



Joint Press Availability With Minister of External Affairs Yaswant Sinha

Secretary Colin L. Powell
Hyderabad House
New Delhi, India
March 16, 2004

MODERATOR: Good afternoon friends, and welcome to the joint press interaction with the External Affairs Minister and the visiting U.S. Secretary of State. As usual, may I request External Affairs Minister Mr. Yaswant Sinha to kindly make his opening remarks.

Sir...



MINISTER SINHA: Thank you Navtej. Friends, I am very happy to welcome Secretary of State Colin Powell to Delhi. As you are aware, we had extensive discussions in Washington in January when I was there, and I am particularly happy that the two of us have got this opportunity to exchange notes once again, exchange views on a number of issues today in our discussions. The main thrust of our discussion today has been further strengthening of our bilateral relationship. As you are aware, I have said this and Secretary Powell had said this on occasions in the past, that the India-U.S. relationship today is perhaps the best ever. And we are very happy that it is this way. We have the largest area of understanding on all the issues in our bilateral relationship and issues in the region and internationally.

Today, we have discussed, in the context of our bilateral relationship and further strengthening of this relationship, the next steps on the what is popularly known as the (inaudible) issues. We have followed up on the discussions which had taken place earlier and both sides are very keen that the statement which was issued by President Bush on the 12th of January and Prime Minister of India on the 13th of January should be followed up energetically, expeditiously. And we have agreed on a line of approach, which will enable us to do that.

We have spent a substantial part of our time discussing the economic relationship between our two countries, which includes trade, which includes investment, which includes technology and how we can take it further forward. As you are aware, Under Secretary Larson is here who looks after the economic relationship in the U.S. State Department and he has had very productive discussions with the economic advisor of the Prime Minister, Dr. Narayan. We had opportunity of going over what they discussed and we have agreed that over the next month or so, at the official level, further discussions will be carried out. The objective is that at the end of these discussions there should be a clear road map with milestones for enhancing and strengthening the economic engagement between India and the U.S. and take it further.

The issue of outsourcing also came up and we have agreed that we will remain engaged on this issue and that we will not allow this or any other issue to create any misunderstandings between us. We have quickly reviewed the regional situation. Though, as you are aware, we will be spending more time over a working lunch and discuss these issues further. But I'll end my presentation at this point of time by saying that we are very happy that Secretary of State Colin Powell is here. This is a demonstration and a proof of the intense engagement that India and the U.S. have had. In terms of the vision of President Bush and Prime Minister Vajpayee. And at all other levels that has been again very intense contacts and discussions.

So I'll end here and hand over to Navtej.

MODERATOR: (Inaudible)...if the Secretary of State would like to make his remarks.

SECRETARY POWELL: Thank you very much, Mr. Minister. It is a great pleasure to be back in New Delhi and have the opportunity once again to exchange views with you. Unlike my previous visits to New Delhi since I became Secretary of State, this visit could be focused almost exclusively on our bilateral relationship. I certainly agree with you that the United States and India are enjoying perhaps best relationship that has existed between our two great democracies in many, many years-- if not in history. And I am pleased that the dialogue is so open and so candid on all the outstanding issues in all aspects of our agenda. As you noted, we had a good discussion on the next steps on the national strategic partnership and we are going to follow up with further meetings and discussions as how to move NSSP, as it's called, along.

The bulk of our discussion, as the Minister noted, was on economic issues, as it should be. Because there are great opportunities for both Americans and Indians to work together to improve trade, to make sure that we are improving trade in a way that benefits both of our people. And we have new ideas that we are going to pursue, as the Minister had mentioned, Under Secretary Larson has been here. And in the near future we will engage with the Indian side on how to move forward on reform, to make more opportunities available to American businessmen.

The issue of outsourcing was discussed. Outsourcing is a reality in the 21st century global environment. There's both outsourcing and insourcing. While we have outsourced some jobs and positions to India, there are opportunities for Americans as well to service Indian needs and we hope that India understands the need for reforms so that we can have more opportunities here. Outsourcing invariably does result in the loss of jobs and we have to do a better job in the United States, a good job in the United States, of creating opportunity in the United States to provide more jobs so that those who have lost jobs will have opportunities in the future. But it is the reality of 21st century international economics that these kinds of dislocations will take place. And what we have to do is work to minimize these dislocations and provide new opportunities for workers. This is a major issue that we will be focusing on in the months ahead.

