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**FELICITATIONS TO THE SPEAKER  
SHRI SOMNATH CHATTERJEE**

**4 June, 2004**

Mr. Speaker, Sir, Pandit Jawaharlal Nehru once said that in affairs of the State, one should be full of sentiments but never be sentimental. You will forgive me for being somewhat sentimental on this occasion.

Some 50 years ago, when I graduated from my college, your illustrious father presided over the Convocation where I got the degree and today, Sir, when I am going to assume a new office, you are in this illustrious Chair as our guide, friend and philosopher.

Sir, it is a privilege for me to congratulate you and felicitate you on behalf of our Party and on my behalf on your unanimous election as Speaker of this august House.

You, Mr. Speaker Sir, have been an illustrious Member of this august House for over three decades. The Members of the House, quite correctly, showed their appreciation of your vast contribution to the proceedings by conferring on you the Outstanding Parliamentarian Award some years ago, and now by unanimously electing you to this august House as Speaker.

Sir, your life and work as a parliamentarian have been a source of tremendous inspiration for many of us. Like you, I have always believed that politics has to be used as an instrument of social change. To realise this vision, heavy responsibility rests on the Members of this august House and Sir, in you, we have a wise shepherd to guide us. The Members of my party and of the United Progressive Alliance will be with you in your endeavour to improve the quality of debate, discussion and the content of the legislative outcome of our proceedings.

Mr. Speaker, Sir, this House reflects the diversity of our vast and plural nation and debates here do reflect the diversity of opinion in our democracy. However, the manner in which our proceedings are conducted and the effectiveness with which we use the time at our disposal to redeem our pledge to the people determine how effectively we can contribute to the holy endeavour of the nation building.

Sir, given your wisdom, given your commitment to our Republic and its ideals, I am sure you will conduct the proceedings of the House in the highest traditions of our great democracy. I assure you, Sir, of my fullest cooperation and indeed of our Alliance and of our Party. I sincerely wish you well, Mr. Speaker Sir, in your responsibility to make the best use of the time at our disposal so that we can deliver on our promises, lighting a lamp in the lives of our people, particularly, the deprived sections of our community. We are committed to taking our nation forward as a modern, progressive, open, secular and liberal democracy and a just society.

Under your guidance, Sir, this House will not disappoint the nation. I sincerely hope that our deliberations will be characterised by reason, compassion and a deep commitment to both efficiency and equity in the processes of governance. We have, Sir, to recapture the high noon of idealism, which inspired our freedom struggle. This idealism is best captured by Rabindra Nath Tagore's famous Poem, and I shall conclude with the prayer that under your distinguished guidance, in our deliberations we live up to the high ideals embodied in that poem:

"Where the mind is without fear, and the head is held high; Where  
knowledge is free;

Where the world has not been broken up into fragments by narrow  
domestic walls;

Where words come out from the depth of truth;

Where tireless striving stretches its arms towards perfection;

Where the clear stream of reason has not lost its way into the dreary  
desert sand of dead habit;

Where the mind is led forward by thee into ever-widening thought  
and action-

Into that heaven of freedom, my Father, let my country awake."

I congratulate you, Sir, once again on this occasion.

## **BACK NOTE**

- I. Felicitations to the Speaker Shri Somnath Chatterjee 4 June, 2004**

**NIL**

**FELICITATIONS TO DEPUTY-SPEAKER  
SHRI CHARNJIT SINGH ATWAL**

**9 June, 2004**

Mr. Speaker, Sir, it gives me a great pleasure to felicitate Shri Charnjit Singh Atwal on his unanimous election to the august office of the Deputy-Speaker of the Lok Sabha.

Apart from the great sense of satisfaction of our being able to elect yourself. Sir, as well as the Deputy-Speaker, Shri Atwal unanimously, all of us share in the added pleasure that the deliberations of this House will be guided by such able and distinguished parliamentarians. Shri Atwal had not only presided over the proceedings of the Punjab Legislative Assembly for five years but he had also been an active Member of both the Legislative Assembly and our Parliament.

Mr. Speaker, Sir, Shri Atwal's long association with the Commonwealth Parliamentary Association and his active participation in international conferences of parliamentarians and legislatures has given him a truly global vision. Members of this House will benefit enormously from his understanding and appreciation of parliamentary practices and procedures. This House has many first-time Members and they along with all of us will look to senior Members like Shri Atwal for guidance and advice in our collective effort to ensure the smooth functioning of this august House.

Mr. Speaker, Sir, I once again compliment Shri Atwal. I also offer him my best wishes along with the assurances of closest cooperation from the United Progressive Alliance our Party and myself.



**BACK NOTE**

**II. Felicitations to Deputy-Speaker 9 June, 2004**

**NIL**

**REPLY ON MOTION OF THANKS TO  
THE PRESIDENT'S ADDRESS**

**10 June, 2004**

Mr. Speaker Sir, I learn that there is an understanding among the political on both sides that the Motion of Thanks on the President's Address be put to vote straightaway and passed unanimously. Therefore, Sir, I request you to put the Motion to vote.

I take this opportunity to thank all the hon. Members of the Lok Sabha.

I congratulate you, Sir, once again on this occasion.

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**BACK NOTE**

- III. Reply on Motion of Thanks to the President's Address  
10 June, 2004**

**NIL**

**STATEMENT REGARDING LATEST DEVELOPMENTS  
PERTAINING TO THE SHARING OF WATER BY  
PUNJAB, HARYANA, RAJASTHAN AND  
HIMACHAL PRADESH**

**13 July, 2004**

Mr. Speaker, Sir, I would like to inform the House that the Central Government shares the concerns expressed regarding the latest developments pertaining to the sharing of waters between the States concerned. We have to find the lasting solution to resolving this matter protecting the unity and integrity of the country and the interests of the States concerned.

I have, therefore, invited the Chief Ministers of Punjab, Haryana, Rajasthan and Himachal Pradesh for a discussion to find an amicable solution to this problem. The Leaders of the Opposition of both the Houses also called on me this morning and while expressing their grave concern assured me their full support in resolving the issues.

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..... XXX .....

..... XXX<sup>1</sup> .....

Mr. Speaker, Sir, we are very keen that this House should run smoothly. I have great respect for the sentiments expressed by the hon. Members, and I may assure them that I will myself make a statement, but I need some time to study the issue.

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## **BACK NOTE**

### **IV. Statement regarding latest developments pertaining to the sharing of water by Punjab, Haryana, Rajasthan and Himachal Pradesh 13 July, 2004**

1. MR. SPEAKER: Satisfied.

MR. SPEAKER: Hon. Members, please wait for my observation.

MR. SPEAKER: You are only concerned about Maharashtra. I am equally concerned about Maharashtra. It is an important part of the country. Every part of the country is to be looked into.

The hon. Minister of Parliamentary Affairs has already assured the House that within a day or two a statement would be made on the Maharashtra situation.

MR. SPEAKER: Shri Rawale, you promised me something and are doing something else.

MR. SPEAKER: The hon. Prime Minister is here, the Leader of the House is here and the hon. Minister of Parliamentary Affairs is also here.

You have heard the concerns of the Members. It is entirely for you to decide about their request. You may take such action as you think best. But the expression of their view has been there. It is entirely for you to decide.

## **STATEMENT REGARDING DROUGHT SITUATION IN MAHARASHTRA**

**21 July, 2004**

Mr. Speaker Sir, in response to the issue raised by the hon. Members on the drought situation in Maharashtra, I had given an assurance that I would make a statement after studying the issue.

As far as Maharashtra is concerned, in 2003-04, the Government of Maharashtra had declared 71 talukas in 11 districts covering 28 per cent of the State, as drought affected. In accordance with established practice, assistance was considered and the State was found eligible for Rs. 119.92 crore subject to adjustment of balances in the Calamity Relief Fund of the State. After such adjustment, made by the nodal Home Ministry, Rs. 77.46 crore was released from the National Calamity Contingency Fund and four lakh tonnes of foodgrains valued at Rs. 400 crore were also allocated to Maharashtra.

A Central team visited Maharashtra during 2nd to 5th April 2004 to assess further assistance required by the State Government. Based on its report, the State Government was found eligible for Rs. 201.16 crore subject to adjustment of balances in the Calamity Relief Fund. After adjustment to the Calamity Relief Fund, Rs. 165.33 crore from the National Calamity Contingency Fund was released to the State on 3rd June 2004. Further, three lakh tonnes of foodgrains amounting to around Rs. 300 crore were also released to the State on 2nd June 2004. The decision to sanction this amount was taken during the meeting of a Ministerial delegation from Maharashtra led by the Chief Minister, with me, on 28th May 2004. The total assistance given to the State for the drought of 2003-04 is Rs. 208.14 crore towards Central share of Calamity Relief Fund, Rs. 242.79 crore from the National Calamity Contingency Fund and seven lakh tonnes of foodgrains amounting to Rs. 700 crore.

Subsequently, the State Government submitted yet another memorandum seeking additional assistance of Rs. 914.97 crore based on relaxation of norms. This memorandum was considered by the High Level Committee on 14th July 2004 for sanction from the National Calamity

Contingency Fund. It has been decided that the issue of revising norms of assistance in the event of particularly prolonged calamities deserves to be considered for general application. A committee consisting of representatives of Ministries concerned and Relief Commissioners of Andhra Pradesh and Orissa has been constituted for the purpose with Agriculture Secretary as its Chairperson. The Committee shall submit its recommendations to the High Level Committee shortly. If the Committee recommends high allocations, this would be considered positively.

As far as the status of monsoon in the current year is concerned, the cumulative rainfall during June 1 - July 14 2004, has been 264 mm. Compared to the normal of 291.8 mm. This means a deviation of ten per cent below normal. Out of the 36 meteorological sub-divisions, 20 have received normal/ excess rainfall, whereas in 16 sub-divisions, the cumulative rainfall has been deficient/scanty.

Telangana and Rayalaseema regions of Andhra Pradesh, Vidarbha and Marathwada region in Maharashtra, Western Madhya Pradesh, Rajasthan, Southern Punjab, Haryana, Western Uttar Pradesh and Jharkhand had so far rain deficiency ranging from 25 per cent to 51 per cent against the normal rain.

Ministry of Agriculture is keeping a close watch on the situation. Area Officers of the Ministry of Agriculture in charge of Andhra Pradesh, Madhya Pradesh, Maharashtra and Rajasthan, Haryana and Punjab were instructed to visit these States and to assess the ground level situation and discuss with State Governments concerned on the preparation of contingency crop plan and its logistical details. The officers have also reviewed drought relief preparedness planning in these States.

Sir, the crop sowing season in all these States extends up to the end of July with delayed rainfall. The precise extent of unsown area can only be assessed after the end of July. Therefore, assessment for employment generation under the drought relief measures will be considered after the end of July. All State Governments have drawn up their plans to ensure drinking water supply in the areas affected by deficient or scanty rain in the eventuality of shortage of water.

I have also personally reviewed the situation with the Ministers and Secretaries concerned on 9th July, 2004 after which I asked the Cabinet Secretary to review the situation on a weekly basis. The first monitoring meeting was taken by the Cabinet Secretary on the 13th July, 2004 and it was decided to increase stocks of foodgrains in areas deficient in rainfall. I would like to assure the Members that the Government shall spare no efforts in providing all possible assistance to people in the eventuality of a drought.

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**BACK NOTE**

- V. Statement regarding Drought Situation In Maharashtra  
21 July, 2004**

**NIL**

## **STATEMENT REGARDING VISIT TO ABROAD AND RECEIVING OF IMPORTANT FOREIGN DIGNITARIES**

**21 December, 2004**

Mr. Speaker, Sir, since the last Session of Parliament, I have had the opportunity to interact with a number of world leaders during my visits to London, New York, The Hague and Vientiane.

Sir, I visited London at the invitation of Prime Minister Blair on 19-20 September *enroute* to New York for the UN General Assembly Session. Following our talks, we adopted a Joint Declaration on "India-UK: Towards a new and dynamic partnership". This Declaration outlines areas of future cooperation in our strategic relations reinforcing our partnership in foreign and defence policy, in combating terrorism in all its forms and manifestation, expansion of economic ties and intensifying cooperation in the areas of Science and Technology, education and culture. Prime Minister Blair reiterated the United Kingdom's support for permanent membership of India in the UN Security Council.

Our relations with the UK, one of our most important political and economic partners will receive special focus in 2005, when the UK will hold the Chairmanship of the G-8. It will also hold the Presidency of the European Union in the second half of 2005, when we expect to hold the 6th India-EU Summit in New Delhi.

I addressed the UN General Assembly in New York on September 23, 2004. The broad themes covered in my address were: the global and transnational character of the challenges confronting the world, the need for a global response based on consensus, and the need to impart substance and credibility to the global war against terrorism. I emphasized India's commitment to multilateralism and to its embodiment — the UN, the imperative of reforms to enable the UN to refashion itself to become relevant to our times. I outlined the reasons why we believe India should be a permanent member of the UN Security Council.

In this context, a Summit of the leaders of, what is now being termed as the 'Group of Four aspirants' — Brazil, Germany, India and Japan was held on September 21, 2004 in New York. This was a significant statement of our intent to participate in the UN reform process on the basis of a mutual understanding to support each other for permanent membership of the

Security Council. We also highlighted the need to reform the Security Council to make it more representative and more effective.

While in New York, I also had bilateral meetings with the Presidents of USA, South Africa, Afghanistan and Pakistan.

My meeting with President George Bush was very positive in setting the direction for further development of India-US Strategic Partnership. We welcomed the recent implementation of Phase-I of the Next Steps in Strategic Partnership. We agreed on the need for expanded economic and defence cooperation. We recognized the importance of working closely in the war against terrorism and proliferation of weapons of mass destruction.

During my meeting with President Musharraf, I conveyed our sincere desire to pursue the dialogue with Pakistan systematically and on a sustained basis. I emphasized to President Musharraf the criticality of his fulfilling the reassurance of January 6, 2004, that any territory under Pakistan's control would not be used to support terrorism in any manner.

We agreed that Confidence-Building Measures (CBMs) of all categories under discussion between the two governments should be implemented. This should be done keeping in mind practical possibilities, as these will contribute to generating an atmosphere of trust and mutual understanding so necessary for the well-being of the peoples of both countries.

We also discussed bilateral issues, including Jammu and Kashmir. We agreed that possible options for a peaceful, negotiated settlement of the issue of Jammu and Kashmir should be explored in a sincere spirit and a purposeful manner. I made it clear to President Musharraf that while we are willing to look at various options, we would not agree to any redrawing of boundaries, or another partition of our country.

The possibility of a gas pipeline *via* Pakistan to India was also discussed in the context of the bilateral economic and commercial relationship. We feel such a project would have considerable mutual benefits.

On November 23, 2004 I highlighted these points, of concern to Pakistan Prime Minister Shaukat Aziz who visited India as the current SAARC Chairman.

We intend to pursue the path of cooperation and dialogue with Pakistan in an atmosphere free of mistrust and terror, building upon the support that we have received from the people of the two countries, and

without compromising upon our basic national interests. Technical level meetings on various subjects are already underway. The two Foreign Secretaries would meet on December 27-28, 2004, to initiate the next round of the Composite Dialogue.

The Fifth India-EU Summit was held at the Hague on 8th November 2004. This Summit represents a landmark for it launched the India-EU Strategic Partnership. This Partnership is a recognition of India's growing stature as a major regional and global power. India and the EU agreed to intensify consultations on a range of issues including the UN reforms and major multilateral conferences, on disarmament and non-proliferation and to strengthen joint efforts in fighting terrorism. With regard to our economic relations, we also agreed to find ways to enhance our trade and investment relations. Two proposals of special interest were the decision to set up an Energy Panel to discuss cooperation in energy matters and an Environment Forum.

I visited Vientiane, Lao PDR to participate in the Third India-ASEAN Summit which was held on 30th November 2004. Our relations with ASEAN constitute an important cornerstone of our "Look East" policy. At the Summit, ASEAN leaders and I signed the document titled "India-ASEAN Partnership for Peace, Progress, and Shared Prosperity". This Partnership Document lays out a short to medium term road map of India-ASEAN cooperation in various sectors.

The Third India-ASEAN Summit gave us an opportunity to take stock of the progress made in India-ASEAN relations over the last two years and consider new initiatives and measures to further strengthen cooperation in various sectors such as economic, science and technology, information and communication technology, agriculture, health and pharmaceutical and people to people contacts. We also reviewed the progress in the negotiations of the India-ASEAN Free Trade Agreement in goods.

Sir, the potential of India-ASEAN cooperation is not confined just to the economic sphere, but includes human resource development, science and technology, health and pharmaceuticals, information and communication technology and agriculture.

During this Summit, I also met the leaders of Japan, People's Republic of China, Singapore, Lao PDR, Vietnam, Australia and Indonesia and exchanged views on issues of mutual interest. In my discussions with the Chinese

Premier we reviewed the progress made in the two rounds of talks between our Special Representatives on the Boundary question and agreed that these would continue with a focus on substantive issues.

Recently, we have also received several important leaders here in New Delhi. I should like to inform hon. Members about these.

Russian President Putin's visit on December 3-4 was of great significance and has given considerable momentum to substantive aspects of our strategic partnership. Our discussions were marked by traditional trust and mutual confidence.

Cooperation in the field of energy was a particular focus; we signed five MoUs on cooperation in the petroleum sector. We also signed two agreements relating to cooperation in the field of space, including in respect of the Russian Satellite Navigation System GLONASS.

There was purposeful discussion on the supply of defence equipment and spares and we received a categorical assurance that recurrent issues that have arisen with the supply of spares will be dealt with.

We in turn agreed to support Russia's accession to the WTO and to treat Russia as a Market Economy for purposes of anti-dumping investigations, to which the Russian side attaches great importance.

We have also maintained a high tempo of productive engagement with our neighbouring countries and received their leaders.

I met His Majesty the King of Bhutan on November 25 and had an extended discussion with him covering the various aspects of our close and mutually beneficial cooperation. He has agreed to be the Chief Guest at our Republic Day celebrations next year.

The President of Sri Lanka, Mrs. Chandrika Bandaranaike Kumaratunga, visited India from 3-7 November, 2004. Discussions were held on various bilateral and international issues of mutual interest including expansion of economic ties through early conclusion of a Comprehensive Economic Partnership Agreement, utilisation of lines of credit and cooperation in areas such as power and transportation. The President also briefed us on internal developments in Sri Lanka, including the state of the peace process.

The Prime Minister of Nepal, Mr. Sher Bahadur Deuba visited India from 8 to 12 September. This visit provided us an opportunity to share

perceptions on current developments within Nepal as well as India's assistance to various developmental projects in that country. We emphasised our traditional policy of support for multi-party democracy and constitutional monarchy as the twin pillars of the Nepalese Constitution. We are in continuous touch with Nepal with regard to the security situation in that country. His Majesty, the King of Nepal, will be coming to India on December 23, 2004.

The Chairman of the State Peace and Development Council of Myanmar, Senior General Than Shwe paid a State visit to India from 24<sup>th</sup> to 29<sup>th</sup> October 2004. This was the first Head of State level visit from Myanmar in 24 years. An MoU on cooperation in the field of Non-Traditional Security Issues was signed during the visit. Expansion of bilateral cooperation in industry, energy, rural transportation, communication and science and technology were also discussed. We conveyed that while India did not wish to interfere in Myanmar's internal affairs, we would welcome early realization of the goal of multi-party democracy based on national reconciliation and an inclusive approach.

During this period, other important visitors we received include the Chancellor of the Federal Republic of Germany, Mr. Gerhard Schroeder, the President of the Republic of Korea, Mr. Roh Moo-Hyun, the Prime Minister of New Zealand Rt. Hon. Helen Clark, Prime Minister of Morocco Mr. Driss Jettou and the President of the Slovak Republic. The Prime Minister of Malaysia is currently on a State visit to India.

Sir, it is now seven months since our Government took office. Our objective is to focus on the centrality of national interests in the conduct of our external relations and the pursuit of our economic interests. We have taken important initiatives, keeping in mind the imperative of retaining our freedom of options, remaining alive to our concerns. Our efforts have contributed to making the international environment for India's development more secure. I am confident that our foreign interlocutors have a better appreciation of our position on issues of importance to India. We will continue to remain engaged in this endeavour.

Sir, I am placing on the Table of the House, for the information of hon. Members, the following documents:

1. India-UK: Towards a New and Dynamic Partnership – A Joint Declaration.

2. Statement by India, Brazil, Germany and Japan (G-4).
  3. Joint Press Statement of the India-EU Summit.
  4. ASEAN-India Partnership for Peace, Progress and Shared Prosperity.
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**BACK NOTE**

- VI. Statement regarding visit to abroad and receiving of important foreign dignitaries 21 December, 2004**

**NIL**



## **REPLY ON MOTION OF THANKS TO THE PRESIDENT'S ADDRESS**

**10 March, 2005**

Mr. Speaker, Sir, I deem it a great privilege to be standing here today to express the gratitude of our Government to the respected Rashtrapatiji for his address to Members of both Houses of Parliament.

Sir, this is a hard earned privilege for me since I have had to wait out the entire year to perform this happy task. I would like to take this opportunity to doubly thank the President—for his Address last year and his Address this year.

Sir, last year, the Rashtrapatiji outlined the nature of the historic mandate the constituents of the United Progressive Alliance had received from the people of our country. He also outlined the vision underlying the National Common Minimum Programme: A vision of share prosperity, of an inclusive society, of a caring polity. The President captured the essence of this philosophy in his Address to Parliament this year when he said that we want India to shine, but that it must shine for all.

Sir, this year, the President has outlined the many steps we have taken in office in a brief period of nine months to fulfil some of the most important promises we have made in the National Common Minimum Programme. Read together, the two Addresses of the President offer an overview of the political revolution that the United Progressive Alliance has authored in translating the mandate of the elections of 2004.

Mr. Speaker, Sir, the President has paid an eloquent tribute to all those who acted heroically in dealing with this disaster called 'Tsunami'. Our Armed Forces, our paramilitary forces, our State Governments and our own Central Government authorities acted with great speed to provide relief and then thereon from relief and succour to move on to the task of rehabilitation. I wish to join the hon. Leader of Opposition in paying tributes particularly to our Armed Forces, our Coast Guard, and our paramilitary forces for the heroic task that they have accomplished.

Before I go further, I listened very carefully to the advice of the hon. Leader of the Opposition. I respect him. He is a seasoned politician who has been in politics much longer than I have been. When he advised me

that I was becoming an invisible Prime Minister, I must solemnly say that, that is a charge I do not plead guilty to. Whether a Prime Minister is visible or not visible should be judged from the conduct of our Government, and when I outline what we have achieved in nine months, it is for the House to judge.

However, I must say, Sir, wherever people of India were in distress in the last nine months, I along with Soniaji went there. When our Government was faced with a drought, I went to those areas where the intensity of the drought was so severe that farmers were committing suicides. When there were floods, I was there with the people of Bihar; I was there with the people of Assam. Similarly, I had been to Jammu and Kashmir twice in the last six or seven months. I was there in Andamans; I was there in Tamil Nadu; I was there in Kerala, and I was there in Andhra Pradesh when our people were faced with this Tsunami disaster. Therefore, our record speaks for itself.

If you permit me, Mr. Speaker, I will outline what we have achieved in the last nine months.

Mr. Speaker, Sir, many hon. Members who were able to participate in the debate on the Motion of Thanks to the President on his Address have made very important points. I have taken note of their sentiments. Due to shortage of time, I may not be able to reply to all the points but hon. Members have my assurance that the suggestions that have been made on the floor of this House will receive our most serious attention.

A question has been asked in this House as to what exactly we have done in these past nine months to redeem our pledge to the people. Let me say at the very outset that the President's Address should be read along with the Budget Speech of the Union Finance Minister and the Action Taken Report laid on the Table of the House by the hon. Finance Minister to fully appreciate the enormous work done by our Government in such a short period of time. To supplement this, our Government has also prepared a 'Report to the People', for the first time ever, that informs the general public as to what steps have been taken to implement the National Common Minimum Programme. Copies of this Report are being made available to every Member of Parliament. They are also being sent to every media organisation. Never before I believe has a Government been so transparent

and proactive in keeping the public informed. I will be the last one to say that we have achieved everything. I recognise that we have miles to go but we will persevere and we shall overcome.

Mr. Speaker, Sir, Advaniji talked about the economic policies. Lot of things have happened in our country in the last 50 years. It is my sincere conviction that but for the solid foundation of our economy—the scientific infrastructure that Panditji created, the temples of learning Universities, Institutes of Management and Technology that Panditji created, the public sector investments that were made to promote self-reliance—we would not be where we are today.

Changes have been made in the economic policies. In every moving society these changes have to be made. Panditji himself used to say that we are living in a dynamic world and we cannot be slaves all the time of the past. So we have made changes, but the basic thrust of our economic policy remains what was conceived at the time of our Independence—to promote a self-reliant, progressive, humane and egalitarian society.

On the economic front, our efforts to steer Indian economy on to a high-growth path are bearing fruit. Rashtrapatiji has referred to this in his address and this has been further elaborated upon in the Finance Minister's Budget Speech. Our Government was elected on the basis of the mandate that reflected dissatisfaction of 'aam admi' with the way his concerns were being addressed. That is why we have made fighting inflation and generating employment the two most important goals of our economic policy. I am happy to report that the rate of inflation has dipped below five per cent despite the drought and despite the sharp increase in international prices of petroleum products.

We have, at the same time, managed to create a growth momentum which has not only delivered a growth of almost seven per cent this year, but is likely to deliver equally impressive growth in the coming years. Our external profile is robust and International Credit Rating Agencies are upgrading our sovereign rating. The balance of payment position is as comfortable as never before. International trade is booming with exports rising at over 25 per cent in dollar terms in April-January, 2005.

Sir, what is more impressive is after many years of investment famine

under the NDA regime, we see a clear revival of investment activities and consequently, there is a fine degree of confidence in the future of our economy. This confidence has been bolstered by the growing recognition of the fact that our politics of inclusiveness is creating a more humane social basis for more equitable economic growth. The one area of concern is the high level of fiscal and revenue deficits of State and Central Governments and I sincerely hope that we can, by working together, evolve a national political consensus in dealing with this fiscal challenge. I am sure, Sir, that hon. Members will have an opportunity to debate further on this in the debate on the Union Budget.

Sir, to sustain this sense of optimism our Government has taken steps to create a more equitable economic framework, a framework within which all regions and classes will participate in growth process. There is no point in having a high rate of growth if the benefits are not shared by all sections of society, particularly the Scheduled Castes, the Scheduled Tribes, Other Backward Classes, minorities and women. This requires taking steps to empower them, investing in their skill enhancement to enable them to be active participants in the economy, providing a social-legal framework where their rights are recognised and protected and creating an atmosphere of belonging and inclusiveness.

Sir, the results of our efforts will, I am certain, bear fruit to the satisfaction of the people of this country. The foundation of a successful country is a healthy economy, a sound polity, strong institutions and a harmonious society. We are committed to strengthen all these basic foundations of our Republic.

Sir, I have outlined the broad parameters of our economic policy framework. The President's Address refers to seven priority areas and I will draw the attention of the House to these priority areas to give you an idea of what we have been doing and what we plan to do. I recognised yesterday Shri George Fernandesji referred to this matter and said that he did not find a match between what is stated in the President's Address and the Finance Minister's Budget speech. I do not share that perception and I do want to show what we have done and what we proposed to do to get this country once again moving on to a high growth path, strong growth in

output and employment and a stronger commitment to social equity.

Sir, the Rashtrapatiji has referred to the seven priority areas of our Government—agriculture, employment, education, health care, water, urban renewal and infrastructure. Hon. Members will notice the correlation between these high priority areas and our vision of a prosperous, equitable India. Nobody can deny that it is only by focusing on public and private investment in these seven critical areas can we realise sustainable, equitable growth.

Sir, as I had stated earlier, investment in human capital is essential for an inclusive growth process. The importance we attach to elementary education is apparent from the imposition of an education cess and the priority we give to educational programmes. Simultaneously, we are about to launch the National Rural Health Mission which will not only revamp the public health delivery system but which along with the initiatives in nutrition and education, represents our commitment to human capital formation.

Sir, hon. Members, and even Advaniji referred to the fact that the President's Address makes no mention of rural growth. Sir that perception is also not correct. We have outlined a programme, a comprehensive programme—Bharat Nirman—which attaches high priority to the most important area which can have a bearing on the polity of rural India.

The "Bharat Nirman" programme outlined both in the President's Address and the Budget speech gives concrete shape to our commitment to achieving tangible outcomes in irrigation, housing, rural roads, drinking water, electricity and telecommunication connectivity by 2009.

Hon. Shri George Fernandesji appeared to have been disappointed that the Budget speech did not adequately elaborate on the reference to "Bharat Nirman" in the President's Address. Sir, "Bharat Nirman" is not a scheme and is not about "Outlays" but about "Outcomes". This is a four year programme of rural infrastructure development. The Finance Minister has identified the following outcomes, namely:-

- To bring an additional one crore hectares under assured irrigation;
- To connect all villages that have a population of 1000 (or 500 in hilly/tribal areas) with a road;
- To construct 60 lakh additional houses for the poor;
- To provide drinking water to the remaining 74,000 habitations that are uncovered;

- To reach electricity to the remaining 1,25,000 villages and offer electricity connection to 2.3 crore households; and
- To give telephone connectivity to the remaining 66,822 villages.

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Mr. Speaker, Sir the Budget contains enhanced allocations for each of these crucial areas. Having outlined these outcomes, we are committed to making the required outlays.

On the infrastructure front, we face an enormous task. Poor quality infrastructure is the biggest barrier to the growth of industry and trade. We have been working relentlessly in improving the policy regime for investment in infrastructure—be it power, roads, ports, railways, civil aviation, telecommunications. We will increase public investment in crucial areas and supplement that with private investment. Public-Private Partnership will be attempted where possible and appropriate. The Rural Health Care Mission and the Urban Renewal Mission will facilitate such partnerships. The Urban Renewal Mission will enable the provision of basic amenities in urban areas while at the same time providing world class infrastructure in our cities.

We have outlined water as a priority area. I think, Shri Suresh Prabhu yesterday mentioned about the neglect of water. I plead not guilty. I have listened to the many points raised by hon. Members regarding policies pertaining to water availability and utilization. Sir, I would like to urge hon. Members to impress upon our political leaders at all levels of our democratic governance that we should resist the temptation of playing politics with water. Our Government is committed to providing access to water to all. We have to renew the spirit of cooperation in dealing with this massive challenge.

Sir, an important area of our policy focus is education. Many hon. Members have drawn our attention to the many challenges of access and excellence in education. The National Knowledge Commission that we propose to constitute will focus attention on the quality of our educational system. The issue of access is being addressed by the various programmes we are funding with the Education Cess. Our emphasis on mid-day meals programme is also aimed at improving access to education.

Our Government has been in office now for nine months. And I do

wish to point out, as a matter of pride, that India's prestige in the world has never been as high as it is today.

Mr. Speaker, Sir, in the last nine months, the world has been fascinated by the strength and vigour of our democratic process. We are seen as a shining example of a successful democracy, a polity which periodically redistributes power to reflect the aspirations of our people.

India is today a role model in many ways in managing a multi-racial, multi-religious and a multi-lingual society through effective democratic processes. This is a strength we must all cherish and nurture for this is the strength that enables us to cross all challenges in fulfilling the vision of our founding fathers, a vision, as I said, of an inclusive, just and humane society. The election of the UPA Government last year was a manifestation of the people's mandate for change. We need to respect that and permit our institutions to function effectively.

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I would now like to come to internal security issues the North-East and Jammu and Kashmir issues, which have been raised by the hon. Members of the Opposition.

Mr. Speaker, Sir, in the nine months in Office, our Government has also worked hard to improve the internal security situation in our country. We have been purposive but humane in bolstering the security environment. We have developed a comprehensive and systematic approach to all internal security issues, whether they be related to Left-wing extremism or militancy in the North-East and Jammu and Kashmir.

We are concerned about the spread of Left-wing extremism and it is our sincere assurance that we will work with State Governments in tackling this problem in all its dimensions—political, economic, social and administrative. We will address the underlying causes for disaffection and alienation among sections which tilt towards such extremism. The Union Government is providing assistance to States to meet some of their security-related expenditure and has also decided to bear the cost of deployment of additional Central forces.

Developments in our neighbourhood are also a matter of concern in this regard. Our Government will be taking a lead role in developing a

coordinated approach to this problem. Our Government's policy is to engage militants in a dialogue if they abjure the path of violence, to have appropriate and just laws and to modernise security forces so that they can be effective instruments of State action. In this, the Union Government will be a partner with all affected Governments in finding enduring solutions.

Our commitment to a caring society based on the rule of law was reflected in our approach to the situation in the North Eastern region, particularly the State of Manipur. We have reached out to the people with a helping hand, a hand committed to understanding their genuine grievances. The joy, which I saw, on the faces of an unprecedented crowd of Manipuris on the occasion of the handing over of the Kangla Fort gives me the necessary confidence that we are on the right track and that the State can move forward towards normalcy.

Shri Advaniji asked me about the discussions with the NSCN. The negotiations are going on and moving at a pace which is satisfactory. We are in the process of discussing each other's point of view. I am confident that these discussions will be brought to a successful conclusion.

I should also say that until our Government came to power, all these discussions were being held outside the country. Our Government took the view that these discussions must take place within our own country and in that we have succeeded. That alone is a positive development in dealing with problems of the Nagaland.

Sir, our approach to the problems in Jammu and Kashmir has reaped a rich harvest in the manner in which the people of the State came forward to participate in local government election held very recently. The forces of democracy were greatly encouraged by the turn out and the verdict. There has been a perceptibly lower level of violence in the State of Jammu and Kashmir this year. The people are yearning for peace and normalcy. I myself have been twice to the Jammu and Kashmir State. Considerable enthusiasm has been generated by the effective manner in which the reconstruction package has been grounded. The infiltration level has come down by more than 60 per cent during 2004. There is a hope on the horizon and if we keep up the tempo of economic activity there, we may see further improvement in the scenario.



Sir, given the external dimension of terrorism and other trans-border crimes like smuggling of arms, counterfeit currency, drug trafficking, it is very vital to strengthen our international borders. The Government has taken various measures which include fencing of borders, improving road networks in border areas, and deployment of hitech electronic surveillance equipment on the borders.

Sir, I would like to reiterate once again that our Government is not soft on terrorism and militancy. It is, however, willing to realise the inhuman situation created by some of our laws and therefore willing to modify them. We are committed to the National Common Minimum Programme which states that there will be no compromise on terrorism. However, we were equally concerned about the misuse of POTA and we decided to repeal it while enforcing the existing laws more strictly. However, the existing legal framework has been substantially strengthened by amending the Unlawful Activities (Prevention) Act, 1967 to handle terrorism related issues more effectively.

Sir, I could go on but in the House no Member has brought up issues of foreign policy. Therefore, I will skip that because of the lateness of the hour. There is, however, one matter that I do wish to refer to and that is our relations with Pakistan. After my meeting with Gen. Musharraf on the side lines of the United Nations General Assembly, all items of composite dialogue are under discussion. We are moving forward and I must say that nothing brings the people of our subcontinent more together than our love for cricket and Bollywood cinema. I am equally conscious of the fact today that even as I speak in this House I am competing for the nation's attention with young men like Sehwag and Kamal. Perhaps that is how it should be. Indeed how nice it would be if we conduct our affairs in this august House with the same spirit of sportsmanship that our young cricketers exhibit on the playing field of the subcontinent.

Sir, when our citizens went to Pakistan for the last Test Series, they returned with tale of bonhomie and warm hospitality. I am delighted to say that our people have returned this hospitality to the thousands of visitors from Pakistan. Relations between nations are after all nothing more than relations between their people. I am sure that time will work to heal our wounds and create an environment of shared prosperity and peace in this subcontinent in which we can all live and work for the greater good of our subcontinent.

Sir, I am happy to inform the hon. Members of the House that I have decided to invite President Musharraf to come to India to watch the cricket match between our two teams. It is my earnest desire that the people in our neighbouring country and their leaders should feel free to visit us whenever they wish to do so. Be it to watch a cricket match; be it to do some shopping; or be it to meet friends and families—India is proud to be an open society and an open economy. I do hope that President Musharraf and his family will enjoy their visit to our country.

Mr. Speaker, Sir, I will be failing in my duty if I do not express my sincere regret at the fact that the proceedings of the House have once again been disrupted in a manner that does not do this House proud.

I share the sentiments expressed by some Members that our democracy gives us the freedom and the right to express our views without fear or favour and we must make use of these freedoms in a proper manner. We cannot allow cynicism to grow about the relevance and role of democratic institutions and of elected representatives. There is so much work before us and we have not been able to give our time to it. I share the sentiment of our revered Rashtrapatiji when he said, and I quote:

“The people of India anxiously await your views and your decisions on these crucial economic and social legislation. I urge you, hon. Members, to repay the trust and confidence that the people have reposed in you by dedicating yourselves to the orderly consideration of these Bills. Every minute of Parliament’s time is precious and every citizen and taxpayer values it greatly. I sincerely hope you will make the most economical use of the time at your disposal and meet the voter’s and the citizen’s expectation and fulfil their aspirations.”

These were the words of our Rashtrapatiji.

Hon. Members may have genuine concerns that they wish to give expression to in the House. After all, that is what their voters would want them to do. I would be the last one to chastise hon. Members for giving vent to their heartfelt concerns. Yet, there are ways in which we can express these sentiments without disrupting the proceedings of the House.

Mr. Speaker, Sir, I must compliment you in all sincerity for your extreme patience and good humour in dealing with the situation in the House. I am sure the hon. Leader of the Opposition agrees with me that we must all try our best to uphold the dignity and decorum of this august

House and never allow anything to happen that would demean it in the eyes of our citizens and the world at large. I appeal once again to all hon. Members to participate actively and effectively in the proceedings of the House, putting forward their views in an appropriate manner.

Mr. Speaker, Sir, I thank you for your indulgence and would like to once again express my gratitude to the President for his thoughtful address. I would like this vote of thanks to the President's Address to be passed unanimously.

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## **BACK NOTE**

### **VII. Reply on Motion of Thanks to the President's Address 10 March, 2005**

1. PROF. VIJAY KUMAR MALHOTRA: Where is the allocation?

MR. SPEAKER: You speak on this issue during discussions on the budget.

