



# INDIA NEWS

PUBLISHED BY PRESS & INFORMATION, EMBASSY OF INDIA, WASHINGTON, DC

<http://www.indianembassy.org>

May-June 2000

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## President K.R. Narayanan Visits France and China



*President K.R. Narayanan*

President K.R. Narayanan's visit to France during April 2000 was the first ever-official visit by an Indian president to France. President Narayanan's visit, which included stops in Paris, Toulouse and Avignon, confirmed a "common desire to develop a close partnership" between the two countries.

French President Jacques Chirac spoke enthusiastically of his hopes for a "strategic partnership" between India and France, a partnership for the 21st century," in evoking the close ties, both political and cultural, between the two democracies. "The French have often dreamed of India," Chirac stated in a long speech, which paid homage to the rich cultural heritage of the Asian nation and to the country's espousal of the

democratic principles it shares with France. Chirac spoke of being at "the dawn of a new century which will be in particular that of Asia," stressing the importance of mutual cooperation and communication between the two nations.

The first stage of the visit took place in Paris, on April 17, where President Narayanan and his wife were received as guests of honor at a state dinner. The meeting between the Presidents highlighted the close ties that have been established between the two countries in the realms of science and industry, the environment, and culture, evoking such projects as the "Forum for Franco-Indian Initiative" and the "Franco-Indian Week," dedicated to the problem of water shortages.

President Chirac stressed the rich cultural heritage of India, which he credited with the inspiration for France's own artistic tradition: "Few countries have more greatly inspired our writers, our philosophers, our artists."

But the talks focused mainly on international relations. President Chirac declared that the international equilibrium has need of a strong relationship between India and the European Union. One of the most important issues on the agenda was that of nuclear disarmament, a cause to which both heads of state have publicly committed themselves.

President Chirac emphasized France's desire to see India occupy a prominent place in the international scene. Both leaders agreed on the importance of enhancing cooperation in the domain of defense.



President K.R. Narayanan returned June 3, 2000 from a landmark visit to China aimed at improving ties between the world's two most populous nations. Vice President Krishnan Kant, Home Minister L.K. Advani and other cabinet ministers received Mr. Narayanan and wife on their return from the weeklong trip. The President during his visit held talks with his Chinese counterpart Jiang Zemin, Premier Zhu Rongji, Chinese People's Political Consultative Committee chief Li Ruihuan, and met with Chinese Parliament chairman Li Peng. Narayanan and Jiang agreed that the two neighboring countries should work for an early and reasonable resolution to their vexed boundary issue.

# Suo Motu Statement by Shri Jaswant Singh, Minister of External Affairs in Parliament on the Non-Proliferation Treaty Review Conference

May 9, 2000

The sixth Nuclear Non-Proliferation Treaty (NPT) Review Conference is currently taking place in New York. Consistent with our policy India is not attending the Conference.

Since independence India has been a strong proponent of global nuclear disarmament and has taken numerous initiatives towards this objective. We remain committed to nuclear non-proliferation. India holds that genuine and lasting non-proliferation can only be achieved through agreements that are based upon equality and non-discrimination, for only these can contribute to global peace and stability.

In 1995, the NPT was extended indefinitely and unconditionally. Hon'ble Members would be aware that 187 countries are today parties to the NPT. The proponents of NPT cite these developments as evidence of NPT's success; yet, it is also clear that there exist strong differences even among the NPT States Parties. Three of the five Review Conferences held so far failed to reach any agreement on a 'final document'. The non-nuclear weapon States Parties to the NPT have increasingly felt let down by the lack of progress on disarmament, as well as non-compliance with the basic provisions of the Treaty.

The nuclear weapon States Parties to the NPT and their allies have not diminished the role of nuclear weapons in their respective or collective security calculus; on the contrary, new doctrines and justifications have been developed.

NATO's new strategic concept, announced last year, ten years after the end of the Cold War, goes to re-emphasising a need for the continued retention of nuclear weapons. The nuclear weapons sharing arrangements within NATO also pose serious questions about compliance. Such developments are clear and continuing violations of the provisions of the NPT. This the NPT community has been unable to discuss, let alone deal with.

One of the basic obligations of the nuclear-weapon-states under the NPT was to prevent further proliferation. The record on this has also not been satisfactory. The nuclear-weapon-states have either been active collaborators in or silent spectators to continuing proliferation, including exports of nuclear weapon related components and technologies.

After more than three decades, the nuclear weapon States Parties to the NPT remain to be persuaded to begin any kind of collective, meaningful negotiations aimed at global nuclear disarmament. These countries were expected to display a special responsibility to implement Article VI; instead, this special responsibility today appears to be arrogated as a permanent special right to possess nuclear weapons and only for their exclusive security.

India is a nuclear weapon state. Though not a party to the NPT, India's policies have been consistent with the key provisions of NPT that apply to nuclear weapon states. These provisions are contained in Articles I, III and VI. Article

I obliges a nuclear weapon state not to transfer nuclear weapons to any other country or assist any other country to acquire them and India's record on non-proliferation has been impeccable. Article III requires a party to the Treaty to provide nuclear materials and related equipment to any other country only under safeguards; India's exports of such materials have always been under safeguards. Article VI commits the parties to pursue negotiations to bring about eventual global nuclear disarmament. It needs to be emphasised that India today is the only nuclear weapon state that remains committed to commencing negotiations for a Nuclear Weapons Convention, in order to bring about a nuclear-weapon-free-world, the very objective envisaged in Article VI of the NPT.

After the tests undertaken by India in May, 1998, we have declared that India shall only maintain a minimum credible deterrent and not engage in any arms race. The role of India's nuclear weapons is defensive; accordingly, India has announced a policy of no-first-use and a policy of non-use against non-nuclear weapon states. In fact, this meets the demand of unqualified negative security assurances, raised by the large majority of non-nuclear weapon states to ensure their security. India has also indicated readiness to provide requisite assurances to the nuclear-weapon-free-zones in existence or those being negotiated. We have also taken new initiatives calling for de-alerting of nuclear weapons as a means of reducing the risk of

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## STATEMENT

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accidental or unauthorised launch.

