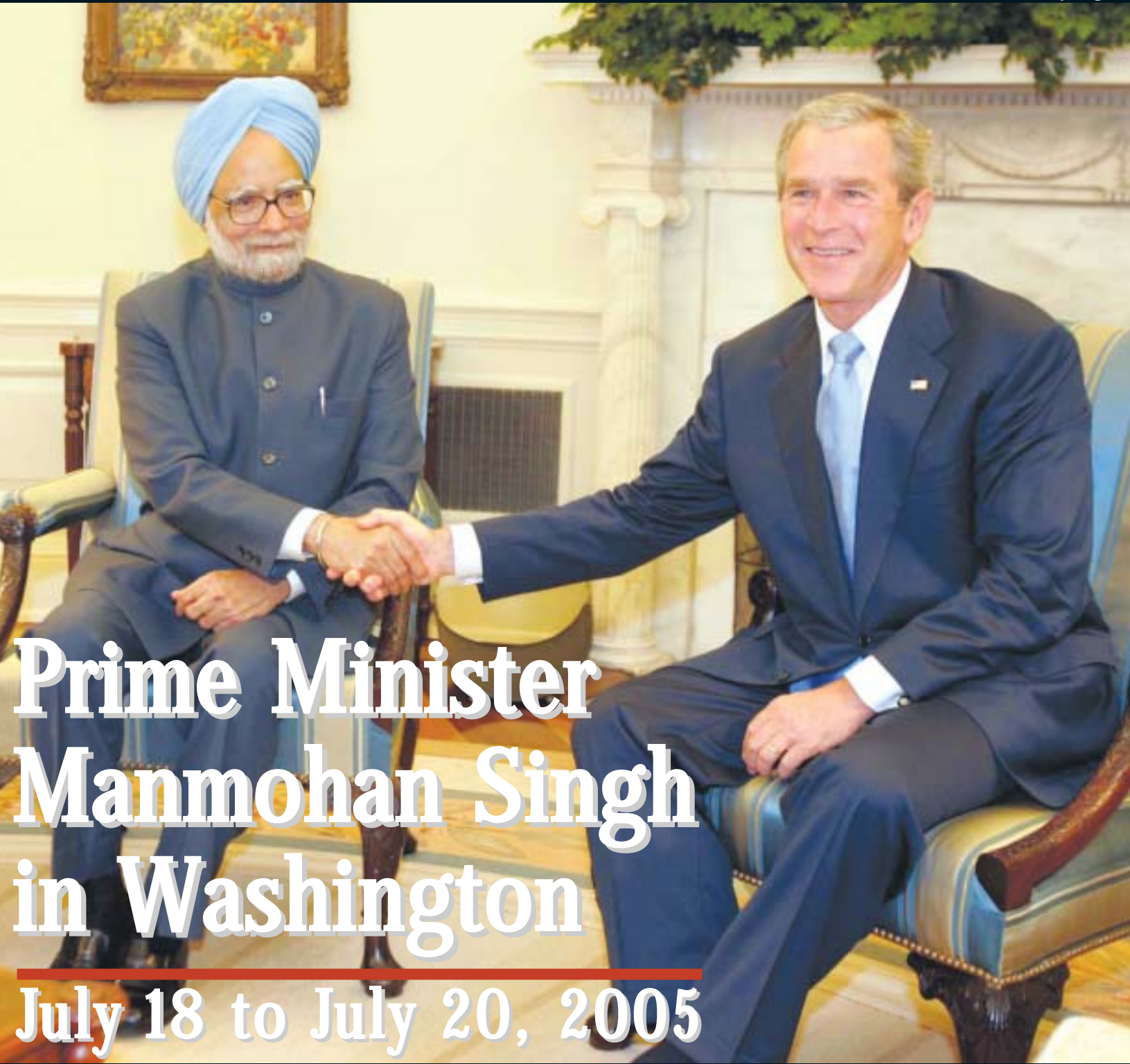


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Prime Minister Manmohan Singh in Washington

July 18 to July 20, 2005

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Outsourcing a 'win-win situation' for India and U.S.

Excerpts from Prime Minister Manmohan Singh's interview with CNN's Wolf Blitzer, aired on July 20:

Q: ...How worried are you about the possibility of a nuclear exchange between India and Pakistan?

A: I think the possibilities of such a development are grossly overstated.

Q: Overstated?

A: Overstated. Both our countries are nuclear powers. And as far as we are concerned, we have an impeccable record of not in any way contributing to proliferation of these nuclear technologies.

Q: Are you committed to a non-first-strike policy?

A: Yes, that is very much our policy.

Q: Pakistan has not committed to that, though.

A: That's certainly true. But I have often felt that outside India and Pakistan, the possibilities of a nuclear clash between India and Pakistan are somewhat exaggerated...

Q: Are you worried, though, that there could be a change of government in Pakistan, that President Musharraf, who has been working more closely with you recently, that there could be a coup, there could be a change that could escalate these tensions?

A: Well, the security of assets which are under control of Pakistan, I think does worry us. And I hope that credible solutions can be found today with that problem.

Q: What specifically worries you about the security of the nuclear assets in Pakistan?

A: Well, if they get into the hands of the *jihadi* elements, that could pose a serious problem.

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Q: And is that possible, do you believe, given what you know? Obviously you watch the situation very closely.

A: Well, I'm not an astrologer, but I hope that this does not happen. And I pray that it will not happen.

Q: Are you concerned — as you call it the *jihadi* or the Islamist fundamentalists, the extremist elements in Pakistan could take charge?

A: Well, there is always a danger. And we would like Pakistan to emerge as a moderate Islamic state, and we have a vested interest in the stability and progress of Pakistan...

Q: There are more Muslims in India than there are in Pakistan. I think there are more Muslims in India, with the exception of Indonesia, than any other country in the world. You really haven't had a problem with Islamists or *jihadi* terrorists.

A: Well, I take pride in the fact that, although we have 150 million Muslims in our country as citizens, not one has been found to have joined the ranks of Al Qaeda or participated in the activities of Taliban.

Q: Why is that?

A: This is because India is a functioning democracy. We are a secular state where all sections of the communities, regardless of religion, caste and creed, they may belong to — they can participate in our mainstream national activities. Being a democracy, being a secular democracy where all religions are free to practice their respective faiths without fear, without favor. I think that's something which has prevented that sort of eventuality...

