

Center for Strategic and International Studies (CSIS)

Strengthening U.S.-India Commercial Relations and the National Export Initiative

Introduction:

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Speaker:

**John Bryson,
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JOHN HAMRE: Could I ask people to find a chair? Thank you very much. And the reason we're rushing is because we – as typical – Cabinet secretaries do not control their own lives. And the secretary is going to have to race over to the White House in a – in a few minutes. We're – I think we're still going to be able to get an hour and so therefore that's commandment to me not to take too much of it. I'm delighted to have you here.

And I want to say special thanks to Secretary Bryson for coming and to say it's this – I think I want to put paid in full to the argument that we don't have businessmen in the – in the government. We do. And we're very fortunate that a man of his talent and caliber is willing to serve at this time. So thank you very much, Secretary. We're delighted to have you here. And Rick, let me turn to you to really kick this off.

MR. : (Inaudible.)

MR. HAMRE: Thank you.

KARL "RICK" INDERFURTH: Welcome everyone to this session of the Statesmen's Forum. Thank you, John Hamre, for welcoming Secretary Bryson to this event. We do have some time constraint here. We want to get the secretary out to his further meetings. Actually, he has just come from the White House. But he has a very busy schedule, so we very much want to hear from him. So I'm going to make my introduction and my remarks quite brief.

I do want to do a little plug for CSIS, however. Secretary Bryson, being a member of the Cabinet with all the other Cabinet members and their responsibilities, you would probably like to know what will take place in 2012. And I have the publication for you, sir, 2012 Global Forecast, which is, "Risk, Opportunity and the Next Administration." I mean, we – probably many of you know we're moving into a election year. There will be a next administration, maybe Obama II or Romney I. But nevertheless, here is your guide to 2012.

And there are pieces in here – and I think we had some out here as well, if you were lucky enough to get one – we do have pieces in here by Meredith Broadbent, who is a Scholl Chair for International Business, who will be joining me in speaking to the secretary after his remarks on the Asia economic front, along with my colleague at the Wadhvani Chair here at CSIS, Amer Latif. We did one on very interesting commercial opportunities, trade between India and Pakistan, which could be a good news story for 2012. So that said, a great book to read on other trade missions. Just having gotten back from India, I'm sure this will be the first of many overseas trade missions.

I'm Karl Inderfurth – Rick Inderfurth, as John Hamre introduced, the Wadhvani Chair in U.S.-India Policy Studies. And we're delighted to have Secretary Bryson here. You can imagine how pleased we were to hear that the secretary's first overseas mission as secretary would take place and he would be going to India. And his focus on that, taking 16 companies – U.S. companies with him, would be to explore U.S. export opportunities in India's rapidly expanding infrastructure sector. As many of you know, infrastructure's a key to India's further economic development and acceleration. And it's a \$1 trillion plan that Prime Minister Manmohan Singh has for the next five years. So there are a lot of opportunities there for India

and for foreign investors and companies to help with this monumental task of India to build up its infrastructure to be the economic powerhouse that we want to see that country become.

That said, as a preface, I think that I'm going to, as they say, cut to the chase here. I don't want to short circuit a very full introduction of the secretary. But as I said, we have his bio here so you can read that. I think we do want to hear from him. Forgoing a long introduction, however, I do want to say one thing. As I read through his very illustrious career and all that he has done in the private sector, as you read down through this, you will get to something that really jumped out at me, that after earning his J.D. from Yale Law School, he and some classmates received a grant from the Ford Foundation to form the National Resources Defense Council in 1971. Now that's way cool – (laughter) – working with your law school students, foundation grant and founding the NRDC. I mean, it's one thing to be a member of the Cabinet, but quite frankly, I mean, being the founder of the NRDC is a great, great accomplishment. My congratulations to you and all that the NRDC does.

As I mentioned, Meredith Broadbent is joining me. What I'd like to do is to ask the secretary to now take the microphone and speak to us not only about the – his visit to India, but also, broadly speaking, the administration's approach toward trade promotion and activities. So Secretary Bryson, if you would take the microphone. And thank you again for being here. (Applause.)