MR. SPEAKER: This is not fair. So many hon. Members have spoken.

MR. SPEAKER: What is going on?

2. SHRI SUSHIL KUMAR MODI (Bhagalpur): What happened about naxalites?

MR. SPEAKER: What is going on?

MR. SPEAKER: Please sit down. You are all senior Members, behaving in this irresponsible manner! Nothing will be recorded unless the Prime Minister yields.

MR. SPEAKER: Unless the Prime Minister yields, no comments will be recorded.

## **VISITS OF THE CHINESE PREMIER AND THE PRESIDENT OF PAKISTAN TO INDIA**

**20 April, 2005**

Mr. Speaker Sir, I rise to inform the hon. Members of two important visits of our country in the last few weeks.

Premier Wen Jiabao of China paid a State visit to India from 9th April to 12th April, 2005. The visit was substantive in its outcome. Premier Wen has himself described it as 'historic'.

Sir, my meeting with the Chinese Premier on 11th April was most warm and productive. We signed a Joint Statement which contains a vision of where India-China relations are headed and an Action Plan for co-operation in bilateral, regional and global domains. A copy of the Joint Statement is placed on the Table of the House. Eleven other Agreements were signed and the Report of the India-China Joint Study Group on comprehensive trade and economic co-operation released. The range of agreements concluded reflects the rapid strides made in our relations with China in recent years. Premier Wen and I agreed that India-China relations have entered a new phase of comprehensive development.

In the Joint Statement, we have agreed to establish a "Strategic and Co-operative Partnership for Peace and Prosperity". It codifies the consensus between us that India-China relations transcend bilateral issues and have now acquired a global and strategic character. The partnership also reflects our desire to proactively resolve outstanding differences, while not letting them come in the way of continued development of relations. This is not in the nature of a military pact or alliance but reflects a congruence of purpose apart from a common perception of world events.

A major outcome of the visit was the Agreement on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question. A copy of the Agreement is placed on the Table of this august House. This understanding has been possible as a result of deliberations between the Special Representatives of India and China on the boundary question. The institution of Special Representatives was created during my distinguished predecessor's visit to China in June 2003. The Agreement is

truly a major milestone on the way to the settlement of the boundary question. It provides for a "political settlement" of the boundary question in the context of the "overall and long term interests" of the two countries. Both sides have agreed that an early boundary settlement should be pursued as a "strategic objective".

The Agreement sets out for the first time ever, principles for an overall settlement of the India-China boundary question. While this understanding is of great significance, we do acknowledge that we are still quite some distance away from a final boundary settlement.

We have agreed that in the meanwhile, the two sides will strictly respect and observe the Line of Actual Control, maintain peace and tranquillity in the border areas and expedite the work of clarification and confirmation of the Line of Actual Control. The Protocol on the Modalities for the implementation of Confidence Building Measures in the Military Field in the Border Areas, signed during the Chinese Premier's visit, will help in maintaining peace along the Line of Actual Control.

During my meeting with Premier Wen, he stated that China regarded Sikkim as an "inalienable part of India", and that Sikkim was no longer an issue in India-China relations. The Joint Statement signed by us explicitly refers to "Sikkim State of the Republic of India". The Chinese side has officially handed over to us a revised map showing Sikkim as within the international boundaries of India.

The understandings reached during the visit will also give a major fillip to the economic dimension of the relationship, to which both sides are attaching a great deal of importance. Bilateral trade has been growing rapidly and crossed the US \$13 billion mark last year. A target of US \$20 billion by 2008 is envisaged. Mr. Speaker, Sir, during my meeting with Premier Wen, an India-China Joint Economic Group, chaired by the two Commerce Ministers, will oversee facilitation and expansion of trade in goods and services, investment flows and other areas of economic co-operation. Premier Wen and I agreed to set up a Joint Task Force as well to examine the feasibility and benefits of Trading Arrangements.

Sir, the Chinese Premier and I also had a useful exchange of views on regional and multilateral issues. Among other things, we agreed on the importance of comprehensive reforms in the UN system. China conveyed that it attached great importance to the status of India in international

affairs and understood and supported India's desire to play an active role in the UN and international affairs.

Sir, I believe the Chinese Premier's visit to India will give a significant boost to the all-round development of India-China relations. Our policy towards China is characterised by continuity and consensus.

Sir, I now come to the visit of the President of Pakistan.

Mr. Speaker, Sir, the President of Pakistan, General Pervez Musharraf visited India from April 16 to 18, 2005. I had invited him to the cricket match in New Delhi and we used the opportunity of his presence here to hold substantive discussions on a wide range of bilateral issues. We also issued a Joint Statement which takes stock of our relations and outlines the ideas and activities agreed upon between us to move our bilateral relationship forward. A copy of the Joint Statement is placed on the Table of the House.

Sir, during our talks, President Musharraf and I reviewed the progress made in our bilateral relations. We assessed positively the progress that had been made through Confidence Building Measures (CBMs), people-to-people contacts and enhancing areas of interaction and expressed our Joint determination to build on the momentum already achieved. I also conveyed to President Musharraf the great importance we attach to enhanced bilateral economic and commercial co-operation. I under-lined the need to multiply beneficial linkages of trade and transit, including the gas pipeline. We agreed that greater co-operation between the two largest economies of South Asia would not only contribute to the well-being of the peoples of the two countries but also bring a higher level of prosperity for the entire region.

We agreed on several forward-looking measures to increase interaction between the countries, among them being the restoration of the rail link between Khokhrapar and Munnabao. Each of these are reflected in the Joint Statement.

Earlier this month, we started the Srinagar-Muzaffarabad bus service despite terrorist threats and a dastardly suicide attack on the Srinagar Tourist Reception Centre. The courage determination of our peoples and the condemnation by our two Governments as contained in the Joint Statement, of attempts to disrupt this important initiative, give us confidence

for its continued and successful operation with even greater frequency in the future. I am convinced the bus service has tapped a latent reservoir of public support for greater people to people contact, especially among people living on either side of the Line of Control.

The issue of Jammu and Kashmir was also discussed in a positive atmosphere. I emphasized that while the redrawing of boundaries was not possible, all measures that could bring the peoples on both sides together, including increased transportation linkages to facilitate greater traffic of people and trade across the border and the Line of Control, would help the process and create an atmosphere of mutual trust and confidence. President Musharraf and I agreed to continue our discussions in a sincere, purposeful and forward-looking manner. We have agreed to work together to carry forward the process and to bring the benefit of peace to the people of our two countries, and in particular, the people of Jammu and Kashmir.

President Musharraf stressed the importance of addressing the Jammu and Kashmir issue. However, he also agreed that the confidence building process between the two countries had made significant progress. We both felt that this process would contribute to promoting a general sense of trust and understanding in our two countries, which in turn would be conducive to creating the environment for a just, fair and mutually acceptable solution to all outstanding issues. Consequently, we have agreed to pursue further measures to enhance interaction and co-operation across the Line of Control including agreed meeting points for divided families, trade, pilgrimages and cultural interaction.

The Joint Statement specifically re-affirmed the commitments made in the Joint Press Statement of January 6, 2004, and the Joint Statement issued after the meeting of the Indian Prime Minister and the Pakistani President in New York on September 24, 2004. This re-affirmation addresses our concerns relating to terrorism from across the border. The Joint Statement also contained a pledge that terrorism would not be allowed to impede the peace process. It also underlines the importance of the peace process and the degree of improvement in relations between the two countries.

While I am satisfied with the progress achieved in our talks during the visit, we should remain conscious of the difficulties ahead. The difficult issues that divide us have bedeviled relations between India and Pakistan for



far too long to hope for an immediate resolution. The threat to the peace process from extremist forces and terrorist organisations has not been eliminated. Therefore, I mentioned to President Musharraf that the whole process of serious and sustained dialogue hinges on building an atmosphere of trust and confidence, free from violence and terror. We look forward to Pakistan implementing their assurances in letter and spirit.

Sir, as hon. Members are aware, the past year has been quite a remarkable one for our relation with Pakistan. The two countries successfully concluded one round of the Composite Dialogue and have already commenced the next round. Diplomatic and other links have been normalised and restored to the pre-December 13, 2001 level. People-to-people exchanges are taking place across the spectrum in overwhelming numbers. The ceasefire being observed along international Border, the Line of Control and the Actual Ground Position Line in Siachen has, with the exception of a few stray incidents, held since November, 2003.

Sir, India is committed to peace and friendship with Pakistan. We sincerely seek a co-operative and constructive relationship with Pakistan. I am heartened to see that this desire is reciprocated by the Pakistan side, and that there is considerable popular support for an improved relationship in both countries. To create such a durable co-operative and constructive relationship, we need to invest in the ongoing process of engagement and confidence building and ensure that recent positive trends are sustained. We have chalked out a detailed schedule and agenda for round of the composite dialogue that has commenced. Sir, we believe that persistent and purposeful engagement will show us the way to peace and enable us to fulfil the promise of friendship and co-operation that we have made to our people.

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**BACK NOTE**

**VIII. Visits of the Chinese Premier and the President of Pakistan to India  
20 April, 2005**

**NIL**

## **SPEECH ON RIGHT TO INFORMATION BILL**

**11 May, 2005**

Mr. Speaker Sir, I am very grateful to you for granting me permission to intervene on a very important and critical Bill, which is before this august House.

Sir, all modern societies or complex societies, require strong and purposeful Government to steer them. In our own country, Government expenditure, both at the Central level and at the level of States and local bodies, accounts for nearly 33 per cent of our Gross National Product. At the same time, the social and economic imperatives require our Government to intervene extensively in economic and social affairs. Therefore, the efficiency and effectiveness of Governmental processes, are critical variables, which will determine how our Government functions and to what extent it is able to discharge the responsibilities entrusted to us by the electorate.

I have always believed all power is a sacred societal trust; that you cannot sit on power—you have to spend it, but you must spend it taking into account the good of the largest number of people. Therefore, it becomes obligatory that in addition to processes, we have to determine that expenditure confirm with the canons of efficiency and effectiveness. We all know that there are widespread complaints in our country about wastefulness of expenditure, about corruption, and matter which have relations with the functioning of our Government. Therefore, it is very important that we must explore new effective mechanisms to ensure that our Government will effectively, purposefully and efficiently discharge the responsibilities entrusted to it. This is the guiding spirit behind this new momentous measure that is now before this august House, that is, the Right to Information Bill.

Sir, the key to the successful functioning of any democratic polity is the ability of a citizen to observe and evaluate the functioning of elected representative and make an informed judgement of their performance. This evaluation is predicated on the easy availability of the necessary information for a citizen to arrive at an assessment. Further, our founding fathers have established an elaborate system of rights and obligations, a system of checks and balances, a system with clear division of powers at different levels of Government. This complex web, further translated into practice by our laws, procedures, policies and programmes, is the foundation of our

rich, varied, vibrant polity which has earned the respect of the whole world for our ability to harmoniously match the goals of economic development and a pluralistic democratic society.

Sir, at the centre of this intricate web is the common man, the 'aam aadmi' whose prosperity and welfare is the core concern of our Constitution. It is this common man or common woman who is the fulcrum of our democratic system, as an observer, as the seeker of information, as the one who asks relevant questions, as the analyst and as the final judge of our performance.

The UPA Government has made a commitment, not only to work for the welfare of the common man, but also to strengthen his or her role as the arbiter of our destiny. It is in this background that our Government has introduced the Right to Information Bill, and the subsequent amendments in this august House.

Mr. Speaker, Sir, efficient and effective institutions are the key to rapid economic and social development, institutions which can translate promises into policies and actionable programmes with the least possible cost and with the maximum possible efficiency; institutions which can deliver on the promises made and covert, as the hon. Finance Minister pointed out a few days ago while presenting the Budget, "outlays into outcomes". For institutions to be efficient and effective, they must function in a transparent, responsive and accountable manner. This is dependent not only on processes internal to the institutions but also on the ability of citizens and external agents to enforce their rights, *vis-a-vis* these very institutions. The Right to Information Bill, Sir, will bring into force another right which will empower the citizen in this regard and ensure that our institutions and their functionaries discharge their duties in the desired manner. It will bring into effect a critical right for enforcing other rights and fill a vital gap in a citizen's framework of rights.

Sir, while there is an existing Freedom of Information Act, the Bill now under consideration is more far-reaching and effective and I am very grateful to the National Advisory Council presided over by Shrimati Sonia Gandhi for having played a very important role in bringing into focus what are the major drawbacks in the previous legislation. The Bill that we have presented has the widest possible reach, covering the Central and the

State Governments, Panchayati Raj institutions, local bodies as well as recipients of Government grants. Access to information under this Bill is extensive with minimum exemptions, which too can be over-ridden on the basis of a public benefit test, namely when the benefit of release of information outweighs the harm caused by disclosure of information.

However, I think that we should also consider exempting such information, the disclosure of which may result in breach of privilege of Parliament or a State Legislature. Even security and intelligence agencies, which are otherwise exempt, are subject to disclosure in cases of allegations of corruption or violation of human rights.

The Bill lays down an architecture for accessing information, which is simple, easy, time-bound and inexpensive. It has stringent penalties for failing to provide information or affecting information flow in any way. In fact, it imposes obligations on agencies to disclose information *suo motu*, thus reducing the cost of access.

Sir, an important feature is the independent appeal mechanism proposed through the appointment of Central and State Information Commissioners. This independent appeal mechanism, coupled with extensive disclosure obligations and stringent penalties, gives teeth to the right, making the right a potent instrument for good governance.

Mr. Speaker, Sir, many hon. Members have, during the discussion on the Bill, raised many concerns and questions. They will be answered by the Minister of State, Shri Suresh Pachauri. I would only like to see that everyone, particularly our civil servants, should see the Bill in a positive spirit; not as a draconian law for paralysing Government, but as an instrument for improving Government-citizen interface resulting in a friendly, caring and effective Government functioning for the good of our people. Sir, it is with this in mind that we have removed the penalty of imprisonment through this Amendment. However, erring officials would still be subject to departmental proceedings. I appeal all civil servants to see this Bill in the right spirit and hope they will only be spurred towards better performance. After all, we, the elected representatives of people, bow to the wishes of people and have come to no harm. So will it be with honest, hard working civil servants.

I would like State Governments to take the initiative and establish

State Information Commissions. The bulk of our citizens' interface is with agencies under State Governments and hence the success of this Bill depends on their determination and their commitment to implement and generate awareness in the country at large.

Sir, our work will not end with the passage of this Bill. This is an innovative Bill, where there will be scope to review its functioning as we gain experience. Therefore, this is a piece of legislation, whose working will be kept under constant reviews. We will need to have a sustained effort to establish Institutions and systems envisaged under the Bill, to build the capacity of our civil servants to discharge their obligations and above all, inform our citizens about the new rights conferred on them.

Mr. Speaker, Sir, I believe that passage of this Bill will see the dawn of a new era in our processes of governance, an era of performance and efficiency, an era which will ensure that benefits of growth flow to all sections of our people, an era which will eliminate the scourge of corruption, an era which will bring the common man's concern to the heart of all processes of governance, an era which will truly fulfill the hopes of the founding fathers of our republic.

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**BACK NOTE**

**IX. Speech on Right to Information Bill 11 May, 2005**

**NIL**

## VALEDICTORY REFERENCES

13 May, 2005

Mr. Speaker, Sir, it is once again with mixed feelings that we come to the end of yet another Session of this august House. There is a sense of achievement, with respect to the enormous business that we have been able to transact. There is also a sense of loss, occasioned by the manner in which the proceedings of the House were disrupted and boycotted and, more worryingly, the manner in which aspersions have been cast on the high office of the hon. Speaker.

Sir, at the end of last Session, I had expressed my sadness at the manner in which the proceedings of the House could not take place in an orderly fashion. I deeply regret that once again, we have not had adequate occasion to undertake our work in the presence of the Opposition for a substantial part of this Session. The people of India have reposed their faith and trust in us and have sent us here to project and protect their interests, to canvass and convey their concerns, to influence and shape public policy. We are here, Mr. Speaker, Sir, to voice the views of the people, not to stay away from the House and give no expression to it.

I must, however, compliment you, Sir, for your patience, your forbearance, your fair play and leadership in the conduct of the proceedings of this House. We are truly fortunate to have a leader of your eminence and wisdom chairing the proceedings of this august House. It is because of your abilities and your qualities of mind and heart that we have been able to transact so much useful business in this Session, in the face of the disruption of the proceedings of the House.

Sir, as many as 26 Bills were introduced and 26 Bills, including the Finance Bill, were passed in this Session. My colleagues in the Union Council of Ministers and I had 11 occasions to make important statements on the floor of this House. On ten important issues of concern to our people, the House discussed Calling Attention Motions. We discussed, under rule 193, such matters of national concern as the Tsunami, electoral reforms, foreign policy, demographic trends and developments in Nepal.

Sir, taken together the legislative business in this Session has taken the



nation forward in our march towards high economic growth with greater social justice. The United Progressive Alliance was voted to office to provide the people of India with a Government that cares. A Government that is sensitive to the needs of the ordinary citizen, the *aam aadmi*, that strengthens the inclusive character of our nationhood. We had succeeded in this one year in reversing the trend of the politics of exclusion, the politics of divisiveness, the politics of majoritarianism. In its place, the UPA has returned the nation to even keel, to the course set by the leaders of our national movement for freedom. The path of secularism and pluralism in which every citizen of this country, irrespective of caste or community, region or religion, language or lineage feels an equal and has an equal stake in our collective future.

Sir, in my intervention yesterday, I dwelt at length at our initiatives in foreign policy. I do not wish to repeat what I said except to draw the attention of this House once again to the fact that our Government has been able to create an international environment in which our developmental priorities can be better addressed.

Mr. Speaker, Sir, in his Budget Speech, the hon. Finance Minister has outlined our Government's priorities for this year. We are committed to building a more equitable and efficient economy. Our priority is to create new wealth and new employment to attract new investment and generate new knowledge, to build a caring society and a competitive economy. That is our promise to our people.

Sir, I truly wish we had more time to discuss these issues that are the real concern of our people. I can only express the hope that the next Session would be a normal Session and a more productive Session. I trust the hon. Members of the Opposition will return to Parliament in the next Session so that we can resume normal work in accordance with the aspirations of the people we all represent. I look forward to participating in the next Session of Parliament, with the presence of all Members of this august House. I greatly regret the absence of the Opposition from Parliament. The Opposition has an honoured place in our system of governance and their

absence from the House detracts from the efficiency of our processes of governance. As I have said repeatedly, Sir, all issues which are of concern to any Member of this august House can be discussed and debated on the floor of the House. It will be a sad day if our people were to lose faith in important institutions such as our Parliament. Therefore, both the Government and the Opposition are obliged to play their respective roles to ensure that the system of checks and balances envisaged by our founding fathers functions effectively and efficiently for the common benefit of our people.

Sir, I would like to conclude by placing on record my sincere appreciation for your guidance and leadership, and I also thank the hon. Deputy-Speaker, the Secretary-General and the staff of the Lok Sabha Secretariat for their commitment and hard work.

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**BACK NOTE**

**X. Valedictory References 13 May, 2005**

**NIL**

## OFFICIAL VISIT OF PRIME MINISTER TO THE UNITED STATES OF AMERICA

29 July, 2005

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

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

economic progress and stability.

My discussions in Washington with President Bush and members of his Administration were productive and helped advance these national goals. Both sides agreed that our relationship was based on shared values and shared interests that included the strengthening of democratic capacities where desired and without coercion, and in combating terrorism without selectivity or segmentation. The conclusion of the United Nations Comprehensive Convention on International Terrorism proposed by India, at an early date, was deemed a priority by both countries. On the economic side, we welcomed the launching of a CEOs Forum that has brought together the best business minds of both countries. We discussed the urgent need for modernization of India's infrastructure and our quest for greater investments in this sector, in view of its centrality for the continued growth of the Indian economy. Recognizing the importance of the rural economy, we also agreed on an agricultural initiative aimed at facilitating a new generation of research and agricultural practices to build on the green revolution.

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

Mr. Speaker, Sir, India's quest for energy security as an essential component of our vision for our development was a significant theme of my talks. I elaborated the imperative need for India to have unhindered access to all sources of energy, including nuclear energy, if we are to maintain and accelerate our rate of economic growth. I am pleased to state

that the US understood our position in regard to our securing adequate and affordable energy supplies, from all sources. This approach, I underlined, would enable us to reduce our dependence on fossil fuels. This would have concomitant advantages for all in terms of reduced pressure on oil prices and environmental sustainability. It was in this context that we affirmed the importance of cooperation in the civilian nuclear energy sector.

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

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

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

Sir, energy is a crucial input to propel our economic growth. We have assessed our long-term energy resources and it is clear that nuclear power has to play an increasing role in our electricity generation plans. While our indigenous nuclear power programme based on domestic resources and national technological capabilities would continue to grow, there is clearly an urgent necessity for us to enhance nuclear power production rapidly. Our desire is to attain energy security to enable us to leapfrog stages of economic development obtained at the least possible cost. For this purpose, it would be very useful if we can access nuclear fuel as well as nuclear reactors from the international market. Presently, this is not possible because of the nuclear technology restrictive regimes that operate around us. What we have now agreed with the United States should open up the possibility of our being able to access nuclear fuel and nuclear power reactors and other technologies from outside to supplement our domestic efforts. There is also considerable concern with regard to global climate change arising out of CO<sub>2</sub> emissions. Thus, we need to pursue clean energy technologies. Nuclear power is very important in this context as well.

Sir, the Joint Statement recognizes that as a responsible State with advanced nuclear technology, India should acquire the same benefits and advantages as other such States which have advanced nuclear technology. As a result, we expect that the resumption of India's nuclear trade and commerce with the US, and globally, is an achievable goal, involving the dismantling of the technology denial regimes which have hitherto targeted India.

Predicated on our obtaining the same benefits and advantages as other nuclear powers, is the understanding that we shall undertake the same responsibilities and obligations as such countries, including the United States. Concomitantly, we expect the same rights and benefits. Thus we have ensured the principle of non-discrimination. I would like to make it very clear that our commitments would be conditional upon, and reciprocal to,

the US fulfilling its side of this understanding. The Joint Statement refers to our identifying, and separating civilian and military nuclear facilities in a phased manner and taking a decision to place voluntarily civilian nuclear facilities under IAEA safeguards. India will never accept discrimination. There is nothing in this Joint Statement that amounts to limiting or inhibiting our strategic nuclear weapons programme over which we will retain unrestricted, complete and autonomous control. Sir, I repeat this sentence.

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

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

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

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



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

Mr. Speaker, Sir, I sincerely believe that my visit to the United States has led to greater understanding and appreciation of our concerns and interests. It has contributed to significant initiatives that have important economic and developmental implications for India. I have made a strong case on behalf of the Indian people that our voice be heard when decisions that affect us are made in global councils. I am confident that this House would welcome these developments.

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

Sir, I realise that there would be criticism in some quarters regarding aspects of the Joint Statement. Constructive criticism is part of the

Parliamentary tradition, and I welcome it. This adds clarity to our debates and vibrancy to the institution of our democracy. I can however assure this august House, and through it, our nation, that my visit to the United States was undertaken solely with the purpose of enhancing relations with one of the world's pre-eminent powers, so as to widen our developmental options. It was my endeavour to expand our access to energy supplies to fuel our growth, while protecting our strategic interests. I believe our effort to undo some of the long-standing restrictive nuclear regimes will enable us to secure access to the significantly greater quantities of energy that we will need to spur massive economic growth in our industrialization programme. Once secured, cheap and affordable energy will enable India to leapfrog its current pace of economic growth, to secure the future for generations to come.

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

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**BACK NOTE**

- XI. Official visit of Prime Minister to the United States of America  
29 July, 2005**

**NIL**

## **STATEMENT ON OFFICIAL VISIT TO THE UNITED STATES OF AMERICA**

**3 August, 2005**

Mr. Speaker, Sir, I take this opportunity to thank all the hon. Members who have taken part in this debate on the outcome of my visit to the United States. I thank hon. shri Atal Bihari Vajpayee, in particular, for having done me the honour by participating in the debate. The level of the debate does credit to our House and I am very grateful that I have this opportunity to clarify some of the issues arising out of a statement that I made before this august House.

Sir, after I presented the Budget of 1991, this visit to the United States was in some way the most challenging task that I faced. But I was sustained by the powerful legacy of our freedom struggle by Pandit Nehru who made India the knowledge power that we are today; Shrimati Indira Gandhi who made us the nuclear power that we are today and Shri Rajiv Gandhi who made us the IT power that we are today.

India stands tall today in the comity of nations. We are a country today with the second highest rate of growth in the world. The world marvels and respects us for being a democracy. People ask this question and marvel how a country of billion persons with such great diversities and with such great complexities, with all the religions of the world represented in its population yet manages to flourish as a functioning democracy. People also marvel that we have probably the second or the third largest Muslim population among our citizens and not one of them has been found to have joined the ranks of Al Qaeda and such other groups.

The world respects India for what we are. Therefore, it was for me a great privilege to represent India in talking to the various dignitaries right from President Bush downwards and, in my address to the Joint Session, of the US Congress.

Sir, issues have been raised about the basic orientation of our foreign policy. The foreign policy of our country, ever since we became an independent nation, has been designed to promote our enlightened national

interest. That orientation has not changed. There is, of course, a strong civilizational influence which also guides our attitude to the world as we see it today, or the world that we would like to shape. That is as it should be. But as Panditji used to say, we live in a dynamic world; in a fast changing world. Therefore, our approach should reflect the flexibilities which are necessary in managing the complex polity in a dynamic world, but there can be no compromise on basic fundamentals.

Sir, I can assure you, in my visit I was cautious of this great responsibility that as the Prime Minister of this great country that I should not do, or say anything which anyway reflects adversely on ourselves.

Sir, two types of comments have been made on what we have done in this visit. There is one set of comments from our Left colleagues, whose comments I greatly value and respect, that we are continuing the same policies as those of the previous Government of getting closer and closer to the United States and that we are in danger of being submerged in that orbit under the influence of the United States. There is however, another stream coming from the benches opposite that somehow we have compromised India's strategic nuclear autonomy. So, I will deal with both these issues in some details.

The United States is a super power today. We want to move towards a multi-polar world. But how do you become part of a multi-polar world? I would like that a strong India should grow fast enough to become a powerful pole of the evolving global economy. So, it is no use merely saying that we want to get away from this uni-polar world. The practical strategies have to lay emphasis on building the economic strength and cohesion of our country. If India grows in the next ten years at the rate of eight to ten per cent per annum, then we will probably become the third or the fourth largest economy in the world and the world will respect us. Therefore, while we know where we want to go, our objective is a multi-polar world. Our objective is to work together with other like-minded countries to manage and promote equitable management of the global inter-dependence of nations, which cannot be avoided in this one world that we are living in today. That is not something that is going to happen overnight. Step by step we have to move in that direction and relations with the United States are of great

importance in achieving that objective. Of course, in doing so, we must not compromise on our national honour, on our national interest. But engagement with the United States is essential in the world that we live in. This is not an alliance; this is not a military alliance. This is not an alliance against any other country.

Since our Government came into office, we have entered into strategic partnership with Russia. We have very close relations with Russia. Recently, our Chairperson, Shrimati Sonia Gandhi visited Russia. She was received with utmost warmth by President Putin himself. A few months back, I was in Europe. We signed a strategic partnership agreement with the European Union. A few weeks ago, the Prime Minister of Japan came here and I venture to think that we have broken fresh ground in our relations with Japan during that visit.

Then we have had the privilege of welcoming the Prime Minister of China. After a great deal of efforts, we have broken new ground in promoting closer relations with that great neighbour of ours in the North. We have successfully concluded the agreement on the basic fundamental principles which should guide the solution of the complicated border problem between India and China. Therefore, I wish to dispel this illusion and I do say so with respect because it is an illusion. We are not part of any military alliance and we are not ganging up against any other country, least of all against China. And I am being absolutely truthful. In my public discussions and in the Press Conferences that is addressed, in my meetings with US dignitaries, I made it quite clear that we are engaged and we want to remain engaged with China, our great neighbour. Our economic relations are greatly expanding and I see new horizons in our economic relations with that great country and it is our wish and desire to work together to strengthen the forces of peace and prosperity in Asia and Europe. Therefore, I wish to dispel this opinion which may exist that what we have done with the United States is at the cost of China or any other country.

What we are seeking is that we need an international environment which is supportive of our development efforts. India's principal concern is to get rid of chronic poverty, ignorance and diseases which still afflict millions and millions of our population. Great things have been done since

Indian became independent but that journey to get rid of poverty is still unfinished and we will make all efforts domestically to reach that goal. In the world that we live in, no nation today can prosper independently. I recall what Pandit Nehru himself said and that was a prophetic vision. In 1947, he said that in this world that we live in, peace, prosperity and perhaps disasters are also indivisible. So, in this interdependent world that we live in, we need a supportive environment. And right or wrong, the United States influences that international environment. Therefore, I do not think that there is anything wrong for us to seek close cordial relations with the US while doing nothing which will affect India's dignity and honour as a sovereign independent country. So, I submit to you that I have faithfully carried out that responsibility.

As regards various issues that have been discussed, I will come to them subsequently. But the main issue coming from the main Opposition Party has been on whether we compromised, in any way, on our strategic autonomy in the management of our nuclear weapon programme.

Before I deal with that, I should like to mention that before going to the United States I had the honour of meeting Leaders of the Opposition, Shri Atal Bihari Vajpayee, Shri LK. Advani and Shri Jaswant Singh. I had the privilege of explaining to them what I would seek to achieve. I also briefed our colleagues of the Left parties. I gave them a broad indication of what was at stake. I was not sure of the outcome, so I could not state all the things that subsequently are reflected in the Joint Statement. What was my concern. My objective was, other than to widen our development options, to acquire for India larger space to achieve our national goals and to do specifically two things. Firstly, never to compromise our autonomy in the management of India's nuclear programme, the strategic programme. Secondly, I had to recognise, as the Minister of Atomic Energy, that India's nuclear power programme had lagged behind. When I was a civil servant, i was a member of the Atomic Energy Commission, way back in the seventies. At that time, the Atomic Energy Commission had set for us a target of 10,000 megawatts of generating capacity. Today we are in 2005. Our capacity is less than 3,000 megawatts. We have run into some problems. I pay compliments to our

nuclear scientists. They have performed admirably under very difficult conditions of this nuclear apartheid with which we have had to live for 35 years. But energy security is the key to India's emergence as a strong and powerful nation in the years to come. We have problems. Coal is plentiful. But greater use of coal can result in environmental hazards, like CO<sub>2</sub> emissions, though clean coal technology can help manage the situation.

We are dependent on hydrocarbon imports for meeting seventy per cent of our requirements. That is too large a dependence. Therefore, in our quest for energy security, we must widen the options that are open to us and nuclear energy is one such option. There, I was being faithful to the vision of Panditji. You look at the Resolution which was adopted by the Government of India when the Atomic Energy Commission was set up. The Atomic Energy Programme of India was brought into being with an eye to create new avenues for us to generate power. That programme has got into difficulties.

This is no fault of our scientists. They have done exceedingly well under very difficult conditions. But we have to recognise the realities. Therefore, I felt that if we have to find ways and means to create new avenues for us to generate power. That programme has got into difficulties. This is no fault of our scientists. They have done exceedingly well under very difficult conditions. But we have to recognise the realities. Therefore, I felt that if we have to find ways and means to create an environment in which this nuclear apartheid, all these restrictive regimes which have been erected in the last 35 years, which have blocked our capacity to leapfrog in the race for social and economic development through the use of high technology, if somehow we could get rid of these restrictive regimes, then we would have widened development option in the area of energy security that India badly needs if it is to realise its economic and social destiny. Therefore, before going to the US, I said to myself that on the one hand we should do nothing to surrender our strategic autonomy in the management of our strategic assets. On the other hand, we should find an honourable way to persuade the United States and other interlocutors to lift this nuclear blockade which has restricted our options during the last 35 years.

Sir, I say in all sincerity that we have succeeded in the objective. There



is nothing in the Joint Statement which conveys the impression, or which should convey the impression, to anyone that we have in any way compromised our autonomy, our sovereign will-power, in managing our nuclear assets. That subject was never discussed. My concern in Washington was to impress upon the United States that if the United States genuinely felt that it had a change of heart with regard to India, then it must do something to lift these 35 years of restrictions which have hampered our quest for a faster access to nuclear energy.

I am glad to say that we have succeeded in achieving that objective. But a question has been raised—and Shri Atalji raised this question. He said: “You are going to separate the civilian and the nuclear components of our Atomic Energy programme. Did you consult the scientists? Is this feasible?” I say, in all sincerity, that this is a question which has engaged my personal attention for quite some time. I am not a nuclear scientist but I had the advice of our nuclear establishment, and the Chairman of the Atomic Energy Commission was a part of my delegation. I hope I am not revealing a secret. I think, when the final draft came to me from the US side, I made it quite clear to them that I will not sign on any document which did not have the support of the Chairman of the Atomic Energy Commission. It held up our negotiations for about 12-15 hours. But ultimately, we succeeded. We had a draft which had the full approval of the Chairman of the Atomic Energy Commission. Therefore, there should be no doubt whatsoever in anybody’s mind that the nuclear establishment of our country, of which we are very proud, that was not fully on board.

After coming back, I talked to a large number of other nuclear scientists and other scientists and I am convinced that what we have done is in the best interest of our country. This separation that we have committed—and, let me say, all our commitments are reciprocal commitments. We will not do anything unless the United States’ side honours its commitment—what are those commitments? Those are the profound commitments which the US has committed, in the words of their own President, to give India the benefit of full civilian nuclear cooperation with all the benefits that other nuclear powers enjoy. Therefore, if that statement is translated into concrete realities, I think, that will mean a new era for the growth of civilian

nuclear energy sector In our country. My own vision is that in the next 15-20 years we should add about 30,000-40,000 megawatts of nuclear capacities. I have a vision that will open up new vistas of opportunity in the field of high technology. Today, we have only a few hi-tech firms like Bharat Heavy Electricals, Larsen and Toubro. If we have a large nuclear power programme and auxiliariation, around that, it will grow a very large number of hi-tech firms which would enable us to leapfrog in the race for social and economic development. Separation is feasible. There should be no doubt about it that our Atomic Energy establishment agrees with that.

Furthermore, I would also like to say that this separation is not imposed. This separation will be decided voluntarily, solely on the basis of our own judgement. Nobody can, from outside, say: "Well, this is civilian, this is nuclear." That determination will be made by the people of India, by our Government, by our Atomic Energy Establishment.

Also, it will be a phased identification. I know these things cannot be done in one go. If we are to separate the civilian and the military components of our programme, it will take time. And that is why we have ensured that this would be a purely voluntary decision, secondly it will be a phased programme, It will be so phased—and, you have my assurance, Sir, it will be so phased—that our strategic programme is fully safeguarded. Therefore, there should be no doubt whatsoever that we have done anything which compromises our strategic autonomy in the management of India's strategic nuclear assets.

Atal ji also asked this question about the negotiation of Fissile Material Production Cut-off Treaty. In this case, I should like to point out that we have taken on no more additional commitments than the commitments that were taken on board by the previous Government. And, what is our commitment? We have said that we would work with the USA in the negotiations of a multilateral agreement. This is not a bilateral deal between India and the United States. This is a deal which will be negotiated in the Conference on Disarmament in Geneva. Several years have passed when these matters have been discussed. There is no agreement in sight, it will take quite some time and in any case if the stage comes to take a decision, we will never be a party to any discriminatory treatment Therefore, if what other nuclear weapon powers say are their rights, we would insist on the same

rights. So, by merely agreeing to work with the United States in negotiating a multilateral treaty, we have not surrendered, in any way, the effectiveness of our strategic asset programme.

Sir, I should also like to assure this House that the three cycles, the fuel cycles that we have been working out are: one, Pressurized Heavy Water Reactors; two, the Fast Breeder Programme and, three, Thorium-based Reactors. We will not allow our research programme to suffer in any way in the process of separation of the civilian and the nuclear programme. So, our research scientists should have the fullest confidence that India's research potential in this vital area of national knowledge promotion will not suffer in any way. That is the commitment that I give on behalf of the Government of India.

Atal ji asked that we have not been given the status of a nuclear weapon State. Shri Fernandes also asked that question. It is true. Because, in the international parlance, the Nuclear Weapon States are the ones which are identified in the NPT Treaty. We are not a party to that Treaty. Let us face it. That Treaty cannot be changed overnight. What we have done with United States is that we have virtually got all the benefits that go with being a Nuclear Weapon State without having the *de jure* status of a Nuclear Weapon State.

I think that is something which is of comfort to us. So, the fact that we are not recognised *de jure* as a Nuclear Weapon State, this was not on my agenda also because I knew that much that international treaties cannot be re-written overnight. But we have now the commitment of the United States that not only will it dismantle its own restrictive regimes but that it will use its influence with its allies and friends to dismantle these restrictive regimes, which have in the past hampered the growth of India's civilian nuclear programme. I was very clear in my mind that there may be uncertainties in the US Congress. Although the President was gracious enough to say that he will use all his influence to ensure that the Congress legislates as we want but there are uncertainties. I cannot predict what the Congress will do. Therefore, I insisted that it is not enough that the United States should commit itself to get its own domestic legislation modified but that it must use its influence with other countries, its allies and supporters to do the same. Even if the Congress of the United States does not pass, well we have, I think, the commitment of the US Government and that itself means something.

We have been wanting more Uranium for our nuclear plants. We have gone to other countries and everybody says, 'yes', they sympathise with us but that we must get the Americans on board. Now that the Americans on board, I think the fuel question for our reactors would be a thing of the past. I very much hope so. So, what we have got through this Joint Statement is something tangible. Atalji also asked this question. We have not been recognised as a nuclear weapon state. We have been merely recognised as a nuclear power with advanced nuclear technologies but there are other countries like Brazil and others. Will we get a treatment like Brazil? I think, if you read the Statement carefully, we have got enough better treatment. We have, I think, an explicit commitment from the United States that India should get the benefits of civilian cooperation as advanced country like the United States enjoys. So, I think, that itself should provide an effective answer to the extent of opportunities and possibilities that are now on the horizons.