Q: It looks like U.S.-Indian relations right now, in the aftermath of your visit here to Washington, are very strong, very solid, better than they've been in a long time. And yet U.S.-Pakistani relations are also very good right now, especially in the aftermath of 9/11, what happened here in the United States. Is this — is that your assessment, that there can be good U.S. relations with both India and Pakistan?

A: Well, we are not against the United States having good relations with Pakistan. As I've said, a strong, stable, prosperous Pakistan is in our interests. If — Pakistan admits the *jihadi* elements are under control is in our interests. So please, make no mistake, we welcome stronger relations between the United States and Pakistan.

And I hope that the United States' influence can be exercised to ensure that the commitments that Pakistan has made about the control of terrorist activities, they are honored in letter and in spirit.

Q: Let's shift gears briefly and talk about U.S.-Indian economic relations. What do you say to Americans who are concerned about American jobs, good-paying jobs, in effect, going — being exported to India?

A: Well, let me say that if you are referring to outsourcing and all that goes with it, it is not a one-way street. Indian enterprises benefit, but so do the U.S. enterprises. The fact that outsourcing opportunities exist, the U.S. companies are able to procure goods and services at much lower cost. This increases their competitiveness.

That increases their ability to compete against their competitors both in the U.S. market and in third countries. So, if you look at the picture in a holistic way, it is a win-win situation. India gains, but U.S. competitiveness also goes up in the process. ■



Prime Minister Manmohan Singh

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Prime Minister's statement to Parliament on U.S. visit

Following is the full text of the statement by Prime Minister Manmohan Singh in Parliament on July 29, on his visit to the United States:

I am pleased to present to this House a statement on my recent visit to the United States. President Bush invited me to pay an official visit and my wife and I were received by President Bush and the First Lady Mrs. Laura Bush with great warmth and with full ceremonial honours. My talks with the President covered a wide range of bilateral and global issues. The Vice President and senior Cabinet members of the U.S. Administration such as Secretary of State Dr. Condoleezza Rice, Defence Secretary Mr. Rumsfeld and Treasury Secretary Mr. Snow also called on me during my stay. I had the honour to be invited to address the Joint Session of the U.S. Congress. I believe that the visit was a success in furthering our foreign policy interests and in terms of its substantive outcome. It was evident that the United States wished to signal that we are embarking on a transformation of our ties so as to realise their inherent potential. A copy of the Joint Statement issued during my visit is placed on the Table of the House.

The purpose of my visit was to sensitise the U.S. Government about the full extent of the changes that have taken place in India since 1991. These changes have given us a stronger capability to work with the United States on more equal terms as we address common concerns and challenges. I also sought to emphasise that the Indian economy is stronger than it has ever been and we hope to participate in and benefit from the economic processes of globalisation. We are determined to be a competitive destination for investment, including foreign investment and the U.S. business community could contribute to development in India through greater investment and trade. We are uniquely placed to enter into such mutually beneficial interaction drawing on the strength of our knowledge sector. Hence another important goal was to underline to the U.S. that the emergence of India as a centre of knowledge-based industries and services would provide a good basis for long-term collaboration between our economies. The expansion of the Indian economy and acceleration of our growth rates is crucial not just for our own people but would be beneficial to global economic progress and stability.

My discussions in Washington with President Bush and members of his Administration were productive and helped advance these national goals. Both sides agreed that our relationship was based on shared values and shared interests that included the strengthening

of democratic capacities where desired and without coercion, and in combating terrorism without selective or segmentation. The conclusion of the U.N. Comprehensive Convention on International Terrorism proposed by India, at an early date, was deemed a priority by both countries. On the economic side, we welcomed the launching of a CEOs Forum that has brought together the best business minds of both countries. We discussed the urgent need for modernisation of India's infrastructure and our quest for greater investments in this



Prime Minister Manmohan Singh and President George Bush during the ceremonial welcome for Dr. Singh at the White House in Washington, D.C., on July 18. (Photo: Embassy of India, Washington, D.C.)

sector, in view of its centrality for the continued growth of the Indian economy. Recognising the importance of the rural economy, we also agreed on an agricultural initiative aimed at facilitating a new generation of research and agricultural practices to build on the Green Revolution.

Appreciating the importance of technology to India's economic and social development we also discussed measures that would ensure more liberal and predictable access to U.S. technology. We will endeavour to build closer ties in frontier areas such as space exploration, satellite navigation and launch, and related commercial activities that would greatly benefit our space industry, which is now recognised as a global leader. A Science and Technology Framework Agreement has been agreed that provides for expanded joint research and training. Underlining the intent of working at a new level of cooperation, the U.S. announced the removal of five Indian organisations from its Entity List — three from the space sector and two from atomic energy — and indicated further review in this matter.

Continued on page 4

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Prime Minister's statement to Parliament on U.S. visit

Continued from page 3

India's quest for energy security as an essential component of our vision for our development was a significant theme of my talks. I elaborated the imperative need for India to have unhindered access to all sources of energy, including nuclear energy, if we are to maintain and accelerate our rate of economic growth. I am pleased to state that the U.S. understood our position in regard to our securing adequate and affordable energy supplies, from all sources. This approach, I underlined, would enable us to reduce our dependence on fossil fuels. This would have concomitant advantages for all in terms of reduced pressure on oil prices and environmental sustainability. It was in this context that we affirmed the importance of cooperation in the civilian nuclear energy sector.

Accordingly, a central element of my interaction with President Bush was the resumption of bilateral civilian nuclear cooperation between India and the U.S., which has been frozen for decades. President Bush and I agreed that we would work towards promoting nuclear energy as a means for India to achieve energy security. The U.S. side undertook to adjust its laws and policies domestically and to work with its friends and allies to adjust relevant international regimes. Full civilian nuclear energy cooperation would include, but not limit itself, to the expeditious consideration of fuel supplies for Tarapur. The U.S. will also encourage other partners to consider similar requests favourably. We also obtained consideration of our desire to participate as full partners in the International Thermo Nuclear Research Project and the Generation IV International Forum. These programmes in frontier areas of science and technology have considerable potential for our country's and indeed global energy security in the future. The U.S. agreed to consult other participants with a view towards India's inclusion. This is a testimony not only to the enormous international stature and respect achieved by our nuclear scientists but recognition of their attainments.