SECRETARY JOHN BRYSON: So Karl, thank you very much. Dr. Hamre, who was right there in front of me, many thanks. And I want to start by saying congratulations to all of you at CSIS on this 50th anniversary. It really is a striking duration and commitment to what you do, and it's so important. It really is an honor for me to be here with all of you in this room – policy people, business, thought leaders whose ideas really do contribute significantly to our thinking about shaping America's foreign policy.

And I know that here at CSIS you held a forum yesterday on global security, which is certainly a central part of our foreign policy. And this morning I'm really pleased to be able to turn our attention to another key element, and that is trade. So one of my top three priorities as the U.S. secretary of commerce has been increasing U.S. exports. And trade has been front and center here in the past month. The second anniversary of the National Export Initiative was just one month ago. That's important to us at the Commerce Department. It was an extraordinary commitment the president made just two years ago, doubling in five years. The Korea Trade Agreement went into force a few days later. So – and now I've returned from my trade mission as commerce secretary just a week ago.

And what I'm going to do is I'm going to briefly touch on the first two items I've touched on as the priorities at the Commerce Department and then I will give more attention to India. So I think, as most of you likely know, the National Export Initiative, known as NEI, is a government-wide effort by the president, launched two years ago. It led – the – it's led by the Commerce Department with a goal that double by the end of 2014. And U.S. exports of goods and services hit an all-time record of 20 – 2.1 (trillion dollars) – \$2.1 trillion last year, 2011. And then just this morning we announced that year-to-date exports, that's January and February of this year, are up 8.5 percent over 2011. So we go forward on this.

In addition, our recent trade data show that exports – export-related jobs increased by \$1.2 million from 2009 to 2011. And that's particularly good news because export-related jobs pay on average meaningfully higher than other jobs. The fact is that many other countries now face their own special economic challenges. Now I'm talking 2012. I know we're facing particular challenges in taking the export initiative further. That could certainly result in decreased demand for goods and services for countries like ours. So we need to work even harder to empower U.S. companies to start or increase their exports. And that is exactly what we're doing.

So let me take three examples. First, the Commerce Department has led not just this recent trade mission; it has led trade missions with over 1,000 U.S. companies over the last two years. And we're going to do that yet more in the future, targeting sectors and markets that are poised for growth. And then second, we are working with Congress right now to reauthorize the Export-Import Bank. Ex-Im is having its annual conference as we speak, right now. And they just had a record year, supporting \$41 billion in U.S. exports. And we need to make sure they can continue to build on that.

And then third, we are doing more to ensure a level playing field for U.S. businesses. The president recently announced that the Commerce Department and the U.S. Trade Representative's Office will run the new Interagency Trade Enforcement Center, known as ITEC. And what we will do there is link, leverage and align all of the enforcement resources across the entire federal government. And we're planning to hire more experts, more analysts, more foreign-based staff to help. And we need to hold our trading partners accountable for these commitments, including WTO rules. And I strongly believe that when American businesses have a fair shot, they can compete and they can win.

And then a few days after the second anniversary of the NEI, we reached another milestone, and that is the Korea Trade Agreement that was implemented on March 15th. President Obama, as you know, had initially absolutely insisted that this agreement be done right. That took some time. The administration worked with Congress, with stakeholders and our Korean counterparts to address outstanding issues before it then went through the Congress.

As a result, we now have America's most significant trade agreement in nearly two decades. About 80 percent of Korea's tariffs on our industrial products have now dropped to zero. So tariff down to zero for those, nothing. In addition, the agreement opens up Korea's \$580 billion services market. It streamlines customs procedures, and it does more to protect the intellectual property of our entrepreneurs and businesses. Now overall this is estimated to increase U.S. exports by over \$10 billion, supporting tens of thousands of American jobs.

And looking forward, we continue to move ahead with the Colombia and Panama agreements. And President Obama, as you may know, is heading to Colombia tomorrow. Finally, another potential win-win – and it's an important one – is the Trans-Pacific Partnership. Last week, President Obama and I discussed this with our counterparts from Canada and Mexico. As you know, the TPP is truly a high-caliber agreement, with big potential to be the model for the world. Lots to do yet, but very promising and highly prioritized now.