Mr. Speaker Sir, I believe that I have tackled both sets of comments, one coming from our colleagues from the Left and the other coming mainly from the main Opposition. There were some questions raised with regard to the role of agriculture. Let me say, Sir, I was vary conscious. In fact, the first thing that is said to my officials before going to Washington is, 'is there anything that we can do jointly with the United States to promote food security and agricultural security in our country? It then occurred to me that agricultural research, the state of agricultural universities, the state of extension work in our country is not up to the mark. Dhindsa Saheb referred to the Punjab agriculture. I was at one time associated with the founding of the Punjab Agricultural University when Sardar Pratap Singh Kairon was the Chief Minister. I know, for example, the role that was played by Indo-US co-operation in giving rise to first grade agricultural university whether Pantnagar or Ludhiana. But one has to recognise that in many of these universities, their research work has reached a flat. Therefore, through the knowledge initiative in agriculture we have, I think, opened up a new era of research cooperation which I hope will lead us to the frontiers of human knowledge in all sciences which have a bearing on our agricultural prosperity.

There is nothing in this Joint Statement which says that we will open up our borders to an unlimited flow of American goods. Those issues will be dealt with separately in the WTO. Those issues were not discussed in my

discussions with President Bush. This is something which the Chairperson reminds are everyday. Our first commitment is to India's farmers—small and marginal farmers—who need a food security. Preserving the livelihood strategies of our farmers is our utmost concern, and we will do nothing which compromises the livelihood security of India's farmers.

Sir, questions were raised about the membership of the Security Council. It is certainly true that the United States has a different viewpoint. They are not supporting our Resolution. This was known to us before I went. I did raise this matter with the President and also raised this matter in my Address to the Joint Session of the Congress, and I was very surprised with the amount of applause I got from the Congressmen and the Members of the Senate on that particular point. I do not want to divulge what the President told me but I have not given up the hope that when ultimately some concrete action is taken, India's claims will not be ignored. In this Joint Statement, you have a statement attributed to the President himself that the international system must adapt itself to the rise of India's growing power. So, I think, we are not there right now and it is wrong on my part to claim that we have the US support but I think when the time comes, I have reasons to believe India's claim can no longer be ignored.

The other thing that was raised was the question of the Iran-Pakistan-India pipeline. Sir, on this point, I have been quite clear. On my onward journey when I was going to Washington, I was asked this question by our correspondents and I had explicitly stated that this is a matter for us, Pakistan and Iran period; the United States has no role in it. I can assure you that nowhere in my discussion this question cropped up nor did I give any promise to anyone in the United States that we will not work to make this project a reality. I did say when the *Washington Post* Editorial Board interviewed me, they asked me this question: "You are on the one hand wanting nuclear power, you are also asking for this gas pipeline, why did you need both these things"? And I said: "There is uncertainty about this gas pipeline. We are still in a preliminary stage". But I did say: "We need that gas desperately". The House has my assurance that our Government is committed to make the gas pipeline a reality. But it would be wrong on my part to convey the impression that we are there. There are problems; we will have to look at the feasibility; we will have to look at the financing of these things. We will make sincere efforts to resolve those issues. At the National Press Club, I did say that we have civilizational links with Iran, and I said:

“We have the second largest Shia Muslim community in our country”. and that we can claim to be a bridge in reconciling these various differences that have arisen between Iran and other country. I did not act as a representative of a supplicant State. I was not there to sell India. I stood by what our national policies are, as approved by this august House, and believe, Sir, that, by and large, I have carried out the mandate that was given to me.

Sir, I thank you for giving me this opportunity.

I am very grateful to Dr. Rupchand Pal for having raised that point because this matter has figured in the Press and I am very glad that I have this opportunity to clarify the position.

Sir, it is certainly true that there is a great support and respect for India not only in the United States, but elsewhere in the world because we are a functional democracy; wherever I went, whether to the Congress, to the Senate Foreign Relations Committee, to the House of Representatives International Relations Committee people applauded the fact that we are a functional democracy with all our complexities, with all our diversities. What is it that we have agreed? We have agreed that the United States and India would, in their respective spheres, help those countries which want that help. There is no imposition, there is no question of our, for example, being forced to be a partner in any act of aggression against any other country and there is no question that we will ever entertain even that sort of thought. But we have the ITEC programme of our own. Sir, our Election Commission is respected all over the world. If some countries want our help in managing our help in managing their elections, in voter registration, in setting up an audit office in which we have great expertise, we would be providing that. The only commitment that we have is that we would be making a small contribution of \$10 million to the UN Democracy Fund to be administered by the United Nations and not by any other mechanism.

Sir, we are doing all we can to exploit the resources that we have. There are some difficulties, I do not want to go into these difficulties. But I entirely agree with the hon. Member that we should do all that we can to exploit our resources. Only yesterday I said to my Minister of State that, for example, in Jharkhand there are some problems and we are not exploiting those resources. So, you have my assurance that whether it is in Meghalaya, whether it in Andhra Pradesh or in Jharkhand, wherever we have uranium

resources, we are actively engaged in seeing that these resources can be exploited to the maximum.

Sir, all I can say is that I have not done anything which is not reflected in this Joint Statement. There is no secret tag, there is no secret understanding. I have truthfully stated at great length of whatever was agreed. So now I do not want to be accused of being a reader of what is in people's mind. But, I think, the United States Government recognises that it is in their interest that a country of one billion people, a functional democracy, should grow. We can be and we will be a factor for peace, progress and stability not only in Asia, but in the rest of the world.

Again Sir, that is not the presumption, which I would like him to carry. I think, as a country, our effort has been to manage change with continuity. So, I am not saying that everything that has happened today is because of what I have done or what or what our Government has done. But who can deny the contributions of Panditji, Indiraji, Rajivji? I also say that there were some good things done in the NDA regime also.

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**BACK NOTE**

**XII. Statement on official visit to the United States of America  
3 August, 2005**

**NIL**



**REPLY TO ADJOURNMENT MOTION REGARDING ACTION  
AGAINST PERSONS INDICTED  
BY NANAVATI COMMISSION**

**10 August, 2005**

Mr. Speaker, Sir, I strayed into politics by an accident but I have been a lifelong student of politics and I have always believed that politics is a purposeful instrument of social, political and economic change. Politics which departs from that path and becomes a servant of narrow, parochial, petty things, loses its wider societal role and moral relevance.

We are today debating a great national tragedy, a great human tragedy. This is not an issue which should divide this House. This is not an issue where partisan politics should have an upper hand in analysing those traumatic events of 1984: the death of a Prime Minister, a revered and beloved leader of our country in her own courtyards, killed by two bodyguards; and this whole mass tragedy that befell Delhi and other cities.

Our collective effort has to be to find pathways where we ensure that such tragedies whether in Delhi or in Gujarat never again take place in our country. Therefore, I am not standing before this House to score any partisan points. What happened in 1984 was a grim national tragedy and it brought us all to shame. Both the assassination of Shrimati Indira Gandhi and the subsequent events leading to the anti-Sikh riots and all those ghastly happenings should have never happened. They are blots on our national conscience. On this, there is no difference of opinion on any side. But the question arises: "Where do we go from here?"

Twenty-one years have passed; more than one political party has been in power; and yet the feeling persists that somehow the truth has not come out and justice has not prevailed. Therefore, it is our collective responsibility to find ways and means where we could accelerate the processes which would give our people a feeling that they do obtain justice in this massive State of India, I wish the debate had taken that tone. But the debate has been on narrow, partisan lines and I respectfully say to the House that that does not serve its purpose.

The Sikhs are a very proud community. They have a glorious past. Our Gurus have bequeathed to us a living philosophy which is more relevant today than it ever was. That the Sikhs have made a phenomenal contribution to our freedom struggle is also known. Anybody who goes to Port Blair would find how many people who went to prison or who were sent to the gallows happened to be Sikhs.

Came the partition, the Sikh community suffered the most. The Canal colonies of erstwhile Punjab which were blooming with prosperity were the creations of the Sikh peasants. However, they were all lost to the Sikh community in partition. Many of them migrated to the Eastern part of the Punjab. Lakhs and lakhs of people became homeless. I have seen people seeing their daughters, their children being killed before their very eyes in those ghastly days of partition. That trauma still haunts me. It is to the credit of the Sikh community that it did not allow that tragedy to depress them.

Then came the Independence of India and there arose a new Punjab on the ashes of the old. When the history of that period is written, the making of the new Punjab, the role of two individuals will shine in the annals of history. They were Jawaharlal Nehru and Sardar Pratap Singh Kairon. What Punjab is today is largely the creation of these two great men of our country. I do not want to score debating points against my friends in the Akali Dal and I say to them with all respect, while they were all agitating to divide Punjab, the Punjab Government, inspired by Jawaharlal Nehru and with people like Sardar Pratap Singh Kairon at their help, wrote a glorious chapter in the history of Punjab. The Green Revolution is the creation of Pandit Jawaharlal Nehru, late Shrimati Indira Gandhi and Sardar Pratap Singh Kairon in Punjab. If we are trying to drive a wedge between the Sikh community and the Congress Party, we must never forget that fact.

Then came the events of the 1980s. Who is to be blamed and who is not to be blamed, I am not here to apportion blame. But for a time it appeared that Punjab had fallen on evil days. Wherever I used to go, people used to tell me Punjab has fallen on evil days. We saw that period when serious attempts were made to divert the attention of this brave community which has contributed so much to the development of our country, which

even to this day, defends many of our national frontiers. People, many of them outside our country, tried to drive a wedge between the Sikh community and the mainstream of national life. The terrorist elements, aided and abetted by forces from abroad, sought to disrupt our unity, our polity, our society. Whatever we say or do in this House or outside. I think, it would be a sin against our nationhood if we try to sow the seeds of discontent among the youth of Punjab. Punjab is a border State of our Union. The Sikhs have been its valiant protectors through centuries.

If you try to create a wedge between the Sikh community and the national mainstream, my worry is —maybe it is not your intention — that you are creating a situation where that ugly phase when terrorism held sway in Punjab might once again come back. That will be no service to Punjab. That would be no service to India or our nation. I have seen those ghastly days. Several young Sikh men used to come to me and say: 'Uncle, I want to go abroad, I want to study abroad; but I do not get a visa'. The image of the Sikh youth was transformed into the image of terrorists. I have myself experienced in that ugly phase of Punjab and our history where Sikhs were suspect everywhere. Wherever they went across the border post of one country to another, there was speculation that 'Attention, terrorists are entering our country'.

Well, it is a tribute to this community and it is also a tribute to our national mainstream that that sad chapter when terrorism held sway over the minds of the young people is a thing of the past. But we must not forget that our borders are valiantly guarded by our soldiers. But there is such a thing as the struggle for the minds of our people and if I say so, if voices from this House were to create a feeling of disaffection once again in this age of instant communication, what you say here, what you say in the media, reaches outside— I shudder to think what will young people in Punjab see when they hear our Members of Parliament talk the way we talked. They will once again feel insecure about their future. That is not good for Punjab. That is not good for the Sikh community. That is not good for India.

Therefore, in the name of national unity, I appeal to all the hon. Members not to say or not to do things which will widen the gulf between

the Sikh community and the rest of the country. It is a tribute to the community that it has come out of that trauma. Punjab once again is on the move. Once again the Central Government, the State Government and the people of Punjab will work together to create a bright new future of the youth of the State. But we all have an obligation to contribute to that process. Nothing should be done which weakens the faith of the Sikh youth that their future lies in strengthening the nationhood.

Every corner of this country of ours is blessed with the memory of our great *Gurus*. You go to Ponta Sahib, you go to Nanded Sahib, you go to Assam, every inch of this land has been made sacred by having been touched by the great *Gurus*. They taught us to respect all religions. They taught us practical secularism at a time when religious bigotry and persecution were the order of the day.

So, my request to our friends from the Shiromani Akali Dal is, by all means criticise the Congress Party. Competitive politics has a role in any democracy. But please do not say things which will drive a permanent wedge between the valiant Sikh community and the national mainstream.

Sir, I said, we all have been searching for truth, to find out what happened in 1984 events. Eight Commissions have looked at the situation. We were still not satisfied. A ninth Commission was appointed. The circumstances under which it was appointed have already been explained by my friend Shri Gurudas Dasgupta. We were not a party to the setting up of that Commission. It was set up by the previous Government. Well, we have a Report and there are still people who feel that the whole truth has not come out, but I think one thing is quite clear. This was not a Commission appointed by the Congress Government. It was a Commission appointed by the NDA Government. We had no hands in the choice of who will be heading this Commission of Inquiry. The very fact that this Commission has unambiguously, categorically stated against all the whispering campaign that has been going on for the last 21 years against the top leadership of the Congress Party, they have finally nailed the lie and they have shown that all these canards which have been spread about the involvement of the top leadership of the Congress Party, in those dastardly acts were totally untrue.

We never had any doubts about that. After all, who can forget the relationship of Pandit Jawaharlal Nehru with the Sikh community, who can forget the love and affection that Indira Gandhi bestowed on the Sikhs? I

have personally been a recipient of that love and affection. I know how much the late Shri Rajiv Gandhi used to grieve over what had happened, the tragedy that had befallen the Punjab, and how hard he worked to reverse that adverse tide. The first thing—that he did on becoming Prime Minister was to pay attention to this Punjab problem and we had the Rajiv-Longowal Accord.

I recall Sardar Balwant Singh, who was at that time the Finance Minister of the Punjab Government — my classmate, my friend of 40 or 50 years—who was later on murdered by the terrorists. He narrated to me a story of how the Accord came about. I think, I should share that with this House. He mentioned to me that even after the broad outline of the agreement had been reached, Sant Harcharan Singh Longowal was uncertain and perplexed. Then, he said let me turn to Guru Granth Sahib. Therefore, the two of them went up, they opened up the page and the message that came on that page was:

“Hoye ektar milhu mere bhai, dubidha door karahu liv layee”

Translated, it says:

“Come and join together, O my siblings of destiny; dispel your sense of duality and let yourselves be lovingly absorbed in the Lord.”

Santji said that resolved my doubts. That is how the Rajiv-Longowal Accord came about.

I appeal to this House that let us put behind this bitterness; let us stop looking at that grim national tragedy through partisan spectacles; let us work together to find new pathways, so that such tragedies will never take place.

Hon. Members have referred to several issues arising out of the Report of the Nanavati Commission. As I said earlier, it was hoped that the various Commissions of Inquiry would be able to establish beyond a shadow of doubt as to who were really to be blamed for the violence and the rioting that followed the assassination of a great Prime Minister that Shrimati Indira Gandhi was. Unfortunately, this has not been the case. Fingers had been pointed at individuals, but seldom has there been a proof beyond a shadow of doubt in the Reports of the Inquiry Commissions. Consequently, the search for truth has to continue. The Justice Nanavati Commission of

Inquiry is only the latest attempt in that direction.

I am not going to find fault with it, but as in the case of some of the previous Commissions, doubts still remain and I acknowledge that fact. Most Government officials and police officials who have been examined by the Commission for their role have retired from the Government. Action against some of them was taken then, and subsequently as well. Many have since retired, and it is not possible normally to act against them after such a long gap of 20 years. Nevertheless, our Government will consult the Law Ministry to bring the guilty to book to the maximum extent possible.

Mr. Speaker, Sir, many political leaders were also subjects of examination. Here too, the Commission has clearly stated that:

“There is absolutely no evidence that Shri Rajiv Gandhi or any other high ranking Congress (I) leaders had suggested or organised attacks on the Sikhs.”

In the case of some others, it has said that it is probable that they may have some involvement in some of the incidents, and that there is evidence to that effect. The Commission is in itself not certain, however, of the role of these individuals. As the ATR says, Governments cannot act when the Commission itself is uncertain of these issues. Please listen to me.

However, there is something called perception, and there is the sentiment of the House. The Government respects and bows to that sentiment. Therefore, keeping in view the sentiments expressed in the House today, our Government assures the House that wherever the Commission has named any specific individuals as needing further examination or specific cases needing re-opening and re-examination, the Government will take all possible steps to do so within the ambit of law. This is a solemn promise and a solemn commitment to this House.

Mr. Speaker, Sir, the most important issue is the need to rehabilitate the families of those affected by that national tragedy. Twenty years after the event, it may be considered late in the day to be saying this. However, if there have been any shortcomings in this regard, it is our solemn assurance that we will make sincere efforts to redress these shortcomings.

We will try to ensure that widows and children of those who suffered in this tragedy are enabled to lead a life of dignity and self-respect. It will

be our honest attempt to wipe away the tears from every suffering eye.

Mr. Speaker, Sir, what happened, I say once again, was a national shame, a national and a great human tragedy.

I appeal to this House, "Pray do not politicise a human tragedy. Let us march on; let the nation march on".

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**BACK NOTE**

**XIII. Reply to Adjournment Motion regarding Action against Persons  
Indicted by Nanavati Commission 10 August, 2005**

**NIL**



## VALEDICTORY REFERENCE

**30 August, 2005**

Mr. Speaker, Sir, we come to the end of an important Session of the Lok Sabha. Indeed, one could call it a historic Session, for in this Session, we have taken several legislative steps to empower our people, especially the weaker sections of our society, and thereby to strengthen our body politic. Sir, I know there have been trying moments and I once again reiterate my sincere and heartfelt appreciation of your fortitude, wisdom, and your inestimable patience and transparent sincerity in trying to conduct the proceedings of this august House.

However, I am sure you will agree with me when I say that in this Session we have been able to transact more business and conduct more meaningful debate than has been the case so far in the 14th Lok Sabha. I would like to place on record my own personal appreciation of your effort in this regard, as well as the appreciation of the Members of this House. I would like to thank the Deputy Speaker and the Panel of Chairmen for their fair conduct of the proceedings of this House. This has enabled us to transact considerable business in the House.

Sir, there has been a visible improvement in the volume of business transacted during this Session including the number of Bills passed and issues discussed through Adjournment Motions and Calling Attention Motions. We were also able to discuss 10 statements made by various Ministers, including the one I made on my visit to the United States.

There is also the qualitative dimension of the quality of debate and discourse. This was certainly of a higher order in this session. In all honesty, I cannot say that I was entirely satisfied with our record in making good use of the time at our disposal. However, I do feel reassured that we were able to do substantial legislative work.

Mr. Speaker, Sir, the world looks to us in the practice of democracy. We are a unique example of a developing country of such great diversity seeking its salvation through the framework of an open society and a functioning democracy. I must confess, I felt a deep sense of pride swell up in me as I sat listening to the words of President Hamid Karzai at a function

in Kabul yesterday where the foundation stone for the Afghan Parliament was laid. President Karzai held up the example of India and said that our success in democratic governance had shown to the developing world that democracy is not a characteristic of the advanced western nations alone. That, in fact, “countries of eastern cultures could also present successful examples of democratic politics”.

President Karzai said, “India has more than a billion people with different cultures, religions and languages. By facilitating participation from its people, India has been able to make a stable and pluralistic democracy a reality for Indians. Asian and African countries in general, and Afghanistan in particular, can learn much from the rich experience of India.” Since, we have an obligation not just to our own people, but the people of the world in making sure that our democracy works, and works for all our people. Billions of people across the world have a stake in the success of our democratic institutions for they too aspire for the freedom and dignity that democracy gives them.

Every Indian will feel pride rushing through his veins listening to such warm appreciation from a friendly neighbour. I salute the people of Afghanistan for the courage, fortitude and wisdom they are showing by embracing democracy as a way of life and of governance. India will do whatever it is called upon to do to strengthen democracy and the freedom of Afghanistan.

Mr. Speaker, Sir, when we speak about the fruits of democracy we are not mouthing empty phrases. I am happy that in this session of Parliament the poorest of our people have been assured an important fruit of democracy, the assurance of gainful employment. Our Government is proud of the Rural Employment Guarantee Bill that this House has approved in this session. We have fulfilled a solemn commitment we had made at the time when our Government came to office. The challenge is now in how well we implement this assurance and ensure that its benefits reach the intended beneficiaries. Great responsibility rests on the shoulders of those charged with the responsibility of implementing the Employment Guarantee Act, particularly on the Panchayati Raj Institutions. Utmost care will be needed

in selecting viable projects and in ensuring that there are no leakages and avenues of corruption in the utilization of funds.

Sir, people's faith in democracy is not based on the promises we make, or even on the laws we enact. It is only when the tangible and the not-so-tangible fruits of democracy impact on the lives of the people that their faith is renewed.

We are also proud of the legislation we have passed in this Session empowering our women. The amendments to the Hindu Succession Act fulfil a longstanding promise we had made to our sisters and daughters. Our Government is firmly committed to the empowerment of Scheduled Castes, Scheduled Tribes, other backward classes and all minorities. We are equally committed to the empowerment of our women.

Sir, a true test of our democracy is its ability to respond to the needs and aspirations of every section of society. I regret our inability in this session to move ahead on the reservation of seats for women in the highest decision-making bodies of our country. But I reiterate our commitment to this just demand of half of our population.

Mr. Speaker, Sir, I must place on record my deep and sincere appreciation of the leadership provided in each of these major acts of legislation by our respected leader, Shrimati Sonia Gandhiji, and the Members of the National Advisory Council that she chairs. They have done their patriotic duty by championing the cause of our people. I do sincerely hope we in Government will rise up to the expectations of our people and renew their confidence in our democracy.

Sir, I wish to thank you once again, and the Deputy Speaker as well as the staff and officers of the Lok Sabha Secretariat for the good work and successful conduct of the business in this Session.

I thank you.

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**BACK NOTE**

**XIV. Valedictory Reference 30 August, 2005**

**NIL**

## **VOLCKER COMMITTEE REPORT**

**2 December, 2005**

Mr. Speaker, Sir, this morning some hon. Members of the House wanted me to make a statement on a certain interview granted to a TV channel by the Indian Ambassador to Croatia. I have been informed that he has made certain statements regarding the alleged involvement of certain individuals in the matter which is currently under inquiry by the Justice Pathak Inquiry Authority as part of its mandate to inquire into certain transactions mentioned in the Volcker Committee report.

The same matter is also being investigated by the Enforcement Directorate.

Ever since the first mention was made of the involvement of certain Indian entities and individuals in the Volcker Committee report as non-contractual beneficiaries in the Iraq Oil-for-Food programme, the Government has been firm, consistent and clear in its stand on the matter. We had said that the references, as they are found in the Volcker Committee's report, are 'unverified references'.

We had said that we are determined to go to the root of the matter and establish the truth or otherwise of these references. We stand by that position even now.

In order to unearth the facts, we promptly appointed Mr. Justice R.S. Pathak to inquire into the two specific contracts which are of relevance and gave him full powers, in the manner he desired, to complete his inquiry speedily and effectively. We appointed Shri Virendra Dayal as a Special Envoy to gather relevant materials, and as the Finance Minister informed the House the other day, he has been doing his work most expeditiously and, in a space of 10 days, obtained important documents and material.

As for the statements made today — and I am told are likely to be published in a magazine later — they certainly relate to the transactions under investigation. Statements have been made about Shri Natwar Singh and other individuals. These are all a matter of concern.

The Enforcement Directorate will take cognizance of the recent statements attributed to the Indian Ambassador to Croatia and pursue the investigations.

The Enforcement Directorate has assured the Government that their investigations are proceeding on the right track and they would be able to establish the facts expeditiously. We should not pre-judge the final outcome of the investigation or pre-empt the findings that may be given by the Justice R.S. Pathak Inquiry Authority. For us in the Government truth is of utmost importance. We are determined that truth must prevail in this matter. Our Government believes in maintaining high standards of probity and transparency in public life and I can assure the House that no one who is guilty will go unpunished.

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**BACK NOTE**

**XV. Volcker Committee Report 02 December, 2005**

**NIL**

## **STATEMENT REGARDING INDIA'S VOTE IN THE IAEA ON THE ISSUE OF IRAN'S NUCLEAR PROGRAMME**

**17 February, 2006**

Mr. Speaker, Sir and hon. Members, taking into account the concerns that have been raised about India's vote on the Iran nuclear issue at the meeting of the Governing Board of the International Atomic Energy in Vienna, on February 5, 2006, I rise to apprise this august House of the facts of this matter.

Let me begin by affirming that India's vote on the IAEA resolution does not, in any way, detract from the traditionally close and friendly relations we are privileged to enjoy with Iran. Indeed, India-Iran ties, as we have repeatedly emphasized, are civilizational in nature. We intend to further strengthen and expand our multifaceted ties with Iran to mutual benefit.

Let me also state that the importance of India's relations with Iran is not limited to any single issue or aspect. This relationship is important across a wide expanse of co-operation, both bilateral and multilateral. We also co-operate on regional issues. We value this relationship and intend to do what we can to nurture our bilateral ties. Let me reiterate in this context that we are committed to the proposed Iran-Pakistan-India gas pipeline. The economics of this project is currently under professional investigation by internationally reputed consultants. This is a necessary step in taking the pipeline project forward.

On the specific issue of Iran's nuclear programme, let me reiterate what I have said publicly on several occasions. As a signatory to the NPT, Iran has the legal right to develop peaceful uses of nuclear energy consistent with its international commitments and obligations. It is incumbent upon Iran to exercise these rights in the context of safeguards that it has voluntarily accepted upon its nuclear programme under the IAEA.

These rights and obligations must also be seen in the context of developments since 2003, when the International Atomic Energy Agency began seeking answers to a number of questions arising from Iran's nuclear activities, some of which were undeclared to the International Atomic Energy Agency in previous years. Subsequently, in the context of these demands, Iran did extend cooperation to the International Atomic Energy Agency in investigations of its some of these activities.



In November 2004, Iran agreed with the European Union-3 (France, Germany and the UK) to voluntarily suspend all enrichment and reprocessing activities until questions relating to its past nuclear activities were clarified by the International Atomic Energy Agency. However, since August last year, Iran has renewed production of uranium hexafluoride and thereafter, has also resumed uranium enrichment.

Successive reports of the Director-General of the International Atomic Energy Agency have noted that while Iran's cooperation has resulted in clarifying a number of questions, there remain many unresolved questions on key issues. Sir, these include the use of centrifuges imported from third countries and designs relating to fabrication of metallic hemispheres. Hon. Members are aware that the source of such clandestine proliferation of sensitive technologies lies in our own neighbourhood, details of which have emerged from successive International Atomic Energy Agency reports. This august House, Sir, I believe, will agree that India cannot afford to turn a blind eye to security implications of such proliferation activities.

The objectives of upholding Iran's rights and obligations and our security concerns arising from proliferation activities in our extended neighbourhood have shaped our position. Therefore, Sir, our approach has been consistently in favour of promoting all efforts to find a solution, based on acceptable mutual compromises, in which Iran's interests and the concerns of the international community would be addressed. We have consistently worked to promote a consensus in the International Atomic Energy Agency towards this end. This has been the logic of our stand at the IAEA Board of Governors Meetings both in September, 2005 and earlier this month.

Sir, I might remind hon. Members that it is only on these two occasions that the Resolution that resulted has not been a consensus one, and a vote has been necessary. Despite that, in the latest vote this month, the Resolution not only had the support of all P-5 countries including Russia and China, but also of important NAM and developing countries such as Argentina, Brazil, Egypt, Ghana, Singapore, Yemen and Sri Lanka.

The resolutions passed in September last year and earlier this month underlined the need for time to be given for diplomatic efforts to continue. The recent resolution of February 5 asks the Director General of International Atomic Energy Agency to inform the UN Security Council of the status of negotiations with Iran, and the steps that Iran needs to take to address these

questions. It calls for continued diplomatic efforts including through exploration of the option provided by Russia, which we have supported. Hon. Members are aware that Russia had offered to locate a joint venture project on Russian soil to address Iranian needs for enriched uranium, provided Iran suspends its enrichment programme to increase international confidence regarding the unresolved questions of the last two decades. Russia and Iran are currently in discussions on the subject, and we remain hopeful of a positive outcome. It is our hope and belief that the issues that have arisen can still be resolved through discussion and dialogue.

Mr. Speaker, Sir, I have set out the background in which we have taken a position at the International Atomic Energy Agency Board. I would like to reiterate our unshakeable conviction that such a sensitive issue, which concerns the rights and international obligations of a sovereign nation and a proud people can only be addressed through calm, reasoned diplomacy and the willingness on all sides to eschew confrontation and seek acceptable compromise solutions. We are, therefore, deeply concerned by escalating rhetoric and growing tensions and the possibility of a confrontation over this issue. This is a matter of concern for us as tensions in this region — where our vital political, economic and security interests are involved — affect us directly. The region hosts 3.5 million Indian citizens whose welfare is a major concern of our Government.

We, therefore, call upon all concerned to exercise restraint, demonstrate flexibility and continue with dialogue, to reach an amicable solution. As I mentioned, there will be another meeting of the International Atomic Energy Agency Board in March this year at which a full and regular report will be presented by the International Atomic Energy Agency Director-General. In the days to come, we will support diplomatic efforts in this regard, drawing upon our friendly relations with all the key countries involved.

The Government is conscious of the need to balance several important considerations in this regard. We have a strong and valuable relationship with Iran which we would like to take forward in a manner that is mutually beneficial. We have great respect and admiration for the Iranian people with whom our fraternal ties go back to several millennia. We have every intention of ensuring that no shadow is cast on these bonds.

In the overall context that I have outlined in detail, I am confident that this august House will agree that the stance taken by this Government

has been consistent and in keeping with our own well considered and independent judgement of our national interests. I am confident that this policy will receive the support of this august House and our nation.

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**BACK NOTE**

**XVI. Statement regarding India's vote in the IAEA on the issue of Iran's Nuclear Programme 17 February, 2006**

**NIL**

## REPLY ON MOTION OF THANKS TO THE PRESIDENT'S ADDRESS

23 February, 2006

Mr. Deputy Speaker, Sir, I, on behalf of my Government, rise to join the hon. Members in conveying our sincere thanks to the hon. Rashtrapatiji for his Address to Parliament. I also thank the hon. Members for their valuable comments. I assure the House that we will take note of the many genuine concerns raised regarding the Government's policies and programmes. I am also grateful for the many valuable suggestions made on how we can improve governance and address the concerns of our people. I greatly value these suggestions and we will try and address as many of these concerns as possible.

Mr. Deputy Speaker, Sir, the President's Address to Parliament is the most important statement of policy that the Government places before this august House at the beginning of every year. It is a statement in which the policies and priorities of the Government are outlined. It is not an exhaustive account of every concern that we have, nor a statement on every issue. However, it offers a comprehensive survey of the Government's policies and priorities.

I do believe that the hon. Rashtrapatiji has presented before us an important statement that should make every Indian proud and reassured. Proud, because India is once again on the march, as a secular Republic, as a self-confident nation. Never before have our prospects been as bright as they are today. Reassured, because this march is not just of a few, but of all. Our pledge to ensure that our growth process is inclusive, caring and equitable has imparted a new sense of belonging to all sections of our society.

Mr. Deputy Speaker, Sir, our Government came to power on a pledge to care for the *aam aadmi*, on a pledge to make India shine, but shine for all. Each of the development and employment-oriented programmes we have launched has this single objective in mind. The National Rural Employment Guarantee Act, the Sarva Shiksha Abhiyan, the Mid-Day Meal programme, the ICDS programme. Bharat Nirman covering rural roads, drinking water, irrigation, electricity, housing and telecom, the National Rural Hearth Mission;

the Jawaharlal Nehru Urban Renewal Mission, the initiatives we have taken in infrastructure development, in reviving the manufacturing sector, in reviving agricultural growth — every initiative has been aimed at ensuring that while we accelerate growth, we do so in an equitable, fair and just manner.

This was the essence of the President's Address. If some of the hon. Members sitting in the Opposition have difficulty in appreciating this, I do not blame them. During their tenure in office, they were unable to present such a comprehensive account of development and better governance. Their focus was on a socially divisive agenda, on a non-developmental agenda, on an agenda that mired the country in a low growth syndrome and an agenda that was backward looking.

Mr. Deputy Speaker, Sir, even now, they continue to raise issues of no consequence to the people in this vital debate. Every now and then, a question is raised about Prime Ministerial authority as if we live in some totalitarian system, in some fascist State, where authority has to be visibly asserted to command compliance. That may be the culture and outlook of those who keep raising this issue of authority. Sir, India is a proud democracy. Ours is a Parliamentary Democracy. There is Parliament. There is a Council of Ministers and there are other institutions of democratic governance. There are political parties. The Prime Minister functions within a set of rules and a framework of governance. Maybe, those who raise this issue are unaware of this framework. Maybe, they think other parties function like theirs, allowing shadowy organizations to interfere in the work of elected Governments. That has not been the culture of the Congress Party.

Mr. Deputy Speaker, Sir, this issue of strength and weakness is raised to deflect public attention from the real issues that concern our people. This Government has delivered eight per cent growth. We are seeing the highest savings rate of 29 per cent ever seen in our history and a record investment rate of 31 per cent. The country is on the verge of crossing an eight per cent growth rate this year. If we sustain this for the next few years, it is possible that we can eliminate poverty, ignorance and disease which afflict millions of our people. This Government has economically and socially empowered Scheduled Castes and Scheduled Tribes, religious and linguistic minorities, farmers and the working class, the unemployed and the poor.

This Government has revived investment and generated employment. This Government has ensured that India stands tall in the comity of nations. This Government has charted a new path. It is the progress along this path that has been spelt out in the President's Address. My authority derives from this record of performance. I secure my strength from my work.

Mr. Deputy Speaker, Sir, I wholeheartedly join the hon. Members who have expressed their thanks to the Rashtrapatiji. Sir, several Members have drawn our attention to the importance of proper implementation of various programmes we have launched, especially the National Rural Employment Guarantee Act. I am grateful to them for emphasizing the importance of implementation. Our Government will pay utmost attention to the proper implementation of welfare schemes and ensure that intended beneficiaries, in fact, do benefit from these schemes, I must draw the attention of the House to the fact that it is precisely with this objective in mind, and to empower citizens and civil society groups that we have enacted the Right to Information Act, 2005. I hope this power will be exercised in the right spirit to ensure better governance at the grassroots. We will be closely monitoring the implementation of these programmes and work closely with State Governments to achieve this.

Sir, many Members have raised the issue of regional imbalances. Our Government will ensure that the least developed districts and backward regions of the country get the attention and the investment they require. The Backward Regions Grant Fund which will be coming into operation this year, I must point out that most of the programmes and schemes that we have launched, are biased in favour of the more backward areas in their design. This is of course as it should be so that these regions can catch up with the relatively better off neighbours in a short period. Shri Prabhunath Singh has mentioned that the Sam Vikas Yojana has in involvement of people's representatives. The RSVY is being subsumed under the Backward Region Grant Fund which will be implemented through the Panchayati Raj Institutions.

Sir, just as important is the issue of having equitable development and ensuring that all sections of society enjoy the benefits of growth. The Bill to give land rights to tribals in forest areas, the filling of the backlog of Government jobs for Scheduled Castes and Scheduled Tribes, the range of legal measures for women's rights — these are all steps towards ensuring the

empowerment of all marginalised and weaker groups.

Sir, many hon. Members, Shri Basu Deb Acharia and others, have drawn attention to the difficulties being faced by farmers in different parts of the country. Our Government has given top priority to agriculture and farming and a number of steps have been taken which will show results in years to come. While the flow of agricultural credit has improved, I do recognise that credit to farmers, particularly small and marginal farmers is still a matter of concern. We have a problem of both excessive indebtedness and dependence on moneylenders for a high proportion of credit. I believe that the existing institutional arrangements are possibly inadequate in their current form to address the problems afflicting farmers fully. We are committed to finding a solution to this vexing problem. We will try to improve access to credit at a lower cost to farmers. The Minister of Finance will be addressing this matter in his budget speech. Shri Prabhunath Singh has raised the issue of giving the fertiliser subsidy directly to farmers. That is an idea worth considering. I have asked the Minister of Agriculture to prepare a package for addressing the problems of marginal farmers.

Several Members have expressed concern about rising prices. Let me assure the House that we are monitoring the price situation closely. As Rashtrapatiji said in his Address, we have been able to keep prices under check despite unprecedented pressure on account of rising world oil prices. On pricing of petroleum products, we will continue to pursue a judicious policy keeping in mind the needs of the consumer, the requirements of energy security and the health of our public sector oil companies. I must assure hon. Members that the decision to import wheat was taken as a precautionary measure and to ensure that we maintain a minimum level of bufferstocks. This decision will benefit consumers without hurting farmers. We do not need lessons from the NDA on how to care for our farmers!

A suggestion has been made by Shri Basu Deb Acharia in favour of the universalisation of the public distribution system. I sincerely believe that it is the duty of any Government, faced with the constraint of resources and the limitations of administration, to ensure that the genuinely poor across the country benefit from our public distribution system. It is only after we are able, to address the needs of the poor that can we examine the universalisation of PDS. As for food security, that is being addressed through the Rural Employment Guarantee, the universalisation of the Mid Day Meal



and the ICDS programmes and expanding the number of Antyodaya cards. Over the last years, an additional 1.8 lakh ICDS centres have been sanctioned, 12 crore children are being provided mid day meals and an additional one crore Antyodaya cards have been issued. These are important milestones in ensuring food security.

Mr. Deputy Speaker, Sir, some hon. Members have commented that Bharat Nirman is a repackaging of existing schemes. Sir I beg to differ. I urge the hon. Members to apprise themselves of this initiative. Never before has such a concerted and planned initiative been launched for rural infrastructure development. Bharat Nirman is a governmental initiative that derives its inspiration from the Rashtrapati's PURA vision. I sincerely believe that through Bharat Nirman, we will be able to transform our rural economy.

Sir, some hon. Members have raised questions regarding the selection of cities for the National Urban Renewal Mission. Let me assure the hon. Members that rational criteria have been adopted for selection of cities. These cities fall into three categories — cities with a population of over four million, between one and four million and other State capitals and cities selected for their importance as heritage and tourist destinations. States are free to change cities in the last category as per their priorities.

Mr. Deputy Speaker, Sir, the President's Address gives a detailed account of the important steps taken by our Government to improve the quality of infrastructure in the country. It is this effort that has contributed to the unprecedented increase in the rate of investment in the economy in the last two years. The rate of investment is at an all-time high of 31 per cent of the GDP. The figures in individual sectors speak for themselves. Roads, railways, airports and airlines, ports and shipping, telecommunication - each and every sector is on a high growth path, buzzing with activity. I am sure, all this contribute to a further acceleration of income and employment growth.

