have no legal obligation to refrain from exporting nuclear weapons or nuclear weapons technology. And therefore, I think admitting India and Pakistan as declared nuclear powers does not tell the world anything the world did not already know. I think a distinction in that sense can be made between India and Pakistan and these other countries.

And, finally, the Indian and the Pakistani nuclear programs clearly emanate from what are directly perceived serious threats to their security—in the case of India, first, from China; in the case of Pakistan, from India—which, in their view, requires them to have a nuclear deterrent. I do not see the same kind of analysis being applicable to Brazil or Nigeria.

Senator BROWNBACK. But to Iran it certainly would, Mr. Solarz.

Mr. SOLARZ. On Iran, we have comprehensive sanctions, and I do not think the Iranians would believe for a moment that we are going to lift our sanctions against them if we were to do what I suggested vis-a-vis India.

Mr. WOOLSEY. Mr. Chairman, just one sentence.

Senator BROWNBACK. Yes, please.

Mr. WOOLSEY. If I were the Prime Minister of Pakistan, I would say that is an interesting proposal and I would be willing to consider seriously joining the NPT, the CTBT, the MTCR and this new treaty barring unsafeguarded production of fissile material as soon as my five-test series is completed.

Senator BROWNBACK. This has been a very good panel. I appreciate all of your thoughts on it. I particularly appreciate the thought about repealing the Pressler amendment and its notion as a statement toward the Pakistanis that, please do not—and here is something we are going to try. We are going to look at that very carefully, very quickly, because I think time is absolutely of the essence on that.

I might say, as well, I think our initial and our near-term goals have to be to assure Pakistan in order to forestall their testing of a nuclear device—of a premier, near-term action—that is something that we have got to do in the utmost. I hope the President—and I understand from the administration’s testimony today they will be calling for multilateral responses to India, and hopefully to push toward the rollback of the nuclear program, which to me is the standard we should push toward.

And, finally, I hope we will consider U.S. actions to protect ourselves in broader, long-term interests the United States has. We are approaching, and I think have entered into now, a new phase of world history. And I think we are going to need to really be thinking about how do we respond in these sorts of circumstances. It is not as simple and clear perhaps as it was, and we have now entered the more complicated phase.

Thank you very much. This was an excellent panel.
The hearing is adjourned. [Whereupon, at 4:35 p.m., the hearing was adjourned.]
CRISIS IN SOUTH ASIA:
PAKISTAN'S NUCLEAR TESTS

WEDNESDAY, JUNE 3, 1998

U.S. Senate,
Subcommittee on Near Eastern and South Asian Affairs, Committee on Foreign Relations,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m. in Room SD-419, Dirksen Senate Office Building, Hon. Sam Brownback, chairman of the subcommittee, presiding.

Present: Senators Brownback, Hagel, and Robb.

Senator BROWNBACK. In the interests of time and everybody’s timely attendance that’s here, I think we will go ahead and start the hearing. Senator Robb will be joining us shortly—he is coming from another meeting—and I think we will also be joined by some additional members as well. I appreciate all those in attendance and the witnesses that are here.

It is a bit unusual that we are holding the hearing. It is a tough topic, and the Senate is not in session today in honor of Barry Goldwater and his funeral that is taking place, but we decided that the importance of the hearing was such that we wanted to go ahead and hold it today, but in deference to Senator Goldwater’s funeral I wonder if you might all join me in a moment of silence just in recognition of him.

[One moment of silence was observed.]

Senator BROWNBACK. Thank you.

The world became a much less stable place just 3 short weeks ago. I do not think it is an exaggeration to say that as the world looks on, India and Pakistan are playing nuclear tic tac toe. South Asia is in a nuclear cold war and an unstable one at that. Neither State has a nuclear doctrine. Neither State has made a credible commitment to forswear first use. Indeed, neither State has promised to end testing. Nuclear war, the horrible potential of it, is only a small step away.

In May, I introduced an amendment to the Defense Department authorization bill repealing the Pressler amendment. In doing so, I hoped to give Pakistan a tangible alternative to conducting its own nuclear tests. My efforts, as well as incentives offered by the administration, were rebuffed. Needless to say, I am withdrawing my amendment to repeal Pressler and, at the same time, I intend to offer a resolution strongly condemning India and Pakistan for conducting these nuclear tests.

However, the question before us today is simply what to do. While the imposition of wide-ranging sanctions was an inevitable
first step, given the Glenn amendment, we are going to have to look beyond sanctions to solve the current crisis. There are a number of key steps which I believe we can take. It is not enough that the United States sanction India and Pakistan. We must get the international community to act in concert with us toward South Asia, and I am hopeful we can hear about some positive results even today at this hearing about United international action.

We must begin to focus on the heart of the India-Pakistan conflict, Kashmir. We are not only talking about the fate of a disputed State in the Himalayas. We are talking about the national security interests of the United States and its allies, indeed, the rest of the world, in averting war. We plead with the leaders of India and Pakistan not to make any provocative moves or actions in or around Kashmir.

I believe we must continue to engage India and Pakistan. To do otherwise would be folly. Yesterday, I met with the Pakistan Senate Foreign Relations Committee chairman, and tomorrow I will meet with the Indian ambassador to the United States. I am hopeful, as well, that we can have a congressional delegation going to India and Pakistan to engage in a dialogue, a discussion with the leaders of those countries.

Today's hearing is an indication of the concern we have in the Senate over events in South Asia. I look forward to a good discussion with our witnesses about, what do we do.

We have with us today Assistant Secretary of State for Near East and South Asia, Hon. Karl Inderfurth; Dr. William Schneider, Jr., president of International Planning Services, Inc. and an adjunct fellow of the Hudson Institute—Dr. Schneider formerly served as Under Secretary of State for Security Assistance, Science and Technology—and, finally, we have Dr. Richard Haass, director of foreign policy studies at the Brookings Institute. Dr. Haass formerly served as Senior Director for Near East and South Asia at the National Security Council.

I am joined on the dias by several of my colleagues who I am delighted to have here with us today as well, and I would be happy to turn the floor over to Senator Robb for an opening statement. Senator Robb.

Senator Robb. Thank you, Mr. Chairman. I am a little out of breath, because I was racing over from another distinguished group gathering to discuss the same topic to which you and I and Secretary Inderfurth were all invited. The Center for Strategic International Studies is having an all-morning session, and because of the time of this hearing I moved my presentation up a little over there and came over here, but it is certainly timely and I thank you for calling this hearing.

Mr. Chairman, let me begin by saying that Pakistan's decision to test last week was as predictable as it was lamentable. Islamabad and New Delhi are engaged in a test of wills that not only undercuts concerned efforts these last few years to reinforce global non-proliferation regimes such as the NPT and the CTBT, but more critically raises the stark possibility of a fourth war between India and Pakistan since 1947.

A few weeks ago, I mentioned Kashmir when Secretary Inderfurth appeared before the subcommittee, and again I would
like to urge American policymakers to focus their diplomacy on new ways to improve the situation there. There is no doubt in my mind that Kashmir is the spark for renewed, deadly, and widespread conflict between India and Pakistan.

When the Permanent five foreign ministers gather tomorrow, after the meeting that the President and Secretary Albright are having this morning to consider what steps might be taken, I believe it is imperative that they consider all the options for what can be done to cool the short-term fires, building on the line of control between Pakistan and India.

Reports that conventional forces have already clashed there again in recent days are especially troubling. While defining a freeze in cap strategy to head off a nuclear arms race on the subcontinent is of primary importance, western nations need to forthrightly address the most imminent threat and that, in my judgment, is a military confrontation over Kashmir.

In the short term, Pakistan's exercise in nuclear chest-beating by law requires punitive action on our part, yet Islamabad deserves at least some measure of credit for receiving a high level U.S. delegation and listening to our concerns. I do not believe Pakistan would have tested on its own. Prime Minister Sharif, for a variety of reasons, was virtually compelled to respond to India's provocation for purely internal reasons, much as Prime Minister Vajpayee and the PJP decided to test in the first place.

Not that this makes any nation's decision to test any more excusable. I had hoped that Pakistan would take the high road and not test, and I believe that they squandered an opportunity to gain unparalleled support and respect from the international community. Unfortunately, the Pakistani people will now pay heavy economic price for the decision to move ahead on the nuclear front.

Over the longer term, I believe a series of confidence-building measures designed to restore a semblance of order and stability in the region ought to be aggressively pursued by the administration to stem the tide of growing discord between India and Pakistan. Congress can help by giving the President the flexibility he needs in responding to the crisis at hand.

The Glenn amendment rightly metes out punishment for testing. All bilateral economic and military assistance has been stricken and international loans and credits are clearly in doubt, given American opposition, but the President at this point does not have a free hand to act, since the law offers no waiver authority for the executive branch to implement policy as it sees fit in close consultation with Congress in persuading India and Pakistan to step back from a missile and nuclear arms competition.

The fact that Congress must pass another law to revoke comprehensive sanctions now in place borders on invasion of the President's constitutional prerogative to conduct foreign policy. Although I serve on all three national security committees, I do not believe that I am qualified, nor do I think anyone in the Senate is qualified to implement de facto control over our foreign policy in this region. In due course, it is my hope that the Congress will provide the President the statutory authority to act in this area in the best interest of the country.
Regarding the specific actions that might be taken, I am not at odds with some of the ideas I have heard directly from the administration officials and in the media. First, on testing, it makes sense to intensify bilateral and multilateral dialogue with both Pakistan and India. We should press for, but not expect any sign soon, both sides constraining the nuclear program specifically deciding not to weaponize their nuclear arsenals or produce and stockpile any weapons.

Clearly, the comprehensive test ban membership and a fissile material cut-off should be on the agenda.

Formalizing non-first-use pledges is an area worth exploring, even if the two sides have contrary views on the issue for now.

In exchange, I think we need to elevate India’s and Pakistan’s political, economic, and security status in the world, short of welcoming either member into the nuclear club at this time.

The idea to help provide civilian nuclear power centers, perhaps in line with what we are doing in North Korea, is intriguing, but administration officials should not underestimate the enormous complexity of such a task.

Second, on Kashmir we ought to bolster our intelligence collections efforts to head off any potential confrontation between India and Pakistan regarding the territory in question. While we cannot impose a solution, we can help keep the respective conventional forces at a peaceful arm’s length by undertaking a comprehensive information campaign on troop and missile movements, carefully watching military exercises, encouraging the use of existing hot line and promoting force structure transparency generally.

I recognize the diplomatic sensitivities involved in encouraging a larger solution to Kashmir, but the difficult of solving the problem in my judgment should not deter the U.S. and the international community from taking this on as a high U.S. priority.

We should not be afraid of failure in this particular area. Renewed commitment on Kashmir, given the new and dangerous nuclear context in which India-Pakistan relations have now evolved may be the spur for new thinking on the subject. At least, I hope so.

With these thoughts, Mr. Chairman, I look forward to hearing the testimony of Secretary Inderfurth, who will be integrally involved in the decisions in the months ahead, and I thank you.

Senator BROWNBACK. Thank you, Senator Robb. That is a very thoughtful statement and a lot of good suggestions, and I hope the administration can respond to those and the ones that I put forward as well.

We have been joined by Senator Hagel as well. Senator Hagel.

Senator HAGEL. Mr. Chairman, Thank you. I just wish to add my thanks to you and to our colleague, Senator Robb for your leadership on this issue and the timeliness of the hearing, and I look forward to hearing our witnesses. Thank you.

Senator BROWNBACK. Thank you very much.

Secretary Inderfurth, thank you very much for joining us, and we look forward to your statement and some questions and answers afterwards.
STATEMENT OF HON. KARL INDERFURTH, ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS

Mr. INDERFURTH. Thank you, Mr. Chairman. Senator Robb, Senator Hagel, may I just briefly join you in the moment of tribute to Senator Goldwater. A number of years ago I served on the staff of the Senate Intelligence Committee, and he was member of that committee. He was, without any doubt, an American original, and it was an honor and privilege for me to have some time to be associated with him on that committee, so I very much wanted to associate myself with that tribute.

Mr. Chairman, members of the committee, since I last testified before this committee only 21 days ago, events in South Asia have continued to proceed in a very dangerous direction. In addition to the series of nuclear tests conducted by India, Pakistan tested nuclear devices on May 28 and May 30. India and Pakistan have declared themselves nuclear powers and made statements from which they have since backed away, but they intend to fit their ballistic missiles with nuclear warheads.

Indian leaders have expressed their intention to conduct a national security review to include plans for the development and possible deployment of nuclear weapons, a threshold that, if crossed, could cock the nuclear trigger.

In Kashmir, there has been continuing worrisome activity along the Line of Control, including exchanges of fire and troop movements. Such events have been common in the past, and it is difficult to determine the level of threat these most recent incidents pose.

Neither side appears intent on provoking military confrontation, though we cannot rule out the possibility for further provocative steps by either side, and we remain concerned about the potential for miscalculation and escalation. We have informed both New Delhi and Islamabad about our concerns in this regard in the strongest possible terms.

As you know, Mr. Chairman, Pakistan's decision to test was not entirely unexpected and the administration and, in particular, the President worked diligently to try to persuade the Pakistani Government to capture the political and moral high ground. The President said it best. Pakistan missed a priceless opportunity to gain the world's support, appreciation, and assistance. Indeed, as Senator Robb said, they squandered the opportunity.

I am very grateful to you, Mr. Chairman, for all that you did in the 2-week period after India tested, including your introduction of legislation to repeal the Pressler amendment. While we did not succeed in our ultimate objective, I believe we did the right thing and, in the process, established a benchmark for how the executive branch and the Congress can and should cooperate when important national interests are at stake.

The back-to-back tests by India and Pakistan unquestionably represent a setback for the search for peace and stability in the South Asian subcontinent and, indeed, for the cause of global non-proliferation and moving towards a world where fewer States are relying on nuclear weapons for their greatness or for their defense.

But that cause, if anything, is even more important today than it was even a few short weeks ago, before the Indian tests. The
United States is going to stay at it, and we are working very hard to come up with the most promising and appropriate next steps.

Much as we responded to the Indian tests, the United States has moved swiftly to invoke sanctions and to condemn Pakistan's reciprocal tests. This type of behavior, Mr. Chairman, we find especially troubling, as it threatens to spiral out of control.

Both India and Pakistan have taken pains to assure us that they do not wish to start a conflict, yet when each has found itself the object of international outrage, it has acted provocatively in an effort to get the other to respond, thereby shifting blame. We can only hope that the two countries realize where such behavior can lead, and that they cease and desist immediately lest this tit-for-tat cycle lead to military confrontation with potentially devastating consequences.

In the short term, Mr. Chairman, we are focusing our efforts on ways to prevent further provocative acts to get both sides to end further tests and to prevent related escalation such as missile testing and deployment. We are encouraging the immediate resumption of direct dialogue between India and Pakistan and are working to shore up the international nonproliferation regime.

In the end, Mr. Chairman, no effort to restore regional stability and resolve Indo-Pakistani tensions can be effective unless the brunt of the work is borne by India and Pakistan themselves. Now is the time for them to demonstrate to the world that they are responsible nations capable of talking to one another and willing to address seriously the issues between them.

These are sovereign nations, democracies both, and they must find ways to communicate, as they have in the past, particularly in view of the gravity of the current state of affairs. We and the rest of the international community urge them to do so.

Now and for the foreseeable future, Mr. Chairman, we will enforce sanctions firmly, correctly, and promptly, in full compliance with the Glenn amendment and other legislative authorities. We will continue working to ensure the widest possible multilateral support for the steps we have taken.

A vigorous enforcement regime will be necessary for India and Pakistan to perceive that their actions have seriously eroded their status in the international arena, it will have a substantial negative impact on their economies, and that they have compromised rather than enhanced their security.

We will firmly reject any proposal for India or Pakistan to join the nuclear nonproliferation treaty as a nuclear weapons state. We do not believe that nations should be rewarded for behavior that flies in the face of internationally accepted norms. At the same time, we do not wish to make international pariahs out of either India or Pakistan.

We believe the purpose of these sanctions should be to influence behavior, not to simply punish for the sake of punishment. They should not be used to cause the economic collapse of either State, or prevent the meeting of basic humanitarian needs. Wherever possible and as the law permits we should work to reduce adverse effects on the competitiveness or operations of U.S. businesses.

In the longer term, Mr. Chairman, we will seek international support for our goals, including the need to secure active and re-
sponsive, responsible adherence to international nonproliferation norms and a qualitative improvement in Indo-Pakistani relations.

We will be looking for both parties to take steps such as:
- sign and ratify the Comprehensive Nuclear Test Ban Treaty without delay or conditions;
- halt production of fissile material and participate constructively in FMCT negotiations;
- accept IAEA safeguards on all nuclear facilities;
- agree not to deploy or test missile systems;
- maintain existing restraints against sharing nuclear missile technology or equipment with others, and
- agree upon a framework to reduce bilateral tensions, including on Kashmir.

In order to do this, we will need to work cooperatively with the international community and will seek to establish a common approach. As you know, Mr. Chairman, we are in the process of organizing a meeting of the foreign ministers of the five permanent members of the U.S. Security Council tomorrow, which will bring the full force of the P-5 behind the search for effective ways to ensure no more tests or escalation in the region.

The meeting will also allow the P-5 to reaffirm its commitment to global nonproliferation through such mechanisms as the NPT, CTBT, and negotiation towards a fissile material cut-off treaty. We will urge signing and ratification of CTBT by India and Pakistan under the terms I just mentioned, and explore ways to de-escalate tensions between the two countries and provide them the means to air their legitimate concerns.

We will work to keep the international community engaged and will follow up with a meeting of the G-8 in London next week.

Mr. Chairman, members of the committee, let me conclude by saying we believe that the approach we have laid out is sound, and that the P095 conference can help us achieve over time the objectives we have established. We will work very hard to see that these significant steps will be taken and that they will result in a more stable region and help to repair the damage done to the international nonproliferation regime.

That said, Mr. Chairman, I regret that I must conclude on a somber note. Even if we succeed in meeting these difficult challenges, it will be some time before the world looks at India and Pakistan through the eyes as it did before May 11 when India tested. Then we were making serious progress in establishing that the United States wanted to enhance its relationship with both countries on a full range of issues as together we approach the 21st century.

We saw great promise in a region where democracy had a solid foundation, where U.S. trade and commercial interests were firmly established and beginning to flourish, where significant opportunities existed for expanding cooperation on such issues and matters as health, education, and the environment and, finally, where we were working with the two main protagonists on establishing areas of restraint on our key concerns about nonproliferation.

Today, regrettably, that view of the region has been dealt an enormous setback. In the past three weeks, India and Pakistan have conjured up all of the old and regrettable images of two na-
tions hostage to 50 years of bitter enmity, and of the region as a place where only one issue, nonproliferation, matters.

I would not want to leave you with the impression that we have foregone our desire to resume productive, cooperative, indeed, warm relations with either India or Pakistan, or that we have lost faith in either government to do the right thing. We have not, but one of the legacies of recent events will be the resurrection in world opinion of the old narrow view of the subcontinent, India versus Pakistan, zero-sum game.

That legacy will probably endure for a long time. Speaking as one who has worked to change attitudes, perceptions, and old prejudices about the region, I am both saddened and deeply concerned by the recent turn of events.

Recently, one alarmed Indian politician asked a very simple question: where does all this lead? The leaders of India and Pakistan have, in our view, the immediate responsibility to answer that question for the people of their countries and for the international community.

Thank you very much.

Senator Brownback. Thank you, Secretary Inderfurth, for your statement and for all your work since the Indian tests took place, because I know you have been very actively engaged and you did everything you possibly could, and yet we are still where we are today after those tests taking place, but I do appreciate and want to acknowledge all the work you have put forward in trying to do that.

Let me ask you, if we could—and let us run the time clock on 7 minutes each, and we will just go down the road, and we may go a second round. We will probably go a second round, because I think all of us have quite a few questions to ask.

You mentioned we all have watched with some hopefulness about the Security Council meeting tomorrow, of the foreign ministers of the Security Council countries tomorrow. Can you give us any preview as to what they may come out with tomorrow in multilateralizing the situation? Will they come out with multilateral sanctions? Are they going to come out with a multilateral plan to try to reduce the tension in and around Kashmir? Could you give us any preview of what may come out?

Mr. Inderfurth. Mr. Chairman, the meeting tomorrow in Geneva we think is a very important further step in the effort of the international community to address this issue. As you know, there was discussion about the tests by India at the Birmingham G-8 meeting. There will be a further meeting of the G-8 in London on June 12.