Also, I'm pleased that our military to military relationship is thriving and that can be seen in the kind of exercises we are participating in with our navy and with other aspects and elements of our military forces. We did discuss the regional situation and I'm pleased that both India and Pakistan are moving ahead with the framework that was laid out between President Musharraf and Prime Minister Vajpayee in January. And I also expressed my appreciation to my Indian colleague for the support they have provided to the rebuilding of Afghanistan and the very significant financial contribution of India has made, as well as their contribution to our efforts to reconstruct Iraq with the donation that was made in the Madrid conference not too long ago. Our agenda is rich one, it's a full one. We will be continuing our discussions over lunch. Mr. Minister, let me just close by saying that I appreciate very much your ability to see me today, knowing that you are in a very busy period of pre-election work and that you will be departing immediately after our meetings to go back to your constituency to continue the important work of democracy.

Thank you very much, Mr. Minister.

MODERATOR: First question from the traveling press. Associated Press, please.

QUESTION: Mr. Secretary, you made passing reference to India and Pakistan moving ahead with the January agreements. Could you be more specific about the ways in which they are moving ahead, with specific reference to Pakistan's pledge to dismantle and the training camps used to infiltrate militants into Kashmir?

SECRETARY POWELL: Well, as you know there were eight baskets to the comprehensive dialogue agreement that the Pakistanis and Indians entered into. One essential element of this is that there should be an end of cross border violence, and I am pleased that activity across the line of control has gone down significantly. I

hope it stays that way. Everybody, of course, will be watching as the spring season approaches to see that it stays that way. And I am pleased that commitments have been made to go after these camps, and I'll be talking to President Musharraf about this matter when I see him in the next leg of my trip. I think it's important that this kind of activity not only be something for the winter season, but it really has to be of a more permanent nature in order for us to see the kind of progress that we're hoping for.

QUESTION: Secretary of State, my question relates to the comments you made on your way to India, in which you refer to the fact that you have under consideration the possible sale of F-16s to Pakistan. As I understand it, the economic package that you're offering to Pakistan initially didn't include F-16s. Is there a change of thinking or approach about providing F-16s to Pakistan now?

SECRETARY POWELL: The economic package with respect to Pakistan includes debt relief, which has eliminated about 50 percent of the debt that they owe to the United States, and the \$3 billion dollar aid package. And that package as the President presented it last fall does not include any F-16s, and my comment coming over here was that we have to take into consideration any requests that are made of us. But no decisions have been made with respect to any particular military package, especially F-16s.

MODERATOR: Yes, a question from Reuters.

QUESTION: Mr. Secretary, did you get any actual hard assurances from the Foreign Minister regarding India's actually putting into place export controls so that you can proceed with the kinds of cooperation you discussed about nuclear energy, space, high technology, and so on? Did you get any commitments in terms of Indian market opening to perhaps attenuate some of the anxiety in the United States? Mr. Minister, you may wish to address that also.

SECRETARY POWELL: On the NSSP, which deals with this, we did have preliminary discussion and I'll have more discussions during the course of the day on Phase One actions under the NSSP. And as you know, phase one substantive phases calls for export controls and other efforts involved on the part of the NSSP. The plan is a very comprehensive one. It's well laid out, and I think it speaks for itself as to what the obligations of both parties are, with respect to that. And, I'm sorry...

QUESTION: Market openings...

SECRETARY POWELL: Market openings. Yes, we talked about the desire on the part of the United States to see greater opportunities in India, in the end we hope as we move forward and as both the Minister and I mentioned earlier, Undersecretary Larson was here to discuss these items, and we hope as we move forward we can lay out some of the issues of interest to us, whether it has to do with foreign direct investment, whether it has to do with reform of practices, easing bureaucratic obstacles to entry into Indian markets, and a variety of other issues that are what trading partners discuss with each other.

MINISTER SINHA: You know, I think I should respond to this question also, although you addressed it to Secretary Powell. I'd like to say that liberalization, including opening up the Indian market, is a process that we have followed throughout reform years for over a decade, and this is a process that we are determined to move forward because this is a process which is in the interest of India. It is in the interest of India to integrate with the rest of the global economy and therefore autonomously we are following that path. It should not be seen in the context of pressures and counter-pressures. And that's why I took the floor, to make that point clear.