Sir, I would like to take this opportunity to draw the attention of the House to the remarkable turnaround achieved by the Indian Railways in the last two years under the leadership of my colleague Shri Lalu Prasad. They have improved their physical and financial performance through excellent operational management - capable of adding 100 million tonnes of capacity with existing rolling stock. He will be apprising the House of these in his Budget speech. Under his dynamic leadership, Indian Railways have entered

a new era of progress, modernisation and growth.

Mr. Deputy Speaker, Sir, a number of hon. Members have voiced concerns about FDI in retail. I would like to assure the House that we will not act in haste in this matter. So far, only FDI by single brand chains has been allowed. This is in extremely narrow category which, in any case, is present in the country through franchises. The larger issue is FDI in any form of retail. We will examine this issue in all its dimensions including its effect on livelihoods and discuss this widely before taking any decision. There is no hurry on this front.

Sir, the issue of the dissolution of the Bihar Assembly and the subsequent judgment of the hon. Supreme Court has been raised by the hon. Members. There have been comments on the role of the Governor. I would not like to go into the merits of the judgment and we respect the wisdom and decision of the hon. Supreme Court in arriving at the conclusion it did: Having said that. I will only say that on the issue of the unconstitutionality of the dissolution, the Court did not arrive at a unanimous verdict. Three judges were of the view that the proclamation dissolving the Assembly was unconstitutional whereas two judges held a different view. Therefore, it is obvious that in this complicated case, there could be an honest difference of opinion. This has to be kept in view in arriving at a conclusion about the conduct of the Governor or the Union Cabinet.

After the judgment of the hon. Supreme Court, the Governor decided to tender his resignation out of his own volition. In any case, the subsequent elections to the Bihar Assembly and the formation of a stable Government have made the debate infructuous.

Sir, many hon. Members have expressed concerns about unemployment. I must add here that the overall impact of all our initiatives will be to generate more and more employment and to modernise the economy. The NREGA alone will be a major initiative. In addition, the huge investments we are facilitating in infrastructure development and industry will create jobs. Our Government is deeply committed to the welfare of all our working people, not just members of the organised trade unions but also working people in the unorganized sector, in rural and urban areas. Some Members may have a greater concern for organised workers, but our Government is equally committed to all workers, in all sectors of the economy.

I would like to take this opportunity to once again re-assure our people that our Government is committed to the welfare of all our citizens. I welcome the concern expressed during the debate on the status of women. Our Government condemns the practice of female foeticide. We are also committed to one-third reservation for women in Parliament and State Legislatures.

Many hon. Members have raised the issue of internal security situation in the country. The Rashtrapati's Address has given a detailed account of the measures being taken by our Government in Jammu and Kashmir and the North-East. We are firm in our conviction that violence of any kind is not in consonance with the principles of our democracy and way of life, and will be dealt with firmly. Terrorism will not be given any quarter and will be treated with a firm hand. At the same time, we are willing to engage in a dialogue with all groups inside and outside the electoral system in all parts of the country if they are willing to abjure violence and come to a peaceful resolution of issues. Our history, our culture and our legacy provide adequate space for such peaceful resolution. Results of this are visible in Jammu and Kashmir where not only has violence come down substantially, but there is a ray of hope in the eyes of the people — hope about a peaceful and prosperous future. The Development Plan for Jammu and Kashmir is under implementation and we will see a power surplus, dynamic and vibrant economy in the State in the years to come.

Even in the case of naxalism, we are committed to dealing with violence firmly while addressing the root causes of disaffection arising out of poverty, landlessness and deprivation.

As for the North-East, Shri Konyak, Shri Bwiswmuthiary and others have raised issues regarding the development of the region. This region has immense potential, but it has yet to be realised. We are investing in the infrastructure of the region. We have started work on the first ever coal-based thermal power projects in the region in Assam and Tripura. We are building railways as national projects, connecting Manipur as well. There is a special roads programme underway for the North-East. A new Industrial Policy has been prepared and shall be approved shortly. Better infrastructure and connectivity will lead to the industrialisation of this region, resulting in more jobs and faster growth.

Shri Owaisi, Dr. Shafiqur Rahman Barq and others have drawn attention to the problems of Muslim minorities. I would like to once again reiterate our commitment to the welfare of our minorities, particularly the Muslim minorities. The creation of a Ministry of Minority Affairs is to ensure that their problems get focused attention. No less, no more. And for any reasoned discourse or debate on the subject of their development, we need to have reliable, accurate data on their economic and social status. This is what the Justice Sachar Committee has set out to do. The Committee will complete its work and we will discuss it in the House in detail. It is unfortunate that an academic exercise, which will ensure better targeting of development programmes, is being given an unfortunate tilt.

Let me assure the Members of this House that the Armed Forces will continue to be apolitical, secular, professional and merit based. I urge the hon. Members to make a distinction between empowerment and appeasement. Our Government, as indeed any democratic Government, is committed to the empowerment of all and the appeasement of none.

As for the Aligarh Muslim University, we are committed to retaining its minority character.

Mr. Deputy Speaker, Sir, on the specific issue of certain disparaging cartoons appearing in some publications abroad. I share the concern expressed in the House. Our Government is deeply concerned about the growing controversy over the publication of cartoons that have offended the Muslim Community worldwide. At the time these offending cartoons were first published, our outrage at this had been conveyed to the Danish Government both in New Delhi and through our Ambassador in Copenhagen in October 2005 itself. While expressing our distress over such lack of sensitivity to the religious sentiments of people, we urged that the concerned newspaper should express its apologies, and the Danish Government should ensure that such actions did not happen again.

We condemn all actions which hurt the religious sentiments of any community, and are of the view that such activities be dealt with seriously and firmly. We have the greatest regard and respect for all faiths, and are committed to protecting their rights and beliefs, to preserving and strengthening the secular nature of our society.

India's commitment to religious harmony and tolerance is unshakeable, and actions that cause hurt to the sentiments of any section of our people are not acceptable. I also urge all our political and religious leaders to exercise utmost restraint and not inflame public opinion. We must uphold our proud tradition as a democracy of conveying our point of view in a reasonable manner.

Mr. Deputy Speaker, Sir, there has been considerable comment in the debate in this House on our foreign policy orientation. I have had several opportunities in the last one year to speak at length on many of these issues. I urge hon. Members to appreciate the fact that by and large we have had a rational consensus on our foreign policy orientation, and that has given us great strength in dealing with the work. I sincerely urge all our political parties to respect this tradition, so that the hands of the Government are strengthened in dealing with the world.

Sir, I have had the opportunity recently of articulating my vision of foreign policy — when I laid the foundation stone of the Jawaharlal Nehru Bhawan — Panditji's vision of India was deeply embedded in our civilisational inheritance. Our civilisation has a message for the world that informs our foreign policy vision. That has been a message of unity in diversity of pluralism, inclusiveness and secularism.

Sir, we have worked hard to create the space needed to have the freedom to make policy choices in an increasingly inter-dependent world. The means we adopt to pursue our enduring objectives of peace, national security and development will, of course, change from time to time. They will have to be evolved in response to the changing reality of an ever-changing world. While the instruments of our policy and the tactics and strategy we adopt may change with time, the values in which they are embedded are universal and will remain true for all time.

Sir, this House has my solemn assurance that in pursuing our foreign policy; in ensuring our national security; and in promoting our economic development, our Government will always have the nation's interest uppermost in our mind. I do believe we have the trust and confidence of the people of India.

Sir, the world today views India with great regard and respect. This is because the people of our country have demonstrated to the world that they are second to none. Our civilisational inheritance, our pluralism, our culture of tolerance and inclusiveness are the envy of many nations. No Indian need feel any sense of inferiority or insecurity in today's world. India stands tall and we stand proud as an open society and an open economy. I am sure hon. Members rejoice in this sense of self-confidence of our people.

This sense of national pride was reinvigorated during the recent visits of His Majesty the King of Saudi Arabia and the President of France when they both paid tribute to our civilisational inheritance and our emerging economic strength. It is with this sense of self-confidence that we now look forward to the visit of the President of the United States.

Mr. Deputy Speaker, Sir, I would like to assure the House once again that I will take a closer look at all the suggestions made during the debate and ensure that our Government is alive to the concerns of Parliament. I thank all hon. Members who participated in the debate.

I would like this Motion of Thanks on the President's Address to be passed unanimously.

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**BACK NOTE**

**XVII. Reply on Motion of Thanks to the President's Address  
23 February, 2006**

**NIL**

## **STATEMENT REGARDING CIVIL NUCLEAR ENERGY COOPERATION WITH THE UNITED STATES**

**27 February, 2006**

Mr. Deputy-Speaker, Sir, I rise to inform this august House of the status of discussions with the United States on Civil Nuclear Energy Cooperation. Substantive aspects of this are reflected in the Joint Statement of July 18, 2005 that President Bush and I agreed upon during my visit to Washington DC last year. I would like to use this occasion to outline the context and core elements of the Joint Statement, before detailing the status of the ongoing negotiations.

Hon. Members are aware that our effort to reach an understanding with the United States to enable Civil Nuclear Energy Cooperation was based on our need to overcome the growing energy deficit that confronts us. As India strives to raise its annual GDP growth rate from the present seven to eight per cent to over 10 per cent, the energy deficit will only worsen. This may not only retard growth, it could also impose an additional burden in terms of the increased cost of importing oil and natural gas, in a scenario of sharply rising hydrocarbon prices. While we have substantial reserves of coal, excessive dependence on coal-based energy has its own implications for our environment. Nuclear technology provides a plentiful and non-polluting source of power to meet our energy needs. However, to increase the share of nuclear power in our energy mix, we need to break out of the confines imposed by inadequate reserves of natural uranium, and by international embargos that have constrained our nuclear programme for over three decades.

Established through the vision of Pandit Jawarhal Nehru and sustained by the commitment of scientists like Dr. Homi Bhabha, our nuclear programme is truly unique. Its uniqueness lies in the breadth of its overarching vision of India mastering a three-stage nuclear programme using our vast thorium resources, and mastering more complex processes of the full nuclear fuel cycle. Consequently, our civilian and strategic programmes are deeply intertwined across the expanse of the nuclear fuel cycle. There are hardly any other countries in a similar situation. Over the years, the maturation of our nuclear programme, including the development of world-class thermal



power reactors, has made it possible to contemplate some changes. These are worth considering if benefits include gaining unhindered access to nuclear material, equipment, technology and fuel from international sources.

However, international trade in nuclear material, equipment and technologies is largely determined by the Nuclear Suppliers Group — an informal group of 45 countries. Members include the United States, Russia, France and the United Kingdom. India has been kept out of this informal arrangement and, therefore, denied access to trade in nuclear materials, equipment and various kinds of technologies.

It was with this perspective that we approached negotiations with the United States on enabling full civilian nuclear energy cooperation with India. The essence of what was agreed in Washington last July was a shared understanding of our growing energy needs. In recognition of our improved ties, the United States committed itself to a series of steps to enable bilateral and international cooperation in nuclear energy. These include adjusting domestic policies, and working with allies to adjust relevant international regimes. There was also a positive mention of possible fuel supply to the first two nuclear power reactors at Tarapur. US support was also indicated for India's inclusion as a full partner in the International Thermonuclear Experimental Research Project and the Generation IV International Forum.

But more importantly, in the Joint Statement, the United States implicitly acknowledged the existence of our nuclear weapons programme. There was also public recognition that as a responsible State with advanced nuclear technologies, India should acquire the same benefits and advantages as other States which have advanced nuclear technology, such as the United States. The Joint Statement offered the possibility of decades-old restrictions being set aside to create space for India's emergence as a full member of a new nuclear world order.

On our part, as the hon. Members may recall from my *suo motu* statement on July 29 last year, we committed ourselves to separating the civilian and strategic programme. However, this was to be conditional upon and reciprocal to, the United States fulfilling its side of the understanding. I had stressed that reciprocity was the key and we expected that the steps to be taken by India would be conditional upon and contingent on action taken by the United States. I had emphasised then — and I reiterate

today — that no part of this process would affect or compromise our strategic programme.

I now come to the negotiations that have taken place in the past few months. While these have been principally with the US, there have been discussions with other countries like Russia, UK and France as well. At the political level, I have maintained contact with President Chirac of France, President Putin of Russia, Prime Minister Blair of the UK. I have also raised this subject with the Heads of State or Government of Norway, Republic of Korea, Netherlands, Czech Republic and Ireland — all members of the Nuclear Supplier Group. I also met President Bush in New York last September and discussed implementation of the July 18 statement. In the same period, several American Congressional leaders and policy-makers have visited India in the past few months, many of whom met me. We have amply clarified our objective in pursuing full civil nuclear energy cooperation for our energy security and to reassure them of India's impeccable non-proliferation credentials.

At the official level, we have constituted two groups comprising key functionaries concerned with strategic and nuclear matters. They included the Department of Atomic Energy, the Ministry of External Affairs, the Armed Forces and my Office. These two groups were respectively mandated to draw up an acceptable separation plan, and to negotiate on this basis. The directive given to both groups was to ensure that our strategic nuclear programme is not compromised in any way, while striving to enlarge avenues for full civil nuclear energy cooperation with the international community. The negotiations by our officials have been extensive and prolonged. These have focussed on four critical elements: the broad contours of a Separation Plan; the list of facilities being classified as civilian; the nature of safeguards applied to facilities listed in the civilian domain; and the nature and scope of changes expected in US domestic laws and NSG guidelines to enable full civilian nuclear energy cooperation with India.

Hon. Members may be assured that in deciding the contours of a separation plan, we have taken into account our current and future strategic needs and programmes after careful deliberation of all relevant factors consistent with our Nuclear doctrine. We are among very few countries to adhere to the doctrine of 'No first Use'. Our doctrine envisions a credible

minimum nuclear deterrent to inflict unacceptable damage on an adversary indulging in a nuclear first strike. The facilities for this, and the required level of comfort in terms of our strategic resilience have thus been our criterion in drawing up a separation plan. Ours is a sacred trust to protect succeeding generations from a nuclear threat and we shall uphold this trust. Hon. Members may therefore be assured that in preparing a Separation Plan, there has been no erosion of the integrity of our Nuclear Doctrine, either in terms of current or future capabilities.

The Separation Plan that is being outlined is not only consistent with the imperatives of national security, it also protects our vital research and development interests. We have ensured that our three-stage nuclear programme will not be undermined or hindered by external interference. In fact, our three-stage nuclear programme may continue to receive the full support of our Government, including through the construction of new facilities. We will offer to place under safeguards only those facilities that can be identified as civilian without damaging our deterrence potential or restricting our R&D effort, or in any way compromising our autonomy of developing our three stage nuclear programme. In this process, the Department of Atomic Energy has been involved at every stage, and the separation plan has been drawn up with their inputs.

Therefore, our proposed Separation Plan entails identifying in phases, a number of our thermal nuclear reactors as civilian facilities to be placed under the International Atomic Energy Agency safeguards, amounting to roughly 65 per cent of the total installed thermal nuclear power capacity by the end of the separation plan period. A list of some other DAE facilities may be added to the list of facilities within the civilian domain. The Separation Plan will create a clearly defined civilian domain where IAEA safeguards apply. On our part, we are committed not to divert any nuclear material intended for the civilian domain from designated civilian use or for export to third countries without safeguards.

Mr. Deputy Speaker, Sir, negotiations are currently at a delicate stage. In our dialogue with our interlocutors, we have judged every proposal made by the US side on merits but we remain firm in that the decision of what facilities may be identified as civilian will be made by India alone and not by anyone else.

At the same time, we are not underestimating the difficulties that exist in these negotiations. There are complex issues involved. Several aspects of the nuclear programme lend themselves in the public discussions to differing interpretations, such as the Fast Breeder Programme or our fuel-cycle capabilities such as re-processing and enrichment requirements. The nature and range of strategic facilities that we consider necessarily outside safeguards constitute yet another example. We have however conveyed to our interlocutors that while discussing the Separation Plan, there are details of the nature and content of our strategic requirements that we cannot share. We will not permit information of national security significance to be compromised in the process of negotiation.

It is essential to recall that the July 18 Statement was not about our strategic programme. It was intended to be the means to expand our civilian nuclear energy capacities and thereby to help pave the way for faster economic progress. In seeking to achieve this objective, we appreciate the need for patience to remove misperceptions that abound. I reiterate that India has an exemplary record on non-proliferation and this will continue to be so. All in all, one major achievement so far is that a change is now discernible in the international system. We believe that when implemented, the understandings reflected in the Joint Statement will give India its due place in the global nuclear order. The existence of our strategic programme is being acknowledged even while we are being invited to become a full partner in international civil nuclear energy cooperation.

I must emphasize that the nation is justly proud of the tremendous work of our nuclear scientists and the Department of Atomic Energy in mastering all the key aspects of the full nuclear fuel cycle, often under very difficult circumstances. The tremendous achievements of our scientists in mastering the complete nuclear fuel cycle — the product of their genius and perseverance — will not be frittered away. We will ensure that no impediments are put in the way of our research and development activities. We have made it clear that we cannot accept safeguards on our indigenous Fast Breeder Programme. Our scientists are confident that this technology will mature and that the programme will stabilize and become more robust through the creation of additional capacity. This will create greater opportunities for international cooperation in this area as well. An important reason why the US and other countries with advanced nuclear technologies

are now engaging with India as a valued partner is precisely because of the high respect and admiration our scientists enjoy internationally, and the range and quality of the sophisticated nuclear programme they have managed to create under the most difficult odds. This gives us confidence to engage in these negotiations as an equal partner.

As I said, many aspects of the proposed separation plan are currently under negotiation. It is true that certain assurances in the July 18 Statement remain to be fulfilled — the supply of imported fuel for Tarapur I and II, for one. Some elements, such as US support for India's participation in the ITER programme, have utilised. The issue of the nature of safeguards to be applied to facilities designated civilian also remains pending resolution. I seek the indulgence of this House not to divulge every single detail of the negotiations at this time. However, this august House can be assured that the limits are determined by our overarching commitment to national security and the related issue of the autonomy of our nuclear programme. Our Government will take no step that could circumscribe or cast a shadow over either.

I am aware that concerns have been raised over information being shared with outsiders, but not with our own citizens. Members may be assured that nothing that could compromise our nuclear deterrent has been shared with anyone. On this aspect, there is no reason for concern or doubt.

As I said at the outset, our approach is defined by the need to utilise the window of opportunity before us, to find a solution to our energy deficit. We have also been guided by the need to dismantle international restrictions, which, when achieve, could unleash our scientific talent and increase commercial potential in the nuclear and related sectors. The nation will be kept informed, through this august House.

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**BACK NOTE**

**XVIII. Statement regarding Civil Nuclear Energy Cooperation with the United States, 27 February, 2006**

**NIL**

## STATEMENT REGARDING INDIA'S VOTE IN IAEA ON IRAN NUCLEAR PROGRAMME

6 MARCH, 2006

Mr. Speaker, Sir, hon. Members have raised several points in the debate following my *suo motu* statement on our vote at the International Atomic Energy Agency on Iran's nuclear Programme. Sir, I respect the views voiced by hon. Members on this very important issue and I thank all the Members for contributing to the debate in this august House.

Sir, several Members have made the point that our foreign policy should be guided by national interests, and that our positions on such issues should not be based on the position of other countries. My friends, Shri Gurudas Dasgupta and Shri Subrata Bose made those points, as did Shri Kharabela Swain. There can be no two opinions that Government should not take predetermined positions, or positions at the behest of other countries. No one can dispute that it is the Government's duty to take a position on such matters after a dispassionate examination of the facts, keeping in mind our national interests. I respectfully submit that in the present case, the Government has done precisely this. We have considered the facts and have exercised our independent judgment before taking a position. This is also the very essence of the policy of Non-Alignment, which my friend Shri Rupchand Pal exhorted us to follow:

Sir, let us recapitulate the essential facts of the matter:

- Iran has the legal right to develop peaceful uses of nuclear energy, but it also has certain obligations and responsibilities, based on the Safeguards Agreement which it voluntarily undertook with the International Atomic Energy Agency.
- It was in recognition of the existence of several unanswered questions that Iran agreed to start the process of assisting International Atomic Energy Agency with investigations into several past activities.
- An important part of this process was the voluntary suspension

by Iran of all enrichment and reprocessing activity in November 2004.

- However, since last August, Iran has renewed production of Uranium Hexafluoride, and since then, of Uranium enrichment.
- Unresolved questions regarding centrifuge imports and designs to make Uranium metallic hemispheres remain. The origin of such procurement is an issue of direct concern for us.

Under these circumstances, our position was based on these facts, which emerged from an objective investigation by the International Atomic Energy Agency, and through information disclosed by Iran itself.

Mr. Speaker, Sir, there is also the question that several hon. Members raised regarding the International Atomic Energy Agency Board of Governors' meeting today. Shri Chandrappan and Shri Owaisi spoke of this. I should inform Members that it is as yet not clear in what manner this issue will be taken up by the Board of Governors' today. The Resolution adopted by the International Atomic Energy Agency Board of Governors last month mentions certain steps that Iran and the International Atomic Energy Agency will be taking. Discussions are taking place in Vienna on this matter. The Government's approach will be based on our consistent policy of promoting efforts for a resolution of issues through dialogue and discussions. I would like to assure hon. Members that our Government will take into account the sentiments expressed in this House in this context.

Some points were also made regarding options that could have been explored by the international community. There have also been discussions between Iran and Russia in this regard. We remain hopeful that solutions acceptable to all sides will be found. We do not favour confrontation, rhetoric or coercive measures as these only exacerbate tensions in the region and beyond. India has consistently stated that all sides must work find mutually acceptable compromise solutions, and that confrontation should be avoided at all costs. For this to be possible, time must be given for diplomacy to work. Sir, I think there is consensus in Parliament and in our country that confrontation is not in the interests of India or of our region. Whenever this matter is taken up, we will work with all like-minded countries, including those from the Non-Aligned Movement, for a mutually acceptable resolution of the issue.



Mr. Speaker, Sir, several hon. Members, including Maj. Gen. Khanduri expressed concerns regarding our relations with Iran, and the effect of these developments on this important relationship. As I said in my *suo motu* statement, our Government is committed to widening, deepening and expanding our diverse and mutually beneficial ties with Iran. Only recently, my colleague the Minister of State for External Affairs, Shri E. Ahamed, visited Tehran. He had meetings with the President of Iran, His Excellency Mr. Ahmadinejad, as well as several Ministers of the Government of the Islamic Republic of Iran. Shri Ahamed emphasized our desire to remain engaged with Iran on all issues of mutual interest. Sir, our desire to further deepen the friendly and productive ties between our two countries was fully reciprocated.

Government will continue to monitor the situation closely, and will deal with the Iran issue with the seriousness that it merits.

In dealing with this issue, we will pay due attention to our relationship with Iran, the need to maintain peace and stability in the Gulf region and safeguarding our own security.

Sir, I reiterate that this House can rest assured that we will also take into account the sentiments expressed in this august House.

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**BACK NOTE**

**XIX. Statement Regarding India's Vote in IAEA on Iran Nuclear Programme 6 March, 2006**

**NIL**

**STATEMENT REGARDING DISCUSSION ON CIVIL NUCLEAR  
ENERGY COOPERATION WITH THE UNITED STATES:  
IMPLEMENTATION OF INDIA SEPERATION PLAN**

**7 March, 2006**

Mr. Speaker, Sir, in my statement on 27th February 2006 I had provided an assurance that this august House will be informed of developments in our discussions with the United States on separation of our civilian and military nuclear facilities. I now inform this august House of developments since my *suo motu* statement of 27th February.

The President of the United States, His Excellency, Mr. George W. Bush visited India between 1 March 2006 - 3 March 2006.

His visit provided our two countries an opportunity to review progress made in deepening our strategic partnership since the Joint Statement issued during my visit to Washington last July. Our discussions covered the expansion of our ties in the field of agriculture, economic and trade cooperation, energy security and clean environment, strengthening innovation and the knowledge economy, issues relating to global safety and security and on deepening democracy. Expanded cooperation in each of these areas will have a significant impact on India's social and economic development. The full text of the Joint Statement issued during President Bush's visit is placed on the Table of the House.

Sir, I have pleasure in informing the House that during President Bush's visit, as part of the process of promoting cooperation in civilian nuclear energy, agreement was reached between India and the United States on a Separation Plan. Accordingly, India will identify and separate its civilian and military nuclear facilities, and place its civilian nuclear facilities under International Atomic Energy Agency (IAEA) safeguards.

Sir, I place on the Table of the House the Separation Plan that has been drawn up by India, and agreed between India and the United States in implementation of the India-United States Joint Statement of July 18, 2005.

Sir, I would like to outline some salient elements of the Separation Plan:

(i) India will identify and offer for IAEA safeguards 14 thermal power reactors between 2006–14. There are 22 thermal power reactors in operation or currently under construction in the country. Fourteen of these will be placed under safeguards by 2014 in a phased manner. This would raise the total installed thermal power capacity in Megawatts under safeguards from 19 per cent at present to 65 per cent by 2014. I wish to emphasise that the choice of specific nuclear reactors and the phases in which they would be placed under safeguards is an Indian decision. We are preparing a list of 14 reactors that would be offered for safeguards between the years 2006–14.

(ii) Sir, we have conveyed that India will not accept safeguards on the Prototype Fast Breeder Reactor (PFBR) and the Fast Breeder Test Reactor (FBTR), both located at Kalpakkam. The Fast Breeder Programme is at the R&D stage. This technology will take time to mature and reach an advanced stage of development. We do not wish to place any encumbrances on our Fast Breeder programme, and this has been fully ensured in the Separation Plan.

(iii) India has decided to place under safeguards all future civilian thermal power reactors and civilian breeder reactors, and the Government of India retains the sole right to determine such reactors as civilian. This means that India will not be constrained in any way in building future nuclear facilities, whether civilian or military, as per our national requirements.

(iv) Sir, India has decided to permanently shut down the CIRUS reactor, in the year 2010. The fuel core of the Apsara reactor was purchased from France, and we are prepared to shift it from its present location and make it available for placing under safeguards in the year 2010. Both CIRUS and Apsara are located at the Bhabha Atomic Research Centre. We have decided to take these steps rather than allow intrusive inspections in a nuclear facility of high national security importance. We are determined that such steps will not hinder on-going Research and Development.

(v) Reprocessing and enrichment capabilities and other facilities associated with the fuel cycle for our strategic programme have been kept out of the Separation Plan.

(vi) One of the major points addressed in the Separation Plan was the need to ensure reliability of fuel supplies, given our unfortunate past experience with regard to interruption in supply of fuel for Tarapur. We have received commitments from the United States for the reliable supply of fuel to India for reactors that will be offered for safeguards. The United States has also reaffirmed its assurance to create the necessary conditions for India to have assured and full access to fuel for such reactors. Under the July 18 Joint Statement, the United States is committed to seeking agreement from its Congress to amend domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international market for nuclear fuel, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations. This has been reflected in the formal understandings reached during the visit and included in the Separation Plan.

(vii) To further guard against any disruption of fuel supplies for India, the United States is prepared to take other additional steps such as:

- (a) incorporating assurances regarding fuel supply in a bilateral U.S.-India agreement on peaceful uses of nuclear energy which would be negotiated.
- (b) The United States will join India in seeking to negotiate with the International Atomic Energy Agency an India-specific fuel supply agreement.
- (c) The United States will also support an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors.
- (d) If despite these arrangements, a disruption of fuel supplies to India occurs, the United States and India would jointly convene a group of friendly supplier countries to include countries such as Russia, France and the United Kingdom to pursue such measures as would restore fuel supply to India.

Sir, in light of the above understandings with the United States, an India-specific safeguards agreements will be negotiated between India and the International Atomic Energy Agency. In essence, an India-specific safeguards agreement would provide: on the one hand safeguards against withdrawal of safeguarded nuclear material from civilian use at any time, and on the other, permit India to take corrective measures to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies. Taking this into account, India will place its civilian nuclear facilities under India-specific safeguards in perpetuity and negotiate an appropriate safeguards agreement to this end with the International Atomic Energy Agency. In the terms of the separation plan, there is hence assurance of uninterrupted supply of fuel to reactors that would be placed under safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted. The House can rest assured that India retains its sovereign right to take all appropriate measures to fully safeguard its interests.

During my *suo motu* statements on this subject made on July 29, 2005 and on February 27, 2006. I had given a solemn assurance to this august House, and through the hon. Members to the country, that the separation plan will not adversely affect our country's national security. I am in a position to assure the Members that that is indeed the case. I might mention:

(i) that the separation plan will not adversely affect our strategic programme. There will be no capping of our strategic programme, and the separation plan ensures adequacy of fissile material and other inputs to meet the current and future requirements of our strategic programme, based on our assessment of the threat scenarios. No constraint has been placed on our right to construct new facilities for strategic purposes. The integrity of our nuclear doctrine and our ability to sustain a minimum credible nuclear deterrent is adequately protected. Our nuclear policy will continue to be guided by the principles of restraint and responsibility.

(ii) The separation plan does not come in the way of the integrity of our three-stage nuclear programme, including the future use of our thorium reserves. Sir, the autonomy of our research and development activities in the nuclear field will remain unaffected. The Fast Breeder Test Reactor and the Prototype Fast Breeder Reactor remain outside safeguards. We have agreed, however, that future civilian thermal power reactors and civilian fast

breeder reactors would be placed under safeguards, but the determination of what is civilian is solely an Indian decision.

As I mentioned in my Statement on February 27, the Separation Plan has been very carefully drawn up after an intensive internal consultation process overseen by my Office. The Department of Atomic Energy and our nuclear scientific community have been associated with the preparation of the Separation Plan. The Chairman of the Atomic Energy Commission and the Principal Scientific Adviser to the government of India were actively involved closely at every stage. I am in a position to assure the hon. Members that we have not permitted information of national security significance to be compromised in any way during the negotiations.

Sir, I believe that the significance of the July 18, 2005 Statement is the prospect it offers for ending India's nuclear isolation. It will open up prospects for cooperation not only with the United States but with countries like Russia, France and other countries with advanced nuclear capabilities, including those from the Nuclear Suppliers Group. The scope for cooperation in the energy related research will vastly expand, so will cooperation in nuclear research activities. India will be able to join the international mainstream and occupy its rightful place among the top countries of the nuclear community. There would be a quantum jump in our energy generating capacity with a consequential impact on our GDP growth. It also ensures India's participation as a full partner in cutting edge multilateral scientific effort in the nuclear field such as ITER and Generation IV Initiative.

Mr. Speaker, Sir, successful implementation of the July 18 Joint Statement requires reciprocal actions by the United States as well as India. Steps to be taken by India will be contingent upon actions taken by the United States. For our part, we have prepared a Separation Plan that identifies those civilian facilities that we are willing to offer for safeguards. The United States Government has accepted this Separation Plan. It now intends to approach the US Congress for amending its laws and the Nuclear Suppliers Group for adapting its guidelines to enable full civilian cooperation between India and the international community. At the appropriate stage, India will approach the IAEA to discuss and fashion an India-specific safeguards agreement, which will reflect the unique character of this arrangement. Since such a safeguards agreement is yet to be negotiated it will be difficult to predict its content, but I can assure the House that we will not accept any provisions that go beyond the parameters of the July 19, 2005 Statement

and the Separation Plan agreed between India and the United States, on March 2, 2006. We are hopeful that this process will move forward in the coming weeks and months.

I would request the hon. Members to look at this matter through the larger perspective of energy security. Currently, nuclear energy provides only three per cent of our total energy mix. Rising costs and reliability of imported hydrocarbon supplies constitute a major uncertainty at a time when we are accelerating our growth rate. We must endeavour to expand our capabilities across the entire energy spectrum — from clean coal and coal-bed methane, to gas hydrates and wind and solar power. We are actively seeking international partnerships across the board and members of many international initiatives dedicated to energy.

Indeed, at the end of my talks with President Bush, we announced Indian participation in two more programmes: the Future-Generation Programme for Zero Emission Thermal Power Plants and the Integrated Ocean Drilling Programme for gas hydrates.

The House will appreciate that the search for an integrated policy with an appropriate mix of energy supplies is central to the achievement of our broader economic or social objectives. Energy is the lifeblood of our economy. Without sufficient and predictable access, our aspirations in the social sector cannot be realized. Inadequate power has a deleterious effect in building a modern infrastructure. It has a direct impact on the optimal usage of increasingly scarce water resources. Power shortage is thus not just a handicap in one sector but a drag on the entire economy.

Mr. Speaker, Sir, I believe that the needs of the people of India must become the central agenda for our international cooperation. It is precisely this approach that has guided our growing partnership with the United States. I would, in particular, draw attention to the launching of the Knowledge Initiative in Agriculture with a three year financial commitment to link our universities and technical institutions and businesses to support agricultural education, research, capacity building, including in the field of bio-technology. Our first Green Revolution benefited in substantial measure from assistance provided by the United States. We are hopeful that the Knowledge Initiative on Agriculture will become the harbinger of a second Green Revolution in our country.

Mr. Speaker, Sir, India and the United States have much to gain from



this new partnership. This was the main underlying theme of our discussions during the visit of President Bush. The resumption of civilian nuclear energy cooperation would demonstrate that we have entered a new and more positive phase of our ties, so that we can finally put behind us years of troubled relations in the nuclear field. I am confident that this is a worthy objective that will receive the full support of this House.

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**BACK NOTE**

- XX. Statement Regarding discussion on Civil Energy Cooperation with the United States: Implementation of India Separation Plan 7 March, 2006**

**NIL**

## **CIVIL NUCLEAR ENERGY COOPERATION WITH THE UNITED STATES**

**11 March, 2006**

Sir, we are dealing with an issue which is of great importance to the future of our country. I had promised the hon. House that we will come before Parliament, to share with Parliament and through Parliament, with the public opinion at large, the pros and cons of this nuclear and other related issues which figure in the joint statement issued after the visit of President Bush.

Sir, on three occasions, I have made statements in this House as well as in the other House. They were on 29th July last year, 27th February this year and on the 7th March this year. That is a measure of our commitment to proper accountability and transparency in dealing with a very sensitive and important issue in our country. I have listened carefully to the views of the hon. Members of this august House on discussions with the US on civilian nuclear energy in the larger context of Indo-US relations. I thank the hon. Members for their views on this very important subject.

Sir, one important comment made by Shri C.K. Chandrappan and Shri Rupchand Pal was an expression of fear. Their fear was that, by entering into this arrangement with the United States of America, are we losing a sense of focus and direction in pursuit of an independent foreign policy?

Sir, I have said on more than one occasion that our Foreign Policy which is rooted in our civilisational heritage and also in pursuit of our enlightened national interest is what guides us in dealing with various countries. The United States of America is a global power. Their interests do not all the time converge with India's interests. But there are opportunities, there are occasions when our interests do converge and I believe that it is the duty of any Government of India to take advantage of all those opportunities which widen the development options that become available to us. That is precisely what we have done in dealing with the United States of America.

I wish to assure the hon. House that while we have been working towards strengthening our relations with the United States of America, we

have not forgotten our traditional strategic partners. For example, today our relations with Russia are warmer and stronger than ever before; our relations with France today are stronger and warmer; today our relations with China are stronger and warmer. Even today while the House is meeting, our two Special Representatives are discussing the issues of boundary settlement. We have used the space that is open to us to increase our engagements with the countries of South-East Asia, with Japan and Korea. That is how it should be.

I can assure this hon. House that pursuit of India's enlightened national interest is the dominating concern and it is this concern which has guided us in dealing with the United States.

It is certainly true that although an important component of this Agreement with the United States deals with the civilian nuclear energy, there are also other important initiatives listed in the Joint Statement. There is the knowledge initiative in the field of agriculture. What does it involve? It involves the use of technical knowledge, experience and expertise available in the United States of America to upgrade the quality of agricultural research and extension services in our country, particularly through the medium of various agricultural universities and agricultural research institutes. I do not know why there should be any objection to that.

It is a fact that when the first Green Revolution came to our country, it was the work essentially of great American scientists, like Norman Borlaug, which helped us. The United States, particularly the Land Grant Colleges of the United States of America played a major role in helping us to set up major agricultural universities and that is how the Green Revolution came about in our country. For the last many years our agricultural productivity has reached a plateau. We need a second Green Revolution and we need new technologies to upgrade and enhance our agricultural productivity. If there is, in the United States, knowledge which can help us in that process. I do not see any harm in making use of that. Cooperation in science and technology in globalised world is becoming increasingly a necessary tool of widening our development options. If we are serious about dealing with the productivity stagnation in Indian agriculture, then, I am certainly prepared to look at wherever facilities or technologies exist which can upgrade our technology

skills. I do not see we are doing anything which hurts the interests of our country.

Once a reference has been made about the CEOs meeting. It is certainly true that when I met President Bush in July, we had a discussion about increased requirements of India for capital from abroad. He said to me: "Well, we are not in the business of giving aid. But there is a lot of private capital." I would like the US influence to be so exercised that they do recognise the importance of India as a major recipient of these capital flows. He said: "May be, we should set up a small group of five people from the United States, five people from India. Let them work out a strategy which will ensure that the private sector in both the countries would become more aware of the possibilities of mutually beneficial cooperation."

Out of that came a report. That report is now a public document. I have no hesitation, in due course of time, in placing it on the Table of the House. There are various suggestions. We will examine them. If there is any action which is required to implement any of those suggestions, that action will be taken taking full advantage of the laws, procedures that we have in this country. But I have no hesitation in making that report available to the House and I will do that. Some of those suggestions are like this. For example, there is a suggestion about Mumbai becoming a major international financial centre. I think, I myself, when I was the Governor of the Reserve Bank of India, floated this idea way back in the early 1980s. It has not become a reality. I do believe that there is a lot of merit in that proposal now, particularly when we have removed most of the exchange controls while our requirements of capital are increasing day by day. This is one of the suggestions coming from the CEO's group. We will examine them in accordance with our rules, in accordance with our procedure and in accordance with our laws. Therefore, there should be no reason for anyone to doubt that anything will be done at the back of Parliament or that we will do anything which would hurt the interests of the country as a whole.