The NPT community needs to understand that India cannot join the NPT as a non-nuclear weapon state. Statements by NPT States Parties about India rolling back its nuclear programme are mere diversions to prevent focussed attention on the basic goals of the NPT.

India's commitment to global nuclear disarmament and lasting non-proliferation remains undiluted. While willing to commence negotiations on Nuclear Weapons Convention, India also remains ready to participate in agreed and irreversible steps to prepare the ground for such negotiations. A global no-first-use agreement and a non-use agreement against non-nuclear weapon states would meet the longstanding requirement for legally binding negative security assurances and assurances to nuclear-weapon-free zones. Another positive development would be a commitment by nuclear weapon states not to deploy nuclear weapons outside their own national territories. Nuclear weapon states also need to take steps to lower the alert status, through gradual de-alerting actions, consistent with policies of no-first-use and the defensive role of nuclear weapons. Tactical weapons that lend themselves to war fighting roles need to be eliminated. These would be some positive and concrete steps in the right direction.

India has been a responsible member of the international nuclear non-proliferation regime and will continue to take initiatives and work with like-minded countries to bring about stable, genuine and lasting non-proliferation, thus leading to a nuclear-weapon-free world.

## Information on drought-hit areas and relief activities

More than 50 million people have been affected by a severe drought in Rajasthan, Gujarat, Orissa, Andhra Pradesh and various parts of India.

Several central Ministries and the State Governments have launched relief operations to alleviate the situation. Food, water and fodder are being transported to drought-hit areas. The Prime Minister is personally coordinating the relief efforts in consultation with the Chief Ministers of the affected states.

### *Some of the relief measures taken to tackle the drought situation are:*

- Food for work program have been launched.
- Potable water is being transported by ship and special trains.
- Special funds have been allocated for relief operations.
- More than 400 non-governmental organizations are engaged in relief activities in these states.

### **Prime Minister Vajpayee while addressing the nation on April 24, 2000 has appealed to the people to contribute to the National Relief Fund.**

Contributions to the Prime Minister's National Relief Fund are tax exempt under the Indian Income Tax Act. A receipt will be issued for contributions.

Send your donation by check or money draft drawn in favor of **PRIME MINISTER'S NATIONAL RELIEF FUND** to

PRIME MINISTER'S NATIONAL RELIEF FUND  
PRIME MINISTER'S OFFICE  
SOUTH BLOCK, NEW DELHI - 110 011 INDIA

### **Relief contact Information:**

#### **State of Gujarat**

K.C. Mahapatra  
Relief Commissioner  
Revenue Department  
Government of Gujarat  
New Sachivalaya Complex  
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#### **State of Rajasthan**

R.N. Meena  
Relief Commissioner  
Government of Rajasthan  
Telefax: +91 (141) - 382155

#### **State of Orissa**

Office of the Principal Resident Commissioner of Orissa, Delhi  
Tel: +91 (11) 3019771, 3018498, 3010479, 3792002  
Fax: +91 (11) 301 0839  
Special Relief Commissioner, Orissa, Bhubaneswar  
Tel: +91 (674) 40152, 40832  
Fax: +91 (674) 400161, +91(671) 603346 at Cuttack

*Relief supplies may be sent through International Committee of Red Cross or through other NGOs.*

# Statement By External Affairs Minister In Parliament On The Situation In Sri Lanka

May 4, 2000

Recent developments in northern Sri Lanka are a matter of serious concern to India. The Government is closely monitoring the evolving situation. The Government of Sri Lanka has also been in touch with the Government of India. Our High Commissioner to Sri Lanka was, therefore, called to New Delhi earlier this week for consultations on the developing situation.

The Government of India will be guided by its continued commitment, to a negotiated peaceful resolution of the conflict, within the framework of Sri Lanka's unity and territorial integrity; a united Sri Lanka where all communities can realize their aspirations. It is India's hope that peace will soon return to Sri Lanka, a country which is a close and friendly neighbour.

The Government of India has received some requests

from the Government of Sri Lanka in the context of the present situation. Naturally, all these requests are receiving the urgent consideration of the Government.

The conflict in Northern Sri Lanka continues to cause serious hardship to civilians in the area. As Hon'ble Members are aware, there are nearly 100,000 Sri Lankan refugees in India, including about 30,000 outside the refugee camps. On humanitarian grounds, India continues to look after these refugees. In consonance with this, India will work to mitigate the hardship inflicted upon civilians by the conflict and will render such humanitarian assistance as may become necessary. As and when need arises such assistance will be decided upon only in consultation with Sri Lanka.

## Ambassador Naresh Chandra's message on National Technology Day

Washington, DC

May 11, 2000

Today is India's National Technology Day, an occasion to recall the achievements of India in the field of science and technology and to acknowledge the partnership that has existed between the scientific communities of India and the United States.

The last five decades have witnessed tremendous strides in all fields of science and technology development in India. The introduction of high-yielding varieties, fertilizers, chemicals and mechanization in agriculture led to the 'green revolution', which transformed India from a food deficit country to a food exporting nation. Our vast network of biotechnology institutions are focusing attention on the frontiers of modern science. Our comprehensive range of skills and expertise on the cutting edge of science makes us one of seven nations worldwide with satellite launch capabilities. Our installed electricity generation capacity has increased from 1300 MW in 1947 to over 90000 MW today. India has one of the world's largest programs of renewable energy with a capacity of more than 1300 MW from renewable sources. Our health and nutrition standards have improved dramatically. Our remarkable success in IT industry has received global recognition.

India today has the technological, institutional, and manpower strengths to tap the full potential of the coming age. It has a vibrant industry, a resurgent market and a well-established extension system to spread the benefits of emerging technologies. In meeting these challenges, we welcome S & T cooperation with U.S. scientists and organizations.