Finally, we are paying particular attention when significant and unique opportunities arise with other trading partners. What is that? That's what brings me now to India. So let me start by commending CSIS for making India a very major focus here. Particular, I want to congratulate you on establishing the Wadhvani Chair position (sic; position) held by you, Ambassador Inderfurth.

And you know, I think that I just returned last week from my first ever trade mission as secretary, and that was to India. And on the day after we got back, Sunday New York Times – we just arrived back – ran a story about India, and I found it spot-on. It talked about how India's business groups, specifically there were the top two – we met with all of these on the trip. And it is the business groups there in India right now that are forging ahead not just to develop further economic ties, but also, quite strikingly, initial diplomatic ties around the world. So the private sector of the economy is a force that previously, I think, has been underestimated for what it could achieve.

And how did India get to that point? Well, as I think most of you know, we can trace that progress back to 1991 when then-Finance Minister Singh, now the prime minister, led a major shift to open up India's economy to market forces and private sector business. As a result of his leadership, India's entrepreneurial spirit was unleashed. And in recent years, India's economy has grown really strikingly at an annual rate of about 8 percent. And since then, millions have been lifted out of poverty, and India now has become one of the countries on the planet that has the largest middle class population.

Looking forward, 68 cities in India will have populations of over one million in 20 years. Total yearly income of urban households is expected to reach \$4 trillion by 2030. And as result of increased demand for innovative products and services, U.S. exports to China rose from less than \$4 billion in 2001 – 4 billion (dollars) then to over 21 billion (dollars) last year. So today we're building on that momentum. We're bringing to fruition President Obama's statement that the U.S.-India relationship is and certainly will be one of the defining partnerships of the 21st century.

On the trade mission, I led 16 U.S. businesses to India that specialized in management, engineering services, transportation and energy. And I should note that several of these business leaders were Indian-Americans who obviously had – and it's a great thing for us – strong personal motivations to use their skills in a meaningful way to help India grow and thrive. Our goal was to find mutually beneficial ways to help India move forward with this very ambitious plan it has to invest \$1 trillion in infrastructure over just the next five years. My message there was simple: American companies have deep experience in building our own quite complex U.S. infrastructure. We can work with India to accomplish its goals while creating more prosperity and jobs in both countries.

So on the trip we started in New Delhi, where I outlined how American companies can help pave the roads, lay the rails, build the airports and bring energy to the people in India. Among others – I met with many ministers there, but among others I met with Minister Sharma and also deputy chairman of the planning commission, Montek Ahluwalia.

We announced that we had renewed our commercial dialogue, which will continue to bring together our public- and private-sector leaders. Moving forward, the dialogue will focus, for example, on new areas such as smart grids, intelligent transportation systems and sustainable manufacturing. And I should note that the U.S. Trade and Development Administration, on the trade mission with us, announced two grants in New Delhi in smart grids and solar energy.

And then following New Delhi, I had the kind of fun pleasure of being the first U.S. commerce secretary to visit Jaipur, one of the fast-growing cities in India. Rajasthan tells a unique economic story – the story – the city and the area has a unique history in China – or in India, and a beauty that has made it a hub for tourism over these last decades. But today it is also finding a path to attract broader investments – so broader investments from companies like Mahindra and through major projects like the Delhi-Mumbai industrial corridor.

I should note that when the NEI began, the Commerce Department was looking around for the next tier of fast-growing, global cities and cities like Jaipur throughout India quickly became our focus, which was of course the major reason for our stopping there in Jaipur. And then, as something of a side note, have any of you here heard of or know of the Jaipur foot? So that – so this is something quite extraordinary. Yes? Yeah. Isn't it amazing?

This is – we went to visit Jaipur foot and we saw firsthand how Indian and U.S. entrepreneurs and universities are collaborating to drive innovation. Innovation includes low-cost, high-quality artificial limbs that have transformed people's lives in India and beyond. And that's – it doesn't do it fully justice; this is something extraordinary. I'd be happy to talk further on that should others want to go there. I'm saying that only because it was so strikingly moving.