Mr. Speaker, Sir, I now come to the civilian nuclear energy cooperation. What is the background of what we have done? Our economy is now growing at the rate of 7 to 8 per cent per annum. It is our ambition to ensure that we grow at the rate of 8 to 10 per cent. I do believe that the savings and the investment profile of our country point to 10 per cent growth rate becoming a feasible proposition. But it is one thing to have

savings; it is another to have energy security. I have calculated—and this is corroborated by expert advice—that if our economy grows by one per cent, we need the additional supply of commercial energy of one per cent. If our economy has to grow at the rate of 10 per cent per annum, we need the supply of commercial energy also to increase at 10 per cent per annum.

We are today excessively dependent on import of hydrocarbons from the Middle-East, from West Asia to meet our requirements of commercial energy. We consume normally about 110 million tonnes of oil and we produce no more than 30 million tonnes. This dependence on the outside world is going to increase. There are obvious uncertainties both with regard to supply as well as with regard to prices of hydrocarbons in the world market to which I do not have to go right now.

We have, of course, plentiful reserves of coal but our coal has high ash content and excessive use of coal also runs into the problems of environmental hazards with the growing concerns about CO<sub>2</sub> emissions and the global warming concerns that are now on the horizon. In this background, I think it is to our advantage that we should have additional options with regard to meeting our needs of commercial energy. Nuclear energy offers one such option. It increases our elbow room to manage our quest for our energy security. There are problems with regard to increasing energy consumption *via* the nuclear route. When I was Secretary in the Ministry of Finance some thirty years ago, I was a member of the Atomic Energy Commission. It was at that time the Atomic Energy Commission had set before the country a target of 10,000 megawatts production capacity. We are today in the year 2006. Our installed capacity is probably 3,000 megawatts. This is not because our scientists are not capable. They are exceedingly well-motivated. They operate on the frontiers of knowledge. They have given a very good account of themselves under very difficult conditions of nuclear apartheid and we all feel very proud of their attainment. But, there are certain harsh facts. We have run into problems with regard to the availability of raw materials. We have run into problems because since 1974 the world community, the dominant countries have erected a regime, which restricts our options in meeting the requirements of our atomic energy, whether in reactors or fuels or by way of inputs. This has hurt our energy programme and that is why inspite of the ambitions that we have had to add to nuclear capacity, we have not been able to do so.

I am not saying that imports are the only route. But, the availability

of import, the removal of restrictive international trading regimes which restrict our options with regard to trade in nuclear materials and nuclear technologies, will certainly increase the maneuverability of our country in meeting the challenge of energy security. That is why when President Bush and I discussed this matter, he told me that this is one area where he recognised India needs a reversal of the attitude of the United States. But, he also said to me that the United States and other members of the Nuclear Suppliers Group are not going to help us build nuclear bombs. I said that is perfectly reasonable, I do not expect the world to do so. So, that is how this idea of separation of the civilian sector and the strategic sector was evolved. What we have done with the United States is not an agenda for dealing with strategic cooperation. It is basically a quest to promote cooperation between India and the members of the Nuclear Suppliers Group in meeting India's requirements of commercial energy.

What I do claim as a plus point for our Government is that while doing this deal to increase our options with regard to meeting all the commercial energy requirements of our country, we have not compromised our autonomy with regard to our strategic programme. This has not been discussed with the United States. We have not agreed to any formula or any proposal which would amount to a cap on our nuclear programme. I have taken full care about it. I had the advice of our atomic scientists and I had the advice of our Armed Forces in working out India's requirement of what would constitute a critical minimum deterrent. We have made sure that we have taken care of India's present requirements and future requirements, as far as possible humanly. Therefore, the country should have the assurance that we have not compromised in any way, when it comes to India's strategic nuclear programme. We have not accepted a cap on that nuclear programme. That decision will have to be made by the Government of India, taking into account the security concerns of our nation and we are alone competent to judge what is desirable and what is not desirable. This is the essence of the arrangement that we have made with the United States of America.

Sir, several issues have been raised with regard to the nuclear agreement. Shri Kharabela Swain mentioned that we have accepted a cap on our strategic nuclear capabilities. I have already mentioned that, that is not the case. We have been asked if we have ensured availability of sufficient fissile material and other inputs for our strategic programme. Let me reassure this House that the Separation Plan has been drawn up in such a manner that it will

not adversely affect our strategic programme. There is no question of India accepting a cap on our deterrent potential. Based on assessment of threat scenario, Government have ensured that there would be adequate availability of fissile material and other inputs to meet both current and future requirements of our strategic programme.

The Separation Plan does not, in any way, undermine the integrity of our Nuclear Doctrine. This Doctrine stipulates a credible minimum deterrent based on a policy of 'no-first-use' and the assured capability of inflicting unacceptable damage on an adversary indulging in a nuclear first strike. The Separation Plan will not limit our options, either now or in the future to address evolving threat scenarios with appropriate responses consistent with our nuclear policy of restraint and responsibility.

Sir, questions have also been raised regarding safeguards in perpetuity. I believe Shri Swain referred to it and he also said that assurances for supply have been given by the United States bilaterally while safeguards will be with the International Atomic Energy Agency multilaterally. So, he asked as to how we reconcile and ensure that India's interests are effectively protected. Under the last year's July statement, India agreed to identify and separate civilian and military facilities and put civilian nuclear facilities under safeguards. The Separation Plan provides for an India-specific safeguards agreement to be negotiated with the International Atomic Energy Agency.

People ask, why is it India specific safeguard? Because it is certainly true that we are not a member of the NPT nuclear powers so we are not in those P5. But we are also not in this other category, that is, non-Nuclear Weapon States. We have a nuclear weapon programme of our own and there is today an implicit recognition of that reality on the part of the rest of the world. Therefore, it is certainly true when we go to sign safeguard agreements with the International Atomic Energy Agency, our safeguards agreement cannot be a carbon copy of either Model-I or Model-II. It has to be a unique safeguards agreement, which we will work to negotiate with the International Atomic Energy Agency.

I wish to assure the House that India will not accept the safeguard agreements signed by non-Nuclear Weapon.

States under the NPT, otherwise called Comprehensive Safeguards. This is precisely because our military facilities will remain outside the



purview of safeguards like those of other Nuclear Weapon States. Each of the Nuclear Weapon States has concluded separate safeguard agreements with the International Atomic Energy Agency, listing specific facilities offered for safeguards. Similarly, we too will include in an India Specific Safeguards Agreement a list of facilities offered for International Atomic Energy Agency safeguards.

Sir, such an India specific safeguard agreement is yet to be negotiated. It will be difficult to predict the contents and details. However, it will contain protection against withdrawal of safeguarded nuclear material for a civilian use at any time. It will be negotiated so that India will be permitted to take corrective measures to ensure uninterrupted operation of our civilian nuclear reactors in the event of disruption of foreign fuel supplies.

Sir, on the subject of fuel supplies, I must underline that the United States has provided a number of assurances of uninterrupted supplies of fuel. These must be read with the assurance of India's right to take corrective measures in the event fuel supplies are interrupted. Even after these assurances, if all measures fail and supplies to our safeguarded reactors are disrupted, India retains the sovereign right to take all appropriate measures to fully safeguard its interests. Thus safeguards in perpetuity must be seen in this overall context of being backed up by credible assurances about uninterrupted supply.

The third issue relates to measures announced by the Government with regard to CIRUS and Apsara Research Reactors, both of which are located at BARC. As I explained in my last *suo motu* statement, we have decided to permanently shut down the CIRUS Reactor in 2010 and to shift the foreign-sourced fuel core of the Apsara Reactor outside BARC. Questions are being asked, why are we doing it? The fuel core will then be available for safeguards in 2010. Let me clarify that only the fuel core will be shifted and not the Reactor. We have decided to take these two steps because the BARC complex is of high national security importance and we will not allow any international inspection in this area. Now, while the CIRUS Reactor was refurbished recently, the associated cost will be more than recovered by the Isotopes produced and the research that we will be conducting before it is closed. Both CIRUS and Apsara are not related to our strategic programme and therefore, our scientists have assured me that these steps announced in the separation plan will have no impact on our strategic programme.

Some Members also expressed concern whether these steps will hinder ongoing research and development. Through this august House, I assure the nation and, in particular, the scientific community that we will take all possible steps to ensure that there is no adverse fallout on research and development. Our scientists will have state-of-the-art facilities to expand the frontiers of knowledge. One of the main criteria motivating us in drawing up the separation plan has been our determination to safeguard the autonomy of our research and development programme. This will be ensured in full measure.

Finally, some Members have also expressed concern whether the confidentiality of the strategic programme was fully preserved during the negotiations with the United States. I can assure hon. Members that our discussions with the United States pertained only to those facilities that are being offered for safeguards between 2006 and 2014. The discussion did not cover our strategic programme. Confidential information on our national security and the strategic programme has been and will remain fully protected.

Mr. Speaker, Sir, I believe that it is the sentiment of the House that the decisions we have taken lead to welcome resumption of international cooperation. Our understanding will open the doors for cooperation and the development of our civilian nuclear energy sector not only with the United States but also with other key international partners like Russia, United Kingdom and France. At the same time, we will also be able to internationally share our recognised capabilities in the field of civilian nuclear technologies. In this context some Members spoke of the global nuclear energy partnership which is a separate issue from our bilateral discussions with the United States on civil nuclear cooperation. Our comprehensive capabilities across the spectrum and mastery over all aspects of the nuclear fuel cycle are well established and widely recognised. Our possible association with any such international initiative, therefore, can be only on the basis of participation of India as an equal partner with other founding members and as a supplier nation. I would like to emphasise this point. We will not forgo the three-stage Programme which will enable us to utilise our vast thorium reserves in future.

Mr. Speaker, Sir, I believe I have covered most of the points that have been made in this debate. And I repeat what we have done is to widen our

development options with regard to ensuring adequate energy security for our country. We have, at the same time, taken full care that our strategic programme is protected. We have, at the same time, taken care that the research and development opportunities in this vital area of national endeavour are not in any way adversely affected by this Agreement. So what we have done, I believe, is a step forward in taking our country on to a higher growth and development trajectory.

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**BACK NOTE**

**XXI. Civil Nuclear Energy Cooperation with the United States 11 March,  
2006**

**NIL**

## **STATEMENT REGARDING SITUATION IN LEBANON AND EVACUATION OF INDIAN NATIONALS**

**27 July, 2006**

Mr. Speaker, Sir, hon. Members are aware of the current situation in Lebanon. Taking into account the concern that Members may have on this score, I rise to apprise the House of the current situation and our responses to the evolving situation, especially the efforts made by us to aid and assist Indian nationals who have become victims of the escalating crisis in Lebanon.

West Asia is our extended neighbourhood and tensions in that affect our security and our vital interest. We are seriously concerned about the escalation of the conflict between Israel and the Hezbollah extending across the Lebanon-Israel border. These developments have inflamed an already tense and delicate situation in the region.

On July 12, India had condemned the abduction of two Israeli soldiers by the Hezbollah cadres and called for their immediate release.

Simultaneously, we had condemned in the strongest possible terms the excessive and disproportionate military retaliation by Israel. We had particularly expressed concern that the actions of the Israeli Defence Forces had resulted in the killing and suffering of innocent civilians, including women and children that is likely to exacerbate an already tense situation. We also condemn the attacks that led to the deaths of four United Nations Observers in Lebanon.

India had also condemned the wholly unjustified arrest and continuing detention of Ministers of the Palestinian National Authority and members of the Palestinian Legislative Council. There can be no justification whatsoever for taking such action against the duly elected representatives of the Palestinian people.

The virtual destruction of a country which has been painfully rebuilt after two decades of civil war, can hardly be countenanced by any civilized state. In response to the appeal issued by the Government of Lebanon, I would like to inform the House that the Government of India has decided to contribute Rs. 10 crore to humanitarian and relief efforts to rebuild Lebanon.

In our view, there should be an immediate cease-fire so that the destruction of Lebanon is ended and humanitarian assistance could be provided. All sides must immediately halt the violence and give diplomacy a chance. Diplomacy to succeed should have a long-term solution that involves and addresses the legitimate concerns of all parties in the region, leading to a comprehensive and negotiated solution.

The safety and welfare of Indian nationals who were residents in that country has been our foremost concern. On 17 July, anticipating a further deterioration in the security situation, an advisory was issued to all Indian nationals, particularly those living in Southern Lebanon, to take suitable precautions regarding their personal safety. Consultations were initiated to work out solutions on how to facilitate the return of those of our nationals in Lebanon desirous of doing so. All Indian nationals have been advised to remain in contact with the Embassy of India in Beirut, who has been instructed to render necessary advice and updated information on the evolving situation.

Since Beirut airport remained closed and the land route between Beirut and Damascus was unsecured, it was felt that the best way to evacuate Indian nationals was through Beirut port. Four Indian Naval ships INS Mumbai, INS Brahmaputra, INS Betwa and INS Shakti which were in the Red Sea were redirected to Beirut to assist in the evacuation.

The first evacuation effort was undertaken on 21st July, 2006. 598 Indian nationals, and as a humanitarian gesture, nationals from Nepal, Lebanon and Sri Lanka, were evacuated by INS Mumbai from Beirut to Lamaca in Cyprus. From Lamaca, Air India arranged two aircraft to ferry the evacuated Indians to Mumbai and Chennai.

A second evacuation out of Beirut was undertaken on 24th July. This comprised 887 people including 784 Indians, 41 from Nepal, 57 from Sri Lanka and 5 Lebanese nationals. All Indian nationals, and nationals from Nepal and Sri Lanka were airlifted from Lamaca to India and have arrived safely. A third phase of evacuation was completed on 26th July bringing the total number of those evacuated to 1,870, including 1,687 Indian nationals.

It is our estimate that approximately 12,000 Indian nationals were in Lebanon at the time of the outbreak of hostilities. They are mostly

semi-skilled and unskilled workers who were working in farms and factories. Of these, a large number have not indicated their desire to leave Lebanon. Some of them appear to have decided to stay back, others may have been unable to reach Beirut because of the disruption in communications. We have so far received confirmation of the death of one Indian national in an air strike on a glass factory in Bekka valley.

Our Embassy continues to function in Beirut, and is in touch with various organisations and agencies with which Indian nationals were associated. For the time being, our naval vessels will continue to be in the region in case they are required to be used in the service of our nationals. Any further evacuations will be planned taking into account the ground situation in Lebanon.

We also have a contingent of 672 Indian officers and soldiers as part of the UN peace-keeping forces in Lebanon (UNFIL). Our peacekeepers are safe, though currently confined to their barracks.

I would like to place on record appreciation for the efforts of various Ministries, Departments and agencies of the Government for the swift and successful manner in which they have responded to the task of helping our fellow citizens in distress.

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**BACK NOTE**

**XXII. Statement Regarding Situation in Lebanon and evacuation of Indian Nationals 27 July, 2006**

**NIL**



## STATEMENT REGARDING INDO-US NUCLEAR AGREEMENT

**23 August, 2006**

Mr. Speaker, Sir, as I listened to the debate, I felt being proud to be an Indian. This debate has clearly shown that when it comes to safeguarding India's supreme national interests, there are no party differences. There are concerns, there can be worries, but the nation will speak with one voice in defence of its interests and that is the message that comes out loud and clear. Let me say that I take pride in that. But I also recognise that it casts on me a great responsibility that I should be worthy of this trust that the House has displayed in the motivation behind this deal.

Sir, I will take some time to spell out the big picture as I see it where India is in the world and where we ought to be moving and how we are going to move in that direction, I do recognise that we live in a world of unequal powers and those who are strong have always a tendency to twist the arms of others.

Sir, I recall that as a young boy, I once heard Man Singh who along with Netaji Subhash Chandra Bose was the founder of the INA. In a speech he said in Punjabi: Duniya Mardi Zoran Noon—Lakh Laanat Kamzoran Noon. The world worships the mighty and the powerful; the weak and feeble are always at the receiving end.

I do recognise that we can realise our destiny only by working hard, to become a major people of the evolving global economy. It is only then that India will acquire that respect, that credibility and that power which is our legitimate goal. After all, we are a country with great civilisational heritage, a country of one billion people with a freedom struggle which should be the envy of every country in the world. But all these wishes can be realised only if India emerges economically as a strong nation.

Today, there is a change in the mood of the world towards India. After the experiences of the last 50 to 60 years, the world today marvels that there is a country like India, a country of one billion people, a country in which you can find all great religions represented in its population mix, a country committed to the rule of law, a country committed to respect for all fundamental human freedoms. The world recognises today that there is no country in the world of India's size, of India's diversity, of

India's complexity seeking to social and economic salvation in the framework of an open society and an open economy. That is why there is such great interest.

Whenever a country emerges, those who are in power get worried. But whether you like it or not, I sense today a willingness in the rest of the world to help India to realise its inherent potential because in India's civilisational heritages, our people have never gone to other countries as conquerors. They have gone as traders, they have gone as preachers, they have gone as men and women of goodwill and the world respects us for that. That is what India is about. That is what Pandit Jawaharlal Nehru said on the eve of Independence when he said: "Our dreams are for India but they are not for India alone. They are dreams for the oppressed world as a whole." So, Sir, I would respectfully urge this august House to recognise the changed mood of the world towards India. This is not to say that power politics is a thing of the past; that there will never be any attempt to twist our arms. We will protect ourselves to ensure against the risks that are there. But it would be wrong for us not to take advantage of the opportunities that are now on the horizon. I sincerely believe that it is in the interest of our country to have good relations with all the major powers. I make no apology that we seek good relations with the United States. The United States is a pre-eminent power. But, for that matter, in the last two years that I have been the Prime Minister, we have made big efforts to come closer to Russia, to come closer to the European Union, to come closer to China, to come closer to the Arab world.

We had the privilege of welcoming His Majesty the King of Saudi Arabia as our honoured guest on Republic Day. When he went back, what did he say to me? He said: "Mr. Prime Minister, the world talks about energy shortage. As long as Saudi Arabia is there, you can take it that we will take care of your energy requirements." So, this may be a unipolar world. But we have operated in a manner which strengthen our linkages with all the big powers, with all our neighbours. We are seeking a new set of relationship with the Asian countries. Let me say that I also consider it our obligation to work hard to normalise, to expand and develop our relations with our neighbours including Pakistan, Sri Lanka, Nepal and Bangladesh. We will remain committed to that. That is our civilisational heritage. That is the meaning of our freedom struggle as I understand.

The second thing that I do wish to say is this. I was born in a village where there was no electricity. I never saw any electricity until I went to study in the neighbouring tehsil headquarters. Our women in rural homes use wood. They spoil their eye-sight in the process. Development will remain a mirage for millions and millions of our people unless we change that picture.

In the old days, whenever one went to the old Soviet Union, it used to be written boldly everywhere that socialism is Soviets plus electricity. The Soviets may have disappeared, but the role of electricity in modernisation and in expansion of economic and social opportunities for the people is a reality and, therefore, if India's struggle for its economic and social development is to succeed, we need ever-increasing amounts of energy.

There are two types of things which are at work today which determine the demand for energy in our country. First is the normal growth process. As growth takes place, commercial energy demand increases roughly at the same rate, if not more than the rate of growth of national income. But in our country, there is the other revolution and that is the modernisation of our rural economy and the replacement of non-commercial energy, like firewood and other non-commercial sources of energy, by commercial energy. So, history tells us that in the process of development, if our economy is to grow at the rate of 8 to 10 per cent, our demand for commercial energy will probably increase at the minimum at the same rate or probably even more.

Sir, questions have been raised whether we need nuclear power. I think Shri Suresh Prabhu knows this area as nobody else does. There have been important studies. I am not claiming that nuclear energy is the only way out for meeting the demand for energy in our country. We have important reserves of coal, we must exploit them. But as I look at the demand for energy, our coal reserves would be exhausted in about 45 years. We have sizeable amount of hydel resources, but they are in distant areas and we all know the type of problems that arise when you make use of hydro potential like resettlement cost, relief operation and also, I think, the costs associated with the risks arising out of being in unsafe seismic zones.

We, now, know, at least, that there is an uncertain future for hydrocarbons. There is uncertainty about supplies, there is uncertainty

about prices. The price of oil has increased from less than \$ 30 per barrel two years ago to \$ 75 per barrel and there are many people who tell me that, probably in a very short period of time, it will increase to \$ 100 per barrel. We are short of hydrocarbons. We consume about 110 million tonnes of oil. We produce only 30 million tonnes. We have not increased our oil production in the last 10-15 years. In this environment, if India's development is not to be frustrated by the shortage of energy, I think, it is incumbent on any Government to think of widening its options with regard to the supply of energy. All that I am saying as to why we need a nuclear deal is that we must ensure that the development of our economy will not be hampered by lack of adequate commercial energy. I am, therefore, seeking to enlarge the energy options that are available to our country. We must utilise those options even if what I am saying about the future of hydrocarbons does not materialise. But it would be imprudent on the part of the Government not to make use of opportunities to widen development options, to widen the energy options. This is the reason why we through it is necessary to look around if this ambition of ours can be satisfied.

We are short of uranium. Our uranium is also relatively high cost compared to the cost of production in the rest of the world. The available estimates as of now are that we have uranium only for the production of nuclear energy equal to 10,000 MW and that too for a period of only 30 years. I believe, we must take a long-term view of our future possibilities.

If that is the picture, if there are international trading opportunities to increase the availability of uranium for us, if there are opportunities through international trade to promote a mutually beneficial exchange of technologies, that will help India's ambitions to emerge as a major pole of the evolving global economy we should exploit these opportunities. That is the vision which inspires us to look for opportunities, to remove this nuclear apartheid regime which has stifled the growth of India's nuclear power for the last three decades or more.

Mr. Speaker Sir, hon. Gen. Khanduri quoted to me what I had said in the other House that India's nuclear programme began with emphasis on nuclear energy, and that Defence came later. That, I believe, is a correct statement. If you read Panditji's statements, if you read Dr. Bhabha's statement,

I think, our emphasis, by and large, has always been on peaceful uses of atomic energy. That is the reason why as early as 1960, India championed the cause of a comprehensive test ban in United Nations Fora. We remain committed to the vision of Rajiv Gandhi for a nuclear free world.

It must be said of the vision of Pandit Jawaharlal Nehru, of Indira Gandhi, of Rajiv Gandhi that they were idealists, but they also recognised that we live in a very uncertain world. We do not control our environment and who can today say that they were not wise men and women. In the uncertain world that we live in, in a world of unequal power, the nuclear weapons are a reality. This country must keep its strategic option and that is why India's programme for strategic assets, nuclear assets was a precious heritage which came to this country, thanks to the efforts of Pandit Jawaharlal Nehru, Indira Gandhi and Rajiv Gandhi.

You have my assurance, Sir, that we will do nothing to hurt this national heritage as long we will work steadfastly for universal, nuclear disarmament. But until, I know that the day is not going to come tomorrow, day after but hopefully some day it will materialise. But until then we cannot give up this strategic option. I assure you and through you, Sir, the House and the country that there is nothing in this nuclear deal which will hurt the strategic autonomy that this country must have with regard to the management of its nuclear weapons programme.

Sir, a number of issues have been raised and I do not think, it would be proper for me to go one by one, the ground which I covered in the other House, but some broad concerns, which have figured in the debate here, I will take them on board. The first one is the autonomy of our foreign policy. I wish to assure you, Sir—as I said a few moments ago—that this nuclear deal is not a device to be a subservient to any country whether it is United States or any other country. We have a proud heritage, a heritage from our freedom struggle. Mahatma Gandhi said once: "I want to build in this country a house open on all four sides so that winds of change may blow in from each and every direction. But, I refuse to be blown off my feet by any one influence. I must have the courage and the ability to stand on my own feet." That is the motivation, that is the inspiration for our foreign policy.

Reference has been made to a particular vote on Iran. We have civilizational ties and links with Iran as we have with the Arab world. We will work hard to strengthen those civilizational and cultural links, give them a new orientation, strengthen our economic links. And the gas pipeline project is a part of that process. We will work to make it a reality. But, that particular vote was in the context of one particular thing that we had to determine, and that is—the international community asked this question—Iran is a signatory to the NPT. Therefore, our view is that it must enjoy all the rights it has as a member of the NPT; it must also honour all the obligations that go with the members of NPT, nothing more and nothing less. Fortunately, things have moved in this direction. Right from the beginning, whether it is in the International Atomic Energy Agency or in the United Nations, we have consistently taken a view that this is not a matter to be resolved by coercive methods; debate, dialogue and discussion is the answer. I am glad, for example that things are moving in that direction. The Iranian Government, for example, have responded constructively to various proposals made by the P-5. And I sincerely hope that this will promote a constructive dialogue among all the interested parties. The problems relating to Iran's nuclear programme can be resolved without exercise of coercive elements which we do not approve of.

Further, Sir, our record in the last two years is an open record. We have made efforts to promote good relations with China. I am very happy that last year Premier Wen came here; this year we are hoping to welcome the President of China, President Hu Jintao. The Prime Minister of Japan, Mr. Koizumi came here last year. Russian President Putin came here. Our relations with Russia, our relations with China, our relations with Japan, our relations with the European Union, and with ASEAN countries have taken a turn for the better. So, the House has my assurance that independence of our foreign policy and making it subservient only to our national interest will be ensured by us.

A number of questions have been raised with regard to our fast breeder programme. The House has my assurance that the prototype fast breeder programme, that is under way now, will be totally kept out of the purview of any surveillance by any agency.

If, in future, our programme develops and if we produce civilian fast breeders, we will then decide whether to designate them as civilian or military. So long as they are military, there is no question of putting them under any safeguard. So, I give my assurance that nothing will be done to impinge on the autonomy of the fast breeder programme.

A reference has been made about the three-stage nuclear fuel cycle, whether we have given any commitment or is there anything in this deal which will hurt the growth of thorium as a fuel of the future. There is nothing of that sort contemplated. I do not know where this idea came from. I saw this in *The Hindu* yesterday but as far as I know, there is nothing in this deal which says that we will give up the three-tier fuel cycle. The programme to pursue research in thorium-related technology will not be compromised.

Sir, Gen. Khanduri has asked me about the veracity of certain statements made by one particular American diplomat. I am sorry, I am not able to comment on what he said or what he did not say. He did not confide in me before he went on the television channel. Therefore, I am not able to enlighten as to what did this particular gentleman mean. But I can assure you, I believe if we stick by the July 18th Statement, we have got a very good deal, a deal which I have been told was the ambition of the previous Government to negotiate but which they were not able to negotiate.

The question is, what is our status? Are we going to be regarded as a nuclear weapons State? Let me be very clear. A nuclear weapon State has a particular connotation. Since NPT cannot be negotiated until the whole Treaty can be re-negotiated, I think, it will be wrong on my part to say that we have been given the status of nuclear weapons State, and that fact was reflected in the July 18th Statement. It does not talk of India as a nuclear weapons State. It talks of India as a country with advanced nuclear technology, which should enjoy all the rights and obligations which countries similarly placed enjoy. It will be so because the safeguards agreement that we will sign with the International Atomic Energy Agency will not be the safeguards agreement signed by all other non nuclear weapons States. It will be a safeguards agreement unique to India because India's position is unique. We do not fall into the category of non-nuclear weapons State. The July 18th

Statement recognizes clearly and unambiguously that India has a strategic programme, India has a military programme, and that programme is totally out of the preview of any international inspections of any kind.

Sir, questions have been raised. Please forgive me, Sir. I am just searching the relevant papers.

Sir, a question was asked about the position on moratorium on production of fissile material and what we have agreed to. We have not agreed to any moratorium on the production of fissile material. All that we have agreed to is the same thing, which the previous Government had agreed to, that we will work towards a multilaterally negotiated and internationally verifiable treaty in this regard. Until that, there is no question of accepting any limit on the production of fissile material.

Sir, a question had been raised about the separation and how costly it will be. Some figures had been mentioned by some hon. Members stating 40 billion dollars, as the cost of separation. I do not know where this cost estimate originates. Doubts had also been raised about our accepting the separation of civil and military and nuclear facilities since Nuclear Weapon States do not accept such separation and retain the right to withdraw safeguards from their nuclear facilities. In our case, the July 2005 Statement acknowledges that India should be regarded as a State with advanced nuclear technology enjoying the same benefits and advantages as other States with nuclear technology, such as the United States. The July Statement did not refer to India as a Nuclear Weapon State as this has a particular connotation in the NPT. The July Statement, however, explicitly acknowledges the existence of India's military nuclear facility. This meant that India would not attract full scope safeguard such as those that apply to the Non-Nuclear Weapon States that are signatories to the NPT, and there would be no curb on continuation of India's nuclear weapon related activities.

In these important respects, India would be very much on par with the five Nuclear Weapon States, who are signatories to the NPT. The Separation Plan provides for India Specific Safeguards Agreement with the International Atomic Energy Agency, with assurances of uninterrupted supply of fuels to reactors together with India's right to take corrective measures, in the event fuel supplies are interrupted. There is no question of separate agreement in this regard with the United States.

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Sir, as far as I know, we have taken all precautions in working out the Separation Plan. Whatever costs are there, they are within the realm of practical economics and political calculations. This 40 billion dollar figure, I think, is totally misleading. I do not know what is the basis of that.

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Well, I cannot divulge this, I think, at this stage. But there are no unacceptable additional financial burdens, which are being placed on our nuclear programme as a result of dividing our programmes between a civilian and a military programme. I do believe that it is a good thing for our country for the future growth of both our civilian programme and our military programme, that this wall should exist. We have, for example, DRDO, which deals with the missile programme.

We have the Space Department which deals with peaceful uses of space technology, and I do believe it has created greater cost consciousness. It has created greater sense of accountability and the same will apply as a result of the two programmes being kept separate. I am satisfied insofar as I have been told that the financial costs of the operations are not, I think, anywhere near the figures which are being quoted.

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As of now, this is something which can be taken care of by the normal programmes of the Department of Atomic Energy.

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Questions had been raised about the CIRUS and APSARA reactors. This has been raised in both the Houses. I think Shri Yashwant Sinha raised it in the other House as to why the CIRUS experimental reactor and the Fuel Core of the APSARA have been included in the Separation Plan and whether this will not result in a decline in the fissile material availability for our strategic programme. That is the question. In my statement on March 7, 2006, I had explained the rationale why India had agreed to those provisions in the Separation Plan. The CIRUS reactor will be permanently shut down in 2010. The Fuel Core of APSARA was purchased from France and we have indicated our willingness to shift it from the present location and make it available for placing under safeguards in 2010. CIRUS and APSARA are

located in the Bhabha Atomic Energy Centre and we do not want Bhabha Atomic Energy Centre to be subject to any of these safeguards. That is the reason.

Therefore, we have decided to take these steps rather than allow intrusive inspections of nuclear facilities of high national security importance. I would like to assure the hon. Members that these steps do not impact at all on the needs of our strategic programme nor will they hinder on going research and development. If and when required, we have the full freedom to build new facilities to cater to our national requirements.

Questions have also been raised about the detonation of nuclear tests in the future. Sir, we have made it quite clear to the United States that India is not willing to give any commitment about the future tests. All that we are willing to state—and that is the position which was also stated by the previous Government—is 'unilateral moratorium on nuclear tests'.

Now the question arises, what happens if our national security considerations require us to have it? Who can contemplate all the possibilities in the future? I think in that case, we will, of course, have the sovereign right to take whatever measures we can to protect our interests. But I cannot accept.

So, I have stated the position. We are not willing to have it in the Treaty or the Agreement that we will sign. We are not in favour of having a bilateral CTBT. I think that position has been unambiguously made clear to the United States.

About the American inspectors, I have explained that all that we will sign with the International Atomic Energy Agency is an India-specific safeguards agreement and there is no question of American inspectors roaming about our nuclear facilities.

On shifting of goalposts, I stated in the other House that no legislature of a foreign country can bind our country. The sole consideration for us will be our own perceptions of our national interest. But, by the same logic, I cannot prevent the US Congress in its deliberations. Now, if the outcome of these deliberations is a piece of legislation which introduces some extraneous element not envisaged in the July 18 statement, not envisaged in

the March separation plan statement, then, of course, we will draw appropriate conclusions. But, I sincerely hope that that stage will not come. I have personally conveyed all our concerns, the concerns which I mentioned in detail in the other House. I could go on explaining them. But, I think that will take unduly long time. All these concerns have been raised with the United States Government both at the official level and at my level. President Bush has assured me that it is not his intention to change the goalposts which were agreed to in the Joint Statement of July 18.

The Congressional process is still not complete. I cannot predict which way it will go. But if it goes in the direction in which it hurts us or which introduces extraneous considerations into this matter, we will draw the appropriate conclusion. The House can be rest assured that we will do nothing which will compromise the integrity of our strategic programme. There is no scope for capping of our strategic programme. The decision about the future of our strategic programme will be determined by the people, by the Government, by this Parliament and no outside power will have any influence in this regard.

I believe, Sir, I have covered most of the points. With these words I once again thank the hon. Members. I think this debate has been characterised by a common assertion of national will. I thank all the hon. Members. I thank Khanduriji because when Members of his Party spoke in the other House they said that they disown even the July 18 Statement. But when I heard hon. Members on the other side today, I was encouraged to believe that it is still not too late to work for a broad national consensus. I will work in that direction. It is very important that the whole country should speak with one voice when it comes to a matter as important as is sought to be covered by the nuclear deal.

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It is quite right. I am not an expert in nuclear matters. I think, there is a question mark about inter-changeability because we do not have the status of a nuclear weapons State, but there is other feature that we are free to build new reactors and new facilities. It is our prerogative whether we want to call them civilian or military. So, India's options are not being limited.

## BACK NOTE

### XXIII. Statement Regarding Indo-US Nuclear Agreement

23 August, 2006

1. MAJ. GEN. (RETD.) B.C. KHANDURI: Sir, what about the cost of separation?
2. MAJ. GEN. (RETD.) B.C. KHANDURI: What is the exact calculation?
3. PROF. VIJAY KUMAR MALHOTRA: It is 40 million. What is the estimate?
4. PROF. VIJAY KUMAR MALHOTRA: What is the estimate? This is something which is very important. He is making a statement.

THE MINISTER OF SCIENCE AND TECHNOLOGY AND MINISTER OF EARTH SCIENCES (SHRI KAPIL SIBAL): Did Mr. Jaswant Singh take it up with Strobe Talbott?

MR. SPEAKER: No, forget about that. Mr. Malhotra, you have raised a question. The hon. Prime Minister said, we shall be able to provide for that.

MR. SPEAKER: All these details cannot be discussed.

MR. SPEAKER: You are entitled to.

5. PROF. VIJAY KUMAR MALHOTRA: Sir, with all the assurances that the hon. Prime Minister has given to this House and to the country, does he think that the deal will go through and if it does not go through what happens?

MR. SPEAKER: He has said that if any legislation is passed which is not acceptable, it will not go through. He has said that.

SHRI BASU DEB ACHARIA: Sir, he has said that it will not be acceptable. Then what will happen to the deal? We ask this question.

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI PRIYA RANJAN DASMUNSI): When it happens, then we will consider it.

SHRI KINJARAPU YERRANNAIDU (Srikakulam): Sir, after the

negotiations between the hon. Prime Minister and President George Bush, if the US Congress has modified our Agreement and tomorrow if they pass that draft law as it is, then it will be violation of our 18th July Agreement.

MR. SPEAKER: He has said that.

SHRI KINJARAPU YERRANNAIDU: To scrap those conditions in future will be a big problem for India. If that situation arises, what will be the stand of India ?

MR. SPEAKER: He has thrice touched upon that point. You have not listened to it carefully.

SHRI VIJAYENDRA PAL SINGH: Sir, we have been satisfied to a greater extent. But the only question that is not answered by the hon. Prime Minister is this.

MR. SPEAKER: Not Machiavellian.

SHRI VIJAYENDRA PAL SINGH: It is about the inter-changeability of our military plans and the nuclear atomic plants and the nuclear civilian plants. Can there be a shift because if we are at par with the countries which have signed NPT, as you had mentioned, those countries have that right to change ? Is that a possibility here ? Or, have you thought about the inter-changeability ? We are also supporting this in many ways.

**STATEMENT REGARDING CIVIL NUCLEAR  
ENERGY COOPERATION WITH  
THE UNITED STATES**

**18 December, 2006**

Mr. Speaker, Sir, I am grateful for this opportunity to intervene in this debate on an issue of high national importance. I pay my tribute to Members who have participated in these discussions. This debate does credit to our democratic ethos and principles. The Hon. Leader of the Opposition has tried to paint a scary picture, which has no relation with the facts of the matter. In process, he has sought also to divide the UPA alliance in the expectation that perhaps he may succeed in toppling this Government. I can assure Shri Advani that he will have to wait for a very-very long time. In any case, he will have to seek the permission of Shri Atal Bihari Vajpayee.

Mr. Speaker, Sir, in this debate, there are certain basic issues. What is it that we are trying to seek in this Civilian Nuclear Cooperation with the United States and other members of the international community. I would like to emphasize that this is programme about Civilian Nuclear Cooperation. We have never discussed with the United States or anybody else about the content and scope of our strategic programme and I gave assurance the House before, and I repeat the assurance that our strategic programme will respond to our own decisions and will not be subjected to any international scrutiny of any country. I have also assured the House before that in going forward with this programme of Civilian Nuclear Cooperation, we will do nothing which will hurt the ability of our Department of Atomic Energy to pursue research and development; to pursue the development of Fast Breeder Reactors; and to pursue the complete three stage cycle programme from Uranium to Plutonium to Thorium. I can assure the House that I stand by that commitment.

Then, the question arises: why all this turmoil? It is certainly true that the Act that has been passed by the United States Congress has several features which are in our favour. The fact that the United States Government has gone to the US Congress to seek a waiver for India speaks volumes for India's recognition in the world community as a power to be reckoned with.

There are elements in the Act which we welcome and there are other

elements which cause us concern. The United States Administration has assured us that they will be able to fully comply with their commitments as outlined in the July 18 Statement and the March 2 Separation Plan but whether this thing materializes or not will depend much upon the content of the 123 Bilateral Cooperation Agreement which we have to negotiate with the United States Government. I believe you can judge us from the content of that Agreement when the time comes. But right now, quite frankly, it is premature to pass the type of verdict that the Leader of the Opposition has sought to do.

