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President Addresses Asia Society, Discusses India and Pakistan

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 [In Focus: Global Diplomacy](#)

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THE PRESIDENT: Thank you all. Madam President -- it's got a nice ring to it. (Laughter.) Thank you for your kind introduction; thank you for inviting me here. I'm honored to be here with the members of the Asia Society as you celebrate your 50th anniversary.



I came here today to talk about America's relationship with two key nations in Asia: India and Pakistan. These nations are undergoing great changes, and those changes are being felt all across the world. More than five centuries ago, Christopher Columbus set out for India and proved the world was round. Now some look at India's growing economy and say that that proves that the world is flat. (Laughter.) No matter how you look at the world, our relationship with these countries are important. They're important for our economic security, and they're important for our national security.

I look forward to meeting with Prime Minister Singh in India, and President Musharraf in Pakistan. We will discuss ways that our nations can work together to make our world safer and more prosperous by fighting terrorism, advancing democracy, expanding free and fair trade, and meeting our common energy needs in a responsible way.



I appreciate Ambassador Holbrooke. I appreciate your service to our country. Thanks for being the Chairman of the Asia Society. Leo Daly is the Chairman of the Asia Society of Washington. Leo, thank you. It's good to see you. I appreciate the members of the Diplomatic Corps that have joined us today, in particular, Ambassador Sen from India, and Ambassador Karamat from Pakistan. Thanks for taking time out of your busy schedules to come and here the President give a talk.

Fifty years ago, many Asian nations were still colonies; today, Asians are in charge of their own destinies. Fifty years ago, there were only a handful of democracies in Asia; today there are nearly a dozen. Fifty years ago, most of Asia was mired in hopeless poverty; today its economies are engines

of prosperity. These changes have been dramatic, and as the Asian continent grows in freedom and opportunity, it will be a source of peace and stability and prosperity for all the world.

The transformation of Asia is beginning to improve the lives of citizens in India and Pakistan, and the United States welcomes this development. The United States has not always enjoyed close relations with Pakistan and India. In the past, the Cold War and regional tensions kept us apart, but today, our interests and values are bringing us closer together. We share a common interest in promoting open economies that creates jobs and opportunities for our people. We have acted on common values to deliver compassionate assistance to people who have been devastated by natural disasters. And we face a common threat in Islamic extremism. Today I'm going to discuss America's long-term interests and goals in this important part of the world, and how the United States can work together with India and Pakistan to achieve them.

The first stop on my trip will be India. India is the world's largest democracy. It is home to more than a billion people -- that's more than three times the population of the United States. Like our own country, India has many different ethnic groups and religious traditions. India has a Hindu majority, and about 150 million Muslims in that country. That's more than in any other country except Indonesia and Pakistan. India's government reflects its diversity. India has a Muslim president and a Sikh prime minister. I look forward to meeting with both of them. India is a good example of how freedom can help different people live together in peace. And this commitment to secular government and religious pluralism makes India a natural partner for the United States.

In my meetings with Prime Minister Singh, we'll discuss ways to advance the strategic partnership that we announced last July. Through this partnership, the United States and India are cooperating in five broad areas.

First, the United States and India are working together to defeat the threat of terrorism. Like the American people, the people of India have suffered directly from terrorist attacks on their home soil. To defeat the terrorists, our intelligence and law enforcement agencies are cooperating on a regular basis to make air travel more secure, increase the security of cyberspace, and prevent bioterrorist attacks. Our two governments are sharing vital information on suspected terrorists and potential threats. And these cooperative efforts will make the Indian government more effective as a partner in the global war on terror, and will make the people in both our countries more secure.

Secondly, the United States and India are working together to support democracy around the world. Like America, India overcame colonialism to establish a free and independent nation. President Franklin Roosevelt supported India in its quest for democracy, and now our two nations are helping other nations realize the same dream.