Our nuclear programme in many ways, is unique. It encompasses the complete range of activities that characterise an advanced nuclear power including generation of electricity, advanced research and development and our strategic programme. Our scientists have mastered the complete nuclear fuel cycle. The manner of the development of our programme which has been envisaged is predicated on our modest uranium resources and vast reserves of thorium. While the energy potential available in these resources is immense, we remain committed to the three-stage nuclear power programme, consisting of Pressurised Heavy Water Reactors (PHWRs) in the first stage, fast breeder reactors in the second stage and thorium reactors in the third stage. These would need sequential

implementation in an integrated manner. Our scientists have done excellent work and we are progressing well on this programme as per the original vision outlined by Pandit Jawaharlal Nehru and Dr. Homi Bhabha. We will build on this precious heritage.

Energy is a crucial input to propel our economic growth. We have assessed our long-term energy resources and it is clear that nuclear power has to play an increasing role in our electricity generation plans. While our indigenous nuclear power programme based on domestic resources and national technological capabilities would continue to grow, there is clearly an urgent necessity for us to enhance nuclear power production rapidly. Our desire is to attain energy security to enable us to leapfrog stages of economic development obtained at the least possible cost. For this purpose, it would be very useful if we can access nuclear fuel as well as nuclear reactors from the international market. Presently, this is not possible

because of the nuclear technology restrictive regimes that operate around us. What we have now agreed with the U.S. should open up the possibility of our being able to access nuclear fuel and nuclear power reactors and other technologies from outside to supplement our domestic efforts. There is also considerable concern with regard to global climate change arising out of CO₂ emissions. Thus, we need to pursue clean energy technologies. Nuclear power is very important in this context as well.

The Joint Statement recognises that as a responsible State with advanced nuclear technology, India should acquire the same benefits and advantages as other such States which have advanced nuclear technology.

As a result we expect that the resumption of India's nuclear trade and commerce with the U.S. and globally, is an achievable goal, involving the dismantling of the technology denial regimes which have hitherto targeted India.

Predicated on our obtaining the same benefits and advantages as other nuclear powers, is the understanding that we shall undertake the same responsibilities and obligations as such countries, including the U.S. Concomitantly, we expect the same rights and benefits. Thus we have ensured the principle of non-discrimination. I would like to make it very clear that our commitments would be conditional upon, and reciprocal to, the U.S. fulfilling its side of this understanding. The Joint Statement refers to our identifying, and separating civilian and military nuclear facilities in a phased manner and taking a decision to place voluntarily civilian nuclear facilities under IAEA safeguards. India will never accept discrimination. There is nothing in this Joint Statement that amounts to limiting or inhibiting our strategic nuclear weapons programme

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over which we will retain unrestricted, complete and autonomous control. I repeat there is nothing in this Joint Statement that amounts to limiting or inhibiting our strategic nuclear weapons programme over which we will retain unrestricted, complete and autonomous control.

Reciprocity is key to the implementation of all the steps enumerated in the Joint Statement. We expect a close co-relation between the actions to be taken by the U.S. and by India. Indian actions will be contingent at every stage on actions taken by the other side. Should we not be satisfied that our interests are fully secured, we shall not feel pressed to move ahead in a pre-determined manner.

Hence phased action, in terms of identification and separation of civilian nuclear facilities based solely on our own duly calibrated national decisions will be taken at appropriate points in time, consistent with our national security interests. Before voluntarily placing our civilian facilities under IAEA safeguards, we will ensure that all restrictions on India have been lifted. Our autonomy of decision-making will not be circumscribed in any manner whatsoever.

I wish to emphasise to this House that the basis for this understanding was a clear recognition that India is a responsible nuclear power with an impeccable record on nuclear non-proliferation. Our strategic policies and assets are a source of national security and will continue to be so, and will remain outside the scope of our discussions with any external interlocutors. I should like to take this opportunity to assure Hon'ble Members that the Government will not allow any fissile material shortages or any other material limitations on our strategic programmes in order to meet current or future requirements. The defence and security interests of our country are our highest priority and will continue to remain so.

Our policies... have earned us global recognition and widespread esteem, which I am sure the House recognises and welcomes. This allows us not only to make a credible case for an end to three decades of technology denial but also to find a central and growing place in international organisations.

I used the occasion of my visit to the U.S. to spell out the basis on which India has made a compelling case for expansion of the U.N. Security Council and for our admission as a Permanent Member. The U.S. has a different position on this matter and has not found it possible to endorse India's position. It is my hope that over time the U.S. will recognize the validity of what we say. In fact, the Joint Statement itself reflects growing U.S. recognition of this position. It states "international institutions must fully reflect changes in the global scenario that have taken place since 1945." ... In this regard, global initiatives that we have initiated with the U.S., which include disaster relief, HIV/AIDS and strengthening democratic capacities in societies that seek such assistance

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testify to the greater recognition of our strengths and capabilities. I therefore believe my visit to the U.S. has led to greater understanding and appreciation of our concerns and interests. It has contributed to significant initiatives that have important economic and developmental implications for India... I am confident that this House would welcome these developments.

I would like to conclude by stating that we can feel justly proud that our achievements are being recognized globally. This is a tribute to our scientists, engineers, teachers, workers, farmers, entrepreneurs and professionals. We are now a nation of over one billion people. We are the world's fourth largest economy, with the second highest rate of GDP growth today. The manner in which we have achieved this progress within the framework of a democratic dispensation is the subject of admiration and respect. Increasingly, India is seen as a benchmark for the rest of the world. I therefore believe our strength lies in the essential correctness of the path we have chosen, and in the creativity and enterprise of our people. This has enabled India to stand tall in the comity of nations.

I realise that there would be criticism in some quarters regarding aspects of the Joint Statement. Constructive criticism is part of the Parliamentary tradition, and I welcome it... I can, however, assure this August House, and through it, our nation, that my visit to the U.S. was undertaken solely with the purpose of enhancing relations with one of the world's pre-eminent powers, so as to widen our developmental options. It was my endeavour to expand our access to energy supplies to fuel our growth, while protecting our strategic interests. I believe our effort to undo some of the long-standing restrictive nuclear regimes will enable us to secure access to the significantly greater quantities of energy that we will need to spur massive growth in our industrialisation programme.

Once secured, cheap and affordable energy will enable India to leapfrog its current pace of economic growth, to secure the future for generations to come.