Our primary concern has been the lifting of international restriction on international trade with India in nuclear materials, nuclear equipment, and nuclear technologies which has lasted for nearly 35 years. Our nuclear scientists have done us proud but it is also a fact that the nuclear programme which Dr. Bhabha had envisaged was intended to generate immense power. That objective has not been realized. I was a member of the Atomic Energy Commission and it was in the seventies that we had laid down the objective of 10,000 megawatts capacity. We are in the year 2006 and entering 2007. Our total capacity is only about 3600 megawatt. I am not saying that nuclear power is a panacea for all our ills on the energy front but the purpose of government intervention in the nations affairs must be to widen development options. I do believe that if you have access to international trade in nuclear technologies and equipment then it will widen our development options with regard to our energy supplies. That is the primary objective that we seek and that is the primary objective by which we should be judged. At the same time, of course, if, in the process we make compromises which hurt our national interest, if in the process we make compromises, commitments which interfere with the pursuit of our national interest or the independence of our national foreign policy, the House can take legitimate exception and I would be the last one to plead to the House that we should live with an arrangement where India's foreign policy is made in Washington or any other place.

Therefore, I do believe that a sense of proportion is necessary in dealing with a sensitive matter which has a vital bearing on not only the future of development in our country but the future of our relations with major powers in the world.

I was in Japan three days ago and the amount of enthusiasm about India's development prospects that I found in the Japanese government, in Japanese Industry and trade, I have never seen before. I say with humility that it is partly the result of the recognition that has come our way. Despite the fact that we were till yesterday a pariah in the nuclear world, today we have acquired a place in the nuclear order which protects our essential interests. We must not, therefore, ignore the transformation that has come about in the world's view of India in the process of these nuclear negotiations.

Sir, as I was saying, the first important stage to cross was the waiver that has been granted by the US Congress to the US President. Despite the fact that we have a nuclear weapons programme the US is willing to co-operate with us in the development of our civilian nuclear capacities. That, itself I think, is a great advantage. We may not be considered a nuclear weapon state in the sense of the term in which the term is defined in the NPT. However, for all practical purposes we are being treated as such and this is a recognition which has come from the US. Russia, France, United Kingdom and many other countries are willing to recognize the reality that India is a nuclear weapon State. That this nuclear weapon programme will not be subjected to any extraneous, intrusive supervision or monitoring is a commitment which I gave on many occasions and I repeat that assurance. An important stage has been reached in the process of civil nuclear co-operation with the United State with the Passage of legislation by the US Congress with substantial bipartisan support. Shri Advani ridiculed that bipartisan support. I do not minimize its importance.

Shri Advani's Government was negotiating in secret with Mr. Strobe Talbott for umpteen number of months. They never had the courage to tell Parliament what they were negotiating. I have at every stage taken Parliament into confidence. After July 18, 2005 after March 2, 2006 and at every stage Parliament has been fully kept in the picture. This was not the case with the NDA. We do not know till this day what is it that Shri Jaswant Singh discussed with Strobe Talbott. We had to find out from Strobe Talbott's book that there was a promise to deliver India's signature on the CTBT by a particular date. If my friends in the NDA value the words of Mr. Strobe Talbott more than mine, he was shown on channel — a few days ago saying



that he was opposed to this deal with India because it gave India too much. He said that if India were now to say that we reject it, then, he said, that would not be in India's interest. But what is in India's interest is not something to be determined by Mr. Talbott. It has to be determined by this Parliament and this Government and we will not do anything behind the back of our country. We will keep the country fully informed of all these matters.

What has been passed basically is an enabling law in pursuance of the undertakings of the United States in the July Joint Statement that it would seek to adjust US laws and policies to achieve full civil nuclear cooperation with India. This Act is necessary for the United States to resume civil nuclear cooperation with India and is also an important step leading to the lifting of international restrictions currently applicable to India.

Let me say that we appreciate the efforts made by the US Administration and the bipartisan support in the US Congress which led to the passage of this legislation. This law has several positive features which take into account our concerns. However, I will be the last one to deny that there are areas which continue to be a cause for concern and we will need to discuss them with the US Administration before the bilateral cooperation agreement can be finalized.

What has been done enables the US Administration to enter into negotiations with us. The negotiations with India have yet to begin and the House has my assurance that the promises and the commitments I made in the House on earlier occasions, will form the basis of our guidelines for these negotiations.

Sir, the passage of the legislation enables the US Administration to follow up on another commitment made by the US in the July 18 Joint Statement, namely, approaching its international partners, particularly in the Nuclear Suppliers Group to lift restrictions to allow civil nuclear cooperation with India. We will seek to ensure that the Nuclear Suppliers Group takes action to permit full civil nuclear cooperation with India in terms acceptable to us.

India is interested in long-term, stable and predictable cooperation in civil nuclear energy with the United States and other members of the

International community. Such a partnership with the United States can be facilitated if the legislation — its scope, content and implementation—were to strengthen the hands of the Administration to fulfil all the commitments agreed to by the US in the July 18 Joint Statement and the March 2 Separation Plan. On the other hand, this objective can be hindered by extraneous issues that were not part of the understandings in the July 18 Joint Statement and the March 2 Separation Plan. India will find it difficult to and cannot accept any conditions over and above those already agreed to in the understandings with the US. I have mentioned it earlier also.

Our strategic programme was outside the discussions that led to the July 18 Joint Statement. There was no discussion on our strategic programme, in the talks which culminated in the March 2 understandings. Our strategic programme will not be subject to external scrutiny or programme, in the talks which culminated in the March 2 understandings. Our strategic interference of any kind. So, Shri Advani does not have to worry about the future of the nuclear programme.

Safeguarding the autonomy of the strategic programme is a solemn duty of this Government. Nothing will be done that may compromise, dilute or cast a shadow on India's full autonomy in the management of its security and national interests. I repeat that no legislation of a foreign country can take away from us our sovereign right to conduct foreign relations, be it with Iran or with other countries, solely in accordance with our national interest.

The US, for its part has assured us that the legislation, as passed by the US Congress, will enable it to fulfil all its commitments *vis-a-vis* the July 18 Joint Statement and the March 2 Separation Plan. We feel clarifications are necessary because there are areas in the Act which cause us concern. Therefore, clarifications are necessary and will be sought from the US on how this will be done.

International negotiations are a complex process. We recognize that the outcomes are not entirely predictable nor always under our control but I do affirm that compromises, if any, cannot violate basic principles. I believe that any calculation of risks and opportunities will need to be done in a reasoned and transparent manner but evidently we cannot agree to

anything that is not consistent with our vital national interests, including protecting the autonomy of our strategic programme, maintaining the integrity of the three-stage nuclear power programme and safeguarding indigenous R&D, including the Fast Breeder Programme. This will be our underlying approach—and here I am replying to Shri Rupchand Pal—when we negotiate the bilateral 123 Agreement, which will form the basis of our civil nuclear cooperation.

Looking back, though the July 18 Joint Statement and the March 2 Separation Plan involved complex issues, I believe, we were able to achieve outcomes that in no way compromised India's interests. In fact, there was wide public support when the issues were fully explained. This has been made possible using innovative and creative approaches to these complex issues. There is, I believe, a large measure of support within the country in favour of breaking out of our isolation, and for joining the International mainstream in a manner that secures for India full civil nuclear cooperation with the International community while protecting our strategic programme, maintaining the integrity of our three-stage programme and indigenous R&D. This is the objective set out as far as the bilateral nuclear agreement is concerned.

Parliament has my solemn assurance that while the Government will make every effort so that the vision of the July statement becomes a reality, this objective will not be achieved at the cost of our vital national interests. Clearly, difficult negotiations lie ahead. Our broad approach and expectations of these negotiations are a matter of public record. My August 17th, 2006 Statement, dwelt at length on how India perceives the implementation of the July statement and the March Separation Plan. I stand by the commitments that I have made to Parliament.

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**BACK NOTE**

**XXIV. Statement regarding Civil Nuclear Energy Cooperation with  
the United States 18 December, 2006**

**NIL**

## REPLY ON MOTION OF THANKS ON THE PRESIDENT'S ADDRESS

8 March, 2007

Mr. Speaker, Sir, I join all the hon. Members of this House in expressing our gratitude to the respected Rashtrapatiiji for his inspiring Address which sets out the broad strategies, policies and programmes of our Government, the challenges that we face and the manner in which these challenges that we face can be converted into opportunities to build a new India, which has an inclusive growth process, which helps to integrate all regions of our country, all sections of our community, a growth process which will enable us to pursue a path which integrates our country, unites our people and does not divide them on various grounds.

Sir, our primary concern, as a nation, is to work steadfastly for the removal of mass poverty, ignorance and disease which still afflicts millions and millions of people in our country. Considerable progress has been made to soften the harsh edges of extreme poverty. But we have a long journey ahead of us and the primary concern of our Government, whether in dealing with internal matters or external matters, is to widen the opportunities for the progress of an inclusive growth process which will make all sections of our community effective partners in the process of development.

I have always believed and I have had an opportunity to express these views before, that the problems of mass poverty, ignorance and disease which afflict large segments of our population can best be dealt with only in the framework of a rapidly expanding economy. I say with some satisfaction that in the three years that our Government has been in office, we have set in motion a growth process which promises that in the years to come, if we remain faithful and steadfast in the pursuit of this inclusive growth process, we will be able to make a significant dent on problems of poverty and unemployment.

Our economy in the last three years that our Government has been in office has grown at an average annual rate of 8.3 per cent per annum. This year, the growth rate will probably exceed 9 per cent. We have, for the first time in our history, managed to raise our investment rate to 34 per

cent of our GDP. We have managed to raise our savings rate close to 32 per cent of our GDP.

Everybody knows that the demographic profile, the proportion of people belonging to the working age is rising in the next 10 to 15 years, If we can find productive job opportunities for this youthful population, that will further boost the rate of savings, the rate of investment and our ability to deal with problems of poverty and mass deprivation.

Having said that, I would like to emphasise that while growth is a necessary condition for tackling the enormous social and economic problems that our country faces. But it is not a sufficient condition. Therefore, we need to pursue a purposeful strategy which will ensure that the growth process benefits all sections of our population; that our farmers see the benefits of growth; that our policies and programmes should be such as to improve the productivity of our agriculture; that our policies and programmes should reduce the regional disparities which characterised our past development profile and that the processes of growth must give a particular ray of hope to the disadvantaged sections—whether they are Scheduled Castes, Scheduled Tribes, Other Backward Classes, minorities, to our women and our children. These are the concerns which should not divide this House. These are concerns which should unite ail sections of our population.

When I listened to the debate, I was encouraged by the fact that despite our party differences, there is a broad agreement in this House that we should move in a particular direction, that we must also pay attention to the fact that growth processes must benefit all; that the needs of agriculture and the needs of our farmers must be attended to on a priority basis, that in the process of growth, if inflation becomes a problem and it brings agony and hardship for the poorer sections of our society, that also has to be dealt with on a priority basis.

Sir, I assure you, that precisely is the concern that I have, that our Government has and we will remain steadfast in pursuing the path of inclusive growth. What do I mean by Inclusive growth? Pandit Jawaharlal Nehru defined the broad contours of economic policy for our country. Panditji used to say, agriculture cannot wait and he was right. But he also

taught us that the destiny of a country as large and as diverse as India lies in aggressive industrialization of our economy. This does not mean that we should not pay attention to improving agricultural productivity. But we have to recognize that in a country like ours where the average size of landholding is so small; there are limitations to what you can do to improve agricultural productivity. The long-term solution to that problem has to be to take people away from agriculture, to manufacturing, to services and to other non-agricultural pursuits and it is in this context the industrialization of our country, creating an environment in which industry can create lot more jobs than before, becomes relevant. It is this concern that unites the people of this country.

I know there are issues which cause concern to this House, whether a particular process of industrialization is leading to loss of availability of land at a pace which has undesirable consequences. Those concerns have to be taken on board. But I do sincerely believe that my friend Budhadeb Bhattacharjee is right when he says that the time has come in this country to work steadfastly to rapidly industrialize its economy. Therefore, I draw satisfaction from the fact, from the debate that has taken place, that despite party differences, our country is united about the direction in which we are moving.

Sir, Advaniji and many other hon. Members referred to the problems of agriculture. I do admit that the pace of progress in agriculture in recent years has not been adequate. It falls far short of what we need and we should do a lot more to accelerate the growth of our agriculture, growth of agricultural production and growth of agricultural productivity. How are we going to do it?

Sir, we need to place greater emphasis on the expansion of the area under irrigation. Irrigation is a priority concern of our programme of Bharat Nirman. This will also be an important focus of the 11th Five Year Plan which is going to be launched from next month.

Sir, we need a technological breakthrough to improve the productivity of dry land agriculture. The recently established National Rainfed Area Authority will attend to this task on a priority basis. The need for rapid expansion of institutional credit for our agriculture will be attended to with determination. I recognize that in some parts of our country,

indebtedness of farmers constitutes a major burden. We have appointed an Expert Group under Dr. Radhakrishnan to look into this matter. We shall process this report speedily as soon as it is received.

Sir, the modernization of agricultural research and extension service will receive priority attention. Districts characterized by agricultural distress have been identified. Area specific strategies have been put in place to deal with the problems of these districts. In addition, all these districts will now be covered by the National Rural Employment Guarantee Programme which will provide a valuable social safety net for the rural poor and the deprived sections of our rural population.

Sir, as the House knows, this programme will now cover 330 districts and in the Eleventh Plan, our intention is to cover all the rural districts of our country. In addition, the Bharat Nirman, a Programme designed to develop rural infrastructure with emphasis on irrigation, rural roads, rural electrification, safe drinking water and rural housing will also make a major contribution to improving the quality of rural infrastructure. The Backward Regions Grants Fund will also focus on improving the quality of rural infrastructure in backward districts. My own feeling is that if the programmes that we have identified are well implemented, they will make a handsome contribution to softening the harsh edges of extreme poverty. A great responsibility rests on State Governments as well as on the Central Government in improving the quality of governance and to plug loopholes in the effective implementation of these programmes.

Sir, I wish to assure this House that our Government takes very seriously the challenge of near stagnation in our agricultural production in the months that lie ahead. We will work steadfastly to identify the problems as they vary from one part of our country to another. I have asked the Planning Commission to work out area specific regional plans for the development of our agriculture. We are going to call a meeting of the National Development Council specially to focus on the problems of agriculture and what needs to be done to revitalize our rural economy.

Sir, several Members have expressed concern about the rise in prices. I do share their concern. But Sir, I am convinced that the measures that we have put in place, both on the demand side and supply side, will help us to moderate inflationary pressures in months to come. Already there are indications that the rate of inflation has declined by nearly one percentage



point in the last two weeks. Those figures are available.

However, I would like the House to appreciate that we are trying to curb inflationary pressures without adversely affecting the strong growth impulses which now characterize our economy. Supply side shortages can be relieved through imports, but our effort has been to bring in these imports without affecting the profitability of domestic agriculture. Also international prices of wheat, maize and vegetable oils have gone up, partly due to crop shortfall and partly because of increased demand for use in production of bio-fuel all over the world. Thus it becomes difficult to control domestic prices when international prices of both petroleum products and foodgrains are experiencing a rising trend.

However, the monetary measures taken by the Reserve Bank to moderate growth of money supply, the measures announced by the Finance Minister to reduce customs duties on essential commodities and arrangements being made to augment domestic supplies through Imports will, I am convinced, have the desired affect.

In the medium term, of course, we must evolve a more effective strategy to increase production of foodgrains, vegetable oils and pulses, and this will be a priority concern of our Government during the Eleventh Five Year Plan. As I have already mentioned, I am asking the Ministry of Agriculture and the Planning Commission to prepare region-wise plans for revitalizing our agricultural economy. These plans will be discussed at a meeting of the National Development Council which is being called specifically to discuss the problems of revitalizing our agriculture.

Sir, I do not want to go into the details of problems that have arisen with regard to the management of our nation's water resources. All that I can say is that the management of our water resources and putting in place viable and effective arrangements for the resolution of inter-State disputes is critical for sustained development in years to come. I call upon all the political parties to treat water as a national resource and not an issue which should divide our people. We should all work together in a spirit of national unity and harmony to resolve these issues.

Advaniji criticized the Government for not paying adequate attention to internal security. The hon. Leader of the Opposition, Advaniji, commented that the President's Address has not paid enough attention to it. He may have been satisfied with more words, but let me assure him that in terms of

real hard work on the ground, our Government and our Home Ministry have a better track record to show than that of the previous Government. Be it the North-Eastern Region, be it Jammu and Kashmir or be it the naxalite-affected districts, the overall internal security situation today is far better than what we saw during the previous Government. Even when we have had terrorist incidents like the ones we saw during the NDA rule, we have not had a breakdown of law and order and an upsurge of communal violence of the type we saw in Gujarat. Compare the violence after the Godhra incident in Gujarat to the situation in Maharashtra after last year's Mumbai blasts.

Mr. Speaker, Sir, I agree that we could have waxed eloquent through the President's Address about all the work being done to minimize the loss to human lives after such ghastly terrorist acts. That would have added several paragraphs to the speech. Let me take this opportunity to compliment our security and police forces for the exemplary manner in which they handled the situation, be it in Mumbai, be it in Malegaon, be it in Assam or be it in Nagpur, where a plan to attack the RRS headquarters was foiled. More importantly, our Government ensured that there was no communal violence as a consequence of such terrorist attacks. Rather, in Mumbai, we saw people coming out in thousands to stand up for peace and communal amity.

Sir, we have been working in tandem with State Governments to tackle threats to internal security. I do not wish to minimize any of these threats whether they be from terrorist elements or naxalite elements. I myself have held a conference with Chief Ministers on this important matter and committed Central support to any action by State Governments to improve their security situation.

As far as naxalism goes—and this is the most widespread internal security threat as seen in the recent shooting of a sitting MP of this House—we have consistently followed a two-pronged approach to tackling this menace.

On one front, we have been resolutely supporting States in improving the performance of security and police forces taking up anti-naxal action. We are supporting them in cash and kind. We are supporting them through training, intelligence sharing. We are promoting greater coordination between States. At the same time, we are not ignoring the deep rooted causes giving rise to disaffection among tribals and other sections in some parts of our country.

The National Rural Employment Guarantee Act, the conferment of land rights on tribals in forest areas, the Backward Regions Grant Fund—all contribute to improving the economic lot of people living in naxal affected areas. The aim is to ensure that they too benefit from the positive effects of the growth processes taking place in the rest of the country and avoid straying into the path of violence.

Mr. Speaker, Sir, Shri Advaniji referred to Assam and stated that ULFA was not even mentioned. He wanted to know what we were doing to identify and deport illegal immigrants. At the outset, let me say that I have always condemned violence and extremism in Assam as elsewhere and never hesitated to say that we can negotiate only with those who want peace, not with those who kill innocent people. We will never hesitate to sit down and talk to a fellow Indian — howsoever misguided he or she may be—if such conversation can bring peace to our people. But we will never compromise the unity and integrity of our country or allow those who kill innocent people to go unpunished. It is with this in view that we began a dialogue with the People's Consultative Group so that it may gradually extend to ULFA as well. As talks did not make headway, we continued with action by security forces. Mere mention of one insurgent group or the other will not serve any purpose. What is required is the will and resolve to maintain peace and order and defeat any terrorist designs. About this, there should be no doubt whatsoever about the firmness of our resolve.

Sir, as for the reference to IMDT, let me clarify the matter in Assam, large elements of the minority community generally fear that the process of detection of foreigners could degenerate into an instrument of harassment of minorities. It is for this reason to re-assure them, not to protect illegal immigrants but to protect genuine citizens of our country that the IMDT Act was enacted, I know that the IMDT Act was struck down by the Supreme Court. Then, we acted under the existing Foreigners (Tribunal) Order, 1964. A separate procedure for detection of illegal migrants was laid down for Assam which was also struck down by the Supreme Court as being unnecessary. Our intention — and I would wish to state this categorically — was only to prevent undue harassment of genuine Indian citizens. We respect, of course, the decision of the Court and have continued to work under the existing laws for detecting illegal immigrants. Tribunals have been constituted under the 1964 Order and work is going on. There is no laxity or lack of commitment on our part in detecting and deporting illegal migrants.

Mr. Speaker, Sir, several Members — Shri Basudeb Acharia and Shri Ramjilal Suman — were concerned about the unemployment situation in the country.

I believe, as the hon. President said in his Address, that "India will be able to gain from a demographic dividend only if we invest in the capabilities and the intellectual and emotional development of our children". Therefore, we need to generate gainful employment opportunities for our youth, and at the same time equip them to take advantage of these opportunities. The rapidly growing economy is the best generator of jobs. We are giving a deliberate tilt in favour of sectors that create new jobs, such as manufacturing, textile, agro-processing and services.

In rural areas, the NREGA provides a basic minimum social safety net to the rural poor in the form of 100 days of assured employment. Simultaneously, the youth are being equipped through the modernization of ITIs, the Vocational Educational Mission, and the recently announced scholarship scheme from Class VIII to Class X. I am certain that our effort at making our workforce more skilled and capable is going to be, in fact, the biggest driver of inclusive growth in the coming years. I foresee India becoming a manufacturing hub of the world for many products, the workshop which it was famed to be centuries ago.

Sir, some hon. Members, Shri Basudeb Acharia, for example, have referred to the Special Economic Zone Policy. As I said, we need to industrialize. And, if we do need to industrialize, we need to encourage industries, which will be labour-intensive. If certain incentives have to be given, I think, those have to be given. We must recognize that today skilled labour as well as capital are internationally fully mobile. Therefore, our system of incentives has to be competitive enough to attract more capital, both domestic and foreign. But this does not mean that everything that is being done is sacrosanct. My colleague, Shri Pranab Mukherjee, is heading a Group of Ministers to review the approach to Special Economic Zones, to find out if there are any pitfalls in the present policy framework. It will be our intention to redress whatever genuine grievances there may be. If we have made a mistake in enacting particular elements of the Act, we do not stand on any formality; we will make necessary corrections.

But I would like to say that the Special Economic Zone controversy has given rise to the much due longer term debate, that is, with regard to the problems of rehabilitation and resettlement of dispossessed families

from the areas which are taken over for public purposes under the Land Acquisition Act. I do recognize, that there is a need for a more humane approach, which takes into account the problems of all those who suffer as a consequence of land having been taken away from them, and it will be our effort to come up with a more humane Rehabilitation and Resettlement Policy taking into account their needs.

Sir, there was a mention in the statement of the hon. Leader of the Opposition that the President's Address made no reference to the Report of the Administrative Reforms Commission on ethics in governance. Sir, there are other reports also that our Government has commissioned. I attach great value to these reports because they bring together valuable ideas on governance and policy. I hope, the House will find time to discuss and debate these reports. I do sincerely believe that in the longer run, it is ideas rather than vested interests that hold savvy on policy.

I thank all those who have been associated with this intellectual effort of generating new ideas to give a new direction to development and governance in our country. As Karl Marx once observed, "When ideas capture the people's minds, they become a material force".

Some hon. Members, including Shri Ilyas Azmi, have expressed concern at the corruption in development programmes launched by the Government and leakages in expenditures. I share their concern. We need to have much better leakage free implementation of many of our programmes if we have to achieve the desired outcomes. The thousands of crores of Rupees that are being tunneled into development programmes will not bear fruit unless they are spent wisely and ethically. The rural development and other programmes which have been launched in the last three years make available for each district Rs. 250 crore to Rs. 200 crore each. That is a large sum of money. If spent wisely, they can bring about a softening of the harsh edges of extreme poverty to a very considerable degree. The State Governments and local bodies, however, have a major role in ensuring this.

The Right to Information Act goes to some extent in bringing in accountability into governance. At the same time, we need a change in the mindsets if we have to root out corruption. Our Government will work with States in ensuring that outcomes of development programmes match outlays.

Mr. Speaker, Sir, I must share the concern expressed by many speakers,

including Shri Madhusudan Mistry, who moved the Motion of Thanks, with regard to the resurgence of communalism and the signs of intolerance in parts of our country. He mentioned in particular the penchant to ban screening of films and the free expression of opinion in some parts of our country. Sir, the UPA Government came to power because the people of our country rejected the forces of communalism and sectarianism. Our inclusive culture and our inclusive civilisational inheritance have no space for such intolerance.

Mr. Speaker, Sir, we are an open society. Some ask whether we are becoming an open society with a closed mind. I certainly hope not. *The UPA will never allow anyone to weaken our democratic traditions. At the same time, we will never allow any force to break the unity of our people. We remain committed to our Constitutional and national values of secularism and pluralism.* I share the concern expressed by the hon. Members about signs of communal resurgence and sectarian intolerance. We too receive such reports from different parts of the country. I assure all Members, and every citizen of our country that we will fight communalism and sectarianism in all their forms and manifestations. We will defend the secular and pluralistic basis of our democratic Republic.

Some hon. Members have referred to the need to ensure that minorities too benefit from our growth processes and to ensure that they were not left behind. I share their concern. The Sachar Committee has brought out the stark reality about the conditions of the Muslim community in our country. The New 15-Point Programme is focused on ensuring an equitable sharing of the benefits of crucial development programmes, particularly in health and education. We are also designing targeted programmes for minority concentration districts. In the long run, as all communities catch up in their social indicators, there would be no need for such programmes. But given current disparities, it is imperative that we carry all sections along.

Sir, I would like in conclusion to say a few words about foreign policy issues. I feel satisfied, Sir, that we have been able to forge a broad national consensus on our foreign policy orientation. As I have often said, our policy reflects our enlightened national interest. *We regard to our national security and the need to create a global environment conducive to our rapid economic development as the key defining elements of our foreign policy.* We also regard peace and stability in our region as a key objective of

our foreign policy. The goal of our foreign policy is to expand the developmental options that are available to the people of India; to expand the possibilities for our citizens to exhibit their inherent enterprise and creativity, and to facilitate the creation of a prosperous, equitable and inclusive nation living in harmony with its immediate and wider neighbourhood. If our foreign policy initiatives are seen through this prism, it would be apparent that there is consistency in our approach in every direction.

In the last two years, our relations with Russia, the United States, the European Union, China, Japan and the ASEAN nations have all grown. We have expanded relations to cover many new areas and in all these regions, there is a growing realisation of the importance of India in world affairs. There is a realisation that the success of India as a nation, as a democracy has deep implications and lessons for the world. Our success is a success of democracy, inclusiveness, harmony, openness and tolerance for diversity. It is this realisation that makes India a regular destination for all major world leaders. At the same time, our traditional relations with the Non-Aligned Movement, Africa and West Asia have also deepened and our Government proposes to expand those further in the coming years. The benefits of this extensive improvement in our relations has had tangible benefits for our people — in improving trade, in increasing opportunities for employment, in expanding the reach of our business enterprises. I believe, Sir, that we have crossed a significant point in our economic history where we are now seen as important, credible partners in managing the evolving global economic and political order.

In our immediate neighbourhood, we are looking forward to hosting the SAARC Summit early next month. India seeks a neighbourhood of peace, prosperity and mutually beneficial economic and social development in our sub-continent, I have often said that the destinies of the nations of this region are interlinked. We have not slackened in our efforts to promote peace and stability in the region despite obvious difficulties. As the incoming Chairman of SAARC, we will expand the scope of our relations with all nations of the SAARC region. I am sure, the House will join me in expressing the hope that the SAARC Summit will be purposeful and productive, and contribute to the progress and welfare of all people of South Asia.

Sir, we have been working purposefully for the all round improvement of our relations with Pakistan. The difficulties that arise are well known to

this House, but I believe that the efforts that we have made are beginning to bring positive results. We need to establish long-lasting peace, friendship and amity between our two nations. We will work resolutely in this direction. I am sure that through dialogue, we will be able to resolve all outstanding issues and I have great hope in what the future holds for our two nations — for our progress, for our prosperity.

Finally, Sir, in thanking the President for his Address to the House, I once again express my gratitude to hon. Members for their thoughtful comments on various issues of national and local concern. I respect the sentiments behind many of the Amendments tabled by the hon. Members.

Our Government will pay heed to each and every one of the valuable suggestions made, and concerns that have been expressed in this august House.

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**BACK NOTE**

**XXV. Reply on Motion of Thanks on the President's Address 8 March, 2007**

**NIL**

## **STATEMENT REGARDING CIVIL NUCLEAR ENERGY COOPERATION WITH THE UNITED STATES**

**13 August, 2007**

Mr. Speaker Sir, I rise to inform this august House that the Government of India has reached Agreement with the Government of the United States of America on the text of the bilateral Agreement on Cooperation for Peaceful Uses of Nuclear Energy.

This Government has kept Parliament fully in the picture at various stages of our negotiations with the United States. We have never shied away from a full discussion in Parliament on this important issue. I have myself made statements on several previous occasions — on July 29, 2005 soon after my return from Washington, on February 27, 2006 during which I took Parliament into confidence regarding our ongoing discussions with the United States on the Separation Plan, and on March 7, 2006 following the visit of President Bush to India. I also made a detailed statement in the Rajya Sabha on August 17, 2006 conveying certain solemn commitments to which I shall return shortly.

Our Government has adhered scrupulously to Parliamentary traditions and practices. We have in fact gone far beyond any previous Government.

After the conclusion of the Agreement, we have also briefed many of the parties represented in Parliament on the details of the Agreement.

Sir, the Agreement is about civil nuclear energy cooperation. It is an Agreement between two States possessing advanced nuclear technologies, both parties having the same benefits and advantages. The significance of the Agreement lies in the fact that when brought into effect, it will open the way for full civil nuclear energy cooperation between India and the United States. We have negotiated this Agreement as an equal partner, precisely because of the achievements of our scientists and technologists in overcoming the barriers placed around us in the past. This is an Agreement based on the principle of mutual benefit.

There has been considerable public debate and discussion on various aspects of the Agreement. On August 17, 2006, I had given a solemn commitment to Parliament and to the country regarding what we can agree and cannot agree with the United States to enable civil nuclear energy

cooperation with India. I had stressed that it must be within specific parameters, which I had shared with Parliament. This was an unprecedented measure of transparency on our part even in the midst of complex negotiations.

I had given Parliament my assurance that the Government will make every effort so that the vision of the Joint Statements of July, 2005 and March, 2006 becomes a living reality. I believe that we have redeemed that pledge. In concluding this Agreement, we have ensured that the autonomy of our strategic programme is fully maintained, and that Dr. Homi Bhabha's long-term vision remains our guiding principle.

With your permission, I wish to draw the attention of this august House to the main features of the Agreement in some detail. It would become evident that the commitments I had made to Parliament, including those on August 17, 2006, have been fully adhered to.

#### **Full Civil Nuclear Cooperation**

The concept of full civil nuclear cooperation has been clearly enshrined in this Agreement. The Agreement stipulates that such cooperation will include nuclear reactors and aspects of the associated nuclear fuel cycle, including technology transfer on industrial or commercial scale. It would also include development of a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of our reactors.

A significant aspect of the Agreement is our right to reprocess US origin spent fuel. This has been secured upfront. We view our right to reprocess as a key element of a closed fuel cycle, which will enable us to make full use in our national facilities of the energy potential of the nuclear fuel used in our reactors. This important yardstick has been met by the permanent consent for India to reprocess.

India will establish a new national re-processing facility dedicated to re-processing foreign nuclear material under IAEA safeguards. India and the US will mutually agree on arrangements and procedures under which such reprocessing will take place in the new facility. Consultations on arrangements and procedures will begin within six months of a request by either party and will be concluded within one year. There is no ambiguity with regard to the commitments of both countries.

Any special fissionable material that may be separated may be utilized in national facilities under IAEA safeguards. Thus, the interests of our three stage nuclear programme have been protected.

The United States has a longstanding policy of not supplying to any country enrichment, reprocessing and heavy water production facilities. This Agreement provides for such transfers to India only through an amendment. Forward-looking language has been included for dual use transfers of enrichment, reprocessing and heavy water production facilities. We hope transfers will become possible as cooperation develops and expands in the future. It is important to note that no prohibition that is specifically directed against India has been included in the Agreement.

### **The Principle of Reciprocity**

The principle of reciprocity, which was integral to the July 2005 Statement, has been fully safeguarded in this Agreement. There is no change in our position that we would accept only IAEA safeguards on our civilian nuclear facilities. This would also be in a phased manner and as identified for that purpose in the Separation Plan, and only when all international restrictions on nuclear trade with India have been lifted. India will not take any irreversible steps with the IAEA prior to this.

### **Certification**

This Agreement emphasizes the desire of both countries to cooperate extensively in the use of nuclear energy for peaceful purposes as a means of achieving energy security on a stable, reliable and predictable basis. This Agreement further confirms that US cooperation with India is a permanent one. There is no provision that states that US cooperation with India will be subject to an annual certification process.

Hon. Members may recall that the 18th July 2005 Joint Statement had acknowledged that India be regarded as a State with advanced nuclear technology enjoying the same advantages and benefits as other States with advanced nuclear technology, such as the US. This Agreement makes specific references to India and the United States as States possessing advanced nuclear technology, both parties having the same benefits and advantages, both committed to preventing Weapons of Mass Destruction proliferation.

## **Safeguards**

As agreed in the March Separation Plan, India has accepted only IAEA safeguards that will be reflected in an India-specific Safeguards Agreement with the IAEA. We have not consented to any provision that mandates scrutiny of our nuclear weapons programme or any unsafeguarded nuclear facilities. There are explicit provisions in the Agreement that make it clear that this Agreement does not affect our unsafeguarded nuclear facilities and that it will not affect our right to use materials, equipment, information or technology acquired or developed independently. India and the United States have agreed that the implementation of the Agreement will not hinder or otherwise interfere with India's nuclear activities including our military nuclear facilities. Nothing in the Agreement would impinge on our strategic programme, our three-stage nuclear power programme or our ability to conduct advanced Research and Development.

## **Fuel Supply Assurances**

I would like to reiterate that the March, 2006 Separation Plan provided for an India-specific Safeguards Agreement with the IAEA, with assurances of uninterrupted supply of fuel to reactors that would be placed under IAEA safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted. An important assurance given is the commitment of support for India's right to build up strategic reserves of nuclear fuel to meet the lifetime requirements of India's reactors. This Agreement envisages, in consonance with the Separation Plan, US support for an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply for the lifetime of India's reactors. The Agreement reiterates *in toto* the corresponding portions of the Separation Plan. It has endorsed the right of India to take corrective measures to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supply.

Hon. Members will agree that these provisions will ensure that there is no repeat of our unfortunate experience with Tarapur.

**Integrity and reliability of our strategic programme,  
autonomy of decision making and future  
scientific research and development**

In my statements of March 7 and August 17, 2006, I had assured Parliament that the Separation Plan would not adversely affect our strategic programme, the integrity of the three-stage nuclear programme and the autonomy of our Research and Development activity.

This agreement does not in any way impact on India's ability to produce and utilize fissile material for its current and future strategic needs. Our right to use for our own purposes our independent and indigenously developed nuclear facilities has been fully preserved. The Agreement also provides for non-hindrance and non-interference in our activities involving use of nuclear material, non-nuclear material, equipment, components, information or technology and military nuclear facilities produced, acquired or developed independently for our own purposes.

#### **Cessation of Cooperation**

An elaborate multi-layered consultation process has been included with regard to any future events that may be cited as a reason by either Party to seek cessation of cooperation or termination of the Agreement. Both Parties have agreed to take a number of factors into account in their consultations so that the scope for precipitate or unilateral action is reduced. Cessation of cooperation can be sought by the US only if it is prepared to take the extreme step of termination of the Agreement. India's right to take "corrective measures" will be maintained even after the termination of the Agreement.

In the case of termination of this Agreement and cessation of cooperation by either Party, each has the right to seek return of nuclear material and equipment supplied by it to the other. However, before the right of return is exercised, the Agreement commits the Parties to consult and to take into account specific factors such as national security, ongoing contracts and projects, compensation at market value, physical protection and environmental issues. India and the United States have agreed to consider carefully the circumstances that may lead to termination, including a party's concerns about a change in the security environment or a response to similar actions by other States that could impact on national security. The Agreement stipulates that the two parties recognize that exercising the right of return would have profound implications and consequences for their relations.

From India's point of view, our primary objective is to ensure the uninterrupted operation of our nuclear reactors, in the context of the detailed fuel supply assurances provided in the Separation Plan and these are now reflected in full in the Agreement. The Agreement specifically states in regard to fuel supply assurances and India's right to take "corrective measures" that there will be no derogation of India's rights in this regard, including the right to take "corrective measures" to ensure the uninterrupted operation of its reactors. This reflects the balance of obligations consistent with the understandings of the July Statement and the March Separation Plan.

Among the significant and innovative features of this Agreement are specific mention of the right to run foreign supplied reactors 'without interruption' and to take 'corrective measures' in the event of fuel supply disruption. This has been made possible by crafting the provisions in a manner that provide for explicit linkages and interlocking of rights and commitments contained in the Agreement.

The Agreement does not in any way affect India's right to undertake future nuclear tests, if it is necessary in India's national interest. Let me hence reiterate once again that a decision to undertake a future nuclear test would be our sovereign decision, one that rests solely with the Government. There is nothing in the Agreement that would tie the hands of a future Government or legally constrain its options to protect India's security and defence needs.

If I might sum-up, this Agreement does not in any way inhibit, restrict or curtail our strategic autonomy or capabilities. Our rights to pursue our three-stage nuclear power programme remain undiluted. In the unlikely event of cessation of cooperation, there is no derogation of our rights with regard to corrective measures. Our reprocessing rights are upfront and are permanent in nature. Advanced R&D programmes and IPR Protection are fully safeguarded.

Mr. Speaker, Sir, as I have said, this is an Agreement for Cooperation between India and the US on peaceful uses of nuclear energy. Its genesis is the shared perception between India and the US that both our countries need to address their energy challenges, and address them in a manner that is sensitive to concerns about the environment. For India, it is critically

important to maintain our current GDP growth rate of 8 to 10 per cent per annum if our goal of eradicating poverty is to be achieved. The energy implications of this growth rate over the next couple of decades are enormous. Even if we were to exploit all our known resources of coal, oil, gas and hydropower, we would still be confronted with a yawning demand and supply gap.