But then finally we went on to Mumbai. We met with some of India's top business leaders to discuss mutually beneficial relationships and partnerships. And we think this mutually beneficial is a critically important way to approach India and the extraordinary people there.

I was pleased to announce there that our partners at the overseas private investment corporation, they were along on the mission with us, had just approved \$250 million in long-term financing for India. And that will focus on renewable energy and infrastructure projects through the infrastructure development finance company in India. In other words, the grant goes to the Indian infrastructure development finance company from which it is distributed.

I also spoke with a newly formed U.S. and India investors' forum. We discussed the importance of moving forward with efforts such as bilateral – as a bilateral investment treaty, which could provide greater stability for investors in both countries. And then I'd like to expand for a moment on the importance of something else, and that is increasing direct investment in the U.S. So this is not exports; this is export – this is investments, the converse, in the U.S., which is another top priority for us at the U.S. Commerce Department, and a newer one.

Just like trade, our bilateral investment relationship should be both strong and balanced. India provides a good example of where we should focus. U.S. investment in India is over \$27

billion, while India's investment here in the U.S. is about \$7 billion. Today we are hearing more and more stories of Indian investment in the U.S. This is really beginning to grow.

For example, last September Tata Chemicals announced a joint venture with a New Jersey-based company that makes Arm & Hammer products. Tata is going to invest \$60 million in a new U.S. manufacturing facility to make chemicals for pollution control. That's exciting. There are other examples, but we need more stories like that. And that's why the Commerce Department launched Select USA.

Select USA, an initiative strongly supported by the president. This is the first coordinated effort by the U.S. government to attract business investments to America. And this year our commercial service officers in 25 fast-growing markets, including India, will start working with foreign CEOs as they explore whether to build facilities and hire workers here in the U.S. And the U.S. ambassadors in those countries are also fully onboard, working in concert with Senator – Secretary Clinton's push towards economic statecraft. So we're leading this – we're doing it together. I think it will have a very major impact.

And before I close, I should mention that we still have challenges in regards to transparency, accountability and openness in India. India has taken important steps, such as supporting the U.S., and the use of integrity packs by contractors and ratifying the U.N. convention against corruption. However, we have continued concerns with everything from high tariffs to intellectual property and other challenges.

It's clear that we still have hurdles to overcome, but I want to underscore this: After this trade mission, I believe more than ever that we can indeed overcome those challenges. Now, (I'm pausing ?), but it's clear that America must deepen and broaden, I think, its commercial engagement with India, where the win-win potential is truly vast.

The only way we will accomplish this is through a foundation of strong person-to-person relationships. All of us must work together to build those bridges and must include people throughout the federal government, but also very much throughout the private sector. And it includes Indian-American citizens as a whole, a population which grew nearly 70 percent from the year 2000 to the year 2010.

And of course, this effort will also take the dedication of experts on India policy, trade and other bilateral issues, including you leaders here at CSIS. Naval Admiral Arleigh Burke, obviously, as most of you will know this well, one of the founders of CSIS, once said this – and I just like the quote very much. He said leadership is understanding people and involving them to help you do a job. That takes all of the good characteristics – integrity, dedication of purpose, selflessness, knowledge, skill, implacability as well as the determination not to accept failure.

It is clear that we need that same spirit today to help strengthen America and our economic relationships and to ensure that the U.S. continues to lead the 21st century. If we are successful, we will bring greater prosperity not only for ourselves but for people around the world. So thank you very much. (Applause.)

MR. INDERFURTH: Thank you very, very much Secretary Bryson. Great remarks, great overview of your portfolio and of your recent mission to New Delhi. And so pleased that you're here with us. I must say that I would like to engage you on the Jaipur foot. (Laughter.) One of my positions at the State Department was the head of global humanitarian demining, which is landmine victims and I'd love to talk, but we probably should do that at another time. But I'm delighted that you saw that very, very important moving initiative by the Indians in Jaipur.