This meeting of the Permanent 5 members we believe is especially important because of the responsibility, the special responsibility the P095 have for international peace and security. We see this as an opportunity to address three principal areas of concern. We want to diffuse the current tensions, including an immediate end to provocative steps, either rhetorical steps or specific steps such as further testing or any attempt to weaponize or deploy missiles.

We want to secondly explore ways to stave off a nuclear missile race in the subcontinent, and there we believe the international
nonproliferation regime, the CTBT, the fissile material cut-off treaty, are important steps and we want to see how we can bring the two countries toward a more constructive approach toward those treaties.

And finally, we do want to reaffirm the global nonproliferation regime and what the Permanent 5 members can do in that respect.

We are not looking at sanctions as an element of the P-5 meeting. We believe that the countries there have expressed their views on that issue and we believe each of the countries in their own way should bring their influence to bear on the parties.

Clearly, if you look at the make-up of the P-5, each member has in its own way influence that they can bring to bear, the Chinese, the Russians, the French, and the British. All have important reasons for engaging in the subcontinent, and we believe that all, which we hope we can agree to in Geneva, will bring their respective assets to bear on the problem.

We also want to make certain that this meeting is done in a way that does not seek to isolate the two countries. We want to engage the two countries in a positive and constructive fashion. We believe they have made a terrible mistake, and that has been stated. There has been worldwide condemnation for the steps that the two countries have taken, but we believe that the only way we can bring them around to joining with the international community is to engage them.

And I particularly appreciate your comment in your opening statement about, we must continue to engage the two countries. Absolutely. If they stand outside the international community, we will get nowhere. We will not sanction them into compliance. We will not condemn them into compliance. We have to engage them into compliance with the international community.

Senator BROWNBACK. If I could, Secretary Inderfurth—and I hate to interrupt, but we are going to run the time clock, so I want to try to keep the questions pointed, and if we could have that in answers, too.

I would hope that if the P-5 is meeting and we are not considering sanction regime, we have not had good success with unilateral sanctions on our part, and it seems to me that we ought to engage them in a discussion. An aggressive discussion of multilateral sanctions would be something, or else the unilateral sanctions of the United States are unlikely to do much good from our history that we have had with sanctions. That is one point.

The second one is that I think clearly we can all agree, as those nations, that no provocative actions in or around Kashmir should be taken, that that is clearly in the best interest and supported by the Chinese, by the Russians, by the Brits, by the French, that we should clearly be able to get those countries to agree that we would pursue aggressively with the two antagonists no aggressive actions in and around Kashmir, that nobody could be opposed to that.

I would hope both of those issues could come up and be of some thorough discussion and pushing, because we have got to multilateralize the leadership of this effort to stop the escalation taking place in India and Pakistan.

Mr. INDERFURTH. Mr. Chairman, we will and we are seeking to multilateralize this effort. Several countries, including Canada,
Australia, the Nordic countries, German, Japan, have imposed unilateral sanctions along with the United States on India and several have also taken steps with respect to Pakistan, although of somewhat lesser elements.

We will be discussing our position and what we intend to do in Geneva, but each of the countries in the P-5 have already expressed their views on what steps they will take with respect to sanctions. We believe that—again we will express our views on that. We will hear what they intend to do to try to focus on the immediate issues, including the one that you just mentioned.

We fully believe that diffusing tensions, making sure that there is no military flashpoint in Kashmir, and what steps we can take, that will certainly be on the table for discussion. It will be a key element of that meeting.

The G-8 meeting will be another opportunity to discuss our approach, including sanctions, with another grouping of countries and hopefully, as we tried in Birmingham to convince countries that an approach that combines both positive and negative incentives will be the appropriate one to take.

Senator BROWNBACK. Senator Robb. We will be coming back for another round of questions.

Senator Robb. Thank you, Mr. Chairman.

Let me just follow up on the meeting of the Perm 5 and, Secretary Inderfurth, you suggested that each of the countries has a unique perspective they can bring to the table, or words to that effect, in addressing this particular question, that as you have indicated sanctions are one of the areas where we have received minimal support in terms of the U.S. position.

This is not peculiar to this situation. There has been reluctance on the part of some of those countries to engage in sanctions in other areas.

But what can we do to provide a little more oomph, if you will, in terms of dealing with the other members of the Permanent 5 in particular?

You mentioned things that they can bring to the table. Maybe you could be a little more specific as to what you think each country could put on the table in order to advance this cause, or whether or not you think that the United States in its role in the international community and in the P-5 could play in terms of bringing about some degree of consensus.

I have a long-time bias with too much attention to protocol and any reservations that are expressed by other sovereign nations being accepted at face value without necessarily reengaging those nations and/or putative partners in their responsibilities to meet some of the international crises that the United States is often forced to face without their active participation, but it seems to me that, given the potential consequences of a situation that could very quickly get out of hand and affect all of the Perm 5 members as well as the entire international community, that this is going to require a little more assertiveness and—I do not like to use words like backbone, or whatever, but at least a less passive approach to other nations' participation.

Can you give us some sense of what precisely other nations might be able to do if they are not able to support the U.S. position
with respect to sanctions or other initiatives that we might offer? Could you give us some indication of what you think they might most effectively put on the table and follow through on?

Mr. Inderfurth. All very good questions, Senator, and we do need more assertiveness, as you said, or more oomph in terms of our international effort.

The P-5 are all nuclear weapons States, as you know. They therefore have a certain been-there, done-that quality to what they can bring to the table that no one else can.

Senator Robb. A vested interest in pulling the ladder up after at least perceived by other potential wannabes in terms of the nuclear club to have a certain rather closed interest, I understand.

Mr. Inderfurth. Now, that—and we understand the attitudes of others, including the Indian Government, about a discriminatory international system which does not accept India in that group of nuclear weapons States as defined by the nuclear nonproliferation treaty.

It is very clear that the view of the Permanent 5 is not to amend the NPT, to include India and Pakistan in that regime, and that will be a continuing source of discussion and some controversy as we try to engage India and Pakistan along the way.

The countries that are part of the P-5 again have a special perspective to bring to bear and perhaps can share in some fashion the experiences of nuclear weapons States with respect to nuclear risk reduction measures and the rest, so there is a hopeful, positive quality there to the discussion that the nuclear weapons States can have.

We should also look not only, as you said, at the wannabes but the could-have-beens. There are several countries in the world today that walked up to the nuclear threshold and decided that they do not want to continue in that direction—South Africa, Brazil, Argentina. These are countries we also want to engage.

We also want to bring them into this process—

Senator Robb. Do you think there is any chance of near-term reversal in decisions that were made by those countries or some of the former Soviet States that gave up their nuclear capacity and returned the weapons to Russia?

Mr. Inderfurth. No. The other could-have-beens, Kazakhstan, Belarus, Ukraine, certainly are in that category. Near-term possibility of reversal I would place at zero. The tensions, the programs, the policies are not moving in that direction.

What we hope to do is to take steps that would bring to a conclusion now the further testing, and especially crossing any new thresholds. That is the immediate focus.

The P-5, as I said, each of the members have their own history and respective influence with the parties. As you looked at the Indian statement of why they tested, a greater focus was on China—

Senator Robb. No question about that.

Mr. Inderfurth. —than on the other neighbor, as Prime Minister Vajpayee’s letter stated.

China has also had, as we well know, a longstanding close relationship with Pakistan. China has actually had a constructive role to play with respect to Kashmir, urging the parties to address that
in a more realistic fashion. This was when President Jiang Zemin visited the region in 1996.

So we are hoping that China will play a constructive role in this regard. We believe that it has been playing a more constructive role on nonproliferation issues of late. China is the coordinator of the P-5 for this meeting, and so the Secretary has been working directly with her counterpart, Foreign Minister Tang, to see this meeting come about in a hopefully constructive and positive way.

Mr. Inderfurth. Russia, of course, has its longstanding ties with India, and not only has the Secretary been in touch with Foreign Minister Primakov, but in Birmingham President Clinton and President Yeltsin had long discussions on this issue, and we believe very much that Russia wants to have a positive role to play here.

The French, on sanctions, they have said no. They have said, however, that because of President Chirac's recent visit to India they want to move India and Pakistan in a positive direction.

Britain, of course, has its longstanding ties in the region.

So we believe each of these countries has a role, but we do not believe that we can stop with the P-5. We need to get other countries involved, especially Japan. Japan has an enormously important role to play. It will be a member of the G-8 meeting in London. Japan we want to work with very closely.

So I wish that I could go into greater specifics. I think that I would need to come back after the P-5 meeting to see what comes out of it, but as I mentioned to the Chairman just briefly before the hearing started, we are getting very good positive reports from our expert's team, Mr. Einhorn, who you remember was with me at the last meeting, is over there leading our delegation. We are getting positive reports, so we think some positive things can come out of this.

Senator Robb. Thank you. That completes my time for the first round. I will wait for the second round.


Senator Hagel. Mr. Chairman, thank you. Mr. Secretary, thank you for sharing with us this morning the administration's thoughts on where we go from here.

I would like to pick up on one point that Senator Robb made, and it was included in your statement, regarding firmly rejecting any proposal for India or Pakistan to join the NPT as a nuclear weapons State. Isn't that going to be rather difficult to do, considering that both these nations have invested their national interest, their national pride, their national manhood in doing this, to have them back out of that club now?

Mr. Inderfurth. Well, the feasibility also relates to the provisions of the nonproliferation treaty, which would require amendment by all parties.
The 186 members I think of the NPT—and again, there is no disposition to reward any nation for, if you will, blasting its way into that Nuclear Weapons State category. This would be something that would run counter to the views of the international community and, indeed, may be seen as an encouragement to others to think that the best way that they could become a nuclear weapons state as defined by the NPT would be to conduct nuclear testing. I mean, that is not something we want to encourage.

Now, we recognize that they are declared self-declared in their nuclear status, and we will have to find ways to deal with that and, indeed, part of the discussions in Geneva will be about how to approach that issue.

Their nuclear ambiguity has gone. The veil has been lifted. They have tested, and so we now have to adjust ourselves to that reality and to see how we can proceed toward our nonproliferation goals in light of that.

Senator Hagel. Well, that is exactly my point, and I know this is a difficult situation. They are there now.

Mr. Inderfurth. They are there.

Senator Hagel. And to back them back out of that, or approach this on the basis of, to your point, one of the approaches, which I completely agree with, is engage, and the other issues that you focused on, is, in my opinion, the right way to do this. There is no other way around this.

Sanctions are folly, and that is past. We are done now. We have to deal with reality as it is, and it is a very dangerous reality, and to go in with an attitude it seems to me we will further isolate them in a sense. In one sense acknowledging that they are there, but in another sense they are not there, is a little schizophrenic it seems to me.

And I know this is difficult, and none of us are wise enough to have all the answers here, but I would suggest, Mr. Secretary, that as—I am sure Secretary Albright and others who have to live with this daily are working their way through it, but it seems to me you cannot go in half-way on things like this and then believe that you are going to be able to get their attention.

You used the term, urge them. We want to urge them to do things. Well, how do you urge them if, in fact, you do not recognize what they have wanted to be all along, and essentially why they tested.

But again, that is not for this hearing, and I wanted to get your thoughts on it.

If I could move on to a couple of other points, Senator Brownback made, on isolating on the main problems, how do we get our arms around some of the conflict and the contention areas between India and Pakistan? Obviously, Kashmir is at the top. There are other areas. Maybe you could identify some of those other areas, aside from Kashmir, that we are going to be talking about tomorrow in Geneva and in London next week.

Mr. Inderfurth. Well, I do think, as I think there is general agreement, that Kashmir is the flashpoint. It has been the flashpoint for 50 years of existence for the two countries. The Line of Control is not only subject to shelling and firing but also cross-
border activities, which are extremely dangerous, and we have urged both Governments to address.

We want to see the rhetoric lowered. Statements made by Indian Home Minister Advani we thought were quite provocative, when he referred to hot pursuit across the line of control.

So those are issues that we believe must be addressed by the parties directly, and what we are seeking to do is to find ways that we can promote and encourage them to do that and provide whatever assistance that we or other States concerned can provide, so that is number one.

Number two, the broader area of peace and security, that relates to their nuclear and missile activities. The Indians have declared a unilateral moratorium on further testing, nuclear testing. We would like to see Pakistan, if you will, have a tit-for-tat response there, since they seem to have tit-for-tat responses on other issues, and declare also a unilateral moratorium.

We would like to see them move forward with a joint declaration, the two of them, that they will not weaponize and that they will not deploy any of their variety of missiles, whether they be Prithri or Agni or Gowri, or others that they may be contemplating.

We think there are steps that they can take that would reduce those tensions. We think that there are steps that they could take to think seriously about nuclear risk reduction activities.

Interestingly, when Secretary Raganoth was here, the Indian Foreign Secretary, on May 1, after his meetings at the Department we took him to the Nuclear Risk Reduction Center at the State Department for him to see how that is established, what the procedures are, and how we communicate in that room, on the sixth floor of the State Department, to see that we do not have miscalculation or mishap. Those are steps they can take.

We also believe that it is important for there to be a discussion between China and India. They have been having border discussions going back to their conflict in 1962. The Chinese army chief of staff recently visited New Delhi. We would hope that they could have discussions to ease concerns between the two giants of Asia so that the reasons that Prime Minister Vajpayee said were part of their calculation in determining that they would test, that they could be used as well.

So all of those things we think are the important security issues that need to be addressed immediately.

Senator HAGEL. Thank you, Mr. Chairman.

Senator BROWNBACK. Thank you, Senator Hagel.

Secretary Inderfurth, by our analysis, how many weapons, how many nuclear devices did India test, and how many did Pakistan test, by our determination?

Mr. INDERFURTH. Less than they said. The precise numbers I think are still being looked at, and I think that may be one of those areas where I would need to discuss with you and members of the committee more privately.

The assessment is being done of the two separate series of tests that both countries conducted. In terms of our assessment of how many test yields, implications for weapons design or other elements, I think I would rather ask some of our experts to sit down with you on that.
Senator BROWNBACK. Do we know how many different devices were tested by both India and Pakistan?

Mr. INDERFURTH. Again, we believe less than publicly stated, but there are some highly technical issues as far as the simultaneity of some of these tests that are still being looked at very closely. We have good information, information that is not only ours but others, in terms of seismic monitoring that we are going through.

Senator BROWNBACK. There has been—what I have seen today is, we are not certain exactly what was tested on both sides.

We know that there were tests, but there are questions as to exactly what was tested and the number of devices which, as you might guess, leads a number of people here on the Hill to have questions about verifiability of the test ban treaty.

That is something the administration has raised a number of times, and legitimately so, as a key issue involved here, but a number of people on the Hill have grave questions about verifiability, because we have been down this road so much before of having treaties that were then not verifiable, so this is something we are going to want to have good answers to, whether we knew this time around or if we did not know this time around.

Mr. INDERFURTH. I think these, Senator, are perfectly legitimate questions, and I think that if you will this can be something of a case study of our capability, and I think that the administration would be very pleased to sit down with you and other members of the committee and other committees to go through this in closed session.

Senator BROWNBACK. One thing I noted in your testimony, in looking through it, you were talking about the steps we were going to try to get in cooperation with the international community and what we wanted these two parties to do. You listed sign and ratify CTBT without delay or condition, and then five other items.

You did not list join the NPT, and you note earlier about, we firmly reject any proposal for India or Pakistan to join the NPT as a nuclear weapons State. It seems to me that we need to put in that list of things join the NPT as a nonnuclear State, and I know you have had discussions here with other members.

You are going to have a lot of discussions about this very point, but it seems to me really quite critical, their membership of the NPT as a nonnuclear State, that you cannot blast your way into a nuclear State, and that this is going to be a very big issue not only with these two nations, but as we look down the road towards Iran, a possibility of other nations wanting to take a similar path into this.

So I would ask that you look at that very carefully, because I think we are setting the example for what happens into the future and I again want to press my point that I think the administration should be doing all it possibly can, sanctioning companies that are supplying technology to the Iranians that are nuclear or missile technology.

That is off of this hearing, but really it is not, because you are setting the course for how a country gets into the nuclear club, and it is terribly destabilizing around the world, so choices made now will have consequences for years to come and I hope you would con-
tinue to push them to be a part of it as a nonnuclear State no matter the difficulty with that taking place.

Mr. INDERFURTH. The steps that we have laid out here, those things which we are looking for both parties to do—and this is an illustrative series of steps, not a definitive series of steps at this time and, indeed, it is something that we will want to discuss further with Members of Congress for your ideas. Indeed, on the NPT, that, of course, is something that we have looked at.

If we say that India and Pakistan are not to be admitted to the Nuclear Nonproliferation Treaty through amendment and become Nuclear Weapons States as defined by the treaty, the only other way they could become a part of the NPT is to come in as a Nonnuclear Weapons State, which would mean that they would commit themselves at this time to eliminate totally their arsenals of nuclear weapons and to cease and desist all of their programs relating to their nuclear activities.

We do not believe that that is a reasonable demand to make of them at this stage. We are saying that they are escalating up, not de-escalating down. We think that our goal and objective should be for them to take the steps that other States have taken, which is to eliminate their programs, and we will continue to urge them to do that.

But in terms of where we are today, and what reasonable prospect we have for getting them to join with the international community to address this problem in a serious fashion, we think asking them to join as a nonnuclear weapons State is simply beyond the pale.

At a later stage, that would certainly be our hope and intention.

Senator BROWNBACK. Well, what is the statement you just made to Iran, then?

Mr. INDERFURTH. Our statement to Iran is being pursued in a variety of ways, including hopefully with some of those members of the P-5 that we will be working with.

We do not think that we are, in terms of the Iranians, doing anything that will encourage them. In fact, the sanctions that we have placed, the work that we are doing to see that this situation does not get further out of hand, all of these steps we think will have a message in Tehran, but I take the point, and I understand. There are no simple answers in this strategy to stop further proliferation around the world.

Senator BROWNBACK. And I would note, too, the administration just waived sanctions on Iran, and we have had spirited discussion about this. I think that is an inappropriate step.

I think we will live to regret it sooner rather than later, and I would ask you to rethink about the long-term strategy that the statements that are being pursued at this point by the administration—we are entering a new chapter here, and we all know it is a dangerous chapter, and how you play that first few steps is going to determine where we are going to be down the road, and I think we are going to get down this road pretty fast.

I am afraid we are going to get down this road pretty fast, and I do not know that these are the wisest routes for us to pursue, so I hope you will circle back around and look at that fork in the
road again as to which way you are going with it, and I will cer-
tainly be putting forward my suggestions on that.

Senator Robb.

Senator Robb. Thank you, Mr. Chairman.

I might just add parenthetically that in the Intelligence Commit-
tee we have had some briefings, and you might want to take ad-
vantage of information that we have available on some of the ques-
tions that you raised earlier.

Let me ask if you think, Secretary Inderfurth, a nonproliferation
summit—number 1, is it possible to include both Sharif and
Vajpayee and, if it is possible, is it—in your judgment, is it wise
and could we expect any real progress to be made?

There are a number of folks that believe that knocking some
heads together, or at least bringing the heads in a serious discus-
sion, is going to be crucial. Would you comment on, number 1, the
doability and the likelihood of any success, if in your judgment it
is doable in the near term for some sort of a nonproliferation sum-
mit?

Mr. Inderfurth. Senator Robb, I think that it is going to be ter-
rribly important for Prime Minister Sharif and Prime Minister
Vajpayee to be part of this process.

I would suggest that rather than a nonproliferation summit that
it should be a security summit because from their perspective it is
security that is at stake and not nonproliferation, if we come at
this through meeting security concerns.

Senator Robb. I will take that exception—I mean, that sugges-
tion as a way to reposition it so that it might be more broadly ac-
ceptable. Would you respond, then, in that context?

Mr. Inderfurth. In that context, I would say this is certainly
something that would be a positive step to have them involved in
a summit which addresses security concerns and how they and we
go about defusing the situation and what steps the international
community can do in support of—regrettably, even though there is
a hot line that exists between New Delhi and Islamabad—

Senator Robb. Do you have any reason to believe it has been
used since it has been installed?

Mr. Inderfurth. It has been used since it has been installed, but
not in the present crisis, to our knowledge, and that is very re-
grettable, particularly since there have been statements made by
high Indian officials, including Mr. Advani, high Pakistan officials,
including the Foreign Minister and regrettably scientists and engi-
neers on both sides who keep touting what they can and cannot do
and when they intend to do it, which has inflamed the situation.