All of us gathered together in this August House recognize that inspired by our freedom struggle, we have inherited a proud and patriotic tradition. Our commitment to work for universal nuclear disarmament, so passionately espoused by Prime Minister Rajiv Gandhi, in the long run will remain our core concern. At the same time, I can assure the House that we have never made, nor will we ever make, any compromises insofar as our fundamental and strategic needs are concerned. Our inheritance gives us confidence, our experience gives us courage, and our belief gives us conviction to assert today that our nation stands on the threshold of an even better future. I... think that my visit to the U.S. has opened up new opportunities... for promoting our energy security and pathways to accelerated... development. We must all work together... to realise these opportunities to make India a major powerhouse of the evolving global economy. ■



Prime Minister Manmohan Singh and President George W. Bush address a joint press conference at the White House in Washington, D.C., on July 18. Earlier, Dr. Singh and President Bush held one-on-one and delegation level talks at the end of which the two sides released a Joint Statement. (Photo: Embassy of India, Washington, D.C.)

Joint Statement promises 'a global partnership'

Full text of the India-U.S. Joint Statement released in Washington, D.C., on July 18:

P rime Minister Manmohan Singh and President Bush today declare their resolve to transform the relationship between their countries and establish a global partnership. As leaders of nations committed to the values of human freedom, democracy and rule of law, the new relationship between India and the United States will promote stability, democracy, prosperity and peace throughout the world. It will enhance our ability to work together to provide global leadership in areas of mutual concern and interest.

Building on their common values and interests, the two leaders resolve:

- To create an international environment conducive to promotion of democratic values, and to strengthen democratic practices in societies which wish to become more open and pluralistic.

- To combat terrorism relentlessly. They applaud the active and vigorous counterterrorism cooperation between the two countries and support more international efforts in this direction. Terrorism is a global scourge and the one we will fight everywhere. The two leaders strongly affirm their commitment to the conclusion by September of a U.N. comprehensive convention against international terrorism.

The Prime Minister's visit coincides with the completion of the Next Steps

in Strategic Partnership (NSSP) initiative, launched in January 2004. The two leaders agree that this provides the basis for expanding bilateral activities and commerce in space, civil nuclear energy and dual-use technology.

Drawing on their mutual vision for the U.S.-India relationship, and our joint objectives as strong long-standing democracies, the two leaders agree on the following:

For the Economy

- Revitalize the U.S.-India Economic Dialogue and launch a CEO Forum to harness private sector energy and ideas to deepen the bilateral economic relationship.

- Support and accelerate economic growth in both countries through greater trade, investment, and technology collaboration.

- Promote modernization of India's infrastructure as a prerequisite for the continued growth of the Indian economy. As India enhances its investment climate, opportunities for investment will increase.

- Launch a U.S.-India Knowledge Initiative on Agriculture focused on promoting teaching, research, service and commercial linkages.

For Energy and the Environment

- Strengthen energy security and promote the development of stable and efficient energy markets in India with a view to ensuring adequate, affordable

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energy supplies and conscious of the need for sustainable development. These issues will be addressed through the U.S.-India Energy Dialogue.

■ Agree on the need to promote the imperatives of development and safeguarding the environment, commit to developing and deploying cleaner, more efficient, affordable, and diversified energy technologies.

For Democracy and Development

■ Develop and support, through the new U.S.-India Global Democracy Initiative in countries that seek such assistance, institutions and resources that strengthen the foundations that make democracies credible and effective. India and the U.S. will work together to strengthen democratic practices and capacities and contribute to the new U.N. Democracy Fund.

■ Commit to strengthen cooperation and combat HIV/AIDs at a global level through an initiative that mobilizes private sector and government resources, knowledge, and expertise.

For Non-Proliferation and Security

■ Express satisfaction at the New Framework for the U.S.-India Defense Relationship as a basis for future cooperation, including in the field of defense technology.

■ Commit to play a leading role in international efforts to prevent the proliferation of Weapons of Mass Destruction. The U.S. welcomed the adoption by India of legislation on WMD (Prevention of Unlawful Activities Bill).

■ Launch a new U.S.-India Disaster Relief Initiative that builds on the experience of the Tsunami Core Group, to strengthen cooperation to prepare for and conduct disaster relief operations.

For High-Technology and Space

■ Sign a Science and Technology Framework Agreement, building on the U.S.-India High-Technology Cooperation Group (HTCG), to provide for joint research and training, and the establishment of public-private partnerships.

■ Build closer ties in space exploration, satellite navigation and launch, and in the commercial space arena through mechanisms such as the U.S.-India Working Group on Civil Space Cooperation.

■ Building on the strengthened nonproliferation commitments undertaken in the NSSP, to remove certain Indian organizations from the Department of Commerce's Entity List.

Recognizing the significance of civilian nuclear energy for meeting growing global energy



Prime Minister Manmohan Singh and President George W. Bush along with Gursharan Kaur and First Lady Laura Bush, wave from a balcony of the White House in Washington, D.C., on July 18, soon after Dr. Singh was ceremonially received by President Bush. (Photo: Embassy of India, Washington, D.C.)

demands in a cleaner and more efficient manner, the two leaders discussed India's plans to develop its civilian nuclear energy program.

President Bush conveyed his appreciation to the Prime Minister over India's strong commitment to preventing WMD proliferation and stated that as a responsible state with advanced nuclear technology, India should acquire the same benefits and advantages as other such states. The President told the Prime Minister that he will work to achieve full civil nuclear energy cooperation with India as it realizes its goals of promoting nuclear power and achieving energy security. The President would also seek agreement from Congress to adjust U.S. laws and policies, and the United States will work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India, including but not limited to expeditious consideration of fuel supplies for safeguarded nuclear reactors at Tarapur. In the meantime, the United States will encourage its partners to also consider this request expeditiously. India has expressed its interest in ITER and a willingness to contribute. The United States will consult with its partners considering India's participation.