SEC. BRYSON: But I'd like to give you just the slightest touch of it. So it happens that my uncle, in the Second World War, lost his limbs. And for me to go see this, it just was – brought it home for me. And you saw it in a way that – you must have seen many, many, many people –

MR. INDERFURTH: Many, many.

SEC. BRYSON: That's right. I think it's extraordinary.

MR. INDERFURTH: Well, it's innovation, which actually is part of the India story today, is innovation, technology in health care and the rest. I mean, this all plays into what you're doing at Commerce.

We have been reading about your, I was about to say, exploits in India. India Broad has a cover story, The Shocking Truth – that's not about your trip. (Laughter.) That's not the shocking truth. It is a full coverage, though, on your visit, a promising new partnership and your statements: India, a fast growing source of direct investment. If you have not seen that coverage, this is an example of the excellent coverage by those looking at your trip.

Your comments about Indian investment in the United States, I'm sure that your team – Holly Vineyard and others – pointed out that just recently we had the head of Nasscom, the Indian high-tech industry, here to talk about India's investment in the high-tech sector and employment in the United States – 280,000 jobs created, billions of dollars invested, \$15 billion in taxes to the U.S. Treasury.

There is clearly a movement by Indian companies to come here, which underscores the whole point this is a two-way street. We want to invest there, we want to be involved there. They want to invest here, they want to be involved here. So that is – that is something else for you. I'm giving him all these things to read. I'm sure – (laughter) – I'm sure he's going to say, wait a minute, I've got enough to read already from my own staff. I don't need all of this.

Let me begin with a question about India specifically and that relationship and then turn to Meredith for some of the broader questions. You mentioned Manmohan Singh as finance minister in the early '90s. Well, there was something else that occurred in the early '90s in the U.S. government. Ray Vickery, who is here, knows this well. India was described as one of the 10 big emerging markets.

And that's what got President Clinton's attention to India. To use the expression: It's the economy, stupid. He saw the opportunities in India to expand our international trade and commerce, a globalized economy and the rest. So that whole focus on the 10 big emerging markets continues to this day, which you were just talking about in terms of India. Having said that – and indeed the motto of the Wadhvani Chair is to unlock the full potential of the U.S.-India relationship.

Having said that, everyone acknowledges that the economic potential of the relationship between the two countries has not been realized. We're not even close to realizing that. And there are frustrations. There are certainly a great deal of accomplishments. We're much further along than we were of late, but there are – there are frustrations and some challenges.

I'd like to ask you if you could just identify the – what you would see as the one or two top challenges for the United States in India and for India in the United States. What would you – is the agenda that we should be focusing on to get accomplished now to sort of unlock this full potential. What would you say to that?

SEC. BRYSON: Let's see if I – (off mic). Well, I think – I think the potential is not just good, I think it's extraordinary. I think where we are right now in India is a time in which the political backdrop is making it such that the kinds of advances that we'd most like to see in the next year or two almost certainly will be slowed. And so the prime minister has put to the parliament what's called a soft budget, which you would know that's really an indication that he, and it looks like the other primary coalition, don't see the opportunity right now to get that resolved.

And as a consequence of that, kind of steps that could, and I believe will, be made are not being made decisively right now. Now, that may prove to be wrong because we heard – and when I met with many of the federal ministers and I met with key chief executives of the provinces that we were in, and there was some optimism there. But that's a challenge.

But I really do deeply believe that those issues will, step by step, be resolved. So that for those who can and will take something like a 10 year perspective, a country with a population of 1.2 trillion people (sic), with demographics that are really very favorable for the period lying ahead, in other words this is not a country that is going into the kinds of challenges that some other major countries that we know are facing, and that is declining populations, aging populations. India has the prospect of growing, younger populations entering the private sector, entering the work force, building an education. And those things, I think, will take place.

And we heard constantly in India about the focus on education for the young people. So those things – and I could go further, but those things make me quite optimistic about the potential over the next decade; less so unless more changes can be made that are evident right now in the next two – year or two.