During President Clinton's recent visit, India and the US signed a Science and Technology Forum Agreement with the intent to facilitate and promote Indo-US interaction between government, academia, and industry in science and technology. The Forum will promote research and development, the transfer of technology, the creation of a comprehensive electronic reference source for Indo-US science and technology cooperation, and the electronic exchange and dissemination of information on Indo-US science and technology cooperation. The Forum will commission studies, reports and papers and would assist in facilitating and promoting joint collaboration of projects. I invite U.S. scientists, with many Indian Americans among them, to intensify their interaction with their Indian counterparts in pursuit of excellence for the greater good of humanity.

# Forum for India-U.S. dialogue on Financial and Economic matters established

Washington, DC

April 17, 2000

India's Finance Minister, Mr. Yashwant Sinha, and the U.S. Treasury Secretary, Mr. Lawrence Summers, signed here today a document setting up the India-United States Financial and Economic Forum. India's Ambassador to the U.S., Mr. Naresh Chandra, Secretary (Economic affairs), Dr. E. A. S. Sarma, the Indian Executive Directors on the Boards of the World Bank and the I.M.F., Assistant Secretary in the U.S. Department of Treasury and the U.S. Executive Director of the World Bank were among those present at the signing.

The Forum is part of the broader economic and commercial dialogue between the two countries envisaged in the "Vision Statement" issued by Prime Minister Vajpayee and President Clinton during the U.S. President's recent visit to India.

The objective of the Forum is to strengthen the financial and economic relationship between India and the United States through regular government-to-government meetings of economic policy makers. The Forum is to be headed by the Indian Finance Minister and the U.S. Treasury Secretary who are expected to

meet on an annual basis. These meetings are to be supplemented by sub-Cabinet level meetings of officials of the two governments and will involve, as appropriate, the participation of the U.S. Securities and Exchange Commission, Federal Reserve System, Office of the Comptroller of the Currency, Council of Economic Advisors and, on the Indian side, the Securities and Exchange Board of India (SEBI), and the Reserve Bank of India.

The sub-cabinet level meetings are expected to focus on the strengthening and development of financial services through mutual exchange of experiences on issues relating to capital markets in the two countries and macro-economic and investment issues such as, structural reform, fiscal and monetary policies, and bilateral trade issues.

After the signing ceremony, the two sides held bilateral discussions in which the subject of the first meeting of the Forum was also raised. It was agreed that this meeting may be held prior to the next meeting of the Heads of Government envisaged in the Vision Statement.

## A Season for Nonviolence

Bronze busts of Mahatma Gandhi and Kasturba Gandhi were unveiled at a colorful ceremony at Luther King Jr. International Chapel, Morehouse College, Atlanta on April 2, 2000. The ceremony also marked the founding of the Mahatma Gandhi's Center for the study of peace and nonviolence.

The function which marked the closing of "A Season for Nonviolence", a campaign that highlighted the philosophies of Mahatma Gandhi and Martin Luther King Jr., was organized by the Morehouse College in cooperation with the Indian American community of Atlanta.

Founded in 1867 as the Augusta Institute in Augusta, Georgia, Morehouse College is the nation's only private, historically black liberal arts college enrolls approximately 3,000 students.

More than 1500 people including Dr. Coretta Scott King, Dr. Arun Gandhi, grandson of Mahatma Gandhi, Mayor of Atlanta, President of Morehouse College, Mr. Rinzing Wangdi, Consul General of India at Houston, Mr. Anil Chowdhry, Minister (Community Affairs), Embassy of India, Washington, D.C. and Indian American community leaders from Atlanta, attended the ceremony. A 100-member voice choir specially flown in from Los Angeles for the occasion sang hymns specially composed for the occasion.

The event supported the unanimous declaration of the UN General Assembly of November 1998, which called for a Decade of Peace and Nonviolence for the children of the world beginning with the new millennium.

## India does not want an arms race: External Affairs Minister Jaswant Singh

India's Minister of External Affairs Jaswant Singh said India has no intention of engaging in any arms race. He added that India only wants to maintain a credible deterrent nuclear defense capability.

Mr. Jaswant Singh, gave the reassurance in his speech on "India and ASEAN: Security Paradigms for AD 2000" organized by the Institute of Defense and Strategic Studies during his visit to Singapore. India plays a strategic role in regional stability, asserted Mr. Jaswant Singh, but it does not pose a threat to its neighbors.

"India has neither been, nor has it been perceived to be "hegemonic". It has never exported any disturbing or destabilizing ideology. It has not sought to conquer or even covet others territory, it has not sought to dominate through trade," the Indian Minister told his audience at the meeting.

"But India does seek to increase its economic engagement with the rest of the world.

It is vital, therefore, to ensure peace and stability on

India's borders and in the regions with which it has increased interactions."

"Today, we are ASEAN's geographical neighbors with greater interactions on economic, political and security interests than ever before. The engagement of a militarily stronger, economically prosperous, democratic and secular India imparts greater stability to the region," he said.

On India's bilateral dispute with Pakistan, Mr. Jaswant Singh said the issue could be addressed through dialogue. But he noted that an "environment conducive for dialogue requires that you stop promoting cross-border terrorism, advocating jihad as an instrument of foreign policy".

Mr. Jaswant Singh said establishing and managing a stable, tolerant and secular state is a common problem faced by many countries in the region. It is also an issue that can be complicated by externally induced factors. He said the goal is to forge a common endeavor to create political stability and security in the region.

## Indian Science Delegation in Washington

May 26, 2000

Dr. R.A. Mashelkar, Secretary, Government of India, Scientific & Industrial Research and Director General, Council of Scientific & Industrial Research, addressed Washington based science diplomats of different countries at a function organized at the Indian embassy today.

Dr. Mashelkar emphasized India's tremendous competitive advantages in facing the challenges of the new century, which could turn it into a global R&D center. By the year 2015, 55% of India's population will be under 20 years age giving India a large human resource pool of 600 to 700 million young adults. This would in turn provide a tremendous cost advantage to India's R&D giving it the highest return on investment in knowledge industries. Dr. Mashelkar also highlighted India's rich bio-diversity, and the need to use it for the propagation of the 5 Es- Eco-

nomics Development, Equity, Ethics, Environment and Ecology. In this context, he pointed out the need to integrate and network strongly with other countries including the USA for the greater benefit of all mankind.