Continued on page 8

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Joint Statement promises 'a global partnership'

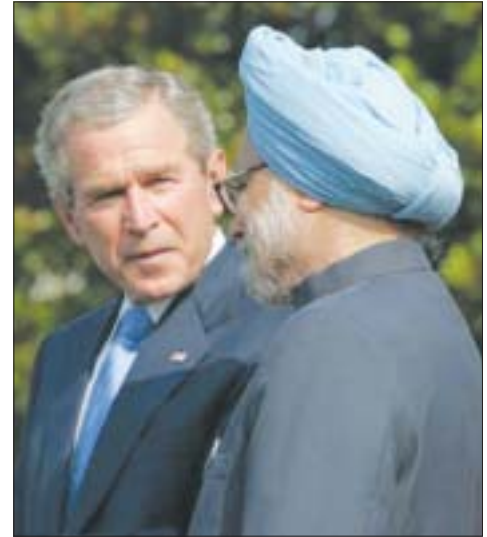


Photo Left: Prime Minister Singh and Mrs. Gursharan Kaur being welcomed to the State Banquet at the White House by President George Bush and First Lady Laura Bush, in Washington, D.C., on July 18. Photo Right: Prime Minister Singh and President Bush confer during the ceremonial welcome at the White House. (Photos: Embassy of India, Washington, D.C.)

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The United States will consult with the other participants in the Generation IV International Forum with a view toward India's inclusion.

The Prime Minister conveyed that for his part, India would reciprocally agree that it would be ready to assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology, such as the United States. These responsibilities and practices consist of identifying and separating civilian and military nuclear facilities and programs in a phased manner and filing a declaration regarding its civilian facilities with the International Atomic Energy Agency (IAEA); taking a decision to place voluntarily its civilian nuclear facilities under IAEA safeguards; signing and adhering to an Additional Protocol with respect to civilian nuclear facilities; continuing India's unilateral moratorium on nuclear testing; working with the United States for the conclusion of a multilateral Fissile Material Cut Off Treaty; refraining from transfer of enrichment and reprocessing technologies to states that do not have them and supporting international efforts to limit their spread; and ensuring that the necessary steps have been taken to secure nuclear materials and technology through comprehensive export control legislation and through harmonization and adherence to Missile Technology Control Regime (MTCR) and Nuclear

Suppliers Group (NSG) guidelines.

The President welcomed the Prime Minister's assurance. The two leaders agreed to establish a working group to undertake on a phased basis in the months ahead the necessary actions mentioned above to fulfill these commitments. The President and Prime Minister also agreed that they would review this progress when the President visits India in 2006.

The two leaders also reiterated their commitment that their countries would play a leading role in international efforts to prevent the proliferation of weapons of mass destruction, including nuclear, chemical, biological and radiological weapons.

In light of this closer relationship, and the recognition of India's growing role in enhancing regional and global security, the Prime Minister and the President agree that inter-

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national institutions must fully reflect changes in the global scenario that have taken place since 1945. The President reiterated his view that international institutions are going to have to adapt to reflect India's central and growing role. The two leaders state their expectations that India and the United States will strengthen their cooperation in global forums.

Prime Minister Manmohan Singh thanks President Bush for the warmth of his reception and the generosity of his hospitality. He extends an invitation to President Bush to visit India at his convenience and the President accepts that invitation. ■

PM lauds community's 'vital role' in transforming ties

Excerpts from Prime Minister Manmohan Singh's remarks at the community reception hosted by Ambassador Ronen Sen at the Marriot Wardman Hotel in Washington, D.C. on July 19:

I am very pleased to be with all of you this evening and appreciate your warm welcome... I take the opportunity today to share with you my thoughts regarding the vision of our partnership and what you, as Indians resident in the United States, could contribute to these goals.

In 1949, Panditji came here on what he himself described as a "voyage of discovery". I am here on a mission to give U.S. leaders an overview of the dramatic changes now taking place in India in our quest for social and economic transformation. India now happens to be one of the fastest growing economies in the world. Indian economy has now acquired the capacity to grow annually at the rate of 7-8 percent. It is an endeavour to communicate to the opinion makers the ferment and energy that characterize Indian society. It is to convey that there is a new India in the making: One of world class firms, of a dynamic services sector, of young entrepreneurs and risk-takers, of confident professionals and of rising urban and rural income levels.

My purpose in coming to the United States were three. First, to enhance an appreciation of these very changes which have given us the capability to better partner the United States. Second, to emphasise that the United States can contribute to these processes, accelerate growth rates in India by its policies and that it is in U.S. strategic interest that the Indian economy expands rapidly. And third, that the educational empowerment of a demographically young India provides the basis for a long-term partnership between two key knowledge powers.

My message is that India is an open economy as well as an open society, one capable and confident of closely engaging the world.

I believe that these last two days, the groundwork has been laid for a new relationship. I saw a different level of interest in India on the part of the President himself, key members of the Administration and among members of the U.S. Congress, to whom I had the honour of delivering an address this morning. I saw as well that the corporate sector in the United States is looking at India very much more positively.

This is reflected in the enthusiasm of the CEOs who have joined the bilateral forum that the President and I inaugurated yesterday. Initiatives and understandings that emerge from this visit should contribute to the long-term strength and competitiveness of India. For me, this visit represents an important step in our journey towards reform and modernization that began in 1991.

Our challenge in India is to meet the rising aspirations of

the upwardly mobile while simultaneously addressing the basic needs of those who are still vulnerable. We are committed to take determined measures to get rid of poverty, ignorance and disease which still afflict large sections of our population. These are not choices, but two faces of the challenge of taking India forward. In the past, our ties with the



Prime Minister Manmohan Singh with External Affairs Minister K. Natwar Singh and Ambassador Ronen Sen at the community reception hosted by the Ambassador at the Marriot Wardman Hotel in Washington, D.C., on July 19. (Photo: Embassy of India)

United States have benefited India greatly. We seek now to build on that tradition while forging a new partnership...

....The role of the Indian community and Indian-Americans in this transformation process is vital. It is your creativity, knowledge, entrepreneurship and work ethic that has helped to greatly transform the image of India in American minds. No community in American history has achieved as much success in as short a time span as Indian-Americans. From a bridge between our two societies, you could become a veritable highway for the flow of ideas, technology and capital. You embody the knowledge partnership between us, whose broadening will surely make Indo-U.S. ties one of the principal relationships of the world.