We think it would be most appropriate if the two prime ministers
picked up the phone as Prime Minister Sharif and Prime Minister
Gujral did in the past and say, okay, let us lower the rhetoric. Let
us start talking. We want to see them resume that dialogue that
a year ago we thought had some promise to it, and we have been
very disappointed, but we think that a summit and engaging India
and Pakistan at that level would be a very appropriate step.

Senator Robb. Some of the comments by former Prime Minister
Gujral have been consistent with his approach during the 11
months, or whatever it was, that he was prime minister in recent
days.
Mr. Inderfurth. He said recently that if one report indicated that nuclear weapons had been transferred to the armed forces—
Senator Robb. God help us.
Mr. Inderfurth. God help us, right.
Senator Robb. I remember reading that.
Let me ask you whether or not you think this process would benefit from the dispatch by the United States of a Holbrooke-type figure or person to work that issue exclusively in a shuttle or other arrangement for some extended period of time until such time as we brought about results and even in the context of an earlier question would a Madrid-type 1992 summit be a good example?
Mr. Inderfurth. All of these are options, quite frankly, that we are looking at. An important prerequisite will be the willingness of the two Governments to accept and work with any such approach, whether it be a shuttle approach, or a Madrid approach, or any combination thereof.
What we will be doing, obviously, in Geneva and then in London is to explore this with our colleagues in the P-5 and the G-8 as well as with others to see what would be the best way to do it.
We do not have at this stage a plan to dispatch a team. Quite frankly, we would like to hear from the Indians and the Pakistanis what their intentions are, what their plans are. We would like to hear from them.
We have had contacts at the State Department and we recently had the delegation from Pakistan with Senator Zaki as well as Colonel Siman. I think they came up on Capitol Hill and met with many of you.
We want to hear from them, especially what their intentions are to try to diffuse the situation, but we are looking at a variety of options about how to diplomatically address this, but we are going to need their help and their agreement and cooperation if we are going to make any progress.
Senator Robb. Both countries, I might add, are in the process of dispatching a number of high level and intermediate figures to consult with both the administration and the Congress.
I understand the chairman made a suggestion for a CODEL to visit the region. I wonder what your reaction—with the specific purpose of focusing on the issues that we have talked about.
I would have to say that first of all I join in and would be delighted to pair with my chairman in this instance. My track record in most recent visits to the region was not good. 2 days after visiting with then-Prime Minister Gujral his Government fell, and 5 days after leaving Islamabad the President's authority was significantly undercut.
In any event, it seems to me that there is considerable anxiety on the part of Members of the Congress, particularly those who are not involved in national security or international affairs, in getting some reliable information and participating to the extent that it can be constructive and helpful, as opposed to some of the other possibilities for congressional participation, which do not always fall in that category.
Any comment?
Mr. Inderfurth. Senator Robb, I want to let you know that in terms of track records, that none of our track records are unvar-
nished in this respect, so I hope you do not feel alone in that category. Some very unfortunate events occurred shortly after my last trip to the region, so I think we all feel that.

I think it would be a very useful thing for a congressional delegation to go to the two countries. I think that we need to see a little bit further in terms of the P-5 meeting and the G-8 so that we can inform you of where we think we are.

I think it would be very important for them to hear directly from Members of Congress our concerns, our suggestions, and to solicit or elicit from them their intentions, let them know that this is a concern that is across the board in terms of Washington as well as the international community. I think a congressional delegation could serve a very useful purpose in that respect.

I also appreciate the comments you made earlier about the President needing some greater degree of flexibility in dealing with this, and I think this is something we would like to pursue with you and discuss, because I think we do need that element of flexibility right now in the situation that we have not been confronted with before, and we need to see how best we can respond to it.

Senator Robb. In that regard, I am not suggesting we do anything to undercut the response that is required by current legislation.

Mr. INDERFURTH. Nor are we.

Senator Robb. I want to make that clear, but looking down the road it seems to me additional flexibility and the ability to employ both carrots and sticks if they can be effectively factored into the equation may be useful.

At the very least it seems to me this is an area where the greater flexibility given to the President is going to ultimately pay some dividends and the Congress ultimately does not want to be in a position of having tied the President's hands in areas where a little more flexibility might rapidly advance the goals that some are seeking.

In any event, my time has expired.

Mr. Chairman, I thank you.

Senator Brownback. Thank you. It strikes me if we go we need to do quite a bit of listening, too, and to try to hear what it is that we can hear that can be useful and helpful to the countries involved.

Senator Hagel.

Senator HAGEL. Mr. Chairman, thank you.

I might add, Mr. Secretary, that I agree with Senator Robb. I made a couple of remarks on the floor of the Senate yesterday morning and one of the things that I said was that I think there has not been a time since World War II when it is more important and especially for the future of this country and the world, when a strong bipartisan American foreign policy should be put in place.

That means the Congress needs to work with the administration, and I went further in saying it is important that we not allow any foreign policy differences to unravel in front of the world at this particular time.

We have got differences. We have constitutional responsibilities up here, as you know, as the President does. We can differ on things, but to the outside world we need to be united, and these
kinds of particular activities like CDEL’s to regions working with the administration I think are extremely important, that acknowledging not only that we are together on this, but acknowledging this is a very dangerous and complicated world, full of great hope and opportunity, but nevertheless, if we make some wrong decisions here in the next few years we will suffer the consequences, and so I add my support, Senator Robb, to your remarks.

A couple of areas I want to go back to. Your reference to dialogue in urging and not isolating these nations, which as I have already said I agree with, are we going to be framing this up and paying particular attention to trying to define the mutual interest common denominator in this case of India and Pakistan, trying to develop an agenda where both these nations have, as they do, significant mutual interest, where we can start in a positive way as we engage them?

Mr. Inderfurth. Senator, that has been precisely the approach we have been following during my tenure as Assistant Secretary to try to encourage them to focus on those positive elements. Trade, cultural, energy cooperation, all of those areas are the ones that we have been trying to encourage them to devote their resources and their own activities.

We continue to believe that if they could move in that direction it would unlock great potential in South Asia, so we will, of course, continue to encourage them to do that. Regrettably, they keep getting drawn back into the mutual hostility which they have had for these past 50 years.

I mean, again, this is the 50th Anniversary. It will be the 50th Anniversary until August 15. This was not the way they should be celebrating it. They should have been moving to the next 50 years with this behind them.

So the answer, yes, certainly we will be looking to encourage them in more positive directions.

Senator Hagel. On a couple of the questions that have been raised previously concerning the next outer ring of, Senator Robb put it nuclear wannabes, are we in touch with that group, with nations—

Mr. Inderfurth. Yes. We are in touch with those nations in a variety of ways through our public statements and through third parties. We are very aware of the implications for what we are doing here, and this goes back to something the chairman raised with respect to the NPT, very aware of the implications of how we handle this, what signal that will send to the wannabes.

What I would like to suggest there is that we continue our discussions with you on that. We have again—I regret that I do not have Mr. Einhorn to be able to turn to, since he is our lead non-proliferation expert at the Department. He will be back, along with myself, from Geneva on Friday morning in the early morning hours.

I think that is something that he would be more than pleased to come up and sit down with you in a hearing, or however you wanted to proceed with that discussion, but we are very aware of the implications of what we are doing now for our nonproliferation policy and those that would like to blast their way into the scene.

Senator Hagel. Are we communicating with Iran in any way?
Mr. Inderfurth. Senator, the only communications that I personally am aware of in terms of Iran are the ones that I have been taking part in as part of my South Asia portfolio.

On the issue of Afghanistan there is in New York a group called the Six Plus Two, which are the neighbors of Afghanistan, plus the U.S. and Russia, where we have been trying, again unsuccessfully, to move the Taliban and the Northern Alliance towards some peaceful resolution of their conflict.

In that connection, the Iranians are in the room; but there are no other communications beyond that in this U.N. context. That is the extent of my involvement with Iran in my South Asian capacity, but we will certainly provide you additional information on that.

Senator Hagel. One additional comment, and I know my time is up, but I think this might present some opportunities for us as well as for the world. It gives us an opportunity to start to open up, the complications, in this particular part of the world, but also it allows us an opportunity to focus on the completeness of the interconnects here in this part of the world.

You know as well as anyone geopolitical, military, economic power shifts that are occurring in the world today in the alliances, alignments, and this gives us an opportunity to get into it in a very legitimate, basic way, to help forge some policies for the future, and I would hope that this opportunity is not lost and that we are looking at this in a very expansive way, not just isolated on the complications of today.

Thank you.

Mr. Inderfurth. I understand the point.

Senator Hagel. Thank you very much.

Senator Brownback. Some have suggested we have been living a lie for a while in denying these nations nuclear capacity, and we are just looking the other way, and now we can no longer do that and it is a chance to open up and deal openly with this, but I do hope as we start doing that, the other nations that are watching, that we put a right course on this, and we will be working with you and pushing that aggressively both with you privately and publicly, that we set a striking course so that our children and our children's children can feel safe and secure in this world.

Secretary Inderfurth, thank you for joining us. We appreciate that very much. Godspeed to you. You are going to need it. There are a lot of tough days ahead. Good luck.

Mr. Inderfurth. Senator, may I first thank you for that, and may I just make one comment.

In terms of the nuclear programs and looking the other way, we have been looking very closely at this. Obviously we have not been as successful as we would have liked to have been, but as a result of recent events and Pakistan's decision to go ahead with a nuclear test, I reread the conversation that Secretary Albright had with Prime Minister Sharif in Islamabad in November and in that conversation she identified Pakistan's nuclear policies as the key problem in our effort to create a modern U.S.-Pakistan relationship, and encouraged Sharif to rethink Pakistan's weapons programs. That is a brief extract from that.
We have been focusing on this very diligently to try to get them to address this issue both in Islamabad and New Delhi. Regrettably, we have not been successful. We now have to redouble our efforts and see what we can do in light of this, but the nuclear ambiguity has gone. The veil has been lifted. Perhaps that will provide us some new opportunities, and we will be looking at those.

Thank you very much.

Senator BROWNBACK. Thank you.

The next panel will be the Hon. William Schneider, president, National Planning Services, former Under Secretary of State for Security Assistance, Science, and Technology, and Dr. Richard Haass, director of foreign policy studies, Brookings Institution, and former Senior Director, Near East and South Asia Bureau for the National Security Council.

We would call those two gentlemen to the table.

Mr. Schneider, thank you very much for joining us. The floor is yours.

STATEMENT OF HON. WILLIAM SCHNEIDER, JR., PRESIDENT, INTERNATIONAL PLANNING SERVICES, AND FORMER UNDER SECRETARY OF STATE FOR SECURITY ASSISTANCE, SCIENCE AND TECHNOLOGY, WASHINGTON, D.C.

Mr. SCHNEIDER. Thank you, Mr. Chairman, and I have a brief statement which I have prepared and, with your permission, I can submit it for the record and make a few remarks.

Thank you, Mr. Chairman. Mr. Chairman, I am William Schneider, Jr., and serve as adjunct fellow of the Hudson Institute and have my own international trade and financial services business. During my service in the Federal Government I was Under Secretary of State for Security Assistance, Science, and Technology, and was responsible for, among other areas, our military assistance program with Pakistan.

The question of security in the region is of great interest to me, and I was very reassured by Secretary Inderfurth’s focus on the question of security in response to Senator Robb’s remarks about a security-oriented conference.

Just a few remarks first on the question of the India and Pakistan nuclear tests. I think first we should understand that, although the veil of nuclear ambiguity is lifted, neither country needed to conduct the tests to demonstrate its ability to produce a device with nuclear yield.

Indeed, Pakistan did not need to weaponize, because they received a nuclear device that had been obtained from China, or received the design for a nuclear device that was tested by China in 1966 and, of course, India had a nuclear test in 1974 and so it had resolved the problem of achieving a nuclear yield.

The current series of tests are likely to be associated with weaponization of a device, rather than the ability to demonstrate nuclear capabilities.

I want to just make a few remarks about the proliferation problem and then, in response to the chairman’s opening remarks, perhaps a few suggestions about how we might be able to deal with this.
The focus on security I think is very important, because any resolution of this problem will need to engage the question of incentives. What kinds of incentives can be created by the international community that will produce behavior that will take nuclear weapons out of the conduct of foreign policy in this region, or for that matter other regions as well?

The incentives that have been created by the counterproliferation regime have had a number of perverse effects and, over time, are magnifying the problem rather than containing it. This leads to a few conclusions.

First, I think the counterproliferation activities of the international community have not been successful, and this reflects three decades of an approach that has been based largely on multilateral arms control arrangements and bilateral diplomatic efforts.

The second point is that both nations and, indeed, several of the other nuclear wannabes have developed an infrastructure producing ballistic missile delivery systems and fissile material that poses a problem that may be exacerbated by the sanctions.

The excess capacity that may be provided by this infrastructure may be sold to other countries, and to the degree that sanctions are effective in crippling or severely damaging the economy, it may increase the incentives to market some of these dangerous technologies to other countries outside of the region.

Third, the exports of China and Russia, both of whom are members of the counterproliferation regime, have contributed to the flow of proliferation-enabling technology in South Asia that sustains the problem. The absence of a consensus among the major powers concerning the imposition of sanctions makes it less likely that other proliferators will be deterred by sanctions. Sanctions are just not likely to be a major feature of the international regime dealing with this, apart from the United States and perhaps a few other countries.

Fourth, with respect to the general environment, the high cost of modern conventional systems is making the acquisition of weapons of mass destruction and ballistic missiles the low-cost solution for countries to achieve their security. This is indeed a very dangerous threat, and one that I think we need to engage in as a dimension of the approach that Secretary Inderfurth mentioned.

Finally, there seems to be a correlation between membership in strong mutual security arrangements, whether bilateral or multilateral, and a willingness to abstain from the development of weapons of mass destruction and their means of delivery.

NATO member countries, for example, or countries with whom the United States has bilateral mutual security arrangements, seem to find an effective linkage to a security arrangement as being satisfactory, offsetting any need they might otherwise have for developing weapons of mass destruction.

Finally, with respect to some suggestions about how the United States might approach dealing with this, I think the major flaw in U.S. security policy relating to the counterproliferation problem has been the failure to integrate local or regional security concerns into the discussion with potential proliferators.

Mr. Chairman, your remarks about the sense we have been living a lie about proliferation in the region has been reflected in the
views that I am sure you have heard of professional diplomats and analysts of the region, who have long recognized that India would never accept the status quo of China's legitimate and exclusive regional possession of nuclear weapons. Pakistan's poverty, and absent security support from another powerful nation, has been driven to offset India's own military advantage through its own weapons of mass destruction policy.

The U.S. needs to alter the policy to distinguish between proliferators who are adversary States and proliferators who are friendly States. The policy has been counterproductive, as can be illustrated by the fact that we supply or are prepared to supply a nuclear reactor to North Korea but are unprepared to provide these kinds of things to India and Pakistan.

In the domain of incentives, one point I would raise as a way of trying to diminish the incentive to proceed with weapons of mass destruction and ballistic missiles is to consider the possibility of providing access to technology of active defense, ballistic missile defense.

The countries who are building weapons of mass destruction now are not putting them on aircraft. They are not putting them on cruise missiles. They are putting them on ballistic missiles because there is no defense against ballistic missiles, and this subject deserves more comment than I can give here.

Just let me conclude with that point, and then I will be glad to go into it further, and questions if you care to do so.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Schneider follows:]

PREPARED STATEMENT OF WILLIAM SCHNEIDER, JR.

Mr. Chairman and Members of the Sub-Committee:

Thank you for the opportunity to testify before this subcommittee today. I am William Schneider, Jr. I serve as an Adjunct Fellow at the policy research organization, Hudson Institute, and operate an international trade and financial service business in Washington. From 1982-86, I served as Under Secretary of State for Security Assistance, Science and Technology. Among the responsibilities of the office at the time were those associated with export controls, arms transfer, foreign assistance, and regional security policy. I subsequently served as Chairman of the U.S. General Advisory Committee on Arms Control and Disarmament from 1987-93. My remarks will address some of the major policy issues raised by the nuclear test series conducted by India and Pakistan last month, and draw from an analysis of these developments, some implications and policy recommendations.

The India and Pakistan nuclear tests

The eleven nuclear tests conducted by India and Pakistan last month ended nearly a quarter century of nuclear ambiguity by India, and eliminated the last shred of doubt about the aims of Pakistan's nuclear activities underway since the early 1980s. In both cases, the test series is likely to be linked adapting a nuclear device to a specific delivery system (e.g. a ballistic missile) because both India and Pakistan already possess tested nuclear devices.

India tested a nuclear device in 1974. China provided Pakistan with the design of a nuclear device it tested in 1966 according to press reporting. As a result, neither India or Pakistan required nuclear testing to be assured that it had a nuclear device that would produce nuclear yield. Adapting the nuclear device to be used in a delivery system such as a ballistic missile or aircraft could require additional testing for safety and reliability purposes. The ability of both nations to test a significant number of devices in a short period of time suggests both an ample inventory of fissile material, and a scientific and industrial base able to support the introduction of nuclear-armed delivery systems rapidly.

Both India and Pakistan have recently tested advanced ballistic missiles making it likely that the nuclear devices tested are being prepared for specific delivery systems. Both India and Pakistan have several choices of ballistic missiles, cruise mis-
siles, and tactical aircraft depending on the range required for their purposes. However, the most likely delivery systems for India and Pakistan's nuclear payloads are ballistic missiles rather than long-range aircraft or cruise missiles. None of the nations India and Pakistan seek to deter have ballistic missile defenses, but they do have air defenses. The general absence of ballistic missile defense is driving proliferators to favor ballistic missiles as the delivery system of choice for weapons of mass destruction.

Implications for international security of the India and Pakistan nuclear tests
The India and Pakistan nuclear tests have a number of serious implications for the international security environment. As further evidence becomes available, our understanding of both the direction of India and Pakistan's program may be achieved, and with it, our assessment of the implications may improve as well.

The counter-proliferation activities of the international community have not been successful, despite three decades of multi-lateral arms control and diplomatic efforts at bilateral dissuasion.

Both nations have developed an infrastructure for producing fissile material and ballistic missile delivery systems. The extreme poverty of both nations, and an interest on the part of other nations in acquiring nuclear weapons and ballistic missiles converge to produce serious incentives for further proliferation. Ironically, to the degree that economic sanctions are effective against India and Pakistan, they may produce a perverse outcome. A serious economic recession in either or both nations may have the effect of stimulating efforts to earn foreign exchange through the export of nuclear weapons or technology and ballistic missiles.

The exports of China and Russia of proliferation-enabling technology and hardware to South Asia has compressed the time required for both nations to develop and deploy a functional nuclear weapons capability. This has consequences outside of the South Asian region. For example, China sold medium-range ballistic missiles to Saudi Arabia in the mid-1980s. This missile was designed to deliver a nuclear warhead, although it is not generally believed that these were supplied by China. With Pakistan's successful test, the possibility of its readiness to transfer nuclear weapons to other users of Chinese missiles cannot be dismissed as a possibility.

The absence of a consensus among the major powers concerning the imposition of sanctions or other measures after-the-fact makes it less likely that other potential proliferators will be deterred from embarking on WMD or ballistic missile developments if compelling local or regional security concerns are present.

The high cost of a modern conventional defense is making the acquisition of WMD and ballistic missiles the least-cost security solution for some of the world's most impoverished states. The cost of developing nuclear weapons has declined by an order of magnitude in the past half-century, but appears likely to decline even more rapidly in the next two decades. These trends are likely to further stimulate WMD and ballistic missile developments by nations who perceive a nuclear capability to be in their interest.

Membership in strong mutual security agreements (e.g. NATO or US bilateral security arrangements) appear to be a more effective instrument for deflecting nuclear weapons aspirations than broad multi-lateral arms control agreements. Linking arms control behavior to mutual security arrangements appears to be the approach most highly correlated with non-proliferation behavior.

Implications for US counter-proliferation policy
The India and Pakistan nuclear tests reveal the limits of the counterproliferation activities of both the United States and the international community. Starkly expressed, US counterproliferation policy has failed, and we have no "Plan B." There is a legitimate argument over whether or not the US policy could have been successful in the long-term. However, it is now apparent that the underlying architecture of current policy will not permit the US to achieve its counterproliferation aims in the future. The proliferation of advanced industrial technology has made many aspects of the design and manufacture of nuclear weapons and their means of delivery widely accessible in commercial markets. Nuclear weapon design, development and manufacturing information has become widely available. To cite only one extreme example, a US environmental advocacy group, has published nuclear weapon design information on the Internet that can provide material assistance to a potential proliferator. The restraints of the Cold War period in China and Russia concerning the export of enabling technologies faded during the latter part of the Cold War, and have now largely evaporated.