MR. INDERFURTH: And there will be, as I understand it, a – the second U.S.-India higher education summit in June as part of the strategic dialogue. And that gets to that education

issue where many U.S. universities and educational organizations want to get more involved in India. So that would address that.

Let me ask you about a specific complaint I'm sure you heard about from both U.S. and Indian companies about the difficulty of getting H-1B and L-1 visas. What can we do about that? What's possible there to free up this system?

SEC. BRYSON: Well, it's true that – and it's been in the press a fair amount that India – these are primarily business visas. They feel that there're not enough of them now. I think that's a significantly, at least overstated point. The reality is what has been done in the State Department and the Department of Homeland Security here under the president's direction. The president made this commitment – I happened to be with him at the time – in January of this past year that 40 percent – there would be a 40 percent increase in visas to key countries, of which India was one. And that's really charging ahead.

So it was very evident when we were out there – for example, just at the U.S. embassy in India – they've substantially opened up the processing, the speed of processing and the scale of processing of visas. So you can get into lots of complexities about refinements on specific visas. That's quite – that can get into something that a lot of people can – what shall I say? They'd like to see this tweak or that tweak on the basic thing of providing more of these business visas. But they're going forth. And it is, as I think you would know, the largest allocation of visas on the part of the United States in the world.

MR. INDERFURTH: But that's something that Ambassador Nancy Powell, who was just confirmed by the Senate –

SEC. BRYSON: Yeah.

MR. INDERFURTH: – her bags are packed; she was at USIBC –

SEC. BRYSON: Yeah.

MR. INDERFURTH: – at the Chamber of Commerce two nights ago. She'll have her swearing-in next week. She knows these things. And she'll be – she'll be working on them with you.

SEC. BRYSON: Yeah. We of course met with her two or three times before we went out. So we regretted that she – and she regretted that she wasn't – didn't get confirmed in time to be the ambassador when we were there. She – she'll catch up.

MR. INDERFURTH: Yes, she'll catch up. She was a fast learner.

One final question, and then I would like to turn to Meredith. One thing that you announced while you were there was about American companies and social responsibility programs. I think in Mumbai – no, I guess in Delhi, you announced that – released a compendium of corporate social responsibility initiatives of American firms in India that go to a

focus in areas of social infrastructure, education, rainwater harvesting, health care delivery, gender diversity. Could you just talk about that for a second, because clearly I think the Indian people need to know that this isn't just about business and profits; it's also about social responsibility?

SEC. BRYSON: Yeah, one of the striking things in our time in India were these meetings that we had that were sponsored – they were put together by the leading business groups in India. And those were the positions that – so they weren't our mandates. Those were – this is the private sector, the leading elements of the private sector in India saying these are the things that we have to do to strengthen our position around the world as a great economy in which to invest and grow.

And that includes, by the way, we – Indian businesses investing in India, because when you meet with these businesses, of course it is a global economy. That's what – that's what U.S. businesses face. That's what European businesses face, Asian businesses face. Broadly, we're all in a global economy. We can't do this on our own. And India, to attract all the potential investment can be made, they need to do those things. And it was really striking. It was not qualified; it wasn't hedged in any way, this standup to the things that need to be done. It's very good.

MR. INDERFURTH: Good. Meredith?

MEREDITH BROADBENT: Yeah, thank you. Want to congratulate you on a – I want to congratulate you on a great trip. It means an awful lot for you to take businesses with you and make those connections and then come back and share your observations with us. And it's very, very helpful.

I wanted to kind of probe a little bit more on why you chose India as the first country you were going to visit. And just to be a bit of a devil's advocate, we're adjusting now in the wake of an impasse that we're seeing in the Doha Round. India was probably one of the countries where we had the most difference of opinion in the Doha Round and getting to a successful result. We had an agenda there to lessen some of the barriers in India, which we don't have anymore. And we're sort of at a stage of readjusting and trying to decide what is possible.