I thank you for all that you have done, individually and together, for India. Your support and your talents are necessary for our continued progress. I believe that the 21st century will be a global one, belonging to global citizens. It will be a century of freedom, of democracy, of multi-culturalism and of knowledge. These are the very values you represent, values that we admire. Through your commitment and efforts, India and the Indo-U.S. partnership will grow together. ■

Dr. Singh's address to the Joint Session of Congress

Following is the full text of Prime Minister Manmohan Singh's address to the Joint Session of Congress in Washington, D.C., on July 19:

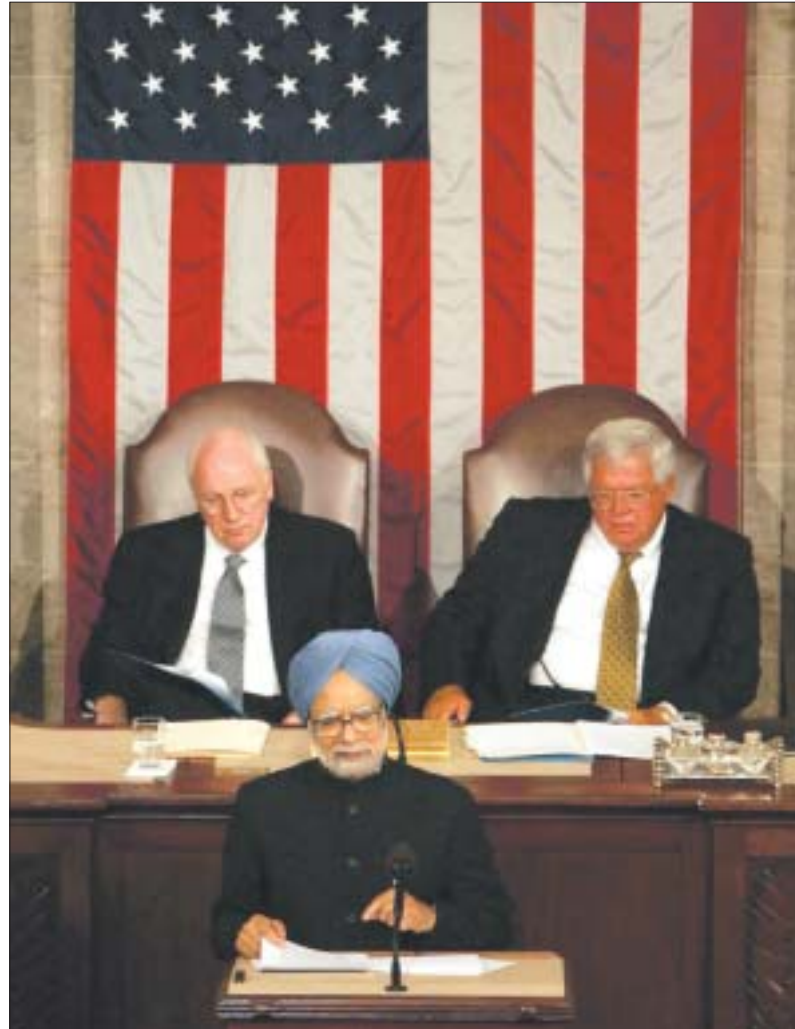
Mr. Speaker, Mr. Vice President, Distinguished members of the U.S. Congress, Ladies and Gentlemen. I deem it a privilege to be invited to address this Joint Session of the U.S. Congress. I thank you for the invitation. I bring you the greetings and good wishes of the people of India.

India and the United States have much in common that is very important to both countries. You are the world's oldest democracy, we are its largest. Our shared commitment to democratic values and processes has been a bond that has helped us transcend differences. We admire the creativity and enterprise of the American people, the excellence of your institutions of learning, the openness of the economy, and your ready embrace of diversity. These have attracted the brightest young minds from India, creating a bridge of understanding that transcends both distance and difference between us. In addition to the values we share as democracies, there is also a convergence in our perceptions of a rapidly transforming global environment, bringing us much closer together than at any time in the past.

Globalization has made the world so inter-dependent that none of us can ignore what happens elsewhere. Peace and prosperity are more indivisible than ever before in human history. As democracies, we must work together to create a world in which democracies can flourish. This is particularly important because we are today faced with new threats such as terrorism, to which democracies are particularly vulnerable.

Indian democracy has been fashioned around India's civilisational ethos which celebrates diversity. Our society today is the culmination of centuries of assimilation of diverse peoples and ethnic groups. All the major religions of the world are represented in India. We have a tremendous diversity of languages, customs and traditions. The Father of our Nation, Mahatma Gandhi, called for universal adult franchise as early as 1931, long before India became independent. Our political leadership remained true to this commitment and the Constitution we adopted after Independence enshrined democracy based on free elections and the associated principles of tolerance of dissent, freedom for political activity, protection of human rights and the Rule of Law. Our first Prime Minister, Jawaharlal Nehru, addressing this very forum in 1949,

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Prime Minister Manmohan Singh addressing a Joint Session of Congress in Washington, D.C., on July 19. Seated behind are, left, Vice President Dick Cheney, and Speaker Dennis Hastert (R-IL). (Photo: Embassy of India, Washington, D.C.)

acknowledged our debt to America on this score. He said that you could hear in our Constitution the echo of the great voices of the Founding Fathers of your Republic.

Ladies and Gentlemen, the real test of a democracy is not in what is said in the Constitution, but in how it functions on the ground. All Indians can be proud of what we have achieved in this area and our experience is also relevant beyond our boundaries. Free and fair elections are the foundation of a democracy. Over the past six decades, governments in India, at both the national and State level, have regularly sought the man-

date of the people through elections.

Our elections are conducted under the supervision of a statutory independent Election Commission, which has earned respect for its fairness and transparency, both at home and abroad. The independent judiciary has been a zealous defender of our Constitution and a credible guarantor of the Rule of Law. The Press is a key institution in any democracy and our media has a well-earned reputation for being free and fearless. Our minorities, and we have many, participate actively in all walks of national life — political, commercial and cultural. Civil society organisations are thriving and are vigilant in protecting human rights. They are also watchful of threats to the environment. Our Army has remained a professional force, subject throughout to civilian control.

Recently, the Constitution was amended to ensure constitutionally mandated elections to village and municipal councils. This process has produced no less than three million elected representatives in the country, with one million positions reserved for women. This has brought democracy closer to the people and also empowered women and promoted gender balance.