Last year we launched the Global Democracy Initiative, which is a joint venture between India and the United States to promote democracy and development across the world. Under this initiative, India and the United States have taken leadership roles in advancing the United Nations Democracy Fund. The fund will provide grants to governments and civil institutions and international organizations to help them administer elections, fight corruption, and build the rule of law in emergency democracy -- in emerging democracies. We're also encouraging India to work directly with other nations that will

benefit from India's experience of building a multiethnic democracy that respects the rights of religious minorities.

India's work in Afghanistan is a good example of India's commitment to emerging democracies. India has pledged \$565 million to help the Afghan people repair the infrastructure and get back on their feet. And recently, India announced it would provide an additional \$50 million to help the Afghans complete their National Assembly building. India has trained National Assembly staff, and it's developing a similar program for the Assembly's elected leaders. The people of America and India understand that a key part of defeating the terrorists is to replace their ideology of hatred with an ideology of hope. And so we will continue to work together to advance the cause of liberty.

Third, the United States and India are working together to promote global prosperity through free and fair trade. America's economic relationship with India is strong and it's getting better. Last year, our exports to India grew by more than 30 percent. We had a trade surplus of \$1.8 billion in services. India is now one of the fastest-growing markets for American exports, and the growing economic ties between our two nations are making American companies more competitive in the global marketplace. And that's helping companies create good jobs here in America.

The growing affluence of India is a positive development for our country. America accounts for 5 percent of the world's population. That means 95 percent of our potential customers live outside our borders. More than a billion of them live in India. We welcome the growing prosperity of the Indian people, and the potential market it offers for America's goods and services.

When trade is free and fair, it benefits all sides. At the end of World War II, the United States chose to help Germany and Japan recover. America understood then that as other nations prosper, their growing wealth brings greater stability to their regions and more opportunities for products Americans manufacture and grow. The same is true today with developing nations such as India. As India's economy expands, it means a better life for the Indian people and greater stability for the region. It means a bigger market for America's businesses and workers and farmers.

The area of America's relationship with India that seems to receive the most attention is outsourcing. It's true that a number of Americans have lost jobs because companies have shifted operations to India. And losing a job is traumatic. It's difficult. It puts a strain on our families. But rather than respond with protectionist policies, I believe it makes sense to respond with educational policies to make sure that our workers are skilled for the jobs of the 21st century.

We must also recognize that India's growth is creating new opportunities for our businesses and farmers and workers. India's middle class is now estimated at 300 million people. Think about that. That's greater than the entire population of the United States. India's middle class is buying air-conditioners, kitchen appliances, and washing machines, and a lot of them from American companies like GE, and Whirlpool, and Westinghouse. And that means their job base is growing here in the United States of America. Younger Indians are acquiring a taste for pizzas from Domino's -- (laughter) -- Pizza Hut. And Air India ordered 68 planes valued at more than \$11 billion from Boeing, the single largest commercial airplane order in India's civilian aviation history. Today India's consumers associate American brands with quality and value, and this trade is creating opportunity here at home.

Americans also benefit when U.S. companies establish research centers to tap into India's educated workforce. This investment makes American companies more competitive globally. It lowers the cost for American consumers. Texas Instruments is a good example. Today Texas Instruments employs 16,000 workers in America. It gets more than 80 percent of its revenues from sales overseas. More than 20 years ago, Texas Instruments opened a center in Bangalore, which is India's Silicon Valley. They did so to assist in analog chip design, and digital chip design, and related software development. The company says that their research centers in countries like India allow them to run their design efforts around the clock. They bring additional brainpower to help solve problems, and provide executives in the United States with critical information about the needs of their consumers and customers overseas.

These research centers help Texas Instruments to get their products to market faster. It helps Texas Instruments become more competitive in a competitive world. It makes sense. The research centers are good for India, and they're good for workers here in the United States.

In the past decade, India has made dramatic progress in opening its markets to foreign trade and investment, but there's more work to be done. India needs to continue to lift its caps on foreign investment, to make its rules and regulations more transparent, and to continue to lower its tariffs and open its markets to American agricultural products, industrial goods, and services. We'll continue to work for agreements on these economic and regulatory reforms, to ensure that America's goods and services are treated fairly. My attitude is this: If the rules are fair, I believe our companies and our farmers and our entrepreneurs can compete with anybody, anytime, anywhere.