The proliferation problem appears destined to become a more serious one for the United States unless it modernizes its counterproliferation strategy and policy. The subject deserves more a detailed discussion than is possible here, but I will offer
a few of the contours of a modernized counterproliferation strategy and policy that could be helpful in coping with the consequences of the India and Pakistan nuclear tests.

US proliferation policy failed to integrate the local or regional security concerns of potential proliferators. Professional diplomats and analysts of regional affairs have long recognized that India could not accept the status quo of China's legitimate and exclusive regional possession of nuclear weapons. Pakistan's poverty, absent security support from another powerful nation, has driven them to offset India's military advantage through its own WMD and ballistic missiles.

A new policy needs to be able to distinguish between proliferators who are adversary states from those who are friendly. US counterproliferation policy has had perverse characteristics. North Korea, an adversary proliferator has been authorized to receive advanced civil sector nuclear power facilities, while such facilities have been denied to India and Pakistan who are friendly states.

The United States needs to provide access by friendly states to ballistic missile defense technology or hardware to offer an alternative to such states to obtaining WMD.

US proliferation sanctions and restrictions have had a counter-productive impact. The Pressler amendment made Pakistan less secure and diminished the effectiveness of internal restraint on exercising the nuclear option. US pressure on India to sign the Comprehensive Test Ban Treaty (CTBT) intensified their sense of nuclear isolation and vulnerability, and may have precipitated the test series. A modernized US counterproliferation posture needs to reflect these concerns and integrate them into the full range of policy instruments available to the President. These instruments should include such measures as arms transfers, diplomatic and military support, foreign assistance, and other measures. The President's inventory of instruments should be enriched, and not impoverished by offering sanctions as the only policy alternative to engage the proliferation problem.

The United States needs to provide access by friendly states to ballistic missile defense technology or hardware to offer an alternative to such states to obtaining WMD.

Senator BROWNBACK. Thank you very much. I appreciate that.

Dr. Haass, Thank you for joining us. The floor is yours.

STATEMENT OF DR. RICHARD HAASS, DIRECTOR OF FOREIGN POLICY STUDIES, BROOKINGS INSTITUTION, FORMER SENIOR DIRECTOR, NEAR EAST AND SOUTH ASIA, NATIONAL SECURITY COUNCIL, WASHINGTON, D.C.

Dr. HAASS. Thank you, Mr. Chairman. It is good to be back. Senator Robb, Senator Hagel. Also in the interests of time I, too, would like to put my whole statement in the record and just make a few remarks.

Senator BROWNBACK. Without objection.

Dr. HAASS. Obviously, the Indian and Pakistani tests were and are unhelpful and unwelcome. Still, it is important to keep matters in perspective. There are several scenarios that would be worse than testing for South Asia. Among them would be the actual deployment of nuclear weapons in the field, secondly, their use, or third, their transfer to third parties.

It must be, then, the goal of American foreign policy to see that none of these three possible future scenarios comes about.

The possibility of a fourth scenario, Mr. Chairman, that of rollback—that is, to bring about a nonnuclear South Asia is not a realistic policy option for the United States at this time.

As a result, I would describe the foreign policy challenge facing the United States for the foreseeable future in this part of the world as one of management, not prevention.
Current U.S. policy, which is the implementation of punitive economic sanctions, is almost certain to be irrelevant to the management challenge and, at worst, counterproductive. Let me cite four reasons.

First, the United States has important interests in both India and Pakistan, whether it is the promotion of democracy and human rights, commercial development, and cooperating on a host of regional and global challenges, some of which are quite strategic. We do not have the luxury of simply mortgaging or holding all of this hostage to our disagreements in the nuclear area.

Second, we may need to provide both India and Pakistan incentives and technology and various forms of assistance to help them manage the nuclear jam they have gotten themselves into. It may be in their interests and ours to actually provide some tools to help manage or stabilize their new situation.

Thirdly, in the case of Pakistan in particular, there is a real risk that U.S. economic sanctions, given Pakistan's fragile economic state, could push Pakistan over the economic brink and—l will be blunt and, since I am no longer in the Government, I have the luxury of being undiplomatic—a Pakistan that is stable and in possession of nuclear weapons is bad enough. A Pakistan that would be unstable and in possession of nuclear weapons would be a nightmare.

Fourth, one other aspect of U.S. policy I would question is the whole rush to put this in the so-called P-5, the five members of the Security Council who also happen to be the five haves under the nonproliferation treaty. This is exactly the discriminatory grouping that in some ways provokes India, so it is very hard to see how this group, acting as the five, could play much of a helpful role. It will probably compound the problem.

This said, and like you, I recognize that sanctions are a fact of life. As a result, the immediate goal of American foreign policy ought to be to negotiate a package of measures that stabilizes the situation in South Asia and that is acceptable to India, to Pakistan, the administration, and to yourselves in Congress.

Or, to put it another way, diplomacy must now try to come up with the exit strategy that the Glenn legislation fails to provide.

What might such a package look like? Well, let me suggest that India and Pakistan should be urged to agree to four steps:

First, no further testing of nuclear devices.

Secondly, no deployment of missiles with nuclear warheads.

Thirdly, no transfer of nuclear or missile technology to any third party.

And fourth, to enter into confidence-building measures, and let me just give you three examples:

regular, high-level meetings between the two sides;

secondly, exchanges of observers at military exercises;

and thirdly, no missile flight tests in the direction of one another's territory.

Indeed, as a corollary to that last item, I would urge them to both undertake something of a pause on missile flight tests of any kind during the current situation that we find ourselves in.

What would we then have to do in return? The United States would remove the punitive sanctions and keep in place only those
sanctions that would specifically block the transfer of technology that would contribute to Pakistani and Indian nuclear and missile programs.

In a more positive way, in addition to rolling back sanctions, we would consider providing intelligence or technology to the two sides that would help them stabilize their relationship. We would also make available any diplomatic assistance the two sides may want, be it for Kashmir or any other problem.

While I am mentioning the things that we should do, let me suggest two things that we ought to avoid.

First, the United States ought not to be introducing new political sanctions at this time. I know a lot of people are suggesting that the President cancel his planned visit to South Asia this fall, scheduled for November. I think it would be a big mistake to cancel the visit.

Here is an opportunity for him to make his arguments to the Pakistan and Indian Governments. Here is a chance for him to make his arguments to their publics. If our arguments are so strong, they will help influence what policymakers and publics think there.

We should not approach this trip as some sort of a reward. It ought to be a tool of American foreign policy and should go ahead.

Secondly, we ought to avoid providing security assurances to either side. This idea has been suggested. I think it is a dangerous and risky one.

Based on history, no American security assurance would be enough to actually assure the parties sufficiently to alter their behavior. But it might just be enough to get us involved in some very complicated situations. So I would avoid the idea that the United States would offer security assurances as a kind of buy-out of Indian and Pakistani nuclear programs.

Having heard this morning some of the comments you made, Mr. Chairman, I would surmise that you might think that the kind of approach I am laying out would be inadequate. I understand the desire to punish India and Pakistan as well as to send a message to what I believe was described here earlier this morning as nuclear wannabes, or would-be nuclear States.

I would resist that. One result of my suggesting that we not go down that road is that any sort of package we do negotiate for India and Pakistan is not going to contain several of the things that people in the Congress and beyond would like.

In particular, I do not think there is any chance of getting formal Indian and Pakistani adherence to the NPT. I do not think there is a chance to get either of them to formally sign up to the CTBT, and I do not think there is any chance at this point to get both of them to sign up to no-first-use pledges.

That said, even if we could, I would be prepared to explain how I do not think it would do us much good.

I also do not think that there is a chance at the moment to get them to sign on to a fissile material cut-off treaty, although I think in that case it would be something desirable, because it would place a ceiling on the amount of material that could be used for weapons.
Let me just make one more point, and then I will stop. I want to return to the idea of the relationship between what we do in South Asia and what happens in the rest of the world.

India and Pakistan are paying a price for what they have done. They are certainly paying a price economically. Their nuclear and missile programs will be expensive. We just saw in the newspapers, I believe yesterday, information about India’s new defense budget. It is going down an expensive path and, as we have seen with the U.S. and Soviet history, nuclear weapons establishments eat up an awful lot of resources.

Strategically they will pay a price. They are going to have to live with much greater uncertainty and with much greater cost should deterrence break down. Again, though, I would think the goal for us is to manage the situation and not make it worse.

I do not see why a policy of managing proliferation in South Asia is in any way inconsistent with a policy of preventing it in other parts of the world. We should therefore use every tool in our foreign policy arsenal to discourage proliferation in North Korea, Iran, Iraq, and Libya, or any other country that we would classify as a potential or actual rogue. Discrimination has always been at the core of American policy in this area.

The NPT and the nonproliferation regime itself is based on discrimination. It separates the world into two groups, the five haves, and the have-nots.

U.S. policy has further refined this discrimination. We not only have the five haves, but we have three countries—India, Pakistan, and Israel—the United States has placed in a separate category. U.S. policy has treated them differently from the rogues. That is realism. It is not theology. But I would suggest that realism is what American foreign policy needs to be based on.

Thank you.

[The prepared statement of Dr. Haass follows:]

PREPARED STATEMENT OF RICHARD N. HAASS

Mr. Chairman:

Thank you for providing me this opportunity to share my thoughts with you and your colleagues. The decision by India and then Pakistan to test nuclear devices is one of the defining events of the first decade of the post-Cold War era. It tells us that democracy and markets are no panacea, that American primacy is not the same as hegemony, and that while the world may be more whole economically, it remains fragmented both politically and militarily.

The Indian and Pakistani tests are both unhelpful and unwelcome. South Asia has moved to a new level, one of two explicit nuclear weapons states that have openly tested. U.S. efforts to prevent this new situation from coming about—a policy predicated on deterrence through the threat of comprehensive economic sanctions—failed in the aftermath of the election of the new Indian government.

Still, it is important to keep matters in perspective. Even before these tests were carried out both countries were de facto nuclear weapons states that in one case (India) had tested overtly and in another (Pakistan) had developed a capability without visible testing.

Moreover, there are several scenarios that can be imagined that would be far worse than testing for South Asia and the world, including actual deployment of nuclear weapons, their use, or their being transferred to third parties. It must be the goal of American foreign policy to prevent any of these outcomes. “Rollback” to a non-nuclear South Asia is simply not a realistic policy option for the foreseeable future. As a result, U.S. policy toward this region must be one of management, not prevention.

Current U.S. policy—in this case, the implementation of punitive economic sanctions—is almost certain to be irrelevant to this management challenge and at worst
counter-productive. The United States has important interests in both India and Pakistan, including the promotion of democracy and human rights, expanding economic cooperation, and cooperating on a host of regional and global challenges. In addition, we need to provide India and Pakistan incentives and possibly assistance to help them manage their new nuclear challenge. At the same time, it makes no sense to introduce broad sanctions that could actually weaken political authority in Pakistan, a state already burdened by economic and political problems. To be blunt, a stable Pakistan in possession of nuclear weapons is reason enough to worry; an unstable Pakistan would be that much worse.

This said, sanctions are a fact of life, and the immediate objective of U.S. foreign policy should be to negotiate a package of measures that stabilizes the situation in South Asia and is acceptable to India, Pakistan, the Administration, and a majority in Congress. Diplomacy must provide the "exit strategy" that the relevant legislation fails to lay out.

What might such a package look like? India and Pakistan could agree to the following steps:

• no further testing;
• no deployment of missiles with nuclear warheads;
• no transfer of nuclear or missile technology to any third party;
• new confidence-building measures (CBMs), including regular high-level meetings, exchanges of military observers, and no missile flight tests in the direction of one another's territory.

In return, the United States would agree to remove the punitive sanctions and keep in place only those sanctions that block the provision of technology that has the potential to contribute to Indian and Pakistan missile and nuclear efforts. We should also consider providing intelligence and/or technology that could contribute to regional and nuclear stability. U.S. diplomatic assistance ought to be made available where both countries desire.

There are two steps the United States should not take. We should not introduce additional political sanctions, including the cancellation of the President's long-planned trip to the region this autumn. Such a visit is an opportunity to address the problems caused by the recent tests and to build both bilateral relationships. Nor should the United States offer security assurances to either protagonist. It is not at all obvious that U.S. assurances would be enough to prevent a crisis from materializing—but they could be enough to draw us into a complicated and dangerous situation.

There are other potential elements in any negotiated package, including formal adherence by India and Pakistan to the NPT and the CTBT, "no first use" pledges, and mutual cessation of fissile material production. It is my judgment that it will not be possible to get both to formally sign on to the first three commitments and that it would not make much difference if they did. A freeze or ceiling on fissile material production would be more meaningful but also extremely difficult to achieve and monitor.

For some in the Congress and beyond, the approach recommended here will not be enough. There is a desire to punish India and Pakistan and to send a message to other would-be nuclear states that proliferation doesn't pay.

This desire to send a message is understandable but should be resisted in this instance. India and Pakistan will pay a price—economically and strategically—for their decisions. The goal for U.S. policy must now be to manage the situation as it exists. We do not have the luxury of doing otherwise.

Moreover, there is no reason that a realistic policy of management for these two countries need lead to proliferation elsewhere. We should continue to use all our foreign policy tools to discourage and prevent the spread of nuclear weapons to such countries as North Korea, Iran, Iraq, and Libya.

Discrimination has long been at the core of U.S. non-proliferation policy; after all, the NPT itself treats the five nuclear "have" different from everyone else. Also, the United States has always viewed the nuclear programs of Israel, India and Pakistan as something distinct from the programs of the so-called rogues. Such realism is what a successful foreign policy requires.

Thank you.

Senator BROWNBACK. Thank you, Dr. Haass, for your presentation. I would suggest principles is what foreign policy needs to be based on, and you need to deal from those principles.

In a changing world we have a very complex and difficult world, and I noted earlier we have been living a lie for some period of time that
either of you might describe more artfully than what I have put forward, but we have been about a task, and trying to reduce the threat of nuclear holocaust in this world for some period of time, and that has been a principle of U.S. policy.

You can say we have achieved more success at times than at other times and, frankly, with all of the Soviet Union and some of those new nations actually giving up their nuclear weapons, we have been on a pretty good roll of actually nations giving it up.

Now, you can say, well, they did not develop, they really did not have a use for it, they are not as threatened as what happened in the India and Pakistan, all of which would be true. But to walk away from that strategy now and to say, okay, we are just in a different chapter and there is just going to be more nuclear weapons, is not a step I am willing to accept, and I think the signal that it sends to too many other places is so dangerous and so provocative that it just provokes unacceptable sorts of consequences.

So I understand you have spent a lifetime studying this, and my simplistic look at it may not be acceptable to many, yet it is a path that the United States has been on for a long period of time, and I do not think it wise for us to go another route at this point. We will be looking at ways that we can go differently.

In the interests of time for both of you I would like to pose—Dr. Schneider, you are raising an issue of ballistic missile defense system, and I realize this is a bit off the path, but some have suggested that if we are going to see more proliferation of missiles, more proliferation of atomic weaponry, that we are going to have to look more at these defense systems. Is that your estimation?

Mr. SCHNEIDER. The point in my remark was to try and build or create an opportunity for a disincentive for potential proliferators to build a reciprocal ballistic missile threat capability because a neighboring country does so, and one of the ways of doing this would be to provide access for countries threatened by ballistic missiles and weapons of mass destruction. Access to ballistic missile defense technology so that they will enable them to deter ballistic missile and WMD threats with defensive systems, rather than to feel that they have to have a reciprocal threat to be able to get there.

This was a suggestion as a subset of the broader issue of trying to develop some incentives for people not to proliferate, rather than trying to sustain the prevention regime which, while I think is well-intentioned, is of diminishing practicality because of the widespread access to knowledge of ballistic missile design and weapons of mass destruction.

There is an environmental advocacy group that has on the Internet a detailed description of the information that would provide material information to a potential proliferator seeking to develop nuclear weapons, so the information is out there. The civil space launch sector provides enough information to develop ballistic missiles, so I think it is a question of, with countries that face the threat situation, can our diplomacy and foreign assistance and other mechanisms develop some incentives that could cause countries not to take this step?

I mentioned the diplomatic effort, the correlation between countries that have strong security relations with other strong powers
and their willingness to abstain from WMD and ballistic missile development. There may be some way in which we can develop an arrangement with Pakistan or India, perhaps a security guarantee, and the classic form is not the right case, but some related form of assurance that would diminish their anxieties about their neighbors to the point where they would be willing to de-tune the investment that they might otherwise make in weapons of mass destruction and their means of delivery.

Senator BROWNBACK. Could I ask both of you or either of you, how many additional nations can we anticipate over the next 3 to 5 years going down this path of nuclear development and testing, or even if you could give me a potential number of countries, or list of countries that you would anticipate will start down this road.

Dr. HAASS. I would say that our goal ought to be none, and it is not inevitable that will be any. It is not a bad new situation. It is not as though what has happened in South Asia necessarily breaks the dam. There are three countries that are the most obvious candidates, and they are each separate cases.

One is Iraq, and so long as the international community remains at all vigilant, we have the inspections process, and are willing to back it up with force, I think we are okay there. We will keep Iraq essentially out of the nuclear weapons business.

The second is North Korea. There, the question is whether we will continue to be able to implement the agreed framework and, if so, again I do not think we will have a problem.

Thirdly is Iran, and that might be the most difficult of the three, possibly within the next couple of years, although they may still be some distance away.

So I do not think that any of these three states necessarily will be testing. Indeed, I would right now bet against it.

And coming back to conversation here before, we ought to think about different tools to make sure we do not get there. We can use one set of tools for South Asia, to manage the situation there, while in other parts of the world we may emphasize export controls or inspections or, in the case of North Korea, an incentive strategy.

We may need to think about the use of force if everything else fails: for example, preventive military strikes. We may need to think about ballistic missile defense. We are moving away from a one-size-fits-all nonproliferation strategy, and we are certainly moving away from a policy where sanctions can bear the full burden of trying to make sure that proliferation does not happen.

Mr. SCHNEIDER. Just a couple of points on that. While I do not think it is inevitable that the number of nuclear weapons states will expand, even though the ability to do so is becoming increasingly practical from both a cost perspective—that is, the costs of becoming a nuclear state are declining, and the ability to access the pertinent technologies is increasing.

It is more a question of what incentives exist for doing so? A scenario that could proliferate the nuclear weapons problem in East Asia would be a withdrawal of the United States from the region, if the United States were no longer prepared to extend its security interest to the region.
The concern that we have seen in India, where a nonnuclear State faces a nuclear State, they would look for a reciprocal capability in the case of several countries in East Asia.

So a lot of these depend on how the international security situation spins out over the next number of years, and why it is so important for the United States to remain involved.

Senator Brownback. So you are saying that more countries may start up programs as these develop in some of the countries identified by Dr. Haass?

Mr. Schneider. The States that Dr. Haass mentioned of North Korea and Iran have well-identified interests in this subject and have moved fairly far along. I would think that they would continue, because they have an incentive to develop nuclear weapons, will continue to do that.

It is a question of whether there are other States out there that will take advantage of the ease of access to the pertinent technology and the underlying industrial capability necessary to implement it, and that depends upon the security environment, which we can influence substantially, and I hope we do so.

Senator Brownback. That is a good point, and you mentioned earlier Israel was in a special category.

Senator Robb. Thank you, Mr. Chairman.

Mr. Schneider, let me just clear up something, if I may. I was taking notes, and I am not sure that I accurately reflected what you said. You made the statement, nuclear reactors or light water, as opposed to graphite reactors, were being provided, and you did not use that terminology, to North Korea but nothing to India and Pakistan.

I am not sure what you meant to imply by that, whether or not we should explore the possibility, particularly under the arrangements that we set out in the North-South framework agreement, and I would welcome your comment on how well you think that is working, if you are, in effect, proposing that that is something we ought to do with India and Pakistan.

Mr. Schneider. I was merely citing it as an example of the inconsistency in the way in which we treat friends, or, let us say, distinguish between adversaries and friendly States in the implementation of our counterproliferation policy.

North Korea, which is an adversary State, we nevertheless are prepared to provide light water reactors under some circumstances, whereas India and Pakistan, who are friendly States, we are resistant to doing that because of the proliferation problem.