Ambassador Naresh Chandra also addressed the delegates on various aspects of Indo-U.S. relations, particularly the agreement setting up the Indo-U.S. Science and Technology forum concluded during President Clinton's recent visit to India.

Science diplomats of different countries and representatives of the Office of Science & Technology Policy, National Science Foundation, National Institute of Health, National Oceanic and Atmospheric Administration and NASA attended the gathering.

# News in Brief

## Enron and Reliance to build optical fiber cable network

Enron Corporation signed a \$137 million agreement with India's Reliance group for an optical fiber cable project in the southern Indian state of Karnataka. Enron India and Reliance signed the agreement on the sidelines of a global investment meeting in Bangalore, through which the state government hopes to attract \$800 million in foreign capital. The pact aims at laying an optical fiber cable link across nine districts of the state covering 1,500 kilometers (930 miles). An official statement said the network will be completed by next year and will connect data center in India's software hub of Bangalore, the capital of Karnataka state, to an international gateway in Bombay to access the European markets for software.

## India to Set up Technology Fund for Small Scale Sector

The Ministry of Small Scale Industry (SSI) will set up a "Technology Up gradation Fund" for the small scale industry on the lines of Textile Up gradation Fund, SSI minister Vasundhara Raje said during the annual general meeting of the Federation of Engineering Industries of India (FEII) in New Delhi.

Ms. Raje said the fund would be similar to the textile fund but added that a corpus for the fund had not yet been finalized. The proposal has been given "in-principle clearance" by the Planning Commission but the commission has reviewing it further.

The Planning Commission has

appointed a study group to make recommendations for the development of the SSI sector. Minister Raje said recommendations for a comprehensive policy for the SSI is being prepared by the Administrative Staff College (ASC), Hyderabad. The ASC has been mandated by the ministry to consider the recommendations made by all the committee's on SSI's, she said adding that all the legislations covering SSI's would also be reviewed by the ASC which would recommend possible changes to avoid duplication and undue harassment to SSI enterprises. The minister said she was hopeful that a policy for the SSI sector would be in place within the next three months.

## India's southern Karnataka state makes big push for investment

Over 400 foreign and Indian business delegates visited Bangalore on June 5, 2000 where the southern state of Karnataka hopes to attract a billion dollars of investment in foreign capital. Investors from the United States, Germany, Britain, Canada, Australia, Sweden, Singapore and Hong Kong attended the two-day meeting with senior Indian business leaders and bid for state government projects. Indian Finance Minister Yashwant Sinha had opened the event.

Projects worth close to \$800 million dollars have been offered to foreign and Indian investors by the state. They include four minor airports (\$5.5 million), revamping water supply and sewerage treatment (\$112 million), highways

(\$82 million), power generation (\$450 million), hotels and resorts (\$61 million), constructing a gem and Jewellery Park, an industrial township and a food-processing park.

Competition to attract foreign investment between the three southern Indian states of Andhra Pradesh, Karnataka and Tamil Nadu — which account for 60 percent of India's software exports — has intensified in the last two years.

Karnataka leads the pack with software exports of \$1.2 billion in the fiscal year to March 2000. But Tamil Nadu's software exports have almost trebled from \$91 million in 1997 to about \$280 million. Andhra Pradesh registered a phenomenal growth in software exports from \$ 5 million in 1995 to \$131 million in fiscal year 1999.

Foreign firms such as Enron Corporation, De Beers Consolidated Mines Ltd., General Electric Corporation, Motorola, Toyota Motor Corporation and RioTinto are among several who want to do more business in Karnataka.

## Government to privatize AIR INDIA

Government has decided to divest up to 60% of equity in Air India and said it was willing to take a foreign airline as a strategic partner for India's international flag carrier. A meeting of the Cabinet Committee on Disinvestments (CCD), led by Prime Minister Atal Bihari Vajpayee, decided to privatize Air India according to the

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## NEWS IN BRIEF

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Disinvestments Minister Arun Jaitley.

“Government will sell up to 40 per cent equity to strategic partners including 26 per cent to foreign investors. Foreign investor can be a foreign airline also,” he said. Mr. Jaitley and Civil Aviation Minister Sharad Yadav had a meeting earlier this week to sort out the issues over privatization of the airline, paving the way for a formal decision at the CCD.

Jaitley said another 10 % equity in Air India would be offloaded to domestic investors and employees as stock options (ESOPs). “Government will continue to hold 40 per cent, 40 per cent by a strategic

partner, 10 per cent by employees through ESOP and 10 per cent by domestic financial institutions and investors,” he said. The global advisor will advise the committee on the detailed management plan of Air India, Mr. Jaitley said.

### **Economic growth of 7.2% subject to good agricultural performance**

National Council of Applied Economic Research (NCAER), an independent Indian think tank said that economic growth forecast of 7.2 per cent in 2000-01 was achievable, but subject to a good agricultural performance. Indian Industry will continue on the path

of recovery. The pick up in manufacturing, increase in capacity utilization, improved business sentiment and lower interest rates were expected to lead to higher investment, it said.

“However, the vagaries of the monsoon may introduce uncertainty. The gross domestic product (GDP) growth of 7.2 per cent is conditional upon a good agricultural performance,” NCAER said in the quarterly Macro Track.

Since the crop area dependent upon rainfall still constitutes about 60 per cent of the total area under crops, only a monsoon distributed normally, such that all agro meteorological regions of the country receive the long-term average rainfall, can ensure a growth rate of 4.3 per cent in agricultural, NCAER said.

The council, however, warned that inflation and current account deficit were expected to rise in the 2000-2001. The increase in world petroleum prices and the rising trend in international commodity prices were expected to put an upward pressure on prices.

### **Mr. Pramod Mahajan invites U.S. IT companies to invest in India**

India has invited leading IT companies in U.S. including HP, Compaq, Sun Microsystems and Cisco, to invest in India saying government had made the investment environment highly encouraging and conducive as part of efforts to emerge as a “gateway to the IT revolution”.