Our commitment to democratic values and practices means there are many concerns and perceptions that we share with the United States. The most important common concern is the threat of terrorism. Democracy can only thrive in open and free societies. But open societies like ours are today threatened more than ever before by the rise of terrorism. The very openness of our societies makes us more vulnerable, and yet we must deal effectively with the threat without losing the openness we so value and cherish. India and the United States have both suffered grievously from terrorism and we must make common cause against it. We know that those who resort to terror often clothe it in the garb of real or imaginary grievances. We must categorically affirm that no grievance can justify resort to terror.

Democracies provide legitimate means for expressing dissent. They provide the right to engage in political activity, and must continue to do so. However, for this very reason, they cannot afford to be soft on terror. Terrorism exploits the freedom our open societies provide to destroy our freedoms. The United States and India must work together in all possible forums to counter all forms of terrorism. We cannot be selective in this area. We must fight terrorism wherever it exists, because terrorism anywhere threatens democracy everywhere.

We know from experience that democratic societies which guarantee individual freedom and tolerance of dissent provide an environment most conducive to creative endeavour, and the establishment of socially just societies. We therefore have an obligation to help other countries that aspire for the

fruits of democracy. Just as developed industrial countries assist those that are less developed to accelerate development, democratic societies with established institutions must help those that want to strengthen democratic values and institutions. In this spirit, President Bush and I agreed yesterday on a global initiative to help build democratic capacities in all societies that seek such assistance.

The capacities we have in mind are those related to the electoral, parliamentary, judicial and human rights processes of emerging democracies. Respect for cultural diversity, minority rights and gender equality is an important goal of this initiative.

Democracy is one part of our national endeavour. Development is the other. Openness will not gain popular support if an open society is not a prosperous society. This is especially so in developing countries, where a large number of people have legitimate material expectations which must be met. That is why we must transform India's economy, to raise the standard of living of all our people and in the process eliminate poverty.

India's aspirations in the respect are not different from those of other developing countries. But we are unique in one respect. There is no other country of a billion people, with our tremendous cultural, linguistic and religious diversity, that has tried to modernise its society and transform its economy within the framework of a functioning democracy. To attempt this at our modest levels of per capita income is a major challenge. We are determined to succeed in this effort.

To achieve our developmental goals, our policies and strategies must be in step with changed circumstances and especially the opportunities now available in the global economy. Prime Minister Rajiv Gandhi, standing at this very podium two decades ago, spoke of the challenge of building anew on old foundations. He started a process of reorienting India's economic policies, which has been continued by successive governments.

The economic policy changes that have been made in India have far-reaching implications. They have liberated Indian enterprise from government control and made the economy much more open to global flows of trade, capital and technology. Our entrepreneurial talent has been unleashed, and is encouraged to compete with the best. We will continue this process so that Indian talent and enterprise can realize its full potential, enabling India to participate in the global economy as an equal partner.

We are often criticised for being too slow in making changes in policy, but democracy means having to build a consensus in favour of change. As elected representatives, you are all familiar with this problem. We have to assuage

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Open societies like ours are today threatened more than ever before by the rise of terrorism. The very openness of our societies makes us more vulnerable, and yet we must deal effectively with the threat without losing the openness we so value and cherish.



A section of the audience giving Prime Minister Manmohan Singh a standing ovation after his address to the Joint Session of the U.S. Congress in Washington, D.C., on July 19. (Photo: Embassy of India, Washington, D.C.)

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the doubts and calm the fears that often arise when people face the impact of change. Many of the fears we have to address are exaggerated, but they must be addressed. This is necessary to ensure sustainability. India's economic reforms must be seen in this light: They may appear slow, but I assure you they are durable and irreversible.

I am happy to say that our efforts at transforming India into an economy more integrated with the world have borne fruit. Our rate of growth of GDP has increased steadily, and has averaged around 6 percent per year over the past two decades. Poverty has declined although more slowly than we would like. We are determined to improve on this performance. We hope to raise our growth rate to 8 percent or so over the next two years, and we will ensure that this growth is "inclusive" so that its benefits are widely spread. For this we must act on several fronts. We must do much more in health and education, which are crucial for human development. We must continue to open up our economy. We must impart a new impetus to agricultural development. We must expand investment in economic infrastructure which is a critical constraint on our growth prospects.

India's growth and prosperity is in American interest. American invest-

ments in India, especially in new technology areas, will help American companies to reduce costs and become more competitive globally. Equally, India's earnings from these investments will lead to increased purchases from the United States. The information technology revolution in India is built primarily on US computer related technology and hardware. There are many other examples of such two-way benefits, with both sides gaining from the process.

U.S. firms are already leading the foreign investment drive in India. I believe 400 of the Fortune 500 are already in India. They produce for the Indian market and will hopefully also source supplies from India for their global supply chains. We welcome this involvement and look forward to

further expansion in the years ahead. India needs massive foreign direct investment, especially in infrastructure. I hope American companies will participate in the opportunities we are creating.

The 21st Century will be driven by knowledge-based production and India is well placed in this area. We have a large and relatively young population with a social tradition that values higher education. Our educated young people are also English speaking. This makes us potentially an attractive location for production of high-end services whether in software,

India's growth and prosperity is in American interest. American investments in India, especially in new technology areas, will help American companies to reduce costs and become more competitive globally.

engineering design or research in pharmaceutical and other areas. Our laws on intellectual property rights have been recently amended to comply fully with our international obligations under the WTO. We look forward to attracting business in these areas from the United States.

The presence of a large number of Indian Americans in high technology industries here makes the U.S. and India natural partners. It gives you confidence about India's human resource capability. It also gives you an edge over your competitors in the ease with which you can operate in India. We are proud of what the Indian American community have done in this country. I was touched, as were many of my countrymen, by the news that a Resolution of this House celebrated the contribution of Indian Americans to research, innovation, and promotion of trade and international cooperation between India and the U.S.

Ladies and Gentlemen, to fully exploit potential areas for cooperation between our two countries, we need to make special efforts to bring our private sectors closer together. To this end, President Bush and I have constituted an India-US forum of chief executive officers. I hope this forum will promote greater understanding of each other's perspectives and also a better assessment of prospects for future cooperation. The two governments will draw on their experience and advice on how to realize the full potential of our relationship.