What can – what can we do to address some of these very entrenched problems like the indigenous innovation and the discriminatory procurement things we're seeing, the export restrictions on cotton from India? More and more there seems to be a proliferation of very difficult trade barriers that are facing U.S. companies. And it's hard to see in the future how we're going to solve some of these things. My guess is you're more of a "the glass is half full" approach on this, and that we're going to be able to find some venues in which to negotiate and move forward. But it's hard to see going forward where we are going to solve some of our trade problems.

SEC. BRYSON: Well, I – what I set out in my remarks – I mean, here we have a country with this base of population, with this kind of future in terms of very talented people and a growingly strong education system, and an incredibly strong heritage here in the United States

of extraordinarily talented Indians who have come out of those education systems over the last decades. And that's an incredible power. So really in our thinking it was very hard for us to identify a country in the world that would be, we think, more important for us to reach out effectively to. So that's the reason we selected –

MS. BROADBENT: Right.

SEC. BRYSON: – India. And it's not, in my case – I don't intend to do, as the secretary of Commerce, a lot of trade missions. You know, they are very, very demanding in every respect.

MS. BROADBENT: Right.

SEC. BRYSON: We brought the other federal agencies with us. But, you know, these things take five or six months to put together to do decently. And doing it slightly casually is not worth doing at all. And so that's the dynamic that led to this. And I – if anything – and I think if you asked across all the businesses that were with us – I mean, I could take you into – you know, we see the successes already of the steps that were taken here. And I could take you through some of those, and it's really quite moving.

MS. BROADBENT: Good. I was –

MR. INDERFURTH: Could I inject? Secretary Clinton likes to refer to the United States having made a strategic bet on India. And I think what we're talking about here is a bet on India's economic future as well, that –

SEC. BRYSON: Absolutely.

MR. INDERFURTH: And it's one that is a long-term – not short-term, long-term.

MS. BROADBENT: Right. I was very enthusiastic to hear your reference to the bilateral investment treaty. And I know Commerce Department doesn't have the lead on that. But I think I speak for a lot of folks in the audience that think that is one area that there is some possibility for progress. And it will address a lot of these transparency and corruption issues and be a good development tool for the Indians as they try to figure out how to continue to attract the foreign investment.

And in fact it may be able to be a useful tool to solve some of the procurement problems that we're seeing in the intellectual property, indigenous innovation programs that are really a threat to U.S. technology. So I wanted to just thank you for mentioning that. Reiterate that there are folks that think that's very important. And if you could call us if there's going to be a breakthrough in the – in the interagency process so we could get an official position, it would be helpful.

SEC. BRYSON: Well I think you know – it's true that the U.S. trade representative leads on that.

MS. BROADBENT: Right, absolutely, yeah.

SEC. BRYSON: But of course a lot of the analytic work is done by the U.S. Department of Commerce people. And we work hand-in-glove.

MS. BROADBENT: And it's very important for business, so –

SEC. BRYSON: And it all – it's very important, without a doubt.

MS. BROADBENT: Good. Let's see; you had issued a new initiative when you were in Mumbai, Visit U.S.A.

SEC. BRYSON: Yes.

MS. BROADBENT: Is this an initiative that you thought up and brought to the Commerce Department?

SEC. BRYSON: I don't think I can claim that. The Commerce Department, among its other responsibilities, not just through NEI – but we have the lead responsibility with regard to travel and tourism across the federal government. And right now, you know, by chance working with the Department of Interior, like I said, I have – is it tomorrow? It is tomorrow, the final work on a task force that will – it is a task force on the immediate steps we take further here.

But, you know, this is the – this is a kind of thing that – here you have these relationships in which you have so many Indian Americans who want to travel to India and so many in this growing middle class, as well as the more previously financially successful Indians who want to travel here. And the effect of all this is really powerful in building these person-to-person and business-to-business relationships. And it goes very much to the visa point. One of the reasons we're putting so much effort into visas is just that, to further encourage that.

So what did – we had 660,000 people from India come to the U.S. in the – this last year. I mean, this thing is really – I think it's exciting. And we – what we did is – this program that we set up there is we brought together – and give credit to the Commerce Department but not to me individually – but we brought together these people who are – who do tours, that, you know, sell all the things that are associated with getting the travel done, that reach out and – I mean, in some ways – and some of my colleagues are here – some ways that was one of the most exhilarating meetings we had.