India's three-stage nuclear power programme holds immense promise for the future. The unique thorium-based technology would become an economically viable alternative over a period of time following sequential implementation of the three stages. We must, in the meantime, explore and exploit every possible source of energy. Nuclear energy is a logical choice for India. Indigenous supplies of uranium are highly inadequate and hence we need to source uranium supply from elsewhere. In a globalised world, technology is always a premium item and we look forward to expanding our horizons in this regard as well. We intend to carry forward our cooperation with other countries in civil nuclear energy, in particular, with major nuclear suppliers such as Russia and France.

We already have a comprehensive nuclear infrastructure. We have a corps of skilled and technically qualified manpower in this sector. It makes sense for us to leverage this valuable asset. As hon. Members are aware, our target for the year 2020 is 20,000 MW of nuclear power generation. It is quite modest. However, if international cooperation once again became available, we could hope to double this target.

On the basis of the Indo-US bilateral Agreement and the finalisation of an India-specific Safeguards Agreement with the IAEA, which is being taken up shortly, the Nuclear Suppliers Group is expected to adapt its guidelines to enable international commerce with India in civil nuclear energy and all dual use technologies associated with it. This would be the beginning of the end of the technology-denial regimes against India that have been in existence for over three decades.

Apart from its direct impact on our nuclear energy programme, this Agreement will have major spin-offs for the development of our industries, both public and private. High technology trade with the US and other technologically advanced countries will expand rapidly.



I wish to draw attention to another major gain for India from this initiative. We will be creating opportunities for our scientists to participate in the international exchange of scientific ideas and technical know-how and to contribute to the global effort to deal with the world-wide challenges of energy security and climate change. This includes the International Thermo-nuclear Research Reactor or ITER project, in which India has already joined as a full and equal member along with a handful of technologically advanced countries.

In discussions on this subject, questions have been raised about Government's commitment to an independent foreign policy. I have clearly spelt out the Government's position in this regard in my statements to Parliament in March and August, 2006. I had specially underlined that the pursuit of a foreign policy that is independent in its judgement is a legacy of our founding fathers and an abiding commitment of my Government. India is too large and too important a country to have the independence of its foreign policy taken away by any power. Today, India stands on the world stage as an influential and respected member of the international community. There is independence in our thought and independence in our actions.

I would like to reiterate that our engagement today with all global powers like US, Russia, China, EU, UK, France, Germany and Japan is unprecedented. Engagement with West, East, South East and Central Asia has been significantly stepped up with visible results. We are building new frontiers in our ties with Africa and Latin America. In South Asia we seek to develop a peaceful environment, one which is conducive to ambitious developmental targets. I urge those who question our commitment to an independent foreign policy to display the same degree of confidence in India, as others from outside do.

Sir, thus, there is no question that we will ever compromise, in any manner, our independent foreign policy. We shall retain our strategic autonomy. At the same time, we must not forget India's long-standing commitment to the noble ideas of nuclear disarmament and our refusal to participate in any arms race, including a nuclear arms race. Our commitment to universal, non-discriminatory and total elimination of nuclear weapons remains undiminished. It was this vision of a world free of nuclear weapons which Shri Rajiv Gandhi put before the UN in 1988 and this still has universal resonance.

Sir, we remain committed to a voluntary, unilateral moratorium on nuclear testing. We are also committed to negotiate a Fissile Material Cut-off Treaty or FMCT in the Conference on Disarmament. India is willing to join only a non-discriminatory, multilaterally negotiated, and internationally verifiable FMCT, as and when it is concluded in the Conference on Disarmament, subject to it meeting our national security interests.

Despite changes in Government and changes in political leadership we have always tempered the exercise of our strategic autonomy with a sense of global responsibility and with a commitment to the ideals of general and complete disarmament, including global nuclear disarmament. This Government believes that our commitment to these ideals and our efforts to realize them must continue, and continue with even greater vigour, now that we are a nuclear weapon state. The possession of nuclear weapons only increases our sense of responsibility and does not diminish it.

Pending global nuclear disarmament India has maintained an impeccable non-proliferation record. As a responsible nuclear power, India will not be the source of proliferation of sensitive technologies. We stand for the strengthening of the non-proliferation regime as the infirmities in this regime have affected our security interests. We will work together with the international community to advance our common objective of non-proliferation.

There are now other landmarks to cross before the goal of India joining the international mainstream as a full and equal partner becomes a reality. We have to finalise an India-specific Safeguards Agreement with the IAEA. Thereafter, the Nuclear Suppliers Group has to agree, by consensus, to adapt its guidelines, we expect without conditions, to enable nuclear commerce with India and to dismantle the restrictions on the transfer of dual use technologies and items to our country. The US Administration is to secure requisite approval from the US Congress. The completion of these next steps will mark the practical realization of this initiative.

Our negotiators deserve credit for delivering to the nation an Agreement, which can potentially transform the economic prospects of our country. It is an Agreement that will enable us to meet the twin challenges of energy security and environmental sustainability, and remove the technology denial regimes that have, for decades, been a major constraint on our development. At the same time, it will bring India the recognition it deserves thanks to the outstanding achievements of our scientists in nuclear

and space sciences as well as other high technology areas.

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Mr. Speaker Sir, this historic initiative has received the Steadfast support of President Bush and senior members of his administration. The strengthening and enhancement of our bilateral relations is an objective that has received his unstinting personal support and commitment. This Agreement is a shining example of how far we have progressed.

Finally, Sir, let me end by saying that we have achieved an Agreement that is good for India, and good for the world. I am neither given to exaggeration nor am I known to be self-congratulatory. I will let history judge; I will let posterity judge the value of what we have done through this Agreement. In days to come it will be seen that it is not just the United States but nations across the world that wish to arrive at a new equilibrium in their relations with India. This agreement with the United States will open new doors in capitals across the world. It is another step in our journey to regain our due place in global councils. When future generations look back, they will come to acknowledge the significance of this historic deal.

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## **BACK NOTE**

### **XXVI. Statement regarding Civil Nuclear Energy Cooperation with the United States 13 August, 2007**

1. SHRI BASU DEB ACHARIA (BANKURA): Sir, the Indo-US Deal is against the interest of the nation. This will adversely affect our independent policy. We are opposed to the harmful provisions of the Hyde Act. The Nuclear Deal should be renegotiated. That is why, we are walking out in protest of this.

At this stage, Shri Basudeb Acharia and some other hon. Members left the House.

## REPLY ON MOTION OF THANKS ON THE PRESIDENT'S ADDRESS

5 March, 2008

Mr. Speaker, Sir, I rise to join all the Members of this august House in conveying our sincere thanks to the hon. President of India for her inspiring Address.

Sir, in the 60th year of our Republic it is a matter of pride for us to have as the first lady of the State a very distinguished woman and it was our privilege to listen to her inspiring Address.

Sir, it is also a matter of satisfaction that over the last three days we have had a fascinating debate on the issues covered in the Rashtrapati's Address. While some of the hon. Members have expressed their satisfaction at the performance of the Government on many fronts, there have been others who have found fault with us on some counts. This, for me, is the essence of democracy. Democracy is about debate, about argument and constructive criticism. Democracy is about acknowledging the existence of multiple view points, about tolerance for dissent and diversity, about respecting the opinions held by others without necessarily agreeing with them. The debate we have witnessed is in the best traditions of parliamentary democracy. This is what makes our nation unique and makes me hopeful for our collective future. I sincerely hope that we will have more of such debates and less disruption which has become a sad feature of our parliamentary democracy.

Sir, as I listened to the various Members of this House, I drew considerable satisfaction from the fact that the vision of inclusive growth spelt out in the hon. President's Address is something about which there is unanimity on both sides of the House. That we need strong resurgent growth to get rid of chronic poverty, ignorance and disease which still characterize millions of our people in our country, is universally accepted. The fact that our growth rate now takes us to the ranks of some of the fastest growing economies in the world is a matter of pride for all Indians.

Sir, growth is a necessary condition for inclusive growth. But we have always recognised that growth by itself need not get rid of vast poverty

unless there are strategies in place to empower the most disadvantaged sections of our community. The President's Address spells out of that vision which has guided the work of our Government in the last four years.

What is that vision? First of all, as I said, we need strong, resurgent growth. We need growth to create more jobs, we need strong resurgent growth to get more revenues for public finances so that we can spend more money on social inclusion, on education, on health, rural development, on improving rural and urban infrastructure. The fact that the last four years have witnessed a record growth rate, therefore, is a matter of satisfaction.

But our Government, and our Common Minimum Programme, recognise that growth by itself does not necessarily ensure that the fruits of growth will be equitably distributed and therefore, it is the duty of any popular Government to address that question, to empower the poorest sections of our society so that they can become active participants in the processes of growth and that is what we have done.

First of all, we are all agreed on both sides of the House that we need strong growth in agriculture. We must also ensure that our farmers, particularly, small and marginal farmers, do get good remunerative prices, their productivity increases, that they do become partners in processes of agricultural growth.

Second, it is also agreed by both sides of the House that in a country where 90 per cent of our people are in the unorganised sector, where institutions of social security are inadequate, we must maintain a reasonable control on prices because inflation is a tax which hurts the poor much more than the rich. So, that is agreed on both sides.

The third thing, which I believe, also is generally agreed on both sides of the House is that for inclusion, we need that all our children should have the advantage or the benefit of equality of opportunity. It cannot be done overnight, but education is the biggest single means of empowering our children to lead a life of dignity and to become partners in the processes of growth and therefore, we need strong commitment to the expansion of education. Not only primary education and elementary education, but also a strong commitment to the expansion of tertiary education because we live in knowledge intensive world economy and unless India's tertiary education sector grows in accordance with the need for a

skilled manpower, we will be left behind. Sir, that is what the President's Address spells out, what we are planning or what we have done in the field of education.

Hon. Health Minister, when he was replying to the questions a few minutes ago, listed the achievements of this Government in taking of health care to the poorer sections of our society. I am not saying that we have succeeded in reducing infant mortality rates or maternal mortality rates to what they should be. This is not a short-term process. It will take time.

But the number of doctors, the number of nurses, the number of specialists that are now in place, I think, is much larger than what it was four years ago. So, I am convinced that if we follow this process, we will see a distinct improvement in the health status of our children, in the health status of our women. That is as it should be.

We also know that in our agriculture there are a large number of landless workers who are very vulnerable. Also, although agriculture offers employment for utilisation of labour, there are times of the year when no work is available in agricultural operation. Therefore, we need some mechanism to supplement employment opportunities, to soften the harsh edges of extreme poverty in rural areas. That is the case for having a nation-wide employment guarantee for hundred days, that is now in place. I am not saying that this one Act can abolish poverty, but if implemented honestly, if implemented efficiently, it can soften the harsh edges of extreme poverty. The Central Government now has raised the minimum wage rate to above Rs. 80 per day. If work for hundred days is available, each family, even if it has only one earning member, would have an entitlement of Rs. 8000 per annum. I say that this will help to ameliorate the conditions of those who belong to the lowest rung of social and economic strata.

Also, we all agree that if the fruits of development have to accrue to all sections of population, it is essential to recognise that the Dalits, the Scheduled Tribes and minorities have not benefited adequately from the processes of growth. Therefore, we have put strategies in place. Some were there earlier. We have expanded those. In expanding health care, in expanding education, we are paying particular attention to the needs of areas which have a high concentration of Scheduled Caste, Scheduled Tribe and minority population.

The hon. Leader of the Opposition talked about this as the appeasement of minorities. I do not plead guilty to that charge. It is a process of empowerment of all disadvantaged sections of our population. I take pride in saying that our Government has the courage to recognise that our minorities have not benefited appropriately from the processes of growth, and therefore the time has come to pay a little more attention to their needs of education, of health.

Therefore, what we are trying to do is to reduce the inequalities of opportunity, the gap that exists between regions, the gap that exists between classes, the gap that exists between urban and rural areas. This is a part of the process of empowerment. It is the essence of the process of inclusive growth. When I listened to the debate, there may have been some problems with regard to the treatment of minorities. But, by and large, all sections of this House agreed that inclusive growth is the essence of a participatory democracy; it is an integral part of the value system that is embedded in our magnificent Constitution. And the fact that our Government has advanced the cause of inclusive growth, I think it is some matter of satisfaction for all of us.

Sir, I would be the last one to say that everything is rosy in the Garden of Eden. We have increased allocations for infrastructure, for rural infrastructure under Bharat Nirman. We have increased massively the allocations for education, for rural health, for urban infrastructure under the Jawaharlal Nehru Urban Renewal Mission. But one has to recognize that the Central Government can only increase allocations. It can give guidelines to States. But India lives in States and, therefore, it is the joint responsibility of the Centre and the States to work in all sincerity to implement the agenda of this inclusive growth that we all feel our nation should be and is committed to implementing. Therefore, today, we have a situation where there are various parties represented in this House, they are ruling in the States. So, it can be easily said that without more active collaboration and cooperation between political parties across the spectrum of this House, I think, we cannot succeed in carrying forward the process of inclusive growth that this country needs. Therefore, I appeal to all segments of this House to recognize the great opportunities that India has. I have often said that shortage of resources is not today a problem for our country. We have shown in these last four years how tax revenues can become buoyant and I compliment my colleague, the hon. Finance Minister for that. We have, therefore, been able to spend lot more money on education, on health and



on rural development. We have also shown that where there is a will we can improve the functioning of the public sector system and I compliment my colleague, the Railway Minister for the magnificent way he has managed the Railway finances.

Sir, I, therefore, appeal to all segments of this House that at least when it comes to issues of development, we should forget our party differences. Today, it is possible to abolish poverty in the life of a single generation. If our economy grows at the rate of nine to ten per cent per annum, then we would be doubling our national income in a period of about seven to eight years. If along with growth promotion strategies, we have in place programmes for improving the educational status of our children and improving the health status of our women, then there will be a definite positive impact on poverty. This is a historic opportunity and we must make full use of it to realize this vast latent potential of our great country.

Sir, I started by saying that all of us have agreed that the interest of our farmers and the state of our agriculture is a prime determinant of whether we are moving towards inclusive growth or not. I will be the last one to say that everything is rosy with the state of agriculture. When we came to power in 2004, agriculture was in a state of distress. We had to restructure agricultural debt both in 2004 and once again for the distressed districts in 2006. Why has this happened? If you look at the statistics from 1980-81 to the year 1996-97, Indian agriculture grew at the rate of about 3.5 per cent per annum.

After 1996-97 and till the year 2003-04, a large number of years were NDA years, the rate of growth of agriculture fell to 2.3 per cent. There was a fall during the NDA period in the share of national income, which went into investment in agriculture.

Today, our colleagues from that side talk about the interest of farmers. I look at what were they doing in providing more incentives to our farmers. During the Congress regime from 1991 to 1996, the terms of trade increased year after year in favour of agriculture. During the NDA regime, the terms of trade and the prices to farmers deteriorated. What was the concern for the farmers? You look at procurement prices. The NDA, in five years, increased procurement prices by a pittance of Rs. 50 in four or five years. Look at the record of our Government.

Therefore, I thought, I would mention some of these data, because Shri Anant Geete referred to this problem. In 1999-2000, the Minimum

Support Price for wheat was Rs. 580 per quintal. The previous Government, that is, the NDA Government, raised it by Rs. 50 in years at a small incremental rate of Rs. 10, which over a period of five years was 8.6 per cent only. Compare this with the last four years of our Government. We have raised the Minimum Support Price for wheat by Rs. 370, a rise of 56 per cent in four years. I expect Mr. Dhindsa, at least, to applaud.

In the case of paddy too, we have raised the Minimum Support Price by 33 per cent in four years as compared to a small pittance of 12 per cent in five years by the NDA Government.

Gross Capital Formation in agriculture as a proportion of GDP has improved under our regime from a low of 10.2 per cent in the year 2003-04 to 12.5 per cent in the year 2006-07. After many years, agricultural growth touched almost four per cent last year. Those who neglected the welfare of farmers, depressed the Minimum Support Prices and the term for trade for agriculture, those who exported our food surpluses away at a loss, have no right to be advocating welfare of the farmers.

Mr. Speaker, Sir, our Government is convinced that India cannot prosper if our farmers do not prosper. I recall from my childhood the words of Oliver Goldsmith:

"Ill fare the land, to hastening ills a prey,  
Where wealth accumulates, and men decay;  
Princes and Lords may flourish, or may fade;  
A breath can make them, as a breath has made;  
But a bold peasantry, their country's pride,  
When once destroyed can never be supplied."

Mr. Speaker, Sir, it is the distress of this bold peasantry that brought the UPA to office when the NDA was talking about 'Shining India'. This distress is the legacy of the NDA rule, a rule during which, policies were anti-farmer, anti-agriculture. Low Minimum Support Prices impoverished our farmers. Mr. Dhindsa should know it. They needed a fresh flow of credit. The tripling of agricultural credit flow by us did not address the problems of past debt.

The debt relief, we have now announced is our attempt to finally remove the burden of the NDA period from our farmers' shoulders. We are determined to end agricultural distress. We will not stop till we have wiped the tears from the eyes of all farmers.

That, Mr. Speaker, Sir, is why our Government took the historic initiative to waive farmers' loans on an unprecedented scale. A debt relief of this magnitude has never been conceived or attempted before. It is an income transfer on an unparalleled scale. If bankruptcy is a permissible form of business outcome in industry, what is irrational about this waiver? It will allow a fresh flow of institutional credit to farmers. It will clean up banker's balance-sheets; it will stimulate economic activity in rural India and I do not make any apology.

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Mr. Speaker, Sir, the Finance Minister has mentioned that the total cost of the debt relief will be around Rs. 60,000 crore. This covers all Scheduled, Commercial Banks, Regional Rural Banks and Cooperative Banks. It covers both production and direct investment credit. It is not just about non-performing assets. It is also about overdues. And, it will benefit about four crore farmers. The debt relief will be a simple exercise, which we will complete by June. It will not be a long drawn out affair.

I agree that there will be farmers outside the pale of institutional credit, who do not benefit from this waiver. For them, we have operated since 2004, a programme of financial inclusion so that each and every farmer has a bank account and is able to access institutional credit.

Hon. Members would remember that in the year 2004, nearly a month after we come to office, we adopted a scheme under which, those farmers who are indebted to moneylenders can swap their debt by going to the Commercial Banks and substitute the debt of moneylenders by institutional credit. That scheme still operates. And, many farmers in Andhra Pradesh have benefited by it.

Mr. Speaker, Sir, the sheer size of our gesture shows our commitment to our farmers, our determination to improve their lot and our desire to see agriculture restored to its rightful place in the Indian economy.

Sir, Shri Advani and some other Members have asked where the money is going to come from. Doubts have been raised about the resources required for this write off. Before I answer that, let me remind the Leader of the Opposition that what we have done is nothing more than picking up the unpaid distress bills which the NDA Government left behind. I would like to assure the hon. Members of this House that this package will be well-

funded. Whereas farmers will see the benefits of the relief package immediately, banks will be compensated as and when the loans become due. The details are being worked out. I believe that the dues to the banks, including production and investment credit, will materialise over a period of three to four years.

We will make adequate provisions from tax and non-tax revenues over this period to fund this package. Let there be no doubt that the banking system will not be constrained in any manner, and there will be no contraction in liquidity.

As the Finance Minister has requested this House, we need the unstinted support of the entire House to help implement this decision. We should not grudge farmers their due.

Mr. Speaker, Sir, several Members referred to the problem of inflation. I do agree that it is the bounden duty of any Government in this country to worry about inflation if the rate of inflation exceeds the limits of tolerance of 4 to 5 per cent. I would like to submit to this august House that our Government has worked sincerely to contain the rise in prices compared with the background and the environment, which we face.

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We are committed to reasonable price stability, but we will not be a party to maintain so called price stability by neglecting the prices that are to be payable to our farmers. Our commitment to reasonable price stability should be obvious from what I am going to say. The prices of petroleum products have more than tripled in the last four years, but we have not increased the price of kerosene. We have made only a marginal addition to prices of diesel and prices of petrol. We have not changed in these four years the prices payable by our farmers for their fertilizers.

Mr. Speaker, Sir, in these four years, despite rising costs, we have not changed the prices payable by our farmers for fertilizers. We have not increased.

Mr. Speaker, Sir, we have paid handsomely the prices to our farmers, but as a measure of our commitment to the welfare of the weaker sections, we have not changed in these last four years the prices payable under the Public Distribution System either by people above the Poverty Line or people Below the Poverty Line. This is an unparalleled record which I think

cannot be equalled. This itself should be a convincing evidence of our Government's deep and abiding commitment to price stability and to the welfare of the weaker sections of our community.

The House has my assurance that we are committed to maintaining reasonable price stability despite an adverse international environment. Today commodity prices are rising; prices of imported vegetable oils are skyrocketing; prices of imported foodstuffs are increasing. Even then we will take effective measures to ensure that weaker sections of our population are not hurt by these adversities coming from abroad.

Sir, Mr. Advani referred to the Women's Reservation Bill and I should like to comment on that. It is a matter of deep regret to me that we have not been able to move forward on this front. Our Government's commitment is sincere to the reservation of seats for women in State Legislatures and Parliament. There should be no doubt about that. We have made, in the last three years, efforts to evolve a broad-based consensus. The hon. Leader of the Opposition knows some of the consultative mechanisms that we have adopted. We have not succeeded. I admit that this is a commitment in our Common Minimum Programme. Now that the Leader of the Opposition also spoke; now that our CPI(M) colleagues also spoke, I will once again make another attempt to evolve a broadbased consensus so that we can move forward on this also.

Mr. Speaker, Sir, Shri L.K. Advani and some other Members raised the issue of internal security. Advaniji has made some critical remarks about our Government's performance in dealing with terrorism and terrorist groups of different kinds. I have no intention to score points against the Opposition on this issue. National security is too serious a matter for any kind of Political one-upmanship. I would like to assure this House that our commitment in the fight against terrorism is absolute. India has remained in the crosshairs of terrorists for a long time. I do not need to remind this House about a dark day in 2001 when, but for the fact that fate intervened and our vigilant Watch and Ward Staff, our Parliament would have been the scene of a great deal of bloodshed. I am not scoring points here against the failure of the NDA Government.

I only wish to remind Members that we face a dangerous enemy in terrorism and that we must maintain a constant vigil to prevent terrorists from succeeding in its nefarious designs.

Some hon. Members and Shri L.K. Advani wanted details on the progress made in some of the recent terror attack cases. In the Mumbai blasts, which he referred to, 13 persons have been arrested. In the cinema blast in Ludhiana, ten persons have been apprehended. Arrests have also been made in the Rampur attack on the CRPF camp and in the UP Court blasts.

Mr. Speaker, Sir, I can detail many more cases. I can give details of attacks that have been foiled, including one on the RSS headquarters in Nagpur. Our Government is resolute, as indeed any democratic Government should be, in defeating the forces of extremism and terrorism. Our multi-faceted strategy has produced significant results. In Jammu and Kashmir there has been a significant decline in terrorist violence and an upswing in economic and political activities. I wish to state that the battle against terror will be a long drawn out one. We strongly believe in 'zero tolerance' of terror. Some Members have said that we have provided an easy legal regime for terrorists. This lie must be nailed once and for all. Legal regimes do not prevent terror. If that had been the case, there would have been no attack on Akshardham or on the Raghunath Mandir. Draconian laws could not prevent the IC-814 hijack. In fact, the signal that went out in this case was that if the terrorists were determined enough, the Government would merrily succumb to them. We had the shameful sight of the then External Affairs Minister escorting dreaded terrorists to their freedom.

Mr. Speaker, Sir, sabre rattling does not prevent terror. It requires efficient, effective policing and intelligence gathering. The morale of our security agencies is high and we will ensure that they are adequately equipped to meet their challenges.

Sir, I should say a few words about some matters of foreign policy. Our foreign policy has sought to promote an environment of peace and stability in our region. The challenge before us is to create an external environment that is conducive to our long-term and sustained economic development. We want mutually beneficial relations with all our neighbours, with all major powers and with all our economic partners. It is with this perspective that we have engaged the world and sought partnerships across the world.

I should say a few words about the Civil Nuclear Energy Cooperation with the USA and other countries. We continue to make efforts to make this

possible in a manner in which we can maximise the use of nuclear energy for peaceful purposes. We are presently engaged in negotiations with the International Atomic Energy Agency for an India-specific safeguards agreement. We also continue to seek the broadest possible consensus within the country to enable the next steps to be taken. I believe that such cooperation is good for us for our energy security and for the world.

Mr. Speaker, Sir, I was very happy some days ago that the former National Security Advisor, Shri Brajesh Mishra came out openly in defence of the Nuclear Cooperation Agreement. Also, Sir, we had seen in this country Mr. Strobe Talbott, who negotiated on this issue with the NDA Government saying that NDA Government was prepared to swallow even 50 per cent of the deal that would be enough.

Mr. Speaker, Sir, I should say a few words about our policies towards our neighbours. Our top priority remains our neighbourhood. We want peace, stability and prosperity in South Asia.

I want to begin by congratulating the people of Pakistan who have shown that, like us, they want to choose the democratic path. I am sure, the House will join me in conveying to them our warmest good wishes as they consolidate democracy in this country. A great daughter of Pakistan had to sacrifice her life in the process. We mourned with profound sadness, the death of Benazir Bhutto. The people of Pakistan have paid their tribute to her memory in their own way.

Sir, I would like to assure the newly elected leadership in Pakistan that we seek good relations with Pakistan. India want to live in peace with Pakistan. The destinies of our two nations, I have often said, are closely inter-linked. We need to put the past behind us; we need to think about our collective destiny, our collective security and our collective prosperity.

In their first pronouncements after the elections, the leaders of the main political parties in Pakistan have also spoken of their interest in developing close relations and working with us to bring about a durable peace. Indeed, the dialogue that we have resumed with the Government of Pakistan over the last few years was started when the late Benazir Bhutto and Shri Rajiv Gandhi were the Prime Ministers.

The most courageous steps to build peace were taken by Prime Ministers Nawaz Sharief and Atal Bihari Vajpayee. We have continued the process with President Musharraf. I have said before that I have a vision for the future of India and Pakistan. I believe that in both countries, there is a consensus that we must have close and cooperative relations and a framework for enduring peace.

I hope that the newly elected leaders in Pakistan can quickly move forward with us on this. I am sure that this House will want me to say that we would welcome this and meet them half-way.

Mr. Speaker, Sir, the hon. Leader of the Opposition said that this Government is a faceless and a directionless Government, that it needs to be determined and decisive. I do not understand the context in which our Government is being decorated with such colourful adjectives. Shri Advaniji also predicted that our Government will not complete its full term. This is not the first time that he had made such predictions; he had been proved wrong. To him, I would like to say.

They can neither lift dagger nor sword, I have fathomed out the strength of these arms.

Mr. Speaker, Sir, the direction in which we have moved the country in the last four years is well laid out in the Rashtrapatiji's Address. It is in the direction of inclusive growth; it is in the direction of empowering the poor and marginalized sections of society. It is in the direction of unleashing the enterprise and creativity that is inherent in every citizen of this great country so that she or he can live up to her full potential. It is in the direction of taking everybody along and working to eradicate poverty, ignorance and disease. It is in a direction to enhance our citizens' security. I hope the direction is now clear for all to see.

Of course, I am aware that some Members have been wishing that this Government falls and this has been their wish since the day we came into Office. To their misfortune, and to the good fortune of the nation, this has not happened. But Sir, such fond dreams do not die easily. Therefore, they continue to see visions where none exist.

Mr. Speaker, Sir, the future beckons India. I seek from the Leaders of all national Parties a long term vision that will enable us to widen our



development options. I seek a commitment to the nation's best long term interests. Let us not divide ourselves by adopting narrow perspectives on important national policies. It is this perspective that informs the President's Address this year. I am, therefore, happy to express my sincere gratitude to Rashtrapatiji for her Address to Parliament.

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## **BACK NOTE**

### **XXVII. Reply on Motion of Thanks on The President's Address 5 March, 2008**

1. MR. SPEAKER: This is not right, Kindly listen to him.

PROF. VIJAY KUMAR MALHOTRA (South Delhi): Where are those 60,000 crore rupees?

MR. SPEAKER: This is not fair. Let him reply. He is entitled to reply.

MR. SPEAKER: Please sit down. You may speak when there is a discussion on the budget.

MR. SPEAKER: Please show respect to the Prime Minister.

MR. SPEAKER: You may raise it in the discussion on the Budget. That was done in the Budget, you may raise it in the discussion on the Budget.

MR. SPEAKER: You should raise it in a proper manner so that there may be a reply.

MR. SPEAKER: Do not record anything except the hon. Prime Minister's. Unless he yields, nobody would be allowed to speak.

MR. SPEAKER: Please sit down.

MR. SPEAKER: Please sit down. Nothing is being recorded.

MR. SPEAKER: What is this going on? You are disturbing your Prime Minister.

2. SHRI ANANTH KUMAR: Sir, NDA is compared for everything. What is this? He is misleading the House.

MR. SPEAKER: This is your opinion. You must express it, but not now. You can express it later on.

MR. SPEAKER: The discussion on the Budget is coming up in the House. You can say this at that time.

MR. SPEAKER: Please let him conclude.

MR. SPEAKER: Let us hear him first.

MR. SPEAKER: Obviously, there cannot be unanimity on this, but this is not the way to express your views.

MR. SPEAKER: I earnestly request you that let us please hear him.

MR. SPEAKER: We should give full hearing and uninterrupted hearing when the distinguished Prime Minister or the distinguished Leader of the Opposition is speaking. This is what both of them are entitled to in the House. I am requesting you for it.

SHRI ANANTH KUMAR: We are only requesting that he should not mislead the House.

MR. SPEAKER: This is not the way to do it. Mr. Ananth Kumar, you are a senior Member, and you know it.

MR. SPEAKER: What is going on in this House?

MR. SPEAKER: Would the Prime Minister not be allowed to speak in this House?

SHRI ANANTH KUMAR: He is referring to NDA.

MR. SPEAKER : It is his job, and you can reply to it. You have criticized the UPA.

MR. SPEAKER: Please sit down.

MR. SPEAKER: Do not do this. I am very unhappy.

MR. SPEAKER: Only the Prime Minister's observations will be taken down and others, without leave, would not be recorded.

DR. MANMOHAN SINGH: Mr. Speaker, Sir, I was merely describing the background of why inflation rates differ from one period to another. International oil prices were at an all-time low when the NDA Government was in office.

We came to office in 2004, and the oil price per barrel was US \$ 36; today it is close to US \$ 100. The NDA maintained a modicum of price stability by depressing the prices payable to our farmers. We do not want to follow that course.

MR. SPEAKER: This is very strange. What are you doing? I am

appealing to the Leader of the Opposition because this is not the way.

MR. SPEAKER: I can only say that this is extremely unfortunate. I do not know what has happened to you, Mr. Ananth Kumar.

MR. SPEAKER: Please sit down.

MR. SPEAKER: What is happening to you? I am surprised at what you are doing today.

MR. SPEAKER: Do not record one word of the interruptions.

MR. SPEAKER: This is most unfortunate.

MR. SPEAKER: Well, I have to ask you now not to disturb. If you are not prepared to listen to his speech, you need not remain here; you may leave.

MR. SPEAKER: Please take your seat. Do not add to it. Why are you adding to it?

MR. SPEAKER: You are not behaving properly.

## MOTION OF CONFIDENCE IN THE COUNCIL OF MINISTERS

21 July, 2008

Mr. Speaker, Sir, with your permission, I beg to move:—

"That this House expresses its confidence in the Council of Ministers."

Mr. Speaker, Sir, today, our Government completes four years and two months in office. For the past couple of decades we have become used to Governments being forced to seek a Vote of Confidence within months of being in office. If we are here after a tenure of over four years, the credit for this should go to all the Leaders of the United Progressive Alliance (UPA); to the leadership of the UPA Chairperson, Shrimati Sonia Gandhi; and to the wise and visionary leaderships of Shri Jyoti Basu, Shri Harkishan Singh Surjeet, and Dr. M. Karunanidhi. They were all the architects of our coalition Government. It is their wisdom and sagacity that has helped me and our Government function for these four years.

Mr. Speaker, Sir, I regret that this Session of Parliament has been convened at this time when the attention of the Government has been on the economy, particularly, on the control of inflation and on implementing programmes for the welfare of our people, particularly, our farmers. This exercise, I submit, Sir, was wholly avoidable. I had repeatedly assured all political parties including the Left Parties that if the Government was allowed to complete the negotiations with the International Atomic Energy Agency (IAEA) on its safeguard agreement, and after the decision of the Nuclear Suppliers Group (NSG) I would myself come to Parliament and seek its guidance before operationalizing the Civil Nuclear Energy Cooperation Agreement, which we intended to enter into. This was my solemn assurance.

Mr. Speaker, Sir, hon. Members are aware that the specific developments which necessitated this Vote of Confidence is the withdrawal of support by the Left parties on the issue of our initiative of seeking international cooperation in the development of civil nuclear energy. The intimation of withdrawal of this support came to me while I was in Japan attending the Meeting of the G-8. As soon as I came back, I sought an appointment with Her Excellency the President and I offered to submit myself to the Vote of

Confidence in Parliament as soon as possible. This Session is being convened in fulfilment of that obligation.

Sir, I seek the support of this House today on the basis of our entire record in office over the past four years. The responsibility given to me when I assumed office as Prime Minister required that I should act at all times and on all matters in the interests of this nation, I would like to assure this august House and through this House the people of India that every single decision, every policy initiative we have taken was taken in the fullest confidence that we are doing so in the best interests of our people and our country.

In all that we have done, we have been inspired by the legacy of our glorious freedom struggle, and the pledge of Rajiv Gandhi that our mission is to prepare our country to face the challenges of the 21st century.

Mr. Speaker, Sir, I, therefore, welcome this opportunity for this House to review our acts. I have no doubt that the people of India, when they consider what we have done, will reaffirm their confidence in us, in our Government, and in the Indian National Congress, which is the oldest, the most experienced and, I believe, the most patriotic political party of this great country.

Mr. Speaker, Sir, it is the legacy of our freedom struggle which has sustained this Government. In my conduct as Prime Minister, I have also been inspired by the famous invocation of great Guru Gobind Singhji, and I reiterate what Guru Gobind Singhji has said enjoining us to perform our duty.

'Dehu Shiva Var mohe, shubh karman te kabhu na taru'Na darun arson jab jaye ladun, nischay kar apni jit karun, Ar sikh hun, apne hi man saon, ihi lalach hon, gun ton uchron, Jab aav ki aundh nidhan bane, at hi run main tab joojh maroon.'

**BACK NOTE**

**XXVIII. Motion of confidence in the Council of Ministers 21 July, 2008**

**NIL**

## MOTION OF CONFIDENCE IN THE COUNCIL OF MINISTERS

22 July, 2008

Mr. Speaker, Sir, I thank all the hon. Members who have participated in this important debate during the last few years. At the outset, I would like to express my profound sadness on the extraordinary developments which have taken place in the House today. We are with you on whatever decision you take in accordance with the law of the land.

When I look at the composition of the opportunistic groups opposed to us, it is clear to me that the clash today is between two alternative visions of India's future.

The one vision represented by the UPA and our allies seeks to project India as a self-confident and united nation moving forward to gain its rightful place in the comity of nations, making full use of the opportunities offered by a globalised world, operating on the frontiers of modern science and technology and using modern science and technology as important instruments of national economic and social development. The opposite vision is of a motley crowd opposed to us who have come together to share the spoils of office to promote their sectional sectarian and parochial interests. Our Left colleagues should tell us whether Shri L.K. Advani is acceptable to them as a Prime Ministerial candidate. Shri L.K. Advani should enlighten us if he will step aside as Prime Ministerial candidate of the opposition in favour of the choice of UNPA. They should take the country into confidence on this important issue.

The Leader of Opposition, Shri L.K. Advani has chosen to use all manner of abusive objectives to describe my performance. He has described me as the weakest Prime Minister, a *nikamma* PM, and of having devalued the office of P.M. To fulfil his ambitions, he has made at least three attempts to topple our Government. But on each occasion his astrologers have misled him. This pattern, I am sure, will be repeated, today. At his ripe old age, I do not expect Shri Advani to change his thinking. But for his sake and India's sake, I urge him at least to change his astrologers so that he gets more accurate predictions of things to come.

As for Shri Advani's various charges, I do not wish to waste the time of the House in rebutting them. All I can say is that before levelling charges



of incompetence on others, Shri Advani should do some introspection. Can our nation forgive a Home Minister who slept when the terrorists were knocking at the doors of our Parliament? Can our nation forgive a person who single handedly provided the inspiration for the destruction of the Babri Masjid with all the terrible consequences that followed? To atone for his sins, he suddenly decided to visit Pakistan and there he discovered new virtues in Mr. Jinnah. Alas !, his own party and his mentors in the RSS disowned him on this issue. Can our nation approve the conduct of a Home Minister who was sleeping while Gujarat was burning leading to the loss of thousands of innocent lives? Our friends in the Left Front should ponder over the company they are forced to keep because of miscalculations by their General Secretary.

As for my conduct, it is for this august House and the people of India to judge. All I can say is that in all these years that I have been in office, whether as Finance Minister or Prime Minister, I have felt it as a sacred obligation to use the levers of power as a societal trust to be used for transforming our economy and polity, so that we can get rid of poverty, ignorance and disease which still afflict millions of our people. This is a long and arduous journey. But every step taken in this direction can make a difference. And that is what we have sought to do in the last four years. How far we have succeeded is something I leave to the judgement of the people of India.

I have already stated in my opening remarks that the House has been dragged into this debate unnecessarily. I wish our attention had not been diverted from some priority areas of national concern. These priorities are:

(i) Tackling the imported inflation caused by steep increase in oil prices. Our effort is to control inflation without hurting the rate of growth and employment.

(ii) To revitalize agriculture. We have decisively reversed the declining trend of investment and resource flow in agriculture. The Finance Minister has dealt with the measures we have taken in this regard. We have achieved a record foodgrain production of 231 million tonnes. But we need to redouble our efforts to improve agricultural productivity.

(iii) To improve the effectiveness of our flagship pro-poor programmes such as National Rural Employment Programme, Sarva Shiksha Abhiyan,

Nation-wide Mid day meal programme, Bharat Nirman to improve the quality of rural infrastructure of roads, electricity, safe drinking water, sanitation, irrigation, National Rural Health Mission and the Jawaharlal Nehru National Urban Renewal Mission. These programmes are yielding solid results. But a great deal more needs to be done to improve the quality of implementation.