What I was suggesting was that a reconstruction of our policy might look to having differential policies between nuclear weapons wannabes who are adversaries vis nuclear weapons wannabes who are friendly States, and one of the issues might be, look to a differential set of incentives that could include access to civil nuclear power if that turned out to be a constructive incentive.

Senator Robb. But the fact that in the North-South framework agreement South Korea is providing the principal dollars for such investment, and the next biggest chunk was supposed to come from Japan, and the U.S. was the third principal, and they were blamed for some of the heavy fuel, and there have been all kinds of dis-
puts now and no one seems to be willing to go forward. That was with a vested interest on the South in terms of resolving the tensions that they had.

And here you have India and Pakistan across a common border. It seems to me the source of funding for that type of activity.

Mr. SCHNEIDER. The funding issue is an important one, but it is also a question of deauthorization and whether you see that as part of the strategy.

Senator ROBB. Let me proceed. Obviously, we have some different interests, given the number of troops we have stationed there, et cetera, and so we have a variety of interests.

India is in the process of trying to formulate some sort of a nuclear doctrine. In your judgment, what would the U.S., what ought the U.S. try to get New Delhi to include in such a blueprint, and what would the U.S. try to get them to exclude?

Mr. SCHNEIDER. First, in a nuclear doctrine they need to have a very clear command and control link to appropriate political authority.

The remark that was made about concern of the equipment being in the hands of the armed forces, one of the areas that is vitally important is to make sure that there is a command and control system that links the authority to use the system to the highest political authority in the country, and not the armed forces.

Senator ROBB. Putting aside the question of whether or not it should be lodged in terms of responsibility in the armed forces, do you think either country at this point has the capability of providing the near-term stable and reliable infrastructure that, say, the U.S. and its allies developed vis-a-vis the former Soviet Union and its allies?

Mr. SCHNEIDER. No. This is a problem with all small nuclear weapons States, is they do not have the infrastructure to manage these things, and this is particularly a problem as the types of delivery systems are likely to be mobile rather than fixed-site systems.

Senator ROBB. Dr. Haass, you seem to want to respond to that question. I have a couple I would like to address to you, but I would allow you to address that.

Dr. HAASS. Just very quickly, right now we want to prevent them from deploying weapons. I think that ought to be the principal focus of American foreign policy. If we fail at that focus, and if one or the other actually deploys weapons on missiles in the field, we may actually have to think very hard about ways that we could shore up command and control and so forth just to make sure that we do not have unauthorized or accidental deployment.

Senator ROBB. This is probably our most urgent near-term need in this whole area, to keep from having an escalation that would go beyond anything that we could control, or would have any confidence in.

What would you propose specifically to deal with that question? You talked about some confidence-building measures that go to the relationship generally, but those do not really address the near-term threat that has been certainly bandied around in the press in the region about both the ability, the capability of the immediate weaponization and the transfer to a missile that is capable of deliv-
ering some of these potential miniaturized warheads in the near term.

I mean, you have got a lot of very practical advice. You always do that. You take a complex situation and eliminate a lot of the more interesting but frequently unworkable solutions and come down with a relatively modest set of doable things, but in this situation we are talking about something that could be very short-term, depending on whether or not we have any hot pursuit type comments, or what else?

Admittedly, that is a different situation, but it is the sort of frenzy we are dealing with right now in terms of the nationalist spirit that has clearly motivated the nationalists to take the actions taken to date.

Dr. Haass. I only know two things, Senator. It is not a very full cupboard. Again, if they were to take the step of putting weapons on missiles, I think it would be extremely destabilizing. I am not sure they have thought through the consequences. I am not persuaded that you have an incredibly elaborate, sophisticated set of thinking on both sides, one that has assessed the consequences for warning and decision-making time.

As a result, I do not think we should rule out the possibility that having Government officials or others explain some of the problems the United States and the Soviets went through, say, in the fifties, would be a good thing to do. Indeed, it might be something the Americans and Russians could even do together at this point, to talk to them about the difficulties and the risks of going down that path, and at least make them think twice about it.

The other policy option is a more basic question of de-sanctioning, to link a rolling back of the punitive sanctions to their agreeing not to take this very dangerous step. That would be at the heart of the package that I would like us to offer.

Senator Robb. Well, let me address that for just a second, because you had suggested no additional sanctions, and you specifically mentioned do not cancel the President's planned trip.

Well, the truth is that he has a planned trip to China right now with a fixed date. The trip to India and Pakistan later in the year is still in the planning stages.

I personally believe that, given the deliberate failure to communicate, in the case of the Indians, and the failure to heed a very personal plea from the President to Prime Minister Sharif makes it awkward, at the very least, to say well, the fact that you either deceived or rejected specific advice in the near term does not do anything to deter my plans from coming to see you right now, and I put it somewhat—I would draw an analogy to China. I find a very different situation, and a different number of factors.

Let me give you a question I think we might be able to come together on. Could we not make the setting of a specific date contingent upon progress in some of these areas that we have already outlined as necessary?

And I do not know that we should absolutely say you must comply with provisions 1, 2, 3, 4, 5, 6, 7 and 8. If they were to comply with 7 and not 8, I would like to see perhaps some flexibility there, but it seems to me that this is one of the areas where we have a little leverage that we ought to use and say, not in effect that we
are canceling it, or that we do not want to maintain communications, or whatever, but before we are able to finalize this we need to demonstrate that we are at the very least moving in a direction that would clearly reduce tensions, reduce the likelihood of having the kind of reaction in this very volatile region that could prompt military activities that would be very difficult to bring under control, to say the least.

Dr. Haass. I think it is a good idea. We lose nothing for keeping open the possibility of the trip, and it may give us some leverage. We could send a signal that the President will factor into the determination of whether to go in November what sort of steps are or are not taken, as well as statements that are made or not made by the two sides, and that might get us some leverage.

But even if things escalate in ways we do not want, or evolve in ways we do not want, it is important not simply to see American Presidents going places as a reward. It also gives us a great opportunity to make our case.

Senator Robb. Which is precisely the reason that I have encouraged a regular schedule for Head of State visits in terms of some important relationships that may have all kinds of ups and downs in the road.

But in this particular case, since we are talking about something that was related as much to the 50th Anniversary celebration and other matters as the establishment of a permanent summit-type arrangement, it seems to me that we can slow-walk the approval and base it—and it seems to me the White House has already done that in the way it has proceeded.

They said it was under review, and I think the statement was issued yesterday that under review should now be interpreted not that it is on course and we just have not announced it, but it will require an affirmative decision to go ahead and make the trip, is probably the best place to leave it.

And I am not trying to inject Congress into a role that exceeds what we ought to be exercising here. I personally stated my concerns about going ahead with the trip under the circumstances, but again it seems to me the circumstances are quite unique and very specifically related to the Heads of State relationship rather than a broader relationship and some other concerns that we have.

I gather that we are not too far apart on that particular question.

Dr. Haass. We are not too far apart.

Senator Robb. Let me just make a comment, and I have already said that—acknowledged that you have frequently taken complex situations that appear to have lots of little, neat handles, and shown why those handles are either dangerous or nonproductive.

But you seem to have taken off the table almost everything that has been proposed by any number of people who are interested in the topic and said we ought to limit ourselves to, if you are going to test, test in the other direction, send some folks back and forth, establish some contacts and a dialogue, and do not have much hope for anything beyond that.

Am I being too minimalist in describing your expectations for what we ought to be doing affirmatively?

Dr. Haass. Based upon my own experience with India and Pakistan, even a modest package is quite ambitious. So, what you de-
scribe as minimalist, I would break out a bottle of champagne if we could get it all.

Secondly, I think there is a danger in us getting too wrapped around the formal arms control axle here, in putting so much emphasis on formal adherence to the CTBT or the Fissile Material Cutoff Treaty and so forth. There is so much symbolic and ideological baggage with those things, particularly with India, that I do not think we now ought to make that a big part of what it is we want to get.

If we can get a no-testing understanding as opposed to a formal CTBT signing, I would be pretty happy. If we get some serious, specific confidence-building measures—it may not have the big-package sex appeal of some of the arms control stuff—but it may actually do more to stabilize the situation in South Asia.

So, as a rule of thumb here, I would get very specific and very focused on South Asia. And I would not allow ourselves to approach this through the lens of what can we do here to shore up the global nuclear nonproliferation regime. I would really focus on what can we do here to shore up stability in South Asia, and look to other policies and other tools to shore up the global nonproliferation regime.

Senator Robb. With respect to the NPT, do you think it would be a good idea, given the difficulties that you have already described, for the Perm 5 to consider amending the NPT to provide for this new category of membership—that you are not a member of the club, but we acknowledge you have got it, and we are not going to force you to get rid of it?

Dr. Haass. My hunch is no. I do not think it would be feasible. And I am not sure it is desirable either to open that up. Some things in life are almost better dealt with tacitly or finessed. And we will want to leave to ourselves the discretion of making some distinctions. And it would be easier and more practical for our foreign policy to have latitude about which countries we want to come down on like a ton of bricks and which countries we may be more tolerant of in this area as we see either a larger set of interests or some rationale for why it is they are taking certain steps.

Senator Robb. Speaking of interests, we have normally taken the position that there are certain areas in which the U.S. has a vital strategic interest. India/Pakistan has not quite been in that category. Should we reconsider, given events of the last few weeks?

Dr. Haass. I would think that avoidance of nuclear weapons use in South Asia or anywhere ought to be of vital national interest. Which means that it ought to receive a greater priority in the intelligence area—in terms of trying to monitor or use intelligence to be able to help prevent it—and diplomatically.

It is hard to think of another part of the world where there is a greater inequality, or gap, between the objective importance of the part of the world and how much attention and resources the United States devotes to it. South Asia probably comes out the worst, given that we are talking about a fifth of the world's people, all the strategic and economic and other forms of importance it has, and the historical lack of attention that we have given it. Maybe one of the salutary effects of recent events will be to help us close that gap.
Senator ROBB. One final question, and I would direct it to both of you if I could, in terms of how visible or high profile the U.S. role in addressing this new or enhanced challenge that we face in the area ought to be?

Dr. HAASS. Based on my own experience with dealing with issues like Kashmir, our role should be as visible as it is welcomed. The purpose here is not, as you know, to score debating points, it is to get the Indians and the Pakistanis to do some smart things and not to do some dumb things.

And if a more active, visible U.S. role would facilitate it, I would say great. If it would not, I would pull back. Given how rubbed raw the U.S./Indian relationship is at this point, it is hard to see how a high-level U.S. role would help. I just do not think a lot of the situations are yet ripe for it. The Kashmir diplomacy is not at a point where some sort of diplomatic intervention could move it forward. Relations between India and Pakistan are truly undeveloped, not simply as a result of the new government in India, but for historical reasons.

I do not see this as a situation where the U.S. needs to take the lead. Which does not mean we need to fall back on the P-5 or the G-8. There is something in between. What we may want to end up thinking about is some sort of a diplomatic division of labor, where we do some things unilaterally, we look to others to do things that they can and we cannot anymore because of our sanctions, and we may want to do some things in tandem. Maybe we and the Russians can talk, as we said before, about certain nuclear risk prevention measures. Maybe the British or others could say certain things.

South Africa, Ukraine, the countries that have forsworn a nuclear option, they have a certain capacity now to make relevant points. We may want to think of an international division of labor, where the U.S. is part of the mosaic rather than necessarily the point person.

Senator ROBB. Mr. Schneider, do you want to address that question?

Mr. SCHNEIDER. Just one point. I do think on the proliferation dimension of the problem, the U.S. level of activism should be substantially higher than it has been. And in terms of objective, I would put it equally high with avoiding weaponization of these programs, to prevent the export of these capabilities.

I am very concerned about a second wave of proliferation. The State Department spokesman mentioned on April 10th that the Pakistani missile originated in North Korea. And if we are going to have a second wave of proliferation rather than proliferation coming out of the nuclear powers, to coming out of collaboration between nuclear wannabes or rogue nuclear states or something like that, I think it is a much more dangerous and much more difficult situation to control.

So, I think we ought to put the prevention of transfer of this technology at a high diplomatic level, in terms of our aspirations.

Senator ROBB. I will yield back to you, Mr. Chairman. I just have one or two other things I wanted to cover.
Senator BROWNBACK. If you want to close, because I was going to ahead and make some closing comments and close the hearing, but if you have a couple more you would like to make.

Senator ROBB. Just a quick question on the World Bank or IMF—who was it yesterday—the World Bank suspended prospective loans of about $1 billion I think for some period of time. But given the fact that the other countries that would be involved in that decision are not necessarily sharing our enthusiasm for that approach and/or there is some other disagreement, how likely, in your judgment, is it that our approach through at least that part of the sanctions effort will, number one, prevail and, number two, have an effect?

Dr. HAASS. The likelihood that our position will prevail in the Bank is no better than 1 in 10. Which is another way to say I think these loans will go through—certainly to Pakistan, and probably to India, as well. And I believe, by the way, that it is the correct policy. And it is even consistent with elements of the Glenn legislation, which do not want to penalize these countries in the humanitarian realm.

A lot of these World Bank-type loans call for things like rural development and education and health, depending upon how broad a definition of humanitarian you take. It is not clear to me how it would serve U.S. foreign policy objectives to penalize either of these countries in this area.

Senator ROBB. One final question about the photograph that was put on the wire and everyone saw, when the Iranian Foreign Minister and I guess it was the Foreign Minister in Pakistani—I cannot remember—but, in any event, the clear implication was this is not just a Pakistani development; this is an Islamic bomb, if you will. How seriously do you take that interest? And what do you believe are the potential ramifications for any aggressive follow-up by Iran to claim the mantle for a broader group than Pakistan?

Dr. HAASS. Well, I do associate myself with something Bill Schneider just said. The prevention of leakage to third parties ought to be at the top of our list, along with the prevention of nuclear use in this part of the world.

Up to now, both when I was in government and from what I understand since, there has been a pretty good record on the part of Pakistan and India against third party transfer—at least to the best of our knowledge. Obviously things can go on and, for all I know, do go on that we cannot monitor. It is very hard, for example, when individual scientists meet at some conference to know what is passed between them. That sort of leakage is almost impossible to monitor.

With Pakistan, non-transfer should be very closely linked to de-sanctioning, and include some very firm understandings about the steps they would take to block transfer. And they ought to understand that that is a great concern of the United States. And this issue also ties into the punitive economic sanctions.

One of the reasons that I am more concerned in the case of Pakistan about the impact of economic sanctions is I do not want Pakistan to increasingly have to turn to the Irans of the world to remain solvent. I do not want to alienate and isolate them more than they already are, and make that their lifeline, so that you have a
kind of “Pariahs International” that Pakistan ultimately joins. They are already too close to Iran and North Korea. So I do not want us to do things that necessarily reinforce those bonds.

Senator ROBB. Okay, I thank you, Mr. Chairman.

Senator BROWNBACK. Thank you.

And thank you, gentlemen. You are some of our best minds on dealing with India and Pakistan, and we very much appreciate your willingness to join us. And we are going to need more minds focused in this region of the world.

It seems to me that the world has now read the first couple of pages of the next chapter in world history, and it is a very dangerous setting. We need to focus on it with clarity and vision as to how we want to deal with the situation. If we do have further hearings, we will be trying to listen to other people on what their suggestions are that we should be doing. Or if we have a congressional delegation, I think our first objective needs to be, first, to listen for what we can do to make the world a safer place. Which is what we have been about for years and years as a Nation and want to continue to do.

Thank you, all, for joining us. I thank the panel for being here.

The hearing is adjourned.

[Whereupon, at 12:10 p.m., the hearing was adjourned.]
INDIA AND PAKISTAN: WHAT NEXT?

MONDAY, JULY 13, 1998

U.S. Senate,
Subcommittee on Near Eastern and South Asian Affairs, Committee on Foreign Relations,
Washington, DC.

The subcommittee met, pursuant to notice, at 3:05 p.m. in room
SD-419, Dirksen Senate Office Building, Hon. Sam Brownback,
chairman of the subcommittee, presiding.

Present: Senators Brownback and Robb.

Senator BROWNBACK. Good afternoon. Thank you all for joining
us this afternoon. We are going to be meeting to examine the im-
pact of sanctions on India and Pakistan under the Arms Export
Control Act and other legislation. These sanctions are unilateral,
and they cut across a wide swath of Indian and Pakistani society.
They prohibit a variety of assistance and commercial transactions
between the United States, India and Pakistan.

We are also here meeting today to look at where we go from
here. How do we move forward with India and Pakistan in a con-
structive way?

There has been a lot of talk about sanctions in the last couple
of months. It has consumed the Congress, the administration and
others as everybody grapples with the issue. It is clear from the
bind we find ourselves in that our sanctions law is due for an over-
haul, not just as it applies to India and Pakistan but as an instru-
ment of foreign policy.

Senator Robb and I were in India and Pakistan just 2 weeks ago.
We were the first high level delegation from the United States to
meet with both Prime Ministers of both India and Pakistan, and
along with other Members of the Cabinet in those countries, I have
to say that the economic situation in India and Pakistan, particu-
larly for Pakistan, was not very good before we imposed sanctions,
and now it is even worse.

In 1997, U.S. Exports to India were $3.6 billion, and imports to-
taled $7.3 billion, and although India has been making progress on
economic reforms, there remains a number of problems in the area
of market access, intellectual property rights and protection, and
the financial services sector.

Last year, the prospects for greater U.S.-Indian cooperation in all
of these areas looked promising, but now sanctions have cat a pall
on our bilateral relationship.

Pakistan’s situation is far worse. In 1997, U.S. Exports to Paki-
stan totaled $1.2 billion and imports totaled $1.4 billion in U.S.
Dollars. Pakistan faces a hefty foreign debt of over $30 billion, and
Pakistan's foreign reserves have dipped to $1 billion. They are less than 2 months from defaulting on their foreign loans, and we heard reports while we were there of their stock market valuation falling in half since the testing and the sanctions being put in place.

In recent years, Pakistan has been plagued by double digit inflation and an economy which has grown modestly at 2 to 3 percent. The Government has been making some efforts to change, but have not been overall successful.

Last week, the Agricultural Export Relief of 1998 was passed by the Senate by a vote of 98 to zero. This bill exempts farm credit programs from the economic sanctions imposed on India and Pakistan. I was a cosponsor of this bill, and believe it is important not only for India and Pakistan but also for the United States.

Food should never be used as a political weapon. Food should never be used as a tool of foreign policy. It does not work, and it is not a wise use of a tool that one might have at all. It should never be used.

Additional economic and defense-related waivers were part of the original draft of this bill, but they were excised following threats of a filibuster. I strongly support economic waivers for India and Pakistan, but believe we need to be careful in reviewing any defense-related waivers which might impact negatively upon our own national security interest.

As I said before, sanctions are an instrument of foreign policy. They are not a substitute for a foreign policy. We need to rethink our sanctions legislation. They need to be substantive and comprehensive in their approach.

In the case of India and Pakistan we need to be engaged, not only on nonproliferation but on democratization, human rights, trade, economics, counternarcotics, and military cooperation. If we are not, if we are simply content to levy sanctions and watch South Asia slide into a greater security and economic abyss, we will pay a heavy price for our neglect in the future.

With that stark image in mind, we need legislation to enhance the President's waiver authority for India and Pakistan. Features should include an immediate 9-month waiver on current sanctions to be followed by a graduated waiver based upon Presidential certification that India and Pakistan have made progress in the requisite areas.

We have laid down markers where India and Pakistan can demonstrate progress against these important nonproliferation objectives. They range from India and Pakistan increased transparency in adopting confidence-building measures to joining the nuclear nonproliferation treaty.

Today, we will have with us testifying Assistant Secretary of State for South Asia, the Hon. Karl Inderfurth. We thank him for appearing today, and we look forward to his testimony, and the idea is that he will be sharing with us in the question and answer session and we also have the Hon. Bob Einhorn, Deputy Assistant Secretary for Nonproliferation, who I understand will be able to take questions on nonproliferation specific issues should they arise, and we welcome him.
Before I turn this over to Senator Robb, I will just note for everyone in attendance that hopefully this week the U.S. Senate will be considering further legislation regarding the sanctions on India and Pakistan. Pakistan has been a long ally of the United States, and I find ourselves in a situation today where I do not think we are working very constructively with Pakistan.

India, I think has the potential and desires to be a strong friend, working with the United States, and yet we find ourselves in a position of punitive measures toward them when each of those countries, both India and Pakistan, in the meetings we went through, were acting in their own perceived best security interest, India toward China, as I state, and Pakistan toward India.