MODERATOR: The Times of India.

QUESTION: Mr. Secretary, I was wondering whether the issue of nonproliferation came up in your discussions. In particular, some of the proposals that President Bush made in his speech last month. Is the United States keen to see India sign the Additional Protocol of the NPT, even though it is not a signatory, something like the way Cuba did it before it signed the treaty? And secondly, there's some confusion among the media, at least, what is the level of discussion between U.S. and India, regarding India joining or working with the Proliferation Security Initiative? So, I wonder exactly what proposals are on the table?

SECRETARY POWELL: We had a good discussion of this, so we would like to see India participate in Proliferation Security Initiative, and we decided that we would have our staffs engage on this, with respect to understanding of the interdiction principles associated with the PSI and how India might contribute to it. So, it's going to increase the dialogue with respect to possible India participation.

The Minister may wish to add...

MINISTER SINHA: We had a discussion on proliferation...nonproliferation...and I think there's a shared concern about the nuclear black market that had existed, and the danger of nuclear devices falling in the wrong hands. In the hands of non-state actors, of terrorists, and this is a shared concern. We also had a discussion on the proliferation initiative, and as Secretary Powell mentioned to you, we have decided that we'll discuss it in greater depth at the level of officials of the two countries, with a view to finding out how India could engage in this whole process.

QUESTION: And the additional protocol?

SECRETARY POWELL: No, it didn't come up.

MODERATOR: Last round of questions. Financial Times.

QUESTION: In the context of your discussion on outsourcing: that this is a two-way street and that you'd like to see India opening up its economy as well. Is there a link, an implied link between restraint on your part in terms of maintaining the level of regime and progress from India in opening up its economy?

SECRETARY POWELL: No, none whatsoever. There's no quid pro quo here. When you put in place the Internet system, and when you put in place broadband capabilities so that information and services can be moved around the world and connected to other parts of the world at the speed of light, that is something that is now a natural progression, and people will take advantage of that kind of capability and that gives you the kind of outsourcing that we've seen here. We've also seen outsourcing of jobs in the United States to Mexico, to China, to other parts of the world as the global world develops. What we have to do and what we are doing is making sure that those services that we can provide to the rest of the world, that is so valuable to the rest of the world, and that only the United States can provide: we should focus on those and make sure we are training our young people for those kinds of jobs. At the same time, we hope that there will be training opportunities in other parts of the world so that the United States can offset the kinds of losses that we get when we outsource jobs to other parts of the world. And so this is the language the world is developing, but in our discussions today in no way did we suggest that openness is some sort of quid pro quo for outsourcing. In fact, quite the contrary, we believe that reform and openness benefits both nations, independent of what position you might have on outsourcing.

QUESTION: (inaudible) more specifically...

SECRETARY POWELL: Well, we do have a law that deals with treasury and transportation. And of course we would have to follow the law that was passed by the Congress. But we also need to do a better job of educating our populations on the nature of the global environment.

MODERATOR: Last question.

QUESTION: (Inaudible)

SECRETARY POWELL: Well we certainly know the role played by Dr. Khan. We have been aware of his role for some time. We had intelligence information concerning

Dr. Khan and the network, and how that network extended to other parts of the world. We are pleased now that Dr. Khan has acknowledged what he has done and we are pleased that we are getting a great deal of information from Pakistani authorities as a result of their interrogation of Dr. Khan and Dr. Khan's associates. We are pleased now that that network is being broken up and we're learning more about it. We learned more about it when the Libyans decided that they should get rid of their weapons of mass destruction.

With respect to who else was involved in that network, if anyone would then pass Pakistani weapons or anything that might be taking place of a contemporary nature, I will speak to President Musharraf about this. I am confident that he is as determined as we all should be to get to the heart of this to make sure there is no residual elements of this network left. There's much more work to be done. I think we've had a real breakthrough with what Dr. Khan has acknowledged and our ability to roll up different parts of the network. But we can't be satisfied until the entire network is gone, branch and root.

MODERATOR: Thank you Excellencies. Thank you everybody.

Released on March 16, 2004

 [BACK TO TOP](#)

Published by the U.S. Department of State Website at <http://www.state.gov> maintained by the Bureau of Public Affairs.