India is an important -- as a market for American products, India is also important as a partner in opening up world markets. As a new nation, India emphasized self-sufficiency and adopted strong protectionist policies. During this period, its economy stagnated and poverty grew. India now recognizes that a brighter future for its people depends on a free and fair global trading order. Today the Doha Round of trade talks at the World Trade Organization provides the greatest opportunity to lift hundreds of millions of people out of poverty, and to boost economic growth across the world. The WTO members' aim is to complete the Doha Round by the end of this year. India has played an important leadership role in the Doha talks, and we look to India to continue to lead as we work together for an ambitious agreement on services and manufacturing and agriculture.

Fourth, the United States and India are working together to improve human health and the environment, and address the issue of climate change. So we've joined together to create the Asia-Pacific Partnership on Clean Development and Climate. Together with Australia and China and Japan and South Korea, we will focus on practical ways to make the best practices and latest energy technologies available to all -- things like -- technologies like zero-emission coal-fired plants. As nations across the region adopt these practices and technologies, they will make their factories and power plants cleaner and more efficient. We look forward to being an active partner in this partnership.

Fifth, the United States and India will work together to help India meet its energy needs in a practical and responsible way. That means addressing three key issues: oil, electricity, and the need to bring India's nuclear power program under international norms and safeguards.

India now imports more than two-thirds of its oil. As the economy -- as its economy grows, which we're confident it will, it will need even more oil. The increased demand from developing nations like India is one of the reasons the global demand for oil has been rising faster than global supply. Rising demand relative to global supply leads to price increases -- for all of us.

To meet the challenge here in America, I have proposed what's called an Advanced Energy Initiative to make this country [sic] less reliant upon oil. As I said in the State of the Union, we got a problem: We're hooked on oil. And we need to do something about it.

And so we're spending money on research and development to develop cleaner and more reliable alternatives to oil, alternatives that will work, alternatives such as hybrid vehicles that will require much less gasoline, alternatives such as new fuels to substitute for gasoline, and alternatives such as using hydrogen to power automobiles. We will share these promising energy technologies with countries like India. And as we do so, it will help reduce stress on global oil markets and move our world toward cleaner and more efficient uses of energy.

India's rising economy is also creating greater demand for electricity. Nuclear power is a clean and reliable way to help meet this need. Nuclear power now accounts for nearly 3 percent of India's electricity needs, and India plans to increase the figure by -- to 25 percent by 2050. And America wants to help.

My administration has announced a new proposal called the Global Nuclear Energy Partnership. Under this partnership, America will work with nations that have advanced civilian nuclear energy programs -- such as Great Britain, France, Japan, and Russia -- to share nuclear fuel with nations like India that are developing civilian nuclear energy programs. The supplier nations will collect the spent nuclear fuel. And the supplier nations will invest in new methods to reprocess the spent nuclear fuel so that it can be used for advanced new reactors. The strategy will allow countries like India to produce more electricity from nuclear power, it will enable countries like India to rely less on fossil fuels, it will decrease the amount of nuclear waste that needs to be stored and reduce the risk of nuclear proliferation.

To benefit from this initiative, India first needs to bring its civilian energy programs under the same international safeguards that govern nuclear power programs in other countries. And India and the United States took a bold step forward last summer when we agreed to a civil nuclear initiative that will provide India access to civilian nuclear technology, and bring its civilian programs under the safeguards of the International Atomic Energy Agency.

This is not an easy decision for India, nor is it an easy decision for the United States, and implementing this agreement will take time and it will take patience from both our countries. I'll continue to encourage India to produce a credible, transparent, and defensible plan to separate its civilian and military nuclear programs. By following through on our commitments, we'll bring India's civilian -- civil nuclear program into international mainstream, and strengthen the bonds of trust between our two great nations.

