



Remarks at the Indian Chamber of Commerce, Calcutta

Richard Boucher, Assistant Secretary for South and Central Asian Affairs

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Thank you, Mr. President Bangur. Thanks to Indian Chamber of Commerce, Mr. Nazeeb Arif for hosting us here today. I also want to thank the Indo-American Chamber and President Ashoke Aikat for having me, and, last but not the least, the American Chamber of Commerce Chapter represented here by Chairman Sachdev.

But I also want to say, I want to thank all of you for your activity with these organizations, for the work that you do to try ensure the development and economic prosperity in this very important part of India. It's a great pleasure for me to be here today. I have heard about Calcutta all my life, but this is my first chance to visit and first opportunity seeing a different part of India, to talk to different people, and hear what's on their mind, and how they are doing things. The experience is a fascinating one for me, and adds to my understanding and, I hope, my abilities to work on U.S.-India relations. And that's what I would like to talk to you about.

First, U.S. relations with Calcutta go back to 1787. That was only four years after the end of our revolutionary war, and that was when the first American ship sailed into Calcutta and began a trading relationship that goes back 200 years. But I think even with this long history, the United States and India find ourselves on the brink of a new relationship, a new history, which is different than the one we had in the recent past.

Last month, Foreign Secretary Saran made an important speech that eloquently captured our strengthened emerging bilateral relationship. I agree with Secretary Saran: India is a rising global power. Within the first quarter of this century, it will likely be among the world's five largest economies. I also agree with his statement that the U.S. and India are "natural allies." As two great multi-ethnic democracies, we both seek peace, freedom and prosperity in the region and throughout the world.

We are jointly confronting what will be the central security challenges of the coming generation: the common threat of terrorism; the proliferation of chemical, biological and nuclear weapons; ensuring access to sufficient supplies of food, water, and healthcare; combating international crime and narcotics; fighting HIV/AIDS; and seeking secure sources of energy and addressing the threat of climate change.

The tragic bombings of July 11 confirm that India and the U.S. are both fighting the same scourge -- terrorism. The Mumbai bombings are a terrible reminder that there are people and groups who kill innocent civilians, women and children, to impose their views through violence. We abhor these terrible acts and stand by India in its attempts to find and arrest those individuals responsible. Like India, we need and expect all nations in this region to act against individuals and groups who perpetrate this violence. With India and others in the region, we will work together to give the people of the region safety in their daily lives.

Thanks to the vision and engagement of our two leaders, U.S.-India relations have never been better. In March, President Bush concluded a landmark visit that underscored the fact that the U.S. considers India one of our most important strategic partners in the 21st century.

President Bush has remarked that India's greatest assets are its human resources and intellectual capital. More Indian students are studying in the United States today than ever before -- nearly 80,000 this year, the most from any country.

The India-U.S. people-to-people network goes even deeper. Today there are more than two million people of Indian origin, many of them U.S. citizens, in the United States. These networks, combined with the new strategic vision outlined by our two governments, make me confident that the best is yet to come.

That's not to say that India and the U.S. will agree on every issue. However, we are now constructing a cooperative relationship to advance the issues of most importance to us.

One of the most important accomplishments of our new relationship is the U.S.-India Civil Nuclear Cooperation Initiative. The fact that India will put a majority of its nuclear program under International Atomic Energy Agency safeguards in perpetuity, and that the United States will engage in civil nuclear trade with India is really a dramatic and historic change. The fact that it should engender questions and discussion in some circles should not surprise us. But I am confident that in the end, the U.S. will be able to implement President Bush's commitment as agreed with the Indian side.

On July 26th, the U.S. House of Representatives overwhelmingly approved legislation needed to make this initiative a reality. This vote demonstrates the support that this Initiative enjoys in the U.S. We hope for a similar outcome when the Senate votes next month.

We are pleased that India, too, is working hard to fulfill its own commitments. These steps must be taken in parallel to those being taken by the U.S., so that the goal of nuclear cooperation can be achieved without delay.

The U.S. commitment to develop deep economic and commercial ties with India has never been stronger. The U.S. is, and intends to remain, India's largest trading partner and investor.