It is a difficult situation that we find ourselves in as a country and as a world. We look forward to exploring some of the options for some way out and how the U.S. Can reengage in the region in South Asia, and that will be the topic of our discussion today, and I think of action probably later this week on the Senate floor, following the action last week on dealing with the agricultural assistance area.

I would like now to turn it over to my cotraveler to South Asia, Senator Robb.

Senator Robb. Thank you, Mr. Chairman. I enjoyed our 96-hour visit to South Asia a couple of weeks ago, and we have had any number of discussions since then, before then, and will continue to have about this important topic in the hearing we have today.

I am pleased to join you in welcoming Assistant Secretary Inderfurth and Assistant Secretary for Nonproliferation, Mr. Einhorn, on this important subject. I believe it is imperative that we establish a basis for working constructively with the administration officials on the sanctions question, and this hearing affords us an opportunity to hear their views as we formulate our own legislative plans which, as you already indicated, are well along, at least in the near term.

Last week, as you indicated, we addressed the issue of rolling back parts of the Glenn amendment on the Senate floor, eventually agreeing to a consensus amendment, the Agricultural Export Relief Act of 1998. In honesty, it was prompted more by considerations on the domestic export side, I think, than it was dealing specifically with some of the problems we have to address regarding the impact on both India and Pakistan.

Original language in that measure, however, compelling the administration to seek congressional approval of any negotiated settlement with India and Pakistan that lists sanctions was stricken for a variety of concerns. Some believed the provision was too lenient. I argued that it was too onerous and undercut the administration's diplomatic bargaining power with New Delhi and Islamabad to find a comprehensive solution for lifting sanctions.

Without focusing on the minutiae, I believe it is important that Congress provide the administration as much flexibility and discretion as possible in addressing this critical issue. In drafting appropriate legislation, my sense is that we should focus on ensuring that our oversight role is properly maintained, requiring stringent time periods of consultation while granting the administration full authority to actually make policy in this area.
As we consider the issue, I am reminded of the debate we had last year on fast track trade authority. Foreign nations were not prepared to make real compromises on their trade negotiating positions with the knowledge that Congress could significantly alter any agreements that they might reach with administration officials.

Given those circumstances, I supported granting the administration it needed up front to negotiate comprehensive trade agreements with foreign nations that were in our national interest.

The same reasoning and logic applies here, it seems to me. India and Pakistan will offer relatively few concessions in the most critical areas with administration officials, whether it be CTB membership and agreement on fissile materials, or a range of other subjects, knowing that Congress could alter or nullify any specific provisions.

So I am prepared to grant the administration full waiver authority conditioned on sufficient assurances being given that close and meaningful consultations will occur between the two branches of Government on this issue.

As a start, I hope Secretary Inderfurth will begin today in this public forum a comprehensive dialog with us regarding the steps he intends and the administration intends to take toward improving the current situation in the subcontinent region, and how he envisions Congress supporting the efforts of Congress in this regard.

With that, Mr. Chairman, I thank you for calling this timely hearing, and I look forward to hearing from our distinguished witnesses.

SENATOR BROWNBACK. Rick, Bob, welcome to the committee. We are delighted to have you here. The floor is yours.

STATEMENT OF HON. KARL F. INDERFURTH, ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS, ACCOMPANIED BY ROBERT EINHORN, DEPUTY ASSISTANT SECRETARY FOR NONPROLIFERATION

Mr. Inderfurth, Thank you, Mr. Chairman. Senator Robb, we do look forward to talking with you about——

Senator Brownback. Can you get the microphone up a little closer? It is pretty directional.

Mr. Inderfurth [continuing]. We do look forward to discussing with you the steps the administration plans to take to improve the situation in the region, and Mr. Chairman, we very much agree with your comment that we need to engage both India and Pakistan.

I would only say as a first comment that, although we are absolutely committed to that engagement, and as you will see in my testimony we have been pursuing that in recent days in a variety of locations, we also want to stress that it is absolutely essential that the parties themselves engage each other.

That is why we are looking forward to the meeting that is now set in Colombo, in Sri Lanka, between Prime Minister Vajpayee and Prime Minister Sharif at the annual SAARC summit that will take place on July 28. We are very hopeful that the discussions that we are having with Indian and Pakistani officials, that you
both have had with the prime ministers and other officials in New Delhi and Islamabad.

All of this will help pave the way for them to better understand our concerns so that when they meet in Colombo they can address their concerns, because unless they do that, we are not going to make the progress that we need to.

So I wanted to start my comments about engagement not only with them, but between the two parties themselves.

Mr. Chairman and Senator Robb, thank you for the opportunity to appear before your subcommittee today to continue our discussions about the critical situation in South Asia. In our previous meetings we have discussed how the nuclear tests by both India and Pakistan in May have dramatically altered the context of our South Asian policy.

We have also reviewed the definitions and scope of sanctions that have been applied against both countries, as required by law, as well as our efforts to reestablish a basis for resuming the type of broad-based cooperative relations that we had hoped to promote with both countries prior to the tests.

Today, I wish to review briefly for you the developments that have occurred in our diplomatic exchanges with the Indian and Pakistani Governments, as well as certain issues with regard to the sanctions regimes, as you discussed in your remarks.

As you know, Mr. Chairman, we have begun in earnest a process of reengagement with both India and Pakistan in an effort to secure genuine progress on our nonproliferation concerns and in improving relations between the two countries.

Deputy Secretary of State Strobe Talbott, who has been given the lead by the President and the Secretary of State for our contacts with the Indian and Pakistani Governments, has held two productive sessions with Indian Deputy Planning Commissioner Jaswan Singh, who is Prime Minister Vajpayee's designated envoy to the United States on these matters.

I was pleased to accompany the Deputy Secretary to Frankfurt this past week for his most recent meeting with Mr. Singh, and Mr. Einhorn was in Frankfurt with us as well.

Similarly, with Pakistan, the Deputy Secretary has held separate and useful meetings with Prime Minister Nawaz Sharif's envoy, former Foreign Minister Shahabzada Yaqub Khan, as well as Foreign Secretary Shamshad Ahmed.

We are grateful for the constructive efforts of you and Senator Robb to address the policy dilemmas of South Asia in the wake of the nuclear tests. In particular, we noted with great interest the conversations the two of you had with key players in both New Delhi and Islamabad on your recent trip. We believe that it is critical that the Governments, press and publics of both countries develop an understanding and appreciation of the role that both the executive branch and Congress plays in these issues.

As a result of these various diplomatic exchanges and efforts, it appears we are making progress in defining the principles that will underpin U.S. Relations with India and Pakistan in the posttest environment and laying out our nonproliferation and other objectives, and in discussing the steps and activities that will be necessary to get us there. We will not let our current momentum slip.
The Deputy Secretary plans to travel to both Islamabad and New Delhi next week, where I will accompany him, along with the Vice Chairman of the Joint Chiefs of Staff, General Ralston, and the NSC Senior Director for Near Eastern and South Asian Affairs, Bruce Riedel.

Mr. Chairman, we have discussed in earlier hearings the sanctions that we are required by law to place against both India and Pakistan, and for your convenience I have brought with me a fact sheet on the sanctions that have been provided to the committee previously.

I ask your permission to include the fact sheet in the record of today’s proceeding.

Senator BROWNBACK. Without objection.

[The information referred to follows:]

FACT SHEET ON INDIA AND PAKISTAN SANCTIONS

The United States imposed sanctions on India and Pakistan as result of their nuclear tests in May.

In imposing these sanctions, we seek: to send a strong message to would-be nuclear testers; to have maximum influence on Indian and Pakistani behavior; to target the governments, rather than the people; and to minimize the damage to other U.S. interests.

Our goals are that India and Pakistan: halt further nuclear testing; sign the Comprehensive Test Ban Treaty (CTBT) immediately and without conditions; not deploy or test missiles or nuclear weapons; cut-off fissile material production for nuclear weapons; cooperate in fissile material cut-off treaty (FMCT) negotiations in Geneva; maintain and formalize restraints on sharing sensitive goods and technologies with other countries; reduce bilateral tensions, including Kashmir.

Accordingly, the United States:

- Terminated or suspended foreign assistance under the Foreign Assistance Act, with exceptions provided by law (e.g. humanitarian assistance, food, or other agricultural commodities.
  - $21 million in economic development assistance and housing guarantee authority for India terminated.
  - $6 million Greenhouse Gas program in India suspended.
  - Trade Development Agency will not consider new projects.
  - Most assistance to Pakistan had already been prohibited.

- Terminated Foreign Military Sales under the Arms Export Control Act and revoked licenses for the commercial sale of any item on the U.S. Munitions List.
  - Suspended delivery of previously approved defense articles and services to India.

- Halted any new commitments of USG credits and credit guarantees by USG entities (EXIM, OPIC, CCC).
  - Administration will support legislation to permit CCC credits for food and agricultural commodities.
  - OPIC had only recently reopened in Pakistan; however, India was one of OPIC’s top five countries receiving and average of $300 million annually in OPIC support.
  - EXIM had only recently reopened in Pakistan with one expression of interest pending for $1.1 million; $500 million in pending financing in India will not go forward.

- Gained G-8 support to postpone consideration of non-basic human needs (BHN) loans for India and Pakistan by the International Financial Institutions (IFI) to bolster the effect of the Glenn Amendment requirement that the U.S. oppose non-BHN IFI loans.
  - $1.17 billion in IFI lending postponed for India.
  - although no IFI loans for Pakistan have been presented for board consideration, $25 million in IMF assistance has been postponed for failure to meet economic benchmarks.
• Will issue Executive Orders to prohibit U.S. banks from extending loans or credits to the governments of India and Pakistan.
• Will deny export of all dual use items controlled for nuclear or missile reasons. Will presume denial for all other dual use exports to entities involved in nuclear or missile programs.
    —Will toughen existing controls for government military entities.
    —Will continue denial of nuclear exports licensed by NRC or authorized by DOE.
    —Will continue to favorably consider on a case-by-case basis other transactions which do not support nuclear, missile, or inappropriate military activities.

Mr. INDERFURTH. As you know, we are implementing these actions firmly and correctly. They will result in significant economic and political cost for both countries. That said, our purpose, as we have said before, is not to punish for punishment’s sake, but to influence the behavior of both Governments.

We do not wish for unnecessary harm to fall upon the civilian populations of either country, particularly the poor and less fortunate, or on U.S. Businesses. For this reason, we are pleased that the Senate acted last week to correct an obvious unintended consequence of the sanctions law, preventing the provision of credits for agricultural commodities.

It is too early to quantify, Mr. Chairman, the effect that the sanctions will have on economic growth or business activity in either country. Even prior to the onset of the sanctions regime, however, both India and Pakistan had been encountering difficulties in their economies.

In India sluggish industrial production, high tariffs, oppressive bureaucratic red tape, infrastructure bottlenecks, massive subsidies, and scarce funds for investment had all contributed to lower rates of economic growth and a serious decline in investor confidence. U.S. Sanctions will amplify some of those trends.

To date, we have not seen from Indian policymakers or commentators a serious recognition that the sanctions, much less the underlying structural inequities, require serious economic policy adjustments. As you had referred to in your remarks, the introduction of a lackluster budget by the Government only weeks after the nuclear test took place underscores that point.

We are concerned that these developments, which come in the midst of significant economic turmoil in Asia, will put at risk all of the important economic progress that India has made since the onset of liberalization.

In Pakistan the situation is even more complex, and potentially of grave concern. Pakistan has been grappling for months with a significant balance of payments shortfall, and its economy suffers from similar, if more acute structural deficiency.

The Pakistani rupee has been under serious pressure. On Friday it plunged past the 60 per dollar threshold, and the stock market has been dropping steadily. Pakistan is particularly dependent upon external financing from the IMF and the multilateral development banks, and we are concerned that with dwindling foreign exchange reserves Pakistan could soon begin defaulting on its international obligations.

We are deeply troubled that Pakistan’s leadership does not appear to be taking the necessary steps to deal with the country’s dif-
ficult economic position. Not only has Pakistan been slow to implement tough economic reforms mandated by the IMF and ostensibly espoused by the Prime Minister, it has inexplicably acted to alienate the vanguard of the foreign investment community, the independent power producers.

For months, and with what has been increasing intensity, the IPP’s have been faced with what can only be described as a shake-down effort by the Government to conserve hard currency. Recently, the Government of Pakistan announced arbitrary termination of a number of the IPP contracts, calling into question its understanding of and commitment to a fundamental business principle, namely, the sanctity of contracts. Pakistan can ill afford to act in such a way at this critical time.

Mr. Chairman, when we last met with you and Senator Robb and Senator Hagel, I discussed the effectiveness of the sanctions regime, and whether the law permits the President sufficient flexibility to maximize his ability to influence events and behavior. That discussion, along with Thursday’s debate on the Senate floor, has put this question into sharp relief.

To the extent that it is possible to discern a common thread among the various statements that have been made, it appears safe to say that both the administration and the Congress share a desire to inject a greater degree of consistency, flexibility, and effectiveness into the sanctions regimes against India and Pakistan and, indeed, our entire approach to sanctions in general.

That is a very welcome development, and it is absolutely vital that we build upon this very strong foundation to effect the requisite changes in our policy and in our laws.

In the Department of State, Under Secretaries Stewart Eizenstadt and John Holum have the lead responsibility for our sanctions policy. They have both articulated to the Congress a number of principles and objectives that we seek for the various sanctions regimes that are already in place, and for future instances where sanctions may be needed.

If you will permit me, Mr. Chairman, I would like to address briefly some of the issues that apply specifically to the sanctions against India and Pakistan. First, let me be clear that we have already laid out a number of objectives that we seek in implementing the sanctions. We have consistently articulated these objectives in our meetings with the Indians and the Pakistanis in previous testimony to this committee and others in the Congress, and in our bilateral and multilateral exchanges with others. By no accident, they reflect the objectives, some shorter term, others longer term, that were spelled out in the communiques adopted in the recent meetings of the P-5 in Geneva, in the G-8 in London, and in U.N. Security Council Resolution 1172.

To reiterate, we have established that we want to see both Governments do the following:

- Conduct no further nuclear tests;
- Sign and ratify the comprehensive test ban treaty immediately without conditions;
- Refrain from deploying nuclear weapons or missile systems;
- Halt the production of fissile material for nuclear weapons;
Participate constructively in negotiations toward a fissile material cutoff treaty;
Formalize existing policies not to export weapons of mass destruction and missile technology or equipment; and
Resume direct dialog to address the root causes of tension between them, including Kashmir.

Again, Mr. Chairman, these are steps we want to see both Governments take. They are not demands. We fully recognize that New Delhi and Islamabad will have to assess them in light of their own national security requirements. At the same time, we believe these steps cover the full range of what will be necessary to make real progress in South Asia.

We will need to engage with both Governments to explore fully how best to pursue each of these objectives in the shortest possible timeframes. It is clear that we will need greater flexibility than the law currently allows to tailor our approach, influence events, and respond to developments.

In this regard, Mr. Chairman, we seek waiver authority for all of the sanctions currently in place against India and Pakistan. Of course, we would not utilize that authority until such time as substantial progress has been made or achieved on the objectives outlined above, or in the event that there were a serious negative and unintended consequence to a specific sanction, such as impending financial collapse, leading to economic chaos and political instability.

We also would like additional flexibility to guard against an overwhelmingly disproportionate effect of these sanctions on one country versus another. Ideally, the sanctions should have roughly the same effect on India as they do on Pakistan.

That said, we do not believe it would be advisable, nor could we support efforts to codify or legislate the steps that India and Pakistan would need to take in order to gain relief from sanctions, or to match specific actions by India and Pakistan to the lifting of particular sanctions.

While I believe there is substantial agreement between the administration and the Congress on the objectives, we would tremendously complicate our efforts to bring about change if we were bound by a series of benchmarks and law. Our experience with India and Pakistan tells us that neither would respond well to such an approach.

We believe the steps we are encouraging them to take are in their own national security interests, and we hope they will share this view, but writing such steps into law would create the impression that India and Pakistan would be acting under pressure, and simply to ensure the lifting of U.S. Sanctions. This would, in our view, greatly constrain our chances of achieving the outcomes we all seek.

Mr. Chairman, if I may leave you with one thought, it is the conviction that our discussion of these matters should not leave India and Pakistan with the impression that a lifting of sanctions is imminent. Affirmative, positive steps will be necessary by both parties if sanctions are to be lifted and our relationship restored to where it had been heading prior to events of May, including the Presidential visit later this year.
The sanctions have been imposed for specific purposes, and India and Pakistan are well aware of them. As I have already mentioned, the administration does not plan to ask for easing sanctions unless India and Pakistan have achieved significant progress in meeting our nonproliferation objectives.

That said, it seems we have a rare opportunity to have a serious discussion and adopt some changes in law and policy. These will better serve our national interests, and better position us to deal effectively with both India and Pakistan on the critical issues that are at stake.

Thank you, Mr. Chairman, and we look forward to your questions.

[The prepared statement of Mr. Inderfurth follows:]

PREPARED STATEMENT OF KARL INDERFURTH

Mr. Chairman, thank you for the opportunity to appear before your Subcommittee today to continue our discussions about the critical situation in South Asia. In our previous meetings, we have discussed how the nuclear tests by both India and Pakistan in May have dramatically altered the context of our South Asia policy. We also have reviewed the definitions and scope of sanctions that have been applied against both countries, as required by law, as well as our efforts to re-establish a basis for resuming the type of broad-based, cooperative relations that we had hoped to promote with both countries prior to the tests. Today, I wish to review briefly for you the developments that have occurred in our diplomatic exchanges with the Indian and Pakistani governments, as well as certain issues with regard to the sanctions regimes.

Diplomatic Efforts

As you know, Mr. Chairman, we have begun in earnest a process of re-engagement with both India and Pakistan in an effort to secure genuine progress on our non-proliferation concerns and in improving relations between the two countries. Deputy Secretary of State Strobe Talbott, who has been given the lead by the President and the Secretary of State for our contacts with the Indian and Pakistani governments, has held two productive sessions with Indian Deputy Planning Commissioner Jaswant Singh, who is Prime Minister Vajpayee’s designated envoy to the United States on these matters. I was pleased to accompany the Deputy Secretary to Frankfurt this past week for his most recent meeting with Mr. Singh.

Similarly, with Pakistan the Deputy Secretary has held separate and useful meetings with Prime Minister Sharif’s envoy, former Foreign Minister Shahabzada Yaqub Khan, as well as Foreign Secretary Shamshad Ahmed.

We are grateful for the constructive efforts of you and your colleagues to address the policy dilemmas in South Asia in the wake of the nuclear tests. In particular, we noted with great interest the conversations that you and Senator Robb had with the key players in both Delhi and Islamabad on your recent trip. We believe that it is critical that the governments, press and publics of both countries develop an understanding and appreciation of the role that the Congress plays on these issues.

As a result of these diplomatic efforts, it appears we are making progress in defining the principles that will underpin U.S. relations with India and Pakistan in the post-test environment, in laying out our non-proliferation and other objectives, and in discussing the steps and activities that will be necessary to get us there. We will not let our current momentum slip: the Deputy Secretary plans to travel to both Islamabad and New Delhi next week, where I will accompany him along with the Vice Chairman of the Joint Chiefs of Staff, General Ralston, and the NSC Senior Director for Near Eastern and South Asian Affairs, Bruce Reidel.

Impact of Sanctions

Mr. Chairman, we have discussed in earlier hearings the sanctions that we are required by law to place against both India and Pakistan. For your convenience, I have brought with me a fact sheet on the sanctions that has been provided to the Committee previously. I ask your permission to include the fact sheet in the record of today’s proceedings.

As you know, we are implementing these sanctions firmly and correctly. They will result in significant economic and political costs for both countries. That said, our purpose is not to punish for punishment’s sake, but to influence the behavior of both
governments. We do not wish for unnecessary harm to fall upon the civilian popula-
tions of either country—particularly the poor and less fortunate—or on U.S. busi-
nesses. For this reason, we are pleased that the Senate acted last week to correct
an obvious unintended consequence of the sanctions law preventing the provision of
credits for agricultural commodities.

It is too early to quantify, Mr. Chairman, the effect that these sanctions will have
on economic growth or business activity in either country. Even prior to the onset
of the sanctions regime, however, both India and Pakistan had been encountering
difficulties in their economies. In India, sluggish industrial production, high tariffs,
oppressive bureaucratic red tape, infrastructure bottlenecks, massive subsidies and
scarce funds for investment had all contributed to lower rates of economic growth
and a serious decline in investor confidence. U.S. sanctions will amplify some of
those trends.