All the people that are – that are in the business of getting people to travel – they were jumping up and down; they were clapping – (laughter) – it's the first time they've ever had anything like this – bringing it together across India. And by the way, they came from many, many different cities in India to be there at the site for the launching of this.

MR. INDERFURTH: India's campaign to attract tourists and the rest is Incredible India.

SEC. BRYSON: Yeah.

MR. INDERFURTH: We should be “Unbelievable U.S.” (Laughter.)

SEC. BRYSON: That would be good.

MS. BROADBENT: In many ways.

MR. INDERFURTH: Questions. Again, regrettably we have only a short amount of time.

Ray Vickery.

Q: Thank you, Mr. Secretary, for those remarks. I want to pick up on –

MR. INDERFURTH: Former assistant secretary of Commerce, I should add.

MR. : A-ha.

MR. INDERFURTH: Yes.

Q: A colleague. I want to pick up on the reference you made to The New York Times article of April 1 and the role that FICCI and CII are playing in terms of using economic engagement to solidify and promote strategic interests.

SEC. BRYSON: Yes.

Q: And I’m wondering what your views, sir, are on the role of the Department of Commerce, and in general U.S. economic engagement, in promoting strategic goals such as rapprochement between India and Pakistan, and more generally, the foreign policy goals of the United States.

SEC. BRYSON: Yes. Well, that was the focus of this article; you saw it as well. So here going into Pakistan, which has not been done at all, turns out to be led by a businessman, right? And then my counterpart, Sharma, the secretary of commerce there, decides to go and join him there. And that hadn’t been done previously and hadn’t appeared to be possible for the government to do.

And so we met there with this very large number of the most successful businesspeople in India. And they came, meeting after meeting in the three forums we were in. And these are just plain extraordinarily talented people. I mean, they’d be successful here; they would be successful anywhere in the world. They have that drive, that enthusiasm, the willingness to take reasonable risks, the intelligence. And they start, you know, in a country in which there had been very little private sector. And in these last years they’ve built to this extraordinary strength.

And those people do – to me, they have the sense of being able to get out and do things that are – that are conventionally beyond just economic impacts. They have impacts much more broadly. And I think that's – that is what's happening now. And obviously what we have now is Secretary Clinton identifying economics as a key element of what had not traditionally been part of diplomatic efforts at the State Department. And I think that just goes to the fact we've got a global economy here, and this global economy is going to either create prosperity and advance broadly, or we'll be deeply disappointed. So there are a lot of – I mean, my view is you can't think about working around the world without thinking about the economy.

MR. INDERFURTH: Quick little promotion. Rajiv Kumar, the secretary-general of FICCI, who is the – one of the key people mentioned in this article, will be speaking here on April 25th along with the head of FICCI on the subject of India-Pakistan trade opportunities. So you'll be getting that invitation. But we're going to have them here.

Wolf (sp), last question for you, and then we're going to get the secretary on his – on his – on his schedule.

Q: Mr. Secretary, Wolf Gross (sp), now an independent consultant to American defense companies focusing on India in particular. I bring to your attention two statistics. One, India is the largest importer of military equipment of record as we speak. And on the other side, the U.S. is the largest exporter of military equipment. Having said that, we're not getting our fair share in the Indian market. And part of the problem is here. I realize that military defense trade is not a primary responsibility of the Commerce Department, but it ought to be.

SEC. BRYSON: You know, that's only partially true, as you probably know. The – we actually are quite involved also, because it's in the economy. So major defense contractors come to us consistently, and those issues we raised while we were there. Yeah.

MR. INDERFURTH: We're on the case.

Mr. Secretary, thank you very, very much. Let's all express our appreciation. (Applause.) And we hope to have you back.

SEC. BRYSON: Thank you. Thanks very much.

MR. INDERFURTH: OK. On time.

SEC. BRYSON: Yes.

(END)