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## **New Books on India**

### **Bazaar India: Markets, Society, and the Colonial State in Gangetic Bihar**

by Anand A. Yang

University California Press; ISBN: 0520211006

### **Birds of India, Pakistan, Nepal, Bangladesh, Bhutan, Sri Lanka, and the Maldives (Princeton Field Guides)**

Princeton University Press; ISBN: 0691049106

### **India: A History**

by John Keay

Atlantic Monthly Press; ISBN: 087113800X

### **The Better Man**

by Anita Nair

Picador USA; ISBN: 0312253117

### **Aani and the Tree Huggers**

by Jeannine Atkins, Venantius J. Pinto

Lee & Low Books; ISBN: 1584300043

### **The Age of Kali: Indian Travels and Encounters**

by William Dalrymple

Lonely Planet; ISBN: 1864501723

*(Continued from page 8)*

During the meeting with the chief executives of these companies, Information Technology Minister Mr. Pramod Mahajan said that government was committed to promote collaboration and diversification and facilitate an enabling climate through a series of ongoing fiscal and other policy measures. He said Government was identifying inputs to create a potential for creating venture funds totaling 10 billion dollars, up from 2 billion dollars now, over the next eight years and pointed out that a national IT Venture Fund amounting to \$20 million had been set up for small and medium enterprises by his ministry.

Mr. Mahajan said that InfoTech was one of the fastest growing sectors of the Indian IT industry, having achieved a compounded annual growth rate (CAGR) of 25.5 per cent in production and 43 per cent in exports during 1994-95.

IT contributed four per cent and Telecommunication and Electronics 24.19 per cent towards the total foreign direct investments inflow between January 1991 and December 1998, the minister said.

### **Chemical and Fertilizers delegation visits U.S. and Switzerland**

Indian Minister of Chemicals and Fertilizers Suresh Prabhu led a delegation of businessmen from chemicals and pharma industries to United States and Switzerland to popularize the competitive advantage of India in the two industries.

Part of the promotional tour was to popularize India Chem 2000, to be held in October in New Delhi.

The delegation impressed upon international companies to invest in the field of research and development in India. The delegation focused on India's capability to emerge as a major R&D hub, attracting foreign investment into the chemical sector, technology transfer and strategic collaborations.

The delegation met with representatives from Novartis, Sulzer, Swiss Society of Chemicals, GEF, DuPont, Rohm and Haas, Unocal, Enron, Philips and Chevron during the visit.

The delegation also held a symposium on the chemical industry and its relationship to India's economic development in Philadelphia. It also met with members of International Petrochemical and Refineries Association.

### **Satyam enters alliance with Microsoft for U.S. clients**

India's Satyam Computer Services Ltd. and Microsoft Corp. have formed a strategic alliance to jointly develop and provide web and enterprise integration systems to U.S. state-run companies based on Windows DNA 2000 technology. Satyam Computers, one of India's largest software companies, has worldwide research and development center, which develop, customized applications based on Microsoft technology. The statement said Satyam had used its software skills to accelerate web and e-commerce integration with existing back-end software systems for Internet start-ups as well as multinational firms. Windows DNA 2000 is Microsoft's platform for building and deploying new generation e-commerce and web solutions business.

### **India May Exempt Pharmaceutical Companies From Environment Clearance**

India's Chemical and Fertilizers ministry has favored the exemption of pharmaceutical units with less than U.S. \$11.21 million in investments from obligatory environmental clearance and will soon take up the issue with the Environment Ministry. The department is planning to raise the matter with the Ministry of Environment and Forests for exemption and clearance of proposals of new units and expansion plans for existing units with less than U.S. \$11.21 million investment by State Pollution Control Boards, ministry officials said. Observing that pharmaceutical units were technology-driven and provided for pre-treatment facilities within their premises as per prescribed standards, it said that expansion was imperative for the industry, which was facing stiff competition in international markets.

### **New Delhi based DELHINET ties up with UUNET**

India's Delhinet Web Services has entered into a strategic alliance with U.S. based Internet backbone provider, UUNET to offer the multinational's services in India. According to the alliance, Delhinet would offer services like web hosting, remote access, collocation and other value added services as premium offering to dot.com companies, internet service providers and corporates in India, the company said in a statement. Delhinet would also be putting up new services with UUNET in the United States to offer premium services to its clients, the release added.

# Embassy Diary

*In the continuing celebration of 50th anniversary of India as a Republic, a series of events have been organised by the Embassy over the last few weeks:*

***Surbahar and Pakhawaj:*** Shubha Sankaran and Peter Fagiola regaled a large audience with their performance on these unique instruments at the World Bank auditorium on April 29. Shubha Sankaran who studied instrumental music with Ustad Imrat Khan, has performed widely in the United States and India as well as other countries and is a regular on radio and television. Peter Fagiola, a disciple of late Pandit Taranath Rao, is known for his diversity as a percussionist and is equally at home with pakhawaj and tabla.

***Memphis in May Festival:*** India was chosen for this turn of the millenium festival in Memphis held during May 4-30. The festival included exhibitions of Indian art and artifacts, a photo exhibition on River Ganga, a trade fair organised by the ITPO with the participation of internationally acclaimed chef Jiggs Kalra from India, and performances by the Manipuri Pung Dhol Cholum troupe. A pop group from India — Euphoria — also participated in the traditional Beale Street festival. Several hundred thousand people from Tennessee and adjoining states got a chance to see various facets of India. The Dhol Cholum group also performed in 5 other cities in May: Atlanta, Albuquerque, Los Angeles, Stamford (CT) and Columbus Ohio. Their nearly month long tour of USA finished on May 28.

***Exhibition of Paintings by Neil Slaughter:*** A painting exhibition “Images of India” by Prof. Neil Slaughter was inaugurated at the Art Center of the University Club in Washington, D.C. on May 4. A distinguished gathering attended the inauguration. The Exhibition displayed twenty-five pieces of his work which were inspired by his wide travels in India as a Fulbright scholar, a journey which proved to be “an intense life changing experience”. The social and cultural environment that he encountered in the



*Indian folk dancers from Manipur performing at the Memphis in May Festival.*

country he calls “a painter’s paradise” helped form a new perspective for the development of his art.