To date, we have not seen from Indian policymakers or commentators a serious
recognition that these sanctions, much less the underlying structural inequities, re-
quire serious economic policy adjustments. The introduction of a rather lackluster
budget by the government only weeks after the nuclear test took place underscores
that point. We are concerned that these developments, which come in the midst of
significant economic turmoil in Asia, will put at risk all of the important economic
progress that India has made since the onset of liberalization.

In Pakistan, the situation is even more complex and potentially of grave concern.
Pakistan has been grappling for months with a significant balance of payments
shortfall, and its economy suffers from similar, if more acute, structural deficiencies
as India's. The Pakistani rupee has been under serious pressure—on Friday it
plunged past the 60 per dollar threshold—and the stock market has been dropping
steadily. Pakistan is particularly dependent upon external financing from the IMF
and the multilateral development banks, and we are concerned that with dwindling
foreign exchange reserves, Pakistan could soon begin defaulting on its international
obligations.

We are deeply troubled that Pakistan’s leadership does not appear to be taking
the necessary steps to deal with the country’s difficult economic position. Not only
has Pakistan been slow to implement tough economic reforms mandated by the IMF
and ostensibly espoused by the Prime Minister, it has inexplicably acted to alienate
the vanguard of the foreign investor community—the independent power producers.
For months, and with what has been increasing intensity, the IPPs have been faced
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nination of a number of the IPP contracts, calling into question its understanding
of and commitment to a fundamental business principle: the sanctity of contracts.
Pakistan can ill afford to act in such a way at this critical time.

Sanctions and Flexibility

When we last met, Mr. Chairman, you, Senators Robb and Hagel and I discussed
the effectiveness of the sanctions regime and whether the law permits the President
sufficient flexibility to maximize his ability to influence events and behavior. That
discussion, along with Thursday's debate on the Senate floor has put this question
into sharp relief. To the extent that it is possible to discern a common thread among
the various statements that have been made, it appears safe to say that both the
Administration and the Congress share a desire to inject a greater degree of consist-
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To reiterate, we have established that we want to see both governments do the fol-
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Ban Treaty immediately and without conditions; refrain from deploying nuclear weapons or missile systems; halt the production of fissile material for nuclear weapons; participate constructively in negotiations towards a fissile material cut-off treaty; formalize existing policies not to export weapons of mass destruction and missile technology or equipment; and resume direct dialogue to address the root causes of tension between them, including Kashmir.

Again, Mr. Chairman, these are steps we want to see both governments take. They are not demands. We fully recognize that New Delhi and Islamabad will have to assess them in light of their own national security requirements. At the same time, we believe these steps cover the full range of what will be necessary to make real progress in South Asia. We will need to engage with both governments to explore fully how best to pursue each of these objectives, in the shortest possible time-frames. It is clear that we will need greater flexibility than the law currently allows to tailor our approach, influence events, and respond to developments.

In this regard, Mr. Chairman, we seek waiver authority for all of the sanctions currently in place against India and Pakistan. Of course, we would not utilize that authority until such time as substantial progress has been achieved on the objectives outlined above, or in the event that there were a serious negative and unintended consequence to a specific sanction—such as impeding financial collapse leading to economic chaos and political instability. We also would like additional flexibility to guard against an overwhelmingly disproportionate effect of the sanctions on one country versus another; ideally, the sanctions should have roughly the same effect on India as they do on Pakistan.

That said, we do not believe it would be advisable, nor could we support efforts to codify or legislate the steps that India and Pakistan would need to take in order to gain relief from sanctions, or to match specific actions by India or Pakistan to the lifting of particular sanctions. While I believe there is substantial agreement between the Administration and the Congress on the objectives, it would tremendously complicate our efforts to bring about change if we were bound by a series of benchmarks in law. Our experience with India and Pakistan tells us that neither would respond well to such an approach. We believe the steps we are encouraging them to take are in their own national interests, and we hope they will share this view. But writing such steps into law would create the impression that India and Pakistan would be acting under pressure and simply to ensure the lifting of U.S. sanctions. This would greatly constrain our chances of achieving the outcomes we seek.

Conclusion

If I may leave you with one thought, Mr. Chairman, it is the conviction that our discussion of these matters should not leave India and Pakistan with the impression that a lifting of sanctions is imminent. Affirmative, positive steps will be necessary by both parties if sanctions are to be lifted and our relationship restored to where it had been heading prior to the events of May—including the Presidential visit later this year. The sanctions have been imposed for specific purposes, and India and Pakistan are well aware of them. As I have already mentioned, the Administration does not plan to ask for easing sanctions unless India and Pakistan have achieved significant progress in meeting our non-proliferation objectives. That said, it seems we have a rare opportunity to have a serious discussion and adopt some changes in law and policy. These will better serve our own national interests, and better position us to deal effectively with both India and Pakistan on the critical issues that are at stake.

Thank you, Mr. Chairman, and I look forward to your questions.

Senator BROWNBACK. Thank you, Mr. Inderfurth. Do you have anything to add, Mr. Einhorn?

Mr. EINHORN. I do not, Mr. Chairman.

Senator BROWNBACK. You are just available to answer questions?

Mr. EINHORN. That is correct.

Senator BROWNBACK. Let us run the time clock and go back and forth. Let me start with a point that you made at the end, Secretary Inderfurth, on the President's visit to the region. Is that still under review, or do I hear you to say it is on now? Could you clarify that statement?

Mr. INDERFURTH. Mr. Chairman, that is very much the case. It is under review. It is being considered. We do believe that we will
have to see progress on many of the steps we have outlined here for that trip to take place.

In our discussions with both Indian and Pakistani officials we have made it clear that while the President was greatly looking forward to his visit to South Asia in November, that under present circumstances that visit will be on hold until we see progress in the direction we are discussing.

Senator BROWNBACK. So you do not have a timeframe set for deciding whether or not to go ahead with that trip. It is more set on how the negotiations proceed forward with the Indians and the Pakistanis?

Mr. INDERFURTH. Precisely.

Senator BROWNBACK. You asked for waiver authority for all sanctions in the region, and I guess basically what you are saying is, you would seek the broad authority to negotiate as you see best in moving the relationship on forward, and I take it from your statements as well you will be putting forward suggestions or measurements that you would seek from the Indians or the Pakistanis before you would actually then go ahead and waive the particular sanction.

Is that a correct interpretation? You are not just asking for it to waive it and then you will waive all authority. You are going to be making that as part of the negotiation.

Mr. INDERFURTH. What we are seeking, Mr. Chairman, is waiver authority, and it is of all of the legislative restrictions that we face right now with India and Pakistan, not only the Glenn amendment but also Pressler and Symington. We believe we need that full authority.

What we have done with India and Pakistan have been to lay out the objectives we are seeking, the steps we would like to see them take. We fully recognize that some of these are shorter term, some of these are longer term objectives. Nothing is expected that they would all be done at one step. We think that significant progress would be forthcoming, would allow us to exercise that waiver authority, but we would not move forward until we had substantial evidence of that progress, and in consultation with Congress.

We are not looking to have waiver authority which would then eliminate our desire and indeed our perceived requirement to come to Congress to discuss this with you and see what the views are.

Senator BROWNBACK. Can you share any more publicly than you have in your statement of what you are looking for of progress to be made by India and Pakistan in this area of nuclear nonproliferation? Last time you were in front of us you made a number of statements of things you were seeking. This time you were more circumspect about what you were seeking. Can you be any more specific about what you are actually seeking from them that you have not already stated publicly?

Mr. INDERFURTH. Mr. Chairman, there are really two parts to what we are seeking. One is on the nonproliferation side, and the other is on the political dialog side. Let me address the political dialog side and then ask Mr. Einhorn to discuss the nonproliferation side.

On political dialog, we are fully aware that we are in this fix today, because of the security concerns both countries have. For
India, the concerns go beyond Pakistan. They include others in the region, including China. Those security concerns have driven these countries in the direction they have gone, and to take actions that have run up against our nonproliferation policies and, indeed, the global nonproliferation regime, so those security concerns by the countries have to be met.

That is why we want to see them enter into a serious dialog, and that is why I mentioned at the beginning of my statement the hope we have that when Prime Minister Vajpayee and Prime Minister Sharif meet in Colombo this month at the SARC summit, that they will begin that kind of negotiation, that kind of discussion, that kind of dialog which will lead them to address their concerns with each other.

Now, that will not resolve the entire security concerns of the region and, indeed, of Asia itself, but it will address the principal concerns between the two of them and hopefully will lead them in a direction to resolve that 50-year-old conflict of Kashmir, which is, as we state, one of the root causes for the problems that we face.

So we will be encouraging dialog and, in fact, the scheduled meeting is, we believe, a step in that direction, and we very much support it and welcome it.

On the nonproliferation side, I think Mr. Einhorn can give you a fuller description of those kinds of steps we are seeking.

Mr. EINHORN. Mr. Chairman, we have tried to be both consistent and transparent about our nonproliferation objectives.

In Assistant Secretary Inderfurth's testimony he mentioned a number of them: no more nuclear testing, adherence to the comprehensive test ban treaty without conditions, enter into negotiations on a fissile material cut-off treaty, refrain from producing fissile material pending completion of the negotiations, no deployment of nuclear weapons or missile delivery systems, formalizing existing policies of restraint in the area of export controls.

So these are some of our critical benchmarks, and these benchmarks are not just American benchmarks, American objectives. They are formalized in the communique of the P-5 members, the permanent members of the Security Council, by the G-8 group of industrialized States and, in terms of international standing, most importantly, by U.N. Security Council Resolution 1172.

Those are precisely the objectives we have put both to Indian and Pakistani officials.

Senator BROWNBACK. And those are ones you have publicly stated for some time.

While my time continues on this round, I want to make sure on Pressler and Symington toward Pakistan are you seeking waiver authority or removal, elimination of those altogether?

Mr. INDERFURTH. I think at this stage we are seeking waiver authority. We would want to have the same authority with respect to them as we do with the Glenn amendment.

Senator BROWNBACK. And so that if those were actually eliminated, the administration would not have a problem with doing that on Pressler and Symington, to put us in an equal position regarding India and Pakistan?
Mr. Inderfurth. I think putting us in an equal position is a good idea. I would like to actually consult and get back to you on precisely how our legislative affairs people look at that issue.

Senator Brownback. OK. I look forward to another round here. Senator Robb.

Senator Robb. Thank you, Mr. Chairman.

Secretary Inderfurth, one of the matters we discussed briefly just before the hearing started had to do with the pending World Bank and international lending institution actions and the possibility of default.

I think you know that both the chairman and myself are prepared to support some action in this area in the near term to address the question of the kind of consequences that would flow from default. Would you like to say anything for the record on that particular point before I go on to other matters of concern?

Mr. Inderfurth. Senator Robb, I would only like to reiterate what I had said in my testimony, that Pakistan is particularly dependent upon external financing from the IMF and the multilateral development banks, and we are very concerned, with the dwindling foreign exchange reserves, that Pakistan could soon begin defaulting on its international obligations, and that could lead to economic consequences in Pakistan that we do not want to see, nor are they intended by these sanctions.

This is an urgent matter. It is one we will want to be discussing with the two of you and others, how we respond to it, but it is of concern, because economic instability can also lead to political instability, and in fact all of that would run counter to our efforts that are underway now to engage the Government of Pakistan to pursue the kind of steps on nonproliferation and political dialog that are important.

I should also add, by the way—I feel quite confident this is not something that India would want to see, either—India does not want to have a neighbor who is going through economic collapse. We have said consistently that a Pakistan that is stable, democratic, and prosperous is in the interests of the region and of India, and Prime Minister Vajpayee agrees with that.

Senator Robb. And indeed reiterated that during our visit.

Mr. Inderfurth. It is clear that that is their view. For that reason, I think that our concerns expressed here today, and I know we will be pursuing further with both of you, are ones that not only the will be considered by the G-7, but also by those in the region.

Senator Robb. Well, to the extent that the chairman and I reflect the thinking of other colleagues, and I certainly underscore our own thinking in that particular area, the concerns you have articulated and the possible consequences that flow from them are shared, and we stand ready to assist in the near term.

Let me ask about one of their questions that did not come up in your list of issues that have been stated again with respect to where you would like to see cooperation. Missile testing was not on that list and, indeed, we were unable to elicit any expressions of interest in making commitments along those lines during the time that we spent with the leaders of those two countries. Would you like to comment at all on that matter, or maybe I should say, would you comment at all on that matter?
Mr. Inderfurth. I would, and I would also like Mr. Einhorn to do it as well.

I would only preface what Mr. Einhorn will say. We must be realistic about what we are asking the two countries to do. There are things we believe that they can do because they will determine that these are in their own national security interest.

We believe that, in fact, although we condemned and we are deeply disappointed by the fact that they conducted nuclear tests in May, we believe that hopefully those tests will allow them now to take some actions to become part of the international community on nonproliferation concerns that perhaps they might not have felt able to before those tests. That is an optimistic assessment.

At the same time, we have had discussions with officials there, as you both did in New Delhi and Islamabad, and I think they have been candid with us in terms of what they can and cannot do, what their plans are, what they may be able to agree to down the road. And I think certain forms of development programs will be going ahead, and I think we have to be realistic about that and be keeping our eye on what is the end result and where we are in terms of stability.

Senator Robb. Indeed, in that regard I think it is fair to say the international community has begun to express itself on that score, and the support for a lack of progress on our part would put us on the opposite side of that question with most of the members of the international community, would it not?

Mr. Inderfurth. I am not sure I exactly understand the point, Senator.

Senator Robb. Well, in other words there has been an erosion in support for any withholding of U.N. or U.S. Approval in this arena, and it seems to me we are being somewhat—or undergo the risk of being isolated in terms of how we approach that particular question.

I am not suggesting we should not stand alone in some cases and, indeed, we do, but this is an area where it seems to me public comments by other principal participants have not been consistent with what our current position is, and that is one of the reasons I was suggesting that we are prepared to work with you. If you do not want to debate that particular topic, I am not asking you to do so.

Mr. Inderfurth. In terms of the international support for where we are going, I think the international community is holding together very well and in fact Mr. Einhorn attended meetings last week before joining us in Frankfurt, in Paris of the P-5 and London of the G-8.

I think there is an international consensus holding together on the steps we would like to see both countries take. But again, I think that we do have to look at the steps that we have enunciated, of the 13 items that are found in the P-5 communiqué, for example, look at those in terms of our shorter term objectives, longer term, and see how we could go about achieving those.

Mr. Einhorn. Senator Robb, in your specific question about flight testing in the current situation, rather unsettled situation, many members of the international community believe that missile flight testing could be provocative, and that is why both in the P-
5 and in the G-8 and in the Security Council resolutions they called for both countries to refrain from flight testing.

In our view, an extended moratorium, an extended period of restraint would be a good idea to help a cooling off that is necessary. In the long term, we have placed a principal importance on a commitment not to deploy either nuclear weapons or missiles, and we want to be able to discuss that kind of a constraint with the Indians and Pakistanis and believe that in the long term that would be stabilizing.

Senator Robb. Thank you. My time on this round has expired.

Senator Brownback. We will be back another round here.

I want to look at a statement in particular. Secretary Inderfurth, you put forward that India has security concerns beyond Pakistan. While Senator Robb and I were there meeting with Indian officials from the prime minister to the defense minister, foreign ministry section, they were all pointing to China as who they were concerned about, and this is at the time that the President was on his summit to China.

The statement was made while we were there that China should be involved in somehow mediating the dispute in South Asia. That was not well-received in India, and the administration later clarified that statement.

But Senator Robb and I both got an earful from Indian officials about, not pleased with this situation, and they had I thought a very good point that they were laying out, which was toward their own security concerns that they have in South Asia relative to China that is growing substantially economically, growing substantially militarily, and is supplying technology, then, to Pakistan, of what has been reported of missile and other technology to Pakistan that is on the other side of India.

I wanted to give you a chance to address that issue, because I do not know how you have a dialog in South Asia on security without involving China and not as a mediator in this particular situation.

Would you care to respond to that, and I want to followup with some specific points that have been raised.

Mr. Inderfurth. Mr. Chairman, we have received the same earful that you did when you were on your trip, and in fact Deputy Secretary Strobe Talbott, in an interview with The Hindu, one of the leading Indian newspapers, tried to address what we believe was a misunderstanding about the discussions and the dialog that took place at the U.S.-China summit. We do not believe, nor have we stated, that China should serve as a mediator in South Asian security issues.

What we have said is that China needs to be involved in a positive fashion in addressing the security concerns in South Asia. We fully understand India's views with respect to China. We understand the history of that. That goes back to their border conflict in 1962, and therefore we have been discussing with the Chinese ways that they can take positive steps.

Now, I want to remind you that in the P-5 communique issued in Geneva, that we sought and, indeed, received a strong Chinese commitment, and I will quote from the communique, to prevent the export of equipment, materials, or technology that could in any way
assist programs in India or Pakistan for nuclear weapons or for ballistic missiles capable of delivering such weapons. That was included in the P–5 communique.

This pledge was further strengthened in the joint statement that we issued in Beijing by reiterating in the context of U.S.-China bilateral relations, and by having the Chinese agree to that end to strengthen their national export control regimes. The Chinese also agreed to move toward joining the missile technology control regime, and we believe that that is a significant step forward, and it gives us more confidence that China will play a positive, constructive role here.

There was a second objective beyond strengthening those export control commitments. A second objective was to urge China to engage with India bilaterally, just as we are. This was something that the President stressed in his meetings with President Jiang Zemin.

This was something that Secretary Albright focused on, and in meetings at all levels we encouraged China to have the kind of dialog with India to discuss security concerns and the threats that are perceived by either side, so we believe that they must deal with this directly.

Senator Brownback. What assurances did you receive from the Chinese Government, or did the administration, that they would engage bilaterally with India on security concerns?

Mr. Inderfurth. They listened very carefully to what we had to say. They actually have made the point that they thought they were in the process of doing that.

As you know, in 1996 President Jiang Zemin visited New Delhi, and it was a sign of what we considered to be warming relations between India and China and, indeed, just before the Indian nuclear tests, the Chinese Army chief of staff had been in New Delhi. They intend to continue that dialog, and we intend to continue encouraging them to have as frank and as full discussions, in diplomatese, that they can with India to allay the concerns, many of which you heard on your trip, and I understand that you had a long discussion with Defense Minister Fernandes on this issue.

So we want to see that go forward, but Mr. Einhorn has also been dealing directly with the Chinese on this issue, so I would like for him to speak for a moment.

Senator Brownback. Specifically, Mr. Einhorn, have we received any assurances from the Chinese that they are going to start addressing the bilateral security concerns between China and India?

Mr. Einhorn. The Chinese believe that relations between China and India were improving, and have been improving for the last few years, and so the Chinese were disturbed by some of the justifications given by India for carrying out the tests.

In other words, one of the justifications was that there was a China threat, or a threat of Chinese encirclement that compelled India to take these steps. The Chinese have said that this was very disturbing to hear, especially in light of their judgment that relations have been improving.

I think as a result of this, relations right now are not at a very good state. I think high level discussions between China and India are not going forward, but it is recognized by China that this will
have to be overcome. Present difficulties will have to be overcome. The two will have to sit down bilaterally and talk about some of their differences.

So I think there is a recognition, and it has been conveyed to us, that sooner or later China and India will need to talk about some of the problems that divide them.

Senator Brownback. I think it is an imperative. I do not see how you get at the security situation in South Asia without having that discussion move aggressively forward, and if I were sitting in the Indian leadership position—a number of points they were making sounded quite rational when you look at a growing threat next to your border, when you look at supplying of technology to a country that has engaged in three wars, that you have been engaged in three wars in 50 years, and a growing rapprochement between the United States and China that they were pointing to.

They asked a question, and it was good and it was very difficult to respond to. They said, now, why is it the United States is building so strong a relationship with China, that is a dictatorship, or a totalitarian regime, however you want to rephrase it, that has the human rights issues that we have raised with China, that has weapons proliferation issues that we have raised with China, that we have concerns about Tibet, what is taking place, and then we look at India, and we put a set of sanctions that were legislated in but prior to that period of time had not really engaged with them aggressively on a rapprochement with them, when they are a democracy, do not have the weapons proliferation issues that have been posed or have been documented with China, do not have a number of the disputes that we have with the Chinese?