The bulk of our population still depends upon agriculture for a living. The United States was an early partner in this area, helping to establish agricultural universities and research institutions in India in the 1960s. It was an American, Nobel Laureate Norman Borlaug, supported by a grant from the Rockefeller Foundation, who developed high yielding varieties of wheat in Mexico which were then adapted to Indian conditions in the Agricultural Universities you helped establish. This was the start of the Green Revolution in India that lifted countless millions above poverty. I am very happy to say that President Bush and I have decided to launch a second generation of India-U.S. collaboration in Agriculture. The new initiative will focus on basic and strategic research for sustainable development of agriculture to meet the challenge of raising productivity in conditions of water stress. It seeks to take information and know-how directly to the farming community and promote technologies that minimise post harvest wastage and improve food storage. It will also help Indian farmers to meet phytosanitary conditions and enable them to participate more fully in global agricultural trade.

Energy security is another area where our two countries have strong common interests. The world's reserves of hydrocarbons are finite and we must tap new energy sources. India's reliance on coal and hydro-power will increase. We have to invest in new oil and gas exploration and in enhanced recovery of oil and gas from available fields. We must also tap the full potential of nuclear energy. The U.S. can help in all these areas. I am happy to say that we have initiated an Energy Dialogue with the U.S. to explore the scope for cooperation in each of these areas in the years ahead.

The field of civil nuclear energy is a vital area for cooperation between our two countries. As a consequence of our collective efforts, our relationship in this sector is being transformed. President Bush and I arrived at an understanding in finding ways and means to enable such cooperation.

In this context, I would also like to reiterate that India's

India's track record in nuclear non-proliferation is impeccable. We have adhered scrupulously to every rule and canon in this area... This is because India, as a responsible nuclear power, is fully conscious of the immense responsibilities that come with the possession of advanced technologies, both civilian and strategic. We have never been, and will never be, a source of proliferation of sensitive technologies.

track record in nuclear non-proliferation is impeccable. We have adhered scrupulously to every rule and canon in this area. We have done so even though we have witnessed unchecked nuclear proliferation in our own neighbourhood which has directly affected our security interests. This is because India, as a responsible nuclear power, is fully conscious of the immense responsibilities that come with the possession of advanced technologies, both civilian and strategic. We have never been, and will never be, a source of proliferation of sensitive technologies.

We are conscious that plans to meet our energy requirements will have implications for the environment. This is especially so since any energy scenario for India will involve heavy dependence on coal. Clean coal technologies that can make an impact need to be developed and should be affordable for poorer countries. We need to find ways whereby sufficient resources can be devoted to ensure the development of these technologies. We must also find ways of allowing greater access for developing countries to these technologies including ways of undertaking cooperative research. We stand ready to explore new partnerships in this area with you, which will help enable a more efficient use of our hydrocarbon resources.

There are other areas too where we can collaborate. Our combined effort in providing relief and succour to the millions affected by last December's tsunami is an example of what partnership can achieve.

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Building on this experience, President Bush and I have launched a joint initiative to ensure that our capabilities will be readily on call for those in need in similar situations in future. The global challenge of HIV/AIDS is another area for India-U.S. cooperation. President Bush and I have agreed on the need to provide increased international access to safe and effective anti-retroviral drugs.

Ladies and Gentlemen, globalisation has woven a web of inter-connections across the world. This makes it all the more necessary that we evolve a system of global governance that carries credibility and commands legitimacy. Such a system must be sufficiently participative to be able to generate a global consensus. It must also reflect contemporary reality.

The Doha round of world trade negotiations and the reform of the United Nations are two major processes in the international arena where we need to work together to strengthen the system of global governance.

India is committed to strengthening the multi-lateral trading system and we will work with the U.S. and other partners for a successful outcome of the Doha Round. I am sure that we can find a reasonable and balanced outcome that is mutually beneficial. We will make every effort to do so.

On the reform of the United Nations, we believe that it is time to recognise the enormous changes that have occurred since the present structure was established. There must be comprehensive reform of the United Nations to make it more effective and also more representative.

The United Nations Security Council must be restructured as part of the reform process. In this context, you would agree that the voice of the world's largest democracy surely cannot be left unheard on the Security Council when the United Nations is being restructured.

Mr. Speaker, Mr. Vice President, Distinguished Senators and Members of the House of Representatives, Ladies and Gentlemen,

I would like to conclude by saying that the Indian people look forward to a bright future, full of confidence, based on a growing recognition of our economic capabilities and the readiness of our society to meet the challenges before us.

We have had some success in improving the quality of life of our own people and we will redouble



Prime Minister Manmohan Singh signing an autograph for a Congressman soon after delivering his address to the Joint Session of the U.S. Congress in Washington, D.C., on July 19. Standing behind Dr. Singh is Senate Majority Leader Bill Frist (R-TN).

(Photo: Embassy of India, Washington, D.C.)

our efforts to this end. We will also work towards securing a world order in which democracy can flourish, and in which developing nations can strive for greater prosperity. As two democracies, we are natural partners in many respects. Partnerships can be of two kinds.

There are partnerships based on principle and there are partnerships based on pragmatism. I believe we are at a juncture where we can embark on a partnership that can draw both on principle as well as pragmatism. We must build on this opportunity.

My objective on this visit was to lay the basis for transformed ties between our two great countries. I believe that we have made a very good beginning.

With the support and understanding of the Congress, the full benefits of our partnership will be realised in the months and years to come. India is today embarked on a journey inspired by many dreams.

We welcome having America by our side. There is much we can accomplish together.

Thank you. ■

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Clockwise from left, Prime Minister Manmohan Singh's wife, Gursharan Kaur, with First Lady Laura Bush at the White House on July 18. Dr. Singh and President George Bush with members of the newly launched CEOs Forum, at the White House. External Affairs Minister Natwar Singh, left, and Ambassador Ronen Sen, right, with former U.S. Ambassador to India Robert Blackwill at the luncheon meeting hosted by the India Caucus. (Photos: Embassy of India)



Calling on Dr. Singh

Defence Secretary Rumsfeld



Defense Secretary Donald Rumsfeld called on Prime Minister Manmohan Singh at Blair House in Washington, D.C., on July 19.

Senator John Cornyn



Senator John Cornyn (R-TX), co-chair of the Senate Caucus on India, called on Prime Minister Singh at Blair House in Washington, D.C., on July 19.

Senator Hillary Clinton



Senator Hillary Clinton (D-NY), co-chair of the Senate Caucus on India, called on Prime Minister Singh at Blair House in Washington, D.C., on July 19.



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