**Readings by Ms. Maura Moynihan:** At a colourful function of Indian art and literature, organised at the Embassy on May 16, Ms. Maura Moynihan read from her collection of short stories “Masterji And Other Stories” to an audience of Congressional staffers, journalists and artists. Ms. Moynihan who first went to India in 1973 as the daughter of the then Ambassador and now U.S. Senator, Ms. Daniel P. Moynihan, is an accomplished writer, actress, singer, dancer and painter. Her multifaceted personality was in evidence not only through her reading but also through the exhibition of her paintings, which was put up at the Embassy on the occasion. Ms. Moynihan, who is a light-footed traveller currently settled in Kathmandu, best expressed her love for India when she said “my body is Irish, my heart Tibetan, my passport is American and my soul Indian”.



*Indian Ambassador Naresh Chandra, U.S. Ambassador to India Richard Celeste and Ajai Malhotra, Minister (Commerce), Embassy of India with the organizers of the Memphis in May Festival.*

Ambassador Naresh Chandra, addressing the audience on the occasion, recalled the immense contributions made by Senator Daniel P. Moynihan to Indo-US relations and expressed his admiration for Ms. Moynihan’s varied accomplishments in art and literature.

The same audience also witnessed the amazing talent of a 20-year old Bangalore artist Raghava Kalyanaraman who displayed his series of water colours and sketches. Raghava is currently travelling in the United States and has exhibited his work in several cities.

**Performance of Satriya Dance:** In collaboration with IDEA (Indian Dance Educator’s Association) and the IMF/World Bank India Club, the Embassy organised performance of Satriya dance of Assam on May 27 at the World Bank auditorium. The dance was performed by the famous mother-daughter team of Assam, Indira P.P. Bora and Menaka.



*Ambassador Naresh Chandra inaugurating Memphis in May Festival.*

Besides the above events, the **DC Film Festival** (April 5-14) showed four films from India or with Indian actors: East is East, The Terrorist, Throne of Death and Split Wide Open.

### **Forthcoming Events:**

Concert by famous Dhrupad singer USTAD F. WASIFUDDIN DAGAR on June 17. He is the son and nephew of the Late DAGAR BROTHERS, Ustad N. Zahiruddin and Faiyazuddin Dagar respectively. He started his career at an early age as a soloist and also performed with his uncle in jugalbandi until 1994. He is the only heir and direct descendant in the Dagar family to perpetuate, in the 20th generation, the family vocal style of Dhrupad singing.

# Recent Policies, Programmes and Initiatives by the Government of India

## Atomic Energy

Prime Minister Shri Atal Bihari Vajpayee dedicated the first of the twin units of the Kaiga Atomic Power Station to the nation on March 5, 2000. The unit was operating at 210 MW.

Rajasthan Atomic Power Station already has two operating units, which were reconditioned and rehabilitated in the years 1995-1998. In addition, two new units based on Pressurized Heavy Water Reactor technology were being indigenously set up. The reactor of Unit No. 3 was made critical on December 24, 1999 and the same has been synchronized with the grid on March 10, 2000.

## Civil Aviation

### *Disinvestment of Indian Airlines*

The Government has decided to disinvest 51% of Government Equity in Indian Airlines, the national domestic carrier presently owned by the Government of India. Of the 51% of equity 26 per cent may be given to a joint venture/strategic partner. The remaining 25% would be offered to employees; financial institutions and the public. The disinvestments would be done within the framework of the Domestic Air Transport Policy.

The Ministry has concluded aviation bilateral agreements with Austria, Romania, Uzbekistan, UK, Thailand and Turkmenistan, Sri Lanka, Mauritius, Oman, Qatar and Syria providing for an increase of 9680 seats per week in air-seat entitlement in each direction.

## Commerce

### *Exports exceed targeted growth rate in 1999-2000*

India's exports during 1999-2000 are estimated at over U.S. \$37 billion, which is 11.58% higher in dollar terms than in the previous year 1998-99. The growth in percentage terms has thus exceeded the

11.3% growth targeted for the year. In rupee terms, India's exports during 1999-2000 have increased by 14.93%. India's exports have achieved a double-digit growth after several years.

### *Setting up of Special Economic Zones*

The Special Economic Zone (SEZ) concept has been introduced for the first time in the EXIM Policy of 2000-2001. Two such Zones are expected to come up shortly — one in Tamil Nadu and another in Gujarat. Such Zones can also be set up in the private sector or the joint sector.

## Environment & Forest

The Biological Diversity Bill, 2000, tabled in Lok Sabha. The Bill seeks to provide for conservation and sustainable use of bio-diversity and equitable sharing of the benefits arising out of the use of biological resources. With a view to regulate and control noise producing and generating sources, the Noise Pollution (Regulation and Control) Rules, 2000 notified for prevention and control of noise pollution in the country.

## Industry

### *Automatic approval of FDI*

The Government have placed all items under the automatic approval route for foreign direct investment (FDI)/NRI and Overseas Corporate Body (OCB) investment, except for a small negative list. This move is aimed at increasing the present inflows of FDI into the country to an annual figure of U.S. \$10 billion.

### *Setting up of Foreign Investment Implementation Authority*

To bridge the gap between FDI approvals and actual inflows, a Foreign Investment Implementation Authority (FIIA) has been set up as an institutional response to provide foreign investors with a single point interface with various approval authorities at both the central and state levels. This would com-

press the approval time frame and thereby facilitate speedy implementation of projects.

### ***FDI proposals approved***

From January 1991 to February 2000, the government has approved 17,098 foreign collaboration (technical and financial) proposals with a corresponding foreign direct investment (FDI) of U.S. \$60.4 billion. Actual inflow of FDI during 1999 reached U.S. \$4 billion during 1999.

## **Information Technology**

The new Ministry has been created by amalgamating two departments, the erstwhile Department of Electronics and the NIC, which was earlier under the Planning Commission. The vision of the IT Ministry is to make India an IT Super Power by the Year 2008. It would take focused initiatives to accelerate the internet revolution in India, emphasizing the creation of useful contents in Indian languages, IOT-enabled services, IT-education, electronics and computer hardware manufacturing and exports, silicon facility, E-Commerce and internet based E-Businesses.