We have an ambitious agenda with India. Our agenda is also practical. It builds on a relationship that has never been better. India is a global leader, as well as a good friend, and I look forward to working

with Prime Minister Singh to address other difficult problems such as HIV/AIDS, pandemic flu, and the challenge posed by Iran's nuclear ambitions. My trip will remind everybody about the strengthening of a important strategic partnership. We'll work together in practical ways to promote a hopeful future for citizens in both our nations.

The second stop on my trip will be to Pakistan. Pakistan is a key ally in the war on terror. Pakistan is a nation of 162 million people. It has come a long way in a short time. Five years ago, Pakistan was one of only three nations that recognized the Taliban regime in Afghanistan. That all changed after September the 11th. President Musharraf understood that he had to make a fundamental choice for his people. He could turn a blind eye and leave his people hostage to terrorists, or he could join the free world in fighting the terrorists. President Musharraf made the right choice, and the United States of America is grateful for his leadership.

Within two days of the attack, the Pakistani government committed itself to stop al Qaeda operatives at its border, share intelligence on terrorist activities and movements, and break off all ties with the Taliban government in Kabul if it refused to hand over Bin Laden and the al Qaeda leadership. President Musharraf's decision to fight the terrorists was made at great personal risk. He leads a country that the terrorists seek to use as a base of operations, and they take advantage of every opportunity to create chaos and destabilize the country. The terrorists have tried to assassinate President Musharraf on a number of occasions, because they know he stands in the way of their hateful vision for his country. He is a man of courage, and I appreciate his friendship and his leadership.

Pakistan now has the opportunity to write a new chapter in its history, and the United States wants to build a broad and lasting strategic partnership with the people of Pakistan. And in my meetings with President Musharraf, we'll be discussing areas that are critical to the American-Pakistan relationship.

First, the United States and Pakistan will continue our close cooperation in confronting and defeating the terrorists in the war on terror. Second, the United States and Pakistan understand that in the long run, the only way to defeat the terrorists is through democracy.

Pakistan still has a distance to travel on the road to democracy, yet it has some fundamental institutions that a democracy requires. Pakistan has a lively and generally free press. I'm confident I will hear from them on my trip to Pakistan. (Laughter.) Occasionally, there's interference by security forces, but it's a strong press. Pakistanis are free to criticize their government, and they exercise that right vigorously. There are a number of political parties and movements that regularly challenge the government. President Musharraf remains committed to a moderate state that respects the role of Islam in Pakistani society while providing an alternative to Islamic radicalism. The United States will continue to work with Pakistan to strengthen the institutions that help guarantee civil liberties and help lay the foundations for a democratic future for the Pakistani people.

The United States and Pakistan both want the elections scheduled for next year to be successful. This will be an important test of Pakistan's commitment to democratic reform, and the government in Islamabad must ensure that these elections are open and free and fair. The Pakistanis are taking this step toward democracy at a difficult time in their history. There are determined enemies of freedom

attacking from within. We understand this struggle; we understand the pressure. And the United States will walk with them on their path to freedom and democracy.

The United States and Pakistan both want to expand opportunity for the Pakistani people. Opportunity starts with economic growth, and that is why President Musharraf has made economic reform a priority for his administration. These reforms have helped Pakistan's economy grow rapidly last year. There is strong economic vitality in that country, and we will help Pakistan build on that momentum.

We're taking several steps to open up markets and expand trade. And these include efforts to conclude a bilateral investment treaty that would establish clear and transparent rules to provide greater certainty and encourage foreign direct investment. By fostering economic development and opportunity, we will reduce the appeal of radical Islam, and demonstrate that America is a steadfast friend and partner of the Pakistani people.

The United States and Pakistan are working together to improve educational opportunities for the Pakistani people. Young men in Pakistan need a real education that provides the skills required in the 21st-century workplace. Pakistan needs to improve literacy for its women and help more Pakistani girls have the opportunity to go to school.