We have now posted a Foreign Commercial Service Representative in Calcutta, which shows the growing importance of eastern India in our economic relationship - as we envisage the relationship in our future.

The CEO Forum, Trade Policy Forum, Commercial, Energy, and Financial dialogues and High Technology Cooperation Group are the main vehicles for moving our economic relationship forward. Starting at the end of August, we will see a great deal of activity.

Overall, India's economy is booming. The international business community has been coming to India thanks to reforms in licensing and regulations that have made doing business easier. With India's economy projected to grow 7 to 8 percent this year, we see significant opportunities for greater U.S. investment in key areas such as infrastructure, where so far it has been lagging.

But the liberalization process is far from complete. To achieve sustained high growth rates as well as broad rural development, India requires world-class airports, irrigation, and communications networks. It needs modern power grids, ports and highways and many other improvements in infrastructure.

Progress will also depend on the Government reinvigorating the pace of its program of economic reforms.

Every excess regulation, form, and process stalls economic achievement and increases business uncertainty, especially in our competitive world economy. Resolving these issues would have symbolic -- and material -- impact for both economies. This fact is well understood here in West Bengal, and I applaud the reforms you have made for the good of the people here.

Like the U.S., India is an agricultural country. Knowing how important agriculture is to the lives and livelihoods of Indians and Americans alike, President Bush and Prime Minister Singh revived longstanding U.S.-India collaboration in agriculture.

They launched the Agricultural Knowledge Initiative -- a three-year, \$100 million commitment by the U.S. and India to link our universities, technical institutions, and businesses to support agricultural education, joint research, and capacity building projects, including in the area of biotechnology.

This is a high priority for Prime Minister Singh and a symbol of our shared commitment to rural development. This should also have a positive impact in West Bengal given its status as one of India's most important agricultural states, producing the largest share of India's vegetables, pineapples, and rice.

On the question of reforms and the question of agriculture, we are back to one of the topics that President Bangor raised in his opening remarks: the question of the WTO. I think we would all like to see real progress. Certainly, the United States worked hard for that end. You said: "good politics makes good economics," but we also have to convince people that good economics makes good politics, and that taking the proper economic steps in the WTO and elsewhere, will lead to the kind of prosperity. And we shouldn't take a shortsighted, parochial view of some of the changes that are being proposed. Certainly, the United States is willing to continue working on the Doha Round. Our trade negotiators have been active even in the last week or two since the collapse was reported. We certainly have made substantial offers, particularly on issues like agricultural tariffs, subsidies, and we are prepared to make even more...show even more flexibility as time goes on. So, I want to tell you the United States remains committed to the Doha Round. We remain committed to the basic principle of economics that more trade in all these areas is good for all of us and we are constantly looking for opportunities to advance, and we won't give up.

The list of new U.S.-India initiatives goes on. One of India's greatest ongoing contributions can be its global support for democracy, and we are working together to promote democracy and development in the region and around the world. Today, we are working together to confront two major challenges: HIV/AIDS and Avian Influenza.

Moreover, India can play a role in fostering international stability in the region and across Asia.

I look forward to my consultations in New Delhi on regional issues and welcome the opportunity to coordinate our policies with those of our Indian partners.

The recent visits of Prime Minister Singh to the U.S. and President Bush to India were enormously successful, and symbolic of a profoundly transformed relationship.

We are now developing the habits of collaborating closely on the issues that are most important to us. We must solve bilateral economic irritants quickly, so our business communities can go about increasing trade and investment. We need to work with our scientific communities to ensure they have the resources to make breakthroughs in energy, biotechnology, and medical research. And we need to work together closely in fora, such as the United Nations and the World Trade Organization, to promote security and prosperity.

Ladies and Gentlemen, the new U.S.-India relationship is having an impact on the way the world does business. The U.S. wants a more comprehensive partnership that benefits from India's capabilities and expertise. From our growing economic relationship, technological and scientific collaboration, and counter-terrorism cooperation, to our efforts to introduce cleaner, more efficient energy technologies, and our work to promote regional growth and development, I am confident that this partnership will allow us to jointly address the common concerns and challenges of our people in the 21st century.

Thank you.

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