## **Social Welfare**

### ***Increased Focus On Elimination Of Child Labor***

Elimination of child labor continues to be one of the major focus areas of the Labor Ministry. The Labor Ministry has taken an initiative for framing an omnibus legislation prescribing 14 years as the minimum age for employment and work in all occupations. However, exception is sought in the area of agriculture in family and smallholdings producing for own consumption. The proposed legislation will also fix a minimum age of not less than 18 years to any type of employment and work which by its nature or circumstances is likely to jeopardize the health, safety or morals of young persons. The measure would also help in ratification of the ILO's new convention, by India.

### ***Welfare Fund For Overseas Indian Workers***

The Labor Ministry proposes to constitute a Welfare Fund for the Indian Overseas Workers. It will be utilized for repatriating the workers stranded in foreign countries, providing financial assistance to the

kin of workers who die during foreign employment, transportation home of the bodies of dead workers and for lump sum assistance to workers permanently disabled while in foreign employment. Collecting a fee from each worker leaving the country for overseas employment will raise the money for the Fund. The Labor Ministry is also taking several steps to prevent exploitation of emigrant workers both at home and abroad. The Chief Secretaries of all the states have been requested to ensure police surveillance on the activities of unauthorized agents and register cases against them.

## **Space**

India's first third-generation satellite, Insat-3B was successfully launched from Kourou in French Guyana by an Ariane-5 rocket on March 22, 2000. ISRO crossed an important milestone in the development of indigenous Cryogenic Upper Stage for India's Geo-synchronous Satellite Launch Vehicle (GSLV) when the first cryogenic engine was ignited at Liquid Propulsion Systems Center Test Complex at Mahendragiri, Tamil Nadu on February 18, 2000.

## **Water Resources**

### ***Cooperation with Nepal and Bangladesh***

Several projects have been identified and negotiations have been going on. Joint Project Office - Pancheshwar Investigation (JPO-PI) has been opened in Kathmandu, Nepal on 10.12.99 and the Project investigation work for preparation of a joint Detailed Project Report for Pancheshwar multi-purpose project has started. This work scheduled to be completed by the end of 2001. Govt. of India and HMGN are also cooperating for the extension of embankments in Nepal on the rivers Lalbakeya, Kamla, Baqgmati and Khando. Work on Lalbakeya River has started. Work on establishing flood forecasting and warning sites on rivers common to Nepal and India is in progress with the assistance of Government of India.

The Treaty with Bangladesh is being implemented. Talks are on with Govt. of Bangladesh for sharing waters of other rivers common to India and Bangladesh. Joint Committees have been set up on both sides for monitoring and implementing the Treaty on sharing of Ganga waters.

# India Press Monitor

## Wired to the World Leveraging Power Through IT

According to the recently released NASSCOM-McKinsey Study on Indian IT strategies, Indian and India-centric companies have opportunities in four broad areas — value-added IT services, software products, IT-enabled services and e-business. The report suggests that by the year 2008, software and services will contribute over 7.5 per cent of the overall GDP growth of India; exports in the IT

sector will account for 35 per cent of the total exports from India; there are a potential 2.2 million jobs in IT by 2008; the IT sector will attract foreign direct investment (FDI) of \$4-5 billion; and the overall revenues from the IT sector will be nearly \$90 billion including \$50 billion in exports. The IT task force is trying to radically enhance per capita productivity of software engineers in India from \$15,000-\$40,000 at present, to over \$1,50,000 which will be comparable to those in the US and Israel. Moreover, if India can shift

the focus of its software exports from the low-end to the high-end, then India can be a \$100 billion player in the IT world by 2008.

By **Akshay Joshi**  
*Times of India*  
May 24, 2000

## Underestimating India

The situation in southern Asia among the three nuclear weapon powers (China, India and Pakistan) is very different and the present era is different from the Cold War era. Of the three, only India is an open society and a democracy. The other two countries are in a position to keep their nuclear strategy and posture concealed from their public. India has also proclaimed a no-first-use policy and that makes it all the more important that it should be in a position to project deterrence in a credible manner. That exercise involves both the capability and the will to retaliate. One of the problems India faces in relation to Pakistan is the perception among the politico-strategic elite of the latter about India's lack of will to sustain a war.

In these circumstances, it is essential that India should demonstrate in a non-provocative manner its deterrent capability. A minimum deterrent should demonstrate its credibility through the command and control system and the overt and publicised involvement of the armed forces.

By **K. Subrahmanyam**  
*Times of India*  
May 15, 2000

## Disarming Argument

On the eve of the second anniver-

See **PRESS MONITOR**, Page 15

### State of Maryland passes resolutions congratulating India on the occasion of the 50th anniversary of the Indian Republic

Washington, DC  
March 28, 2000

The Maryland House of Delegates and the Senate of Maryland approved separate Resolutions yesterday, congratulating the Government of India on the occasion of the 50th Anniversary of the Indian Republic.

The House Resolution, sponsored by Delegate Kumar P. Barve, "offers its sincerest congratulations to the Republic of India in recognition of its Golden Anniversary and as an expression of our true admiration and great respect for the largest democracy in the world". The Senate Resolution, sponsored by the President and all Members, "offers its sincerest congratulations to the Republic of India in recognition of its Golden Anniversary celebrating 50 years of democracy".

The Speaker of the House and the President of the Senate presented the Resolutions to the Indian Charge d'Affaires, Mr. T.P. Sreenivasan at separate ceremonies at the State House. Responding to the Resolutions, Mr. Sreenivasan said that India felt greatly honoured that the House of Delegates and the Senate of Maryland had approved congratulatory Resolutions on the occasion of the 50th Anniversary of the Indian Republic. He noted that the Indian Constitution, adopted 50 years ago, was inspired by the ideals and aspirations of the US Constitution. He also said that the honour came to India at a historic moment when a new chapter in Indo-US relations was opened by the historic and highly successful visit to India by President Clinton. The Delegates and the Senators gave India a standing ovation at the end of the ceremony.