They failed to understand our position relative to China when it comes to then. I thought they had some pretty good points they were making.

Mr. Einhorn. Well, of course, we have had deep differences with China, and we continue to have some very serious differences with China. We have begun to overcome those differences, including in the area of nonproliferation, and that has enabled us to improve our relationship with China.

Hopefully the same thing will happen with India. We now have a difficult time. We have these sanctions imposed, but hopefully over time we will be able to overcome these as well.

Senator Brownback. I think we need to, and I think that China has to be engaged in this dialog and this discussion as well for us to move forward on a longer term basis.

We are mostly focused here today on the sanctions relative to India and Pakistan, and that is as it should be because that is where our legislative action will be most focused, but I do think in looking down the road to the future you have to engage this broader issue to bring security and stability to the region.

Mr. Inderfurth. Mr. Chairman, may I just add one point?

We fully recognize the distinctions between the political systems of India and China. We fully recognize the democratic traditions of India and indeed, as you will remember in my previous testimony, that has been one of the major reasons why we have felt that the President’s decision to have greater engagement with India was going forward.
In fact, had there not been Indian elections when they were, the President's trip to India would have come earlier in the year, not, as it was then scheduled, for November.

As the other great giant of Asia, we see India with great potential. We see India as a democracy we want to engage, and that has been the signals we have been sending in terms of economic engagement.

The fact that China began economic liberalization much earlier during the period of Deng Xiaoping in the late 1970's has given us a greater degree of activity with China than we have had with India, which only began its economic reforms in 1991. We see great potential there, and we certainly want to build on our democratic traditions.

So I understand the points that have been made to you, and they have been made to us, but in terms of sanctions the law was the law. The Glenn amendment was on the books and we have been forced, under those conditions, to impose sanctions. Now we are looking for a way to find some way to move forward.

Senator BROWNBACK. Beyond that, we have a lot more to do in our relationships within the region, and we have to be involved.

Senator ROBB. Thank you, Mr. Chairman. As I recall, India's Defense Minister Fernandez told us that they had had one meeting, I believe, of the bilateral working group, although it was at a lower level, with respect to whatever potential progress might come in that particular area.

Let me ask you a question that relates to the same kind of concerns that the chairman just mentioned with respect to the possible accomplishment of all or most of the criteria that we and the P-5 and the G-7 and G-8, et cetera, have laid down with respect to the kinds of areas where we want to achieve a great deal of progress.

Let us assume that we make substantial progress in that area. One of the concerns that have been raised is to the disparity in the way we treat or deal with China and India with respect to the sale of component parts, or any other matters that would enhance a more mature nuclear relationship.

Could you comment on the possibility of the development with both India and Pakistan—and I happen to believe we ought to try to achieve as much parallelism as possible in our dealing with both countries, but with respect to U.S. Policy toward the sale of component parts, or any other matters that would enhance a more mature nuclear relationship.

Mr. EINHORN. On this, Senator Robb, there is a distinction in terms of our own domestic law and in terms of our multilateral export control policy between our treatment of India and China. The difference is this. China is a nuclear weapons State, as recognized under the terms of the nonproliferation treaty.

Senator ROBB. I am acknowledging there is a difference in law today. I am asking, would we consider, in effect, for the purposes of that particular type of transaction treating India and Pakistan in effect as a de facto nuclear State, even though we would not bring them into the NPT?
Mr. EINHORN. The problem in doing that, Senator Robb, is that if India and Pakistan were to achieve this new status in terms of our law, in terms of their eligibility for nuclear cooperation with us by conducting nuclear tests, we would have to ask what kind of a precedent are we establishing for others who are considered non-nuclear weapons States under the NPT? Would other States who are less trustworthy and are less friendly to us than India and Pakistan see a path ahead of them that would enable them to conduct tests and declare their eligibility for nuclear cooperation, so it is a difficult problem.

Senator ROBB. There is no question the precedent becomes a difficult problem, but of course we have a problem right now with respect to both India and Pakistan, notwithstanding the sanctions that were on the books already and our subsequent reaction not only with respect to our own domestic concerns but our long term concerns about stability in the region and economic prosperity, et cetera.

Let me move at this point, if I may, to—well, before we leave the nuclear area, let me raise again the question of the reliability of the command and control systems and any discussions that are taking place today to reassure both countries that the kinds of warnings, et cetera, that would be available are being developed.

Maybe the way to discuss the issue would be to ask how you would describe the State of their respective systems today, and what progress is being discussed in terms of mutual assurance with respect to accidental or unintended consequences that might trigger a much more serious reaction.

Mr. EINHORN. Today we do not believe that either India or Pakistan has deployed nuclear weapons, or has deployed ballistic missiles. We hope that will continue to be the case and, if it is, I think some of the instabilities that might result could be avoided at the same time.

Senator ROBB. Would you take at face value—and these are all in the public arena. I am referring to claims by either or both countries that they do, in fact, have a weaponized version that is capable of delivery by some means.

Mr. EINHORN. Well, I do not know at what state each of these countries may be in terms of weaponization. Weaponization is a process, a lengthy process of adapting certain devices to delivery systems, and it is hard to judge where they stand, but I think the key threshold is deployment.

We do not believe the systems or these weapons are deployed, and what we would like to do is to encourage both Governments to consider various types of confidence-building measures so that they could avoid inadvertent flash points, inadvertent instabilities, and to ensure that the relationship between them will be stable.

We have various ideas in mind on how to contribute to stabilizing the situation in South Asia. Crisis communications, more frequent and reliable use of crisis communications would be one idea, the various constraints, prenotifications of certain kinds of military movements.

India and Pakistan have adopted such confidence-building measures in the past, but have not conscientiously implemented those.
If they did implement them and adopt additional confidence-building measures, the situation would be significantly stabilized.

We will encourage those CBM's, and we will do what we can to assist the parties.

Mr. Inderfurth. Senator Robb, can I mention that, again, referring to the meeting in Colombo at the end of this month between the two prime ministers, we hope they will do certain things, including reaffirming the confidence-building measures they have already agreed to in the past. These include using the hot lines that have been established, the military hot lines as well as the hot line between the prime ministers. We would hope that they would begin to have a more frequent discussion between themselves on these issues.

As you know, in recent days we have seen some very strange reporting, including the Pakistani defector that told reports about preemptive strikes being planned. Now, we made it very clear early on that we saw serious discrepancies in what he was saying, and I think that that story has now found its appropriate response in terms of how we view it.

But there were also reports, prior to Pakistan's nuclear test, of possible Indian actions. That kind of thing is going to continue. There are going to be the stories out there that are going to cause one side or the other to be very nervous, and we think it is terribly important that they establish now that they have demonstrated the nuclear capabilities, establish firm and frequent and regular communications so that stories like this that come up can be addressed quickly so that they can be either confirmed or denied in a substantive way.

Senator Robb. Let me move to another area where we have not had much discussion today, but it is frequently a centerpiece for discussions about disputes between India and Pakistan, and that is Kashmir.

Senator Brownback and I went up to the line of control during our visit, and one of the things that impressed me and impressed both of us was the fact that more casualties by very substantial majority appear to be occurring to civilians than to military combatants.

There are respective rules of engagement that appear to require both sides to shoot whenever they see somebody on the other side, but they seem to be so well-entrenched that there are not very many sightings of military combatants, and the only sightings are of civilian movements, even when without crossings, and that is a separate issue.

So the concern about that continuing armed presence, and the fact that a disproportionate number of those on both sides of the line that are being subjected to casualties are not the principal combatants, but the more fundamental question, given India's very clear reluctance to have any outside mediation or third party participation in discussion of Kashmir, and Pakistan's desire, believing, I think, that a different result might obtain with international participation, what kind of leverage, or what kind of potential positive impact can we or the international community bring to bear on resolution of some of the questions that go to Kashmir specifically?
Mr. Inderfurth. Senator Robb, we believe that international attention, not international mediation, is the correct approach to take right now with respect to Kashmir. It is clear that the Kashmir dispute is not going to go away of its own will. The two parties themselves have to address it. Civilians are frequently in the line of fire.

There is no question at all that the two prime ministers must establish some mechanism to resolve this issue over time. International attention is probably the greatest, right now, for Kashmir as a result of the nuclear tests in a very long time. Newspaper articles, statements by the P-5, statements by the Security Council in New York—the resolution was the first time since 1965 that Kashmir has been mentioned, and statements by the G-8.

So we think that international attention is important. Offers of assistance by the international community, including by the United States, for confidence-building measures would be important, certain monitoring could be done.

We do believe that the Simla Agreement of 1972 is the approach that must be taken, which is calling for them to resolve this issue bilaterally, but they have been close in the past to taking certain steps, including on the Siachin Glacier, and that is probably the most strategically unimportant piece of territory in the world. There is no reason they need to have a dispute over it, but it has been caught up.

Senator Robb. And for which a higher cost is paid by both sides to continue it.

Mr. Inderfurth. Exactly. So they were close to an agreement there. They should look at that and take a step that would reassure the international community that they are together moving forward to resolve this.

So we hope that India will be more receptive to the calls of the international community, and we also hope that Pakistan does not consider that, because there is this attention, that the international community can solve it for Pakistan. We cannot do that. We cannot impose a settlement.

So let us see how they progress in July, but I think right now international attention is the correct approach.

Senator Robb. Thank you, Mr. Chairman. My time for this round has expired.

Senator Brownback. Thanks.

Mr. Einhorn, I want to look at the missile proliferation issue in the region, particularly relative to Pakistan, because that may be the next shoe that drops on further missile testing.

The Clinton administration put sanctions on China for missile proliferation to Pakistan. Those were done in August 1993 and November 1994, and then just this year, on June 11 of 1998 in this committee, Gordon Ailes, former Director of the CIA Nonproliferation Center, testified that the Chinese in November 1992 had delivered 34 M-11's to Pakistan.

I think that we have widely looked at comments made, but there still have not been issues regarding the category I set of sanctions looked at, but beyond that issue—and I want to leave that really for another day—do we have information that China continues, China or any of its companies or entities, and I want to be very
broad on this question, continues to supply missile-related equipment and/or technology to Pakistan?

Mr. EINHORN. I have not seen recent intelligence on this, having a bearing on this issue, but we do believe that China has certainly until recently continued to be supportive of Pakistani missile programs through provision of components technology.

China committed not to transfer finished missiles, complete missiles. They committed not to do this in October 1994, and since then we have no evidence that China has transferred missiles, but since that date we do have information regarding China's provision of components and technology which is disturbing.

Senator BROWNBACK. And those, I would take it we have sent a very strong signal to the Chinese Government that we do not agree with that continuing to take place, and continuing to ask that it be stopped immediately.

Mr. EINHORN. We have, Mr. Chairman. This has been a continuing source of disagreement between us and China.

Senator BROWNBACK. But we do not know of resolution yet regarding the Chinese shipment of these missile, either technology or component parts to Pakistan?

Mr. EINHORN. We believe this has become less of a problem than it previously was, but we do not believe this has been resolved.

Senator BROWNBACK. As would perhaps be obvious by my asking these questions and the previous round, I think that we have to get those sorts of issues resolved, and that one cannot look past the role of China in this dispute and particularly if this continues to take place, and I do not advocate that we limit our relationship with China, but these sorts of issues cannot be allowed to continue, given the predicament that South Asia is in presently, and I would hope that the Chinese Government would recognize that as well.

Mr. EINHORN. Mr. Chairman, we have tried, as Assistant Secretary Inderfurth has pointed out, at the Beijing summit to make clear that China bears important responsibilities toward stability in South Asia.

One responsibility is to make sure that its cooperation with Pakistan, and it is certainly legitimate for China to cooperate with Pakistan, is fully consistent with international nuclear and missile nonproliferation norms. That is number 1, and number 2, it bears a responsibility to engage with India, to deal with Indian concerns that China is threatening.

A number of the statements that India has made about the China threat in our view have been exaggerated, but if that is the case, then China should be prepared to sit down with the Indians and explain why China believes that some of those statements are exaggerated, and to try to come to some understanding for the future. That is critical.

Senator BROWNBACK. I think it is critical, and it is also in some cases rational for the Indian Government to be making some of these assertions, given what actions they have seen taking place. Not all of the assertions—certainly not all of the assertions that Senator Robb and I heard while we were there meeting with the Indian officials.

Yet when you have continued activity of the type we just discussed taking place, it adds credence to a much broader area of
concern that should not be infiltrating the atmosphere, yet it does, so I think we have to step up our efforts that much more to make sure that those sorts of things are discontinued immediately to help create a much better atmosphere for security within that South Asian region.

The only final comment that I would make is, I look forward to working with the administration on the legislative agenda of how we provide some waiver authority as I look down the road in dealing with this issue, and I am hopeful the Senate can take action this week on providing some waiver and some stepped authority.

I do think that China has to aggressively be engaged in the security issues in this region, and it bears responsibility along the lines of what we have talked about. It is not just an India-Pakistan relationship that has brought us to the point that we are today.

And I do not know if all the claims—well, I do not agree with all the claims that have been made by the Indian Government, nor by the Pakistani Government, but to the extent that any of those claims can be given credence by evidence that we know of, we have to deal with that piece of evidence that is there to bring a security atmosphere into the region that everyone can deal around.

So I hope we can work constructively with the administration on the sanctions that we have in place, and getting the waivers toward India and Pakistan in the longer term. I think we need to work constructively together in dealing with the entire security situation in South Asia.

With that, that is all I have.

Senator Robb.

Senator Robb. Thank you, Mr. Chairman. Let me just finish up, because I think we may, with all of our discussions about individual details, have missed—not missed, but have not focused appropriately on a very important part of Secretary Inderfurth's testimony.

I am referring to the last two paragraphs before your conclusion. On the printed page, it is page 4. I am referring to the paragraph that begins, in this regard, Mr. Chairman, we seek waiver authority for all of the sanctions currently in place against India and Pakistan. Of course, we would not utilize that authority until such time as substantial progress has been achieved on the outlines above, or in the event that there were serious negative or unintended consequence to a specific sanction, such as impending financial collapse leading to economic chaos and political instability.

I happen to support that essential approach to the question, but I think with all due respect my colleague and the chairman and, indeed, the bipartisan committee is coming up with a solution which would be more impacted by the paragraph that follows.

You say that we do not believe it would be advisable, nor could we support efforts to codify or legislate the steps that India and Pakistan would need to take in order to gain relief from sanctions, or to match specific actions by India or Pakistan to the lifting of particular sanctions, et cetera.

At this point, there are a variety of individual views by Members of Congress that were expressed on the floor in debate recently. There are some that do not want to have any change to the status quo at the moment, there are others that would like to see sanc-
tions lifted in their entirety, and there are a number who would like to have some road map for the lifting of sanctions, and I know that the chairman has been working for a long period of time, and he and I have discussed the issue on a number of occasions, about having a set of specific objectives that would be achieved, and a concurrent relief that would be accorded based on that particular approach.

It seems to me that the administration position is that anything that codified specific quid pro quo type actions would not be supported by, I guess is the way I should frame it, and I am wondering if it goes beyond that.

Would the administration find anything that codified specific requirements for actions to be taken before some subsequent action would be taken in terms of lifting a sanction or sanctions sufficiently unacceptable that it would veto legislation that is designed with the purpose of providing additional assistance to the administration in dealing with this question, but does it in a way that might be overly proscriptive from the congressional point of view and less flexible from the administration point of view?

Mr. INDERFURTH. Senator, I do not want to at this stage start talking about vetoes.

Senator ROBB. I did not really mean to take it that far, but I am trying to highlight the difference that we are not really talking about at this point, and that I know that both the chairman in his consideration of the issue and the bipartisan group have considered and, indeed, was inherent, at least in part, in the section 3 of the matter that we took up recently, but to a lesser extent, and I am just trying to find out if there is room for compromise, if you will, between the two.

Could you accept some proscriptive language in return for a very full relief in terms of the ability for the administration to grant waivers for all sanctions? Grab that hot potato and run with it, if you will.

Mr. INDERFURTH. I could preface it by saying I am not authorized by the administration to state exactly how we would respond to various Senate recommendations on this.

Let me just try to tell you----

Senator ROBB. I did not mean to put you on the spot. I am just trying to get some sense of the difference.

Mr. INDERFURTH. I think I can help. I am engaged, as has been Mr. Einhorn, in the discussions we are having with both Indian and Pakistani officials, and it is clear, I think, that the administration and Congress are moving in the same direction in what we would like to see accomplished.

What we would be concerned about is a road map that only gave us one route or one way to get there. We think that in the discussions we are having—and we believe they are serious, that there is an attempt by both Governments to discuss how we can meet our respective requirements, that we will have those discussions evolve and unfold in ways that we may not be able to foresee at this stage. Therefore, specific requirements or overly proscriptive language we think could complicate our efforts.
I think that if we have guidance on where you would like to see us be, allowing us some flexibility on how we get there, with full consultation with you, I think that we can square this circle.

I think that it is possible to move in that direction with you, but we would not want to see the benchmarks, as we have called those 13 items in the P-5 communiqué, in legislative language, because some may be accomplishable short-term, some may take a longer period of time, there may be other ways to accomplish some of the same objectives. And so we are concerned, as I state very clearly in my statement, about trying to codify or place in legislative language specific quid pro quos, or this step or that step, not to mention the fact that it is our view that neither Government would respond well to that.

They also have political constituencies to which they are responsive, and countries do not like to be dictated to. That is why I stated very clearly in my testimony, these are not demands. We are stating these as those steps which we believe are important to resolve our differences, and that they will have to be done in the context of their own national security requirements. We believe we can make that argument and, over time, we can persuade them that these things are in their interests.

But again, if it is placed in legislative language it could prove to be more of a straitjacket for us than the kind of flexibility we think we need to discuss this with them.

Senator Robb. These general concerns go to the question that I would refer to as face, and there is a question of face on both sides of the India-Pakistan divide, as well as other bilateral relationships, and there is face on the U.S. Side as well with regard to laying out or drawing the line in the sand, so to speak, I.e., the various amendments, and saying if you cross this line certain unfavorable consequences will flow from it, undesirable consequences, and then immediately suggesting we did not really mean it and, indeed, we want to change the ball game altogether, which is the dynamic that we are concerned with right now.

Let me just ask you this. Do you think it is more likely that you will achieve a series of progress marks, and I do not want to go back to the 13 objectives, but a series of less than complete achievements, or is it more likely in this case that we will have some sort of a grand bargain, where virtually all of the matters can be negotiated and wrapped up in one package that would include ultimately the pay-off in terms of face, I.e. The President’s visit to South Asia to wrap up an agreement that would reflect the concerns laid out by the P-5, the G-7, et cetera, and might be formally signed either in conjunction with such a visit or at least as a condition precedent to such a visit?

Is that a more likely scenario, with the possibility of some interim relief to prevent imminent financial collapse or political instability that might be required, or is the more gradual progress with some incremental lifting of sanctions the more likely scenario?

Mr. INDERFURTH. Senator, quite frankly I do not want to pre-judge at this stage. We have had two rounds of discussion with Indian and Pakistani officials. As I said, we do believe there are serious discussions, but I would not want to pre-judge which of those two courses are most likely at this stage.
We do think that progress is possible. We do believe that certain of those things which we would like to see done are ones that they very much agree should be done, but in terms of how much of these could be accomplished in one fell swoop with a grand bargain or whether it would be progressive, I do think we need a bit more time in discussions, and that is precisely why we will be following your itinerary shortly by departing for the region on Saturday, for both New Delhi and Islamabad, and we will be there for 2 days of discussions in both capitals.

As we see this unfold, however, either in hearings or simply in office calls, we want to keep you informed on which of those two directions we think we are moving.

Senator ROBB. As you depart, as indicated by the chairman, you may have some additional advice, if not consent, by the Congress to take with you to put on the table.

With that, Mr. Chairman, I thank you.

Senator BROWNBACK. And hopefully we will be able to have that to you, and I would also like to add my support to your statement about taking actions, specific actions to halt imminent financial collapse by the countries, which would seem to be most germane toward Pakistan.

If the administration has the ability to do that, I think that would be wise to do. The financial situation there is not good, and we should not force them into a collapse type of situation. That would be very destabilizing, very harmful to our long-term relationship, and so any action that you can take in that regard I think would be wise and good, and certainly supported by this Senator.

Thank you very much for joining us. Godspeed this weekend. The hearing is adjourned.

[Whereupon, at 4:30 p.m., the subcommittee adjourned.]