Last year, the United States provided \$66 million to help improve Pakistani education, especially in the least developed regions of the country. This is money well spent. We're glad to partner with the Pakistan government to help train primary school teachers and administrators, and build new schools, and adapt existing ones so that young girls can attend school. These funds also support the largest Fulbright program in the world -- an educational exchange that brings Pakistani scholars to America and American scholars to Pakistan. By helping Pakistan increase the educational opportunities for its people, we'll help them raise their standard of living, and help them marginalize the terrorists and the extremists.

The Pakistani people saw America's commitment to their future when we responded in their hour of need. When a devastating earthquake hit a remote area in the mountains of north Pakistan, it claimed more than 73,000 lives, and displaced more than 2.8 million people from their homes. American relief workers were on the ground within 48 hours. Since then, we've pledged more than a-half-a-billion dollars for relief and reconstruction, including \$100 million in private donations from our citizens. These funds have helped to build 228 tent schools, improve shelter for over half a million people, and feed over a million folks. Our compassion is making a difference in the lives of the Pakistanis, and it's making a difference in how they view America.

The terrorists have said that America is the Great Satan. Today, in the mountains of Pakistan, they call our Chinook helicopters "angels of mercy." Across their country, the Pakistani people see the generous heart of America. Our response has shown them that our commitments to Pakistan are real and lasting. We care about the people in that important country. When they suffer, we want to help.

The great changes that are taking place inside India and Pakistan are also helping to transform the relationship between these two countries. One encouraging sign came after the earthquake, when India offered assistance to Pakistan, and President Musharraf accepted. India sent tents and blankets

and food and medicine, and the plane that delivered the first load of supplies was the first Indian cargo aircraft to land in Islamabad since the 1971 war. India and Pakistan must take advantage of this opening to move beyond conflict and come together on other issues where they share common interests.

Good relations with America can help both nations in their quest for peace. Not long ago, there was so much distrust between India and Pakistan that when America had good relations with one, it made the other one nervous. Changing that perception has been one of our administration's top priorities, and we're making good progress. Pakistan now understands that it benefits when America has good relations with India. India understands that it benefits when America has good relations with Pakistan. And we're pleased that India and Pakistan are beginning to work together to resolve their differences directly.

India and Pakistan are increasing the direct links between their countries, including a rail line that has been closed for four decades. Trade between India and Pakistan grew to more than \$800 million from July of 2004 to July of 2005 -- nearly double the previous year. The governments of India and Pakistan are now engaged in dialogue about the difficult question of Kashmir. For too long, Kashmir has been a source of violence and distrust between these two countries. But I believe that India and Pakistan now have an historic opportunity to work toward lasting peace. Prime Minister Singh and President Musharraf have shown themselves to be leaders of courage and vision. On my visit, I will encourage them to address this important issue. America supports a resolution in Kashmir that is acceptable to both sides.

This is a sensitive time in South Asia. In Pakistan and other countries, images broadcast around the world have inflamed passions, and these passions have been cynically manipulated to incite violence. America believes that people have the right to express themselves in a free press. America also believes that others have the right to disagree with what's printed in the free press, and to respond by organizing protests, so long as they protest peacefully. And when protests turn violent, governments have an obligation to restore the rule of law, protect lives and property, and ensure that diplomats who are serving their nations overseas are not harmed. We understand that striking the right balance is difficult, but we must not allow mobs to dictate the future of South Asia.

In this vital region, the stakes are high and the opportunities are unprecedented. With the end of the Cold War and the fall of the Taliban, more and more people are looking forward to a future of freedom. As freedom spreads, it's bringing hope to hundreds of millions who know nothing but despair. And as freedom spreads, it's sweeping away old grievances, and allowing people in Central Asia, and South Asia, and beyond to take their rightful place in the community of nations.

This vision will take years to achieve, but we can proceed with confidence, because we know the power of freedom to transform lives and cultures and overcome tyranny and terror. We can proceed with confidence because we have two partners -- two strong partners -- in India and Pakistan.

Some people have said the 21st century will be the Asian century. I believe the 21st century will be freedom's century. And together, free Asians and free Americans will seize the opportunities this new century offers and lay the foundation of peace and prosperity for generations to come.

May God bless India and Pakistan. May God continue to bless the United States. (Applause.)

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