Earlier, several Delegates and Senators attended a reception hosted by the Charge d'Affaires in the Silver Room of the State House.

sary of the Shakti tests, India has taken the lead to put forward pragmatic proposals to harmonise the concerns of the NPT-community with the long-term goals of nuclear disarmament. External affairs minister Jaswant Singh has timed his proposals in Parliament to prod the nations now assembled in New York for the first quinquennial review conference of the Non-Proliferation Treaty after the legitimisation of nuclear weapons in 1995. New Delhi's aim is to stimulate some fresh thinking on the issue. Mr Singh emphasised that India would not give up its nuclear arsenal so long as the five nuclear weapon nations keep theirs; whether the NPT nations acknowledge India's status as a weapons nation or not will make no difference to the effectiveness and significance of the capability. The NPT community has run out of ideas and is dangerously poised to unleash a new arms race; the US proposal to initiate a national missile defence programme will have adverse implications for the entire arms control structure. The Indian foreign minister has offered a step-by-step approach towards fulfilling the obligations under Article VI of the NPT to achieve ultimate nuclear disarmament.

**Editorial, Times of India**  
May 11, 2000

### True Confessions

The U.S. state department's assessment in its annual report on international terrorism shifting the hub of terrorism from West Asia to the Pakistan-Afghanistan region should not come as a surprise. Only recently, U.S. Secretary of State Madeline Albright acknowledged the short-sightedness of supporting Saddam Hussein in his aggression against Iran; thanks to

the U.S. intervention in Iran in 1953, that country had to bear Shah's tyranny for 25 years. President Clinton during his trip to Bangladesh regretted that its struggle for freedom did not get the deserved support for many nations. He was no doubt referring impliedly to the U.S. Now a decade after Pakistan unleashed terrorism in this region and started to Talibanise Afghanistan, the U.S. has come round to the view that this region is the focal point of international terrorism fuelled by religious extremism and narcotics traffic.

**Editorial, Times of India**  
May 3, 2000

### Patent excuse

Everyone has a right over the knowledge they create. Which is not the same thing as having proprietary rights over a traditional knowledge that already exists.

Unfortunately, the patent regime under the auspices of the WTO has failed to distinguish the two. The wrangle over neem is a typical example of the problems that are being faced. The products of this plant have been used in India down the ages for medicinal and other purposes. But that has not stopped over three dozen American companies from rushing to the patent office to register their proprietary rights over using neem in some or other form.

The European Patent Office rejected one such "neem patent" granted to an American company earlier this week. This should help draw attention to some of the iniquitous aspects of the existing regime. While the verdict should be welcome news for all users of traditional knowledge in societies such as India, it must be borne in

mind that it has taken an India-based NGO four years to make its case before the EPO on this issue. As far as the present patent system goes, the dice are loaded against traditional societies, most of which are struggling with their developmental problems.

**Editorial, Hindustan Times**  
May 13, 2000

### Back to the future

Gradual restoration of Indo-Russian relations to the levels which existed between India and the Soviet Union is a strategically desirable long-term objective. While forging such an equation with Russia, India has to calibrate its relations with the U.S. and China in a manner where India retains her independent position and freedom of options in dealing with the U.S., China and Russia.

The long-term predication on which India should structure relations with Russian Federation is that if Russia re-consolidates itself and becomes stable politically and economically, it will remain endowed with nearly 70 per cent of the resources, man-power and technological capacities of the former Soviet Union. Russia's demographic and geo-territorial characteristics make it a power to reckon with in Eurasian land mass. As far as India is concerned, Russia has an interest in balancing the influence of the U.S. and extremist Islamic nations in the Asian region. Ivanov's visit affirms that on this objective Russian and Indian interests converge. The revival of Indo-Russian connections is based on this convergence of long-term interests of both the countries.

**J.N. Dixit - Hindustan Times**  
May 10, 2000

# Trade Events in India

## India Chem 2000

An International Exhibition  
of Chemical, Petrochemical  
and Pharmaceutical Industry.

New Delhi  
from  
October 6-8, 2000.

*For more information:*

U.S. India Business Council,  
U.S. Chamber Of commerce,  
1615 H Street N.W.  
Washington D.C. 20062-2000.  
Tel: 202 463 5492  
Fax: 202 463 3173  
[mclark@uschamber.com](mailto:mclark@uschamber.com)

## 4th IREE

International Railway Equip-  
ment Exhibition in associa-  
tion with Indian Railways  
October 19-22, 2000

Pragati Maidan, New Delhi  
Confederation of Indian Indus-  
try  
Gate No 31. North Block

Jawaharlal Nehru Stadium  
New Delhi 110003  
Tel: + 91 11 462 6225/6273/6276  
Fax: + 91 11 462 6271/464 7844

## ICON 2000

India Construction Fair  
October 2000

Confederation of Indian Indus-  
try  
Gate No 31. North Block  
Jawaharlal Nehru Stadium  
New Delhi 110003  
Tel: + 91 11 462 6225/6273/6276  
Fax: + 91 11 462 6271/464 7844

## 6th Technology Platform

International exhibition &  
conference on Technological  
developments & innovations  
October 2000

Confederation of Indian Indus-  
try  
Gate No 31. North Block  
Jawaharlal Nehru Stadium  
New Delhi 110003

Tel: + 91 11 462 6225/6273/6276  
Fax: + 91 11 462 6271/464 7844

## Energy Summit 2000

International exhibition &  
conference on Energy  
Management  
November 2000

Confederation of Indian Indus-  
try  
Trade Fairs Dept.  
13 Harrington Road  
Chetpet, Chennai 600 031  
Tel. 91-44-827 958/0218  
Fax: 91-44-826 8438

## Agrotech 2000

India's Premier Agro  
Technology fair  
December 1-5, 2000

Confederation of Indian indus-  
try  
Northern Division  
Block No. 3  
Dakshin Marg, Chandigarh  
Sector 31-A, Chandigarh  
Tel: 91-172-605614

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