(iv) We have initiated a major thrust in expanding higher education. The objective is to expand the gross enrolment ratio in higher education from 11.6 per cent to 15 per cent by the end of the 11th Plan and to 21% by the end of 12th Plan.

To meet these goals, we have an ambitious programme which seeks to create 30 new universities, of which 14 will be world class, 8 new IITs, 7 new IIMs, 20 new IIITs, 5 new IISERs, 2 Schools of Planning and Architecture, 10 NITs, 373 new degree colleges and 1000 new polytechnics. And these are not just plans. Three new IISERs are already operational and the remaining two will become operational from the 2008-09 academic session. Two SPAs will be starting this year. Six of the new IITs start their classes this year. The establishment of the new universities is at an advanced stage of planning.

(v) A nation wide Skill Development Programme and the enactment of the Right to Education Act.

(vi) Approval by Parliament of the new Rehabilitation and Resettlement Policy and enactment of legislation to provide social security benefits to workers in the unorganized sector.

(vii) The new 15-Point Programme for Minorities, the effective implementation of empowerment programmes for the Scheduled Castes, Scheduled Tribes, paying particular emphasis on implementation of Land Rights for the tribals.

(viii) Equally important is the effective implementation of the Right to Information Act to impart utmost transparency to processes of governance. The Administrative Reforms Commission has made valuable suggestions to streamline the functioning of our public administration.

(ix) To deal firmly with terrorist elements, left wing extremism and communal elements that are attempting to undermine the security and

stability of the country. We have been and will continue to vigorously pursue investigations in the major terrorist incidents that have taken place. Charge-sheets have been filed in almost all the cases. Our intelligence agencies and security forces are doing an excellent job in very difficult circumstances. They need our full support. We will take all possible steps to streamline their functioning and strengthen their effectiveness.

Considerable work has been done in all these areas but debates like the one we are having detract our attention from attending to these essential programmes and remaining items on our agenda. All the same, we will redouble our efforts to attend to these areas of priority concerns.

I say in all sincerity that this session and debate was unnecessary because I have said on several occasions that our nuclear agreement after being endorsed by the IAEA and the Nuclear Suppliers Group would be submitted to this august House for expressing its view. All I had asked our Left colleagues was: please allow us to go through the negotiating process and I will come to Parliament before operationalising the nuclear agreement. This simple courtesy which is essential for orderly functioning of any Government worth the name, particularly with regard to the conduct of foreign policy, they were not willing to grant me. They wanted a veto over every single step of negotiations which is not acceptable. They wanted me to behave as their bonded slave. The nuclear agreement may not have been mentioned in the Common Minimum Programme. However, there was an explicit mention of the need to develop closer relations with the USA but without sacrificing our independent foreign policy. The Congress Election Manifesto had explicitly referred to the need for strategic engagement with the USA and other great powers such as Russia.

In 1991, while presenting the Budget for 1991-92, as Finance Minister, I had stated: No power on earth can stop an idea whose time has come. I had then suggested to this august House that the emergence of India as a major global power was an idea whose time had come.

Carrying forward the process started by Shri Rajiv Gandhi of preparing India for the 21st century, I outlined a far reaching programme of economic reform whose fruits are now visible to every objective person. Both the Left

and the BJP had then opposed the reform. Both had said we had mortgaged the economy to America and that we would bring back the East India Company. Subsequently, both these parties have had a hand at running the Government. None of these parties have reversed the direction of economic policy laid down by the Congress Party in 1991. The moral of the story is that political parties should be judged not by what they say while in opposition but by what they do when entrusted with the responsibilities of power.

I am convinced that despite their opportunistic opposition to the nuclear agreement, history will compliment the UPA Government for having taken another giant step forward to lead India to become a major power centre of the evolving global economy. Jawaharlal Nehru's vision of using atomic energy as a major instrument of development will become a living reality.

What is the nuclear agreement about? It is all about widening our development options, promoting energy security in a manner which will not hurt our precious environment and which will not contribute to pollution and global warming.

India needs to grow at the rate of at least ten per cent per annum to get rid of chronic poverty, ignorance and disease which still afflict millions of our people. A basic requirement for achieving this order of growth is the availability of energy, particularly electricity. We need increasing quantities of electricity to support our agriculture, industry and to give comfort to our householders. The generation of electricity has to grow at an annual rate of 8 to 10 per cent.

Now, hydro-carbons are one source of generating power and for meeting our energy requirements. But our production of hydro-carbons both of oil and gas is far short of our growing requirements. We are heavily dependent on imports. We all know the uncertainty of supplies and of prices of imported hydro-carbons.

We have to diversify our sources of energy supply.

We have large reserves of coal but even these are inadequate to meet all our needs by 2050. But more use of coal will have an adverse impact on pollution and climate. We can develop hydro-power and we must. But many

of these projects hurt the environment and displace large number of people. We must develop renewable sources of energy particularly solar energy. But we must also make full use of atomic energy which is a clean environment friendly source of energy. All over the world, there is growing realization of the importance of atomic energy to meet the challenge of energy security and climate change.

India's atomic scientists and technologists are world class. They have developed nuclear energy capacities despite heavy odds. But there are handicaps which have adversely affected our atomic energy programme. First of all, we have inadequate production of uranium. Second, the quality of our uranium resources is not comparable to those of other producers. Third, after the Pokhran nuclear test of 1974 and 1998, the outside world has imposed embargo on trade with India in nuclear materials, nuclear equipment and nuclear technology. As a result, our nuclear energy programme has suffered. Some twenty years ago, the Atomic Energy Commission had laid down a target of 10000 MW of electricity generation by the end of the Twentieth century. Today, in 2008 our capacity is about 4000 MW and due to shortage of uranium many of these plants are operating at much below their capacity.

The nuclear agreement that we wish to negotiate will end India's nuclear isolation, nuclear apartheid and enable us to take advantage of international trade in nuclear materials, technologies and equipment. It will open up new opportunities for trade in dual use high technologies opening up new pathways to accelerate industrialization of our country. Given the excellent quality of our nuclear scientists and technologists, I have reasons to believe that in a reasonably short period of time, India would emerge as an important exporter of nuclear technologies, and equipment for civilian purposes.

When I say this I am reminded of the visionary leadership of Shri Rajiv Gandhi who was a strong champion of computerization and use of information technologies for nation building. At that time, many people laughed at this idea. Today, information technology and software is a sunrise industry with an annual turnover soon approaching 50 billion US dollars. I venture to think that our atomic energy industry will play a similar role in the transformation of India's economy.

The essence of the matter is that the agreements that we negotiate with USA, Russia, France and other nuclear countries will enable us to enter into international trade for civilian use without any interference with our strategic nuclear programme. The strategic programme will continue to be developed at an autonomous pace determined solely by our own security perceptions. We have not and we will not accept any outside interference or monitoring or supervision of our strategic programme. Our strategic autonomy will never be compromised. We are willing to look at possible amendments to our Atomic Energy Act to reinforce our solemn commitment that our strategic autonomy will never be compromised.

I confirm that there is nothing in these agreements which prevents us from further nuclear tests if warranted by our national security concerns. All that we are committed to is a voluntary moratorium on further testing. Thus the nuclear agreements will not in any way affect our strategic autonomy. The cooperation that the international community is now willing to extend to us for trade in nuclear materials, technologies and equipment for civilian use will be available to us without signing the NPT or the CTBT.

This I believe is a measure of the respect that the world at large has for India, its people and their capabilities and our prospects to emerge as a major engine of growth for the world economy. I have often said that today there are no international constraints on India's development. The world marvels at our ability to seek our social and economic salvation in the framework of a functioning democracy committed to the rule of law and respect for fundamental human freedoms. The world wants India to succeed. The obstacles we face are at home, particularly in our processes of domestic governance.

I wish to remind the House that in 1998 when the Pokhran-II tests were undertaken, the Group of Eight leading developed countries had passed a harsh resolution condemning India and called upon India to sign the NPT and CTBT. Today, at the Hokkaido meeting of the G-8 held recently in Japan, the Chairman's summary has welcomed cooperation in civilian nuclear energy between India and the international community. This is a measure of the sea change in the perceptions of the international community our trading with India for civilian nuclear energy purposes that has come about in less than ten years.

Our critics falsely accuse us, that in signing these agreements, we have surrendered the independence of foreign policy and made it subservient to US interests. In this context, I wish to point out that the cooperation in civil nuclear matters that we seek is not confined to the USA. Change in the NSG guidelines would be a passport to trade with 45 members of the Nuclear Supplier Group which includes Russia, France, and many other countries.

We appreciate the fact that the US has taken the lead in promoting cooperation with India for nuclear energy for civilian use. Without US initiative, India's case for approval by the IAEA or the Nuclear Suppliers Group would not have moved forward.

But this does not mean that there is any explicit or implicit constraint on India to pursue an independent foreign policy determined by our own perceptions of our enlightened national interest. Some people are spreading the rumours that there are some secret or hidden agreements over and above the documents made public. I wish to state categorically that there are no secret or hidden documents other than the 123 Agreement, the Separation Plan and the draft of the safeguard agreement with the IAEA. It has also been alleged that the Hyde Act will affect India's ability to pursue an independent foreign policy. The Hyde Act does exist and it provides the US administration the authorization to enter into civil nuclear cooperation with India without insistence on full scope safeguards and without signing of the NPT. There are some prescriptive clauses but they cannot and they will not be allowed to affect in any way the conduct of our foreign policy. Our commitment is to what has been agreed in the 123 Agreement. There is nothing in this Agreement which will affect our strategic autonomy or our ability to pursue an independent foreign policy. I state categorically that our foreign policy, will at all times be determined by our own assessment of our national interest. This has been true in the past and will be true in future regarding our relations with big powers as well as with our neighbours in West Asia, notably Iran, Iraq, Palestine and the Gulf countries.

We have differed with the USA on their intervention in Iraq. I had explicitly stated at a press conference at the National Press Club in Washington DC in July 2005 that intervention in Iraq was a big mistake. With regard to Iran, our advice has been in favour of moderation and we would like that

the issues relating to Iran's nuclear programme which have emerged should be resolved through dialogue and discussions in the framework of the International Atomic Energy Agency.

I should also inform the House that our relations with the Arab world are very good. Two years ago, His Majesty, King Abdullah of Saudi Arabia was the Chief Guest at our Republic Day. More recently, we have played host to the President of Iran, President of Syria, the King of Jordan, the Emir of Qatar and the Emir of Kuwait. With all these countries we have historic civilisational and cultural links which we are keen to further develop to our mutual benefit. Today, we have strategic relationship with all major powers including USA, Russia, France, UK, Germany, Japan, China, Brazil, Nigeria and South Africa. We are forging new partnerships with countries of East Asia, South East Asia and Africa.

The management and governance of the world's largest, most diverse and most vibrant democracy is the greatest challenge any person can be entrusted with, in this world. It has been my good fortune that I was entrusted with this challenge over four years ago. I thank with all sincerity the Chairperson of the UPA, the leaders of the Constituent Parties of the UPA and every member of my Party for the faith and trust they reposed in me. I once again recall with gratitude, the guidance and support I have received from Shri Jyoti Basu and Sardar Harkishen Singh Surjeet.

I have often said that I am a politician by accident. I have held many diverse responsibilities. I have been a teacher, I have been an official of the Government of India, I have been a member of this greatest of Parliaments, but I have never forgotten my life as a young boy in a distant village.

Every day that I have been Prime Minister of India, I have tried to remember that the first ten years of my life were spent in a village with no drinking water supply, no electricity, no hospital, no roads and nothing that we today associate with modern living. I had to walk miles to school, I had to study in the dim light of a kerosene oil lamp. This nation gave me the opportunity to ensure that such would not be the life of our children in the foreseeable future.

Sir, my conscience is clear that on every day that I have occupied this high office, I have tried to fulfil the dream of that young boy from that distant village.



The greatness of democracy is that we are all birds of passage. We are here today, gone tomorrow. But in the brief time that the people of India entrust us with this responsibility, it is our duty to be honest and sincere in the discharge of these responsibilities. As it is said in our sacred texts, we are responsible for our actions and we must act without coveting the rewards of such action. Whatever I have done in this high office, I have done so with a clear conscience and the best interests of my country and our people at heart. I have no other claims to make.

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**BACK NOTE**

**XXIX. Motion of Confidence in the Council of Ministers  
22 July, 2008**

**NIL**

## **STATEMENT REGARDING ONGOING GLOBAL FINANCIAL CRISIS AND ITS IMPACT ON INDIA**

**20 October, 2008**

Mr. Speaker, Sir, I wish to make a statement on the ongoing global financial crisis and its impact on India. Hon. Members are aware that this crisis had its origins in the United States and spread quickly to Europe. While the crisis began in the housing mortgage market, it soon extended to the money market and the credit market. As a result, several financial institutions were pushed to the brink of insolvency. The US and some other developed countries have bailed out a number of financial institutions and banks.

They have also taken a number of unconventional steps to infuse liquidity, recapitalize the banks and unfreeze the credit market. The financial storm has shaken confidence in the system and precipitated a steep decline in stock markets. It has produced a sharp slowdown in economic activity, with the prospect of a prolonged recession in industrialized countries. Many observers have described this as the worst crisis since the Great Depression of 1930s. India, like other developing countries, is experiencing the ripple effects of the financial crisis. However, we have taken a number of steps to minimize the impact. Our first concern was to ensure the stability of our banking system. I am happy to inform the House that the Indian banking system is not directly exposed to the sub-prime mortgage assets.

Their exposure to other problem assets is also minimal. Our banks, both in the public sector and in the private sector, are financially sound, well capitalized and well regulated.

There should be no fear of a failure of any bank. In particular, I wish to assure depositors in our banks that their deposits are entirely safe.

Although our banks are safe, and they are also providing credit in line with anticipated credit targets, the global turmoil has led to a contraction in other forms of commercial credit. External commercial borrowings, which are used by the corporate sector have dried up, as have international suppliers credits. This has led to a reduction in overall credit availability in the economy even though credit from commercial banks has expanded satisfactorily. This contraction produced a liquidity crisis in the system.

We have taken a number of steps to address this problem. Between October 6, 2008 to October 15, 2008, the Reserve Bank of India cut the Cash Reserve Ratio by a total of 250 basis points. The Statutory Liquidity

Requirements were relaxed initially by 1 percentage point and subsequently an additional window of 0.5 percentage points was introduced specifically to enable banks to draw funds to provide liquidity to mutual funds. As a result of these steps, the liquidity position in the Indian financial system has improved considerably. The call money rate today is around 6.8 per cent.

Government also arranged to provide, in advance, a sum of Rs. 25,000 crore to the banking system under the Debt Waiver and Debt Relief Scheme. The limit of investment by Foreign Institutional Investors in corporate bonds was increased from US 3 billion dollar to US 6 billion dollar.

Earlier today, the Reserve Bank announced a 100 basis points cut in the repo rate which is the rate at which banks can borrow, against surplus SLR securities. Government welcomes this decision of the RBI. It will have a beneficial effect on the interest rate structure and, in combination with the other steps to increase liquidity, will help to support economic activity and investment. It is broadly consistent with our objective to control inflation which has already begun to moderate. I am happy to inform honourable Members that the Wholesale Price Index has declined in the last three weeks and, although the current rate is still high, the movement in the level of prices shows a clear deceleration in the current momentum of inflation. We expect a further reduction in the Wholesale Price Index in the next two months.

Mr. Speaker, Sir, the Government is conscious of the fact that it is not enough to infuse liquidity. The liquidity must translate into expanded flow of credit to industry, trade and business. Suitable advisories have, therefore, been issued by the RBI and the Ministry of Finance to the banks to ensure that borrowers are provided adequate credit, including export credit and working capital. Banks must also provide adequate funds in the form of investment or credit to mutual funds and NBFCs, who, in turn, lend to industry, trade and business. These institutions are an important part of the larger financial system and banks are being encouraged to provide liquidity to ensure that there is no disruption in economic activity.

Both RBI and Government are carefully monitoring the flow of credit and will ensure that the additional liquidity infused into the system translates into actual credit. We will not hesitate to do more if needed. While the capital adequacy ratios of all our banks are well above the Basel norm and also above the RBI stipulated norm, Government has promised that it will help banks, which have lower ratios, to access funds to increase their Capital

Risk Weighted Asset Ratio to 12 per cent.

The financial crisis and the economic slowdown in the developed countries are likely to have an indirect impact on the Indian economy. Fortunately, this effect will be on an underlying strong performance. GDP growth in the first quarter of 2008-09 was 7.9 per cent. During April-August, 2008, exports increased in dollar terms by 35.1 per cent. Foreign Direct Investment during this period was US\$14.8 billion. Gross tax revenues are on target. The CMIE database shows that a huge amount of money towards capital expenditure is in the pipeline.

Nevertheless, we must be prepared for a temporary slowdown in the Indian economy. The precise impact is difficult to estimate at this point since the depth and duration of the global slowdown remain uncertain. Some estimates project GDP growth to decelerate to 7.5 per cent in the current year. The most pessimistic estimates place it at not less than 7 per cent. Our effort will be to minimize the negative effect of the financial crisis and, once the global situation stabilizes, to return to the growth trajectory of 9 per cent. I would urge hon. Members and the people of India to continue to repose faith in the fundamentals of the Indian economy.

Hon. Members will recall that in anticipation of a slowdown we had stepped up public expenditure in the Budget presented on February 29, 2008. Our expenditure proposals were criticized at the time in some quarters, but I am happy to note that it is now widely acknowledged that increased public expenditure is an important part of the solution. Our expenditure on education, health, National Rural Employment Guarantee Programme (NREGP), National Rural Health Mission (NRHM), Accelerated Irrigation Benefit Programme (AIBP), Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and other programmes will, I believe, stand us in good stead in these difficult times. Besides, the debt waiver and debt relief amounting to Rs. 65,000 crore to 3,60,00,000 farmers will also greatly benefit our farmers and enthruse them to increase production.

Mr. Speaker, Sir, India has faced challenges in the past and has overcome them. We have the strength to overcome the current challenges too. In fact, it is when India is challenged that the Indian people rise to the occasion and convert the challenge into an opportunity. There is no place for fear. This is the time for unity of purpose and resolute action. I seek the support of all sections of this august House to the measures taken by the Government and the authorities.

**BACK NOTE**

**XXX. Statement Regarding Ongoing Global Financial Crisis and its Impact on India 20 October, 2008**

**NIL**

## **REPLY TO DISCUSSION ON TERRORIST ATTACK IN MUMBAI**

**11 December, 2008**

Mr. Speaker, Sir, as I rise I am acutely cautious of the fact that in the recent months, the acts of terror have been on the increase and we have lost hundreds of our citizens in these dastardly acts.

I am conscious of the fact that our systems and procedures in dealing with terrorism need a review. On behalf of our Government, I would like to apologise to our people that these dastardly acts could not be prevented.

As far as Mumbai is concerned, it was a very calculated and sinister attack, intended to cause wide-spread terror and damage to the very image of India. The forces behind these attacks wanted to destabilize our secular polity, create communal discord and undermine our country's economic and social progress.

Each one of us has condemned this horrible incident and also extended our deepest condolences to the bereaved families and sympathies to those who have suffered injuries. We have all saluted the courage and patriotism of the Police and security forces, including the special forces, like the NSG and the Naval Commandos. This nation is proud of them. I also note with great sorrow that a number of foreign nationals have also been the victims of this terrorist onslaught. I have personally spoken and written to the Heads of State or Heads of Government of those countries whose nationals were the victims of this terrorist onslaught, apologizing to them that this incident could not be prevented.

Mr. Speaker, Sir, nothing that we can say or do will compensate for the lives that have been lost. It is important to ensure that the memory of their sacrifice does not get dimmed with the passage of time. Parliament must resolutely reinforce our nation's determination to defeat terrorism and destroy its roots and branches. The scourge of terrorism has to be, and will be, fought with determination.

All means and measures needed for this purpose will be utilized.

Our immediate priority is to restore a sense of security to the people of India. We will not countenance a situation in which the safety and security of our citizens are violated with impunity by terrorists or other

militant forces.

I believe we have to work at three levels. First, we have to galvanize the international community into dealing sternly and effectively with the epicentre of terrorism, which is located in Pakistan. The infrastructure of terrorism has to be dismantled permanently. This is for the good of the entire world community, including the well being of the people of Pakistan themselves.

Several Heads of State and Government have spoken to me, in the wake of the terrorist attacks in Mumbai. Each one of them has praised India for demonstrating restraint. They agreed that strong action should be taken against those responsible for these acts. I conveyed to them that we could not be satisfied with mere assurances. The political will of the international community must be translated into concrete and sustained action on the ground.

It is time for the international community to squarely confront the challenge of terrorism. The use of terrorism as an instrument of State-policy is no longer acceptable. There should be no double standards in the global fight against terrorism. There are no good or bad terrorists. There is no cause that justifies the massacre and killing of innocent people. We need effective steps not only to bring those responsible for the Mumbai attacks to justice, but also to ensure that such acts of terrorism do not recur.

I am happy that the United Nations has taken the step today to put sanctions on four individuals of the LeT, including Hafiz Muhammad Saeed and on the front organizations under which the LeT was operating such as the Jamaat-ud-Daawa. This is the kind of purposeful action that we believe should be pursued in a sustained manner by the world community to ensure that the entire infrastructure of terror is dismantled.

Secondly, we have taken up strongly with the Government of Pakistan the use of their territory for launching an attack of this kind, and the need for the strongest possible action against the perpetrators of such ghastly acts. The world community must be convinced that actions by Pakistan against the brutal perpetrators of these crimes against humanity will be effective and will be sustained over time.

We have so far acted with utmost restraint. But let not our commitment



to civilized norms be misconstrued as a sign of weakness. Every perpetrator, organizer and supporter of terror, whatever his affiliation or religion or location must pay the price for such cowardly and horrific acts against our people. We have noted the reported steps that have been taken by Pakistan. But clearly much more needs to be done and the actions should be pursued to their logical conclusion.

Thirdly, we need to recognize as a Nation that we cannot depend on either of these two approaches for obtaining the outcomes that we all desire. The Mumbai incident has highlighted gaps in our preparedness to deal with these kinds of assaults. We need to equip ourselves more effectively to deal with this unprecedented threat and challenge to our country's integrity and unity.

The Home Minister has already outlined a number of steps that are being taken. The Administrative Reforms Commission Report has taken a comprehensive look at the problem of terrorism, and the course of action that the Commission has indicated is under the active examination of the Government.

The need for stronger measures to protect our coastlines has been highlighted before, but the progress on ground in this regard has, obviously, been tardy and too slow. We are strengthening our maritime security against asymmetric threats from the sea. Since there are currently multiple agencies tasked with coastal security, it has been decided that the sole responsibility of guarding the coastline would be entrusted to the Coast Guard. The Indian Navy would provide the necessary back-up support to the Coast Guard for this purpose.

This would come into effect immediately. Special security and protective arrangements are being put in place for all major ports. Similar steps have been initiated for guarding sensitive installations in the vicinity of our shore line.

Arrangements for securing our air space taking into account conventional as well as non-conventional threats have been streamlined. Real time monitoring of aircraft movement jointly by the Air Force and the civil authorities has begun. Air defence measures to prevent intrusion of rogue or unidentified aircraft are in place.

The attacks highlighted the need to be able to act in response to such incidents with much greater speed. We have worked out a mechanism for a comprehensive crisis management response. It has already been decided that the National Security Guard should be decentralized and dispersed and should be located in major metropolitan areas. At the same time, arrangements must be put in place such that rapid response units can reach other locations without loss of time. Till such time as the strength of the NSG is increased, and new units are trained, the Special Forces available with the Army, the Air Force and the Navy and other civilian agencies will be used. Commando units would be created by each State.

We have already decided to strengthen the legal framework to deal with terror and also to set up a national investigating agency. As promised by the Home Minister these Bills would be brought to the House at the earliest.

As has been indicated, mechanisms have already been put in place to provide more timely intelligence to pre-empt future terrorist attacks. Daily meetings at the level of the Home Minister are being taken. The Multi Agency Centre of the Intelligence Bureau will be concentrating exclusively on collecting, collating and disseminating information relating to terrorist threats. Integration and coordination among the various intelligence agencies is being improved. The States have been requested to energize intelligence collection at the district level to produce more actionable intelligence.

While we will be taking a number of short-term and long-term measures, there is a general consensus that the long-term strengthening of our security will only take place by strengthening the police establishment, particularly at the local level. We are committed to police modernization and will spare no effort and no resource to undertake this task within a definite timeframe. We must provide our security forces with the modern and sophisticated equipment they require to tackle the increasing sophistication of terrorist crimes. The morale of our security forces is of utmost concern and importance and if there are any deficiencies these will be made good. The country needs a modern and efficient police force to deal with the twin challenges of security and development in this day and in this age.

The terrorist attacks in India have tried to sow communal divide in the country and weaken our polity and our social fabric. We have emerged

stronger with every challenge, and will do so again. I have no doubt that the Mumbai attacks will also fail in their nefarious designs. All political parties have an obligation to unite against communal hatred and discord. We cannot fight and win this war against terrorism, if we are a divided House.

In conclusion, Mr. Speaker, Sir, I wish to say that it is in times of adversity that the true mettle of a nation is tested. We must remain calm and be resolute. We should stand firm as one nation and one people to meet this challenge posed by terrorism. We will give a fitting rebuff to our enemies. The idea of India as a functioning democracy and a pluralistic society is at stake. This is a time for national unity and I seek your cooperation. Truth and righteousness are on our side and together we shall prevail.

**RESOLUTION RE: UNEQUIVOCAL CONDEMNATION OF THE HEINOUS ATTACKS IN MUMBAI BY TERRORIST ELEMENTS FROM PAKISTAN**

Sir, I move the following Resolution:

That this House expresses its unequivocal condemnation of the heinous terrorist attacks in Mumbai by terrorist elements from Pakistan, claiming hundreds of innocent lives and seeking to destroy the values that India stands for;

Notes that this outrage follows acts of terror committed since the beginning of this year in various places across India and on the Indian Embassy in Kabul;

Notes with deep concern the fact that Lashkar-e-Toiba, a terrorist organization that is listed in the UN Security Council Resolution 1267 and is banned in Pakistan, has continued to operate and launch terrorist attacks against India;

Notes the Government's declaration to review circumstances leading up to the attacks on Mumbai and to take further measures as may be necessary to safeguard national security;

On behalf of the people of India, firmly resolves that:

— India shall not cease her efforts until the terrorists and those who have trained, funded and abetted them are exposed and brought to justice;

— India shall firmly counter all evil designs against its unity, sovereignty and territorial integrity.

**BACK NOTE**

**XXXI.      Reply to Discussion on Terrorist Attack in Mumbai  
11 December, 2008**

**NIL**

## FELICITATIONS TO THE SPEAKER SMT. MEIRA KUMAR

3 June, 2009

Madam Speaker, it is my proud privilege to greet you respectfully on behalf of the Government, and on behalf of our people to the august office of the Speaker to which you have been unanimously elected.

Madam, this, in many ways, is a historic occasion. For the first time a woman Member of this august House has been elected as Speaker and that too a woman belonging to the Dalit community. In electing you to this august office, Madam, we, the Members of Parliament, pay a tribute to the womanhood of our country for the great services, the great contribution that they have made to our nation's life in more than one way.

Madam, on an occasion like this, my mind goes back to the days when your illustrious father Babu Jagjivan Ram was a senior Minister in the Government of India. I had several occasions to interact with him and his wisdom, knowledge and experience were great assets of the Government. You are the embodiment of the same quality of head and heart as late Babuji.

You have a distinguished record of service to our country in more than one way. You have been a distinguished diplomat. You have been a parliamentarian of 25 years or more standing. You have been a Minister in the Government of India and I am sure, this knowledge, wisdom and experience will stand you in good stead in dealing with issues that come before this august House.

Madam, in addition, the charm, the grace and the tact of which you are the embodiment, I am sure, will stand you in good stead in soothing frayed tempers which sometimes happen in this House.

With these words, I congratulate you on your unanimous election as the Speaker. On behalf of our Government, I assure you of our fullest cooperation in discharging your onerous duties.

I once again salute you and congratulate you for your unanimous election to this august House.

**BACK NOTE**

**XXXII. Felicitations to the Speaker, Smt. Meira Kumar 3 June, 2009**

**NIL**

**FELICITATIONS TO DEPUTY SPEAKER  
SHRI KARIA MUNDA**

**8 June, 2009**

Madam Speaker, in electing Shri Karia Munda as the Deputy Speaker of this august House so soon after your own election unanimously as the Speaker, it augurs well for our country. Both of you belong to the two most disadvantaged communities of our country. By honouring both of you, this House reaffirms its commitment to the cause of social justice and to the empowerment of the disadvantaged communities.

Madam, Shri Karia Munda brings to bear on his Office a wealth of experience. I believe this is his seventh term as a Member of this House. He had been a Member of many Standing Committees and he had also been a Minister in the Union Government. He is a multifaceted personality and an accomplished social worker who has taken active interest in the empowerment of women, he is also a writer, I believe, he has written a book on Rabindranath Tagore — a person with all these qualities of head and heart. I congratulate Shri Karia Munda for his unanimous election to the august Office of the Deputy-Speaker.

We assure him our wholehearted cooperation in running the affairs of this House.

The unanimous election of both the Speaker and the Deputy Speaker, as I said, augurs well for the running of this House in a smooth manner and I sincerely hope that the 15th Lok Sabha will set an example before the country in orderly conduct of the business of the House.

**BACK NOTE**

**XXXIII. Felicitations to Deputy Speaker, Shri Karia Munda 8 June, 2009**

**NIL**



## REPLY ON MOTION OF THANKS TO THE PRESIDENT'S ADDRESS

9 June, 2009

Madam Speaker, I join all other Members of this august House in conveying our very sincere thanks to the Respected Rashtrapatiji for a very thought-provoking Address. I would also like to take this opportunity to thank the Leader of the Opposition, Shri L. K. Advani, other senior Leaders including Shri Mulayam Singh Yadav, Shri Lalu Prasad and many other distinguished personalities who have spoken on the Address of the hon. President.

I sense an underlying sense of unity what our Republic is about. What are the tasks that lie ahead and how we should go about in achieving those objectives? Shri Advani had said that we should all work to make the 21st Century the India's Century. This is an idea that I have been stating for quite some time. I said as early as 1991 quoting Victor Hugo: "That no power on earth can stop an idea whose time has come" and I sincerely believe that the emergence of India as a major power house of the global economy and global polity happens to be one such idea whose time has come. It is our privilege to contribute to the realisation of this cherished goal of our country.

The tone of speeches on all sides has been highly constructive, and I think this augurs well for our country starting with the unanimous election of hon. Speaker followed by unanimous election of hon. Deputy Speaker. We have made a new beginning. It is my hope and prayer that we maintain that spirit of bipartisanship when it comes to dealing with large number of National problems and concerns, which we face as a country.

Madam, the conduct of free and fair elections and the subsequent formation of the Government are indeed a triumph for Indian democracy. We can take legitimate pride in our achievements. There were many people who believed that Parliamentary democracy cannot succeed in a country as poor as India, and that Parliamentary democracy cannot succeed in a country where the voters are illiterate to such an extent as is the case with our country. We have seen people writing about it. I recall that way back in the 1960s a correspondent of the *New York Times* Selig S. Harrison, who was

based in India, went back and wrote a book, namely, "India: The Most Dangerous Decades", predicting the demise of Indian Union by the end of the 1970s.

We have proved all these prophets of doom and gloom wrong, and our Republic has shown the resilience to march ahead.

Madam, I sincerely believe that social and economic transformation of India in the framework of a democratic polity, an open society committed to the rule of law, committed to respect for all fundamental human rights, is a development in world history which, if it succeeds, will have profound consequences for the processes of development in all countries of the third world.

People marvel at a country of a billion people characterized by vast diversity of languages spoken, characterized by diversity of religious beliefs and caste tensions, yet moving forward together. This is something which has earned our country deep admiration. At least, that is what I have sensed in my five years as Prime Minister as I travelled in various parts of the world.

It is our privilege and it is our bounden duty to strengthen the democratic foundations of our magnificent Republic.

There are tensions in the system, and while we congratulate ourselves, we must not lose sight of some manifest weaknesses — the growing use of money power, muscle power in elections. I think these are developments which need to be tackled, if we have to maintain the health of our democratic polity.

Also, if we have to succeed, it is necessary for us to take a firm pledge that we will not encourage groups and individuals who wish to divide our country on the basis of religion or caste.

We should deal firmly with people who believe violence is the only way to achieve their object. I believe we must all be solemnly committed to ensuring that social and economic development, which is a must for a poor country, must benefit all sections of society, all States of the Union, all communities and all persons.

I heard, Lalu ji refer to the special problems of Bihar. I assure him and

I assure the hon. Members that the backward regions of our country, those which have been left behind in the race for development, will claim our priority attention as we deal with the challenges of development.

There is one thing more that I wish to say. Democracy is a beautiful tree, but all modern democracies, under the pressure of competitive politics, tend to adopt a short-term perspective; very often, longer term concern and issues do not get the attention that they deserve. We must have this long-term vision, if India is to realize its development objective. I sincerely hope that we will have that vision, that will and the courage to address some of these longer term concerns as a befitting tribute to the founding fathers of our Republic who gave us the magnificent Constitution of India.

Madam, the mandate that our Government has received, and we accepted in all humility, leaves no scope for bragging about. We recognise that this mandate casts a heavy responsibility on all of us to give our country a strong, purposeful Government, a stable Government, a Government committed to the pursuit of inclusive development process. As the President herself has acknowledged in her gracious Address, this is an agenda which will keep us all busy every day of the next five years. The mandate, therefore, is a mandate for stability, of change with continuity, commitment to inclusive growth, equitable development and commitment to the preservation and protection of a secular and plural India.

Madam, we will consolidate our efforts on each of these fronts and the President's speech has outlined the direction we intend to pursue. We will further strengthen our flagship programmes for employment, education, rural and agricultural development, health, and improve the delivery of public services through greater transparency and accountability. We are aware that though much ground has been covered, a lot more remains to be done. We will spare no effort in accelerating the speed of our work.

Madam, in this gigantic task I recognise that no development agenda can succeed if the Centre and the States, and now the third tier Panchayati Raj institutions, do not work in a spirit of collaboration, in a spirit of harmony. Madam, you have my assurance that in dealing with States, in dealing with Panchayati Raj institutions, we will operate strictly on the basis of objectivity. No discrimination will be done against any State which

may not be governed by parties which are in power in Delhi. This is a commitment I give. I call upon all Chief Ministers to work together in the National Development Council to earnestly implement the vast development and inclusive development agenda that the President has placed before our people.

Madam, I should say a few words about the strategies and programmes that President in her speech has referred to. What is our fundamental task as a Government? I have always believed and here I draw inspiration from the founding fathers of our Republic Mahatma Gandhi, Jawaharlalji, Indiraji, Rajivji who have always emphasised that our freedom will be incomplete so long as there is mass poverty in our country.

It was the dream of the father of our nation, Mahatma Gandhi to wipe out tears from the eyes of each and every individual in our country. That is an ambition which we may not be able to fulfil but that is the inspiration which should and which will guide our Government in its quest for giving our people a life of dignity and self-respect.

Development is meaningless if our people suffer from ill-health, if our people are illiterate, if the environment protection measures are not in place, if the degradation of land and water resources of our country and the river resources of our country goes unchecked. Therefore, we commit ourselves to this inclusive vision for development where the fruits of development will be equitably shared, where all individuals in our magnificent Republic would get an equal chance to fulfil their ambitions. It is not easy but I am convinced that education, health and environment protection are the means through which we can help our people to improve the quality of their living. But all this requires resources and money does not grow on tree. If we have to invest in our flagship programmes, then we need lot more resources and expanding tool of resources. Fortunately, in the last five years, our economy managed to grow at the rate of 8.6 per cent. That benefited our revenues enormously. We were able to expand the resource flows for agriculture, for rural development, for education, for health and for environment protection.

More recently, particularly in the last one year because of the international slowdown our economy has been affected. Our growth rate which was about 9 percent, in the previous four years has declined to about

7 percent. We live in an increasingly inter-dependent world economy and I cannot promise you that we will not be affected by global events but I am convinced since our savings rate is as high as 35 percent, given the collective will, if all of us work together, we can achieve a growth rate of 8 to 9 percent even if the world economy does not do well. This shows we will maintain, at least, 7 percent growth rate. In the short run, we cannot do better but this is not good enough. Therefore, the ambition that our Government has is that notwithstanding developments in the global economy, our country must have the resilience to so manage its affairs that it grows at the annual rate of 8 to 9 percent. I am convinced this can be done with the cooperation of all sections of this august House. That will be the direction in which we will be moving.

I recognise that fiscal system is under strain. The fiscal deficit has increased but I do believe that in the short run, even then we have manoeuvrability to spend more resource on our flagship programmes. I sincerely believe that hon. Finance Minister when he presents his Budget will unfold the Government's strategy in this regard.

But as I said, we cannot spend our way into prosperity. In the present situation there is considerable scope to increase public expenditure, particularly on infrastructure projects and that would not lead to inflation, that would only add to our development growth potential and I reckon that is the right way to deal with international slow down that has affected many countries in the world.

The world economy is inter-linked with the management of a vast country like India. There are international factors which affect us. There are also developments in security matters which also can derail the development process. If terrorism is uncontrolled, if Left Wing extremism continues to flourish in important parts of our country which have tremendous natural resources of minerals and other precious things, that will certainly affect the climate for investment. Therefore, as a Government we are committed to doing all that is in power to ensure that terrorist elements are brought under control. That is why the hon. President talked about 'Zero Tolerance' for terrorism. In the same way, in dealing with Left Wing extremism we have to convince our misguided youth that violence of the gun is no way of solving any problems and that our democratic polity gives them the scope

through the ballot to express their concerns and we have seen in the past that rebels of yesterdays have ended up as being rulers. That is the beauty of our Republic; beauty of our democratic polity. So, we have to operate on two fronts in dealing with these extremist elements. We cannot allow violence to be used as an instrument of getting their results. At the same time we recognise that there is a climate in which violence flourishes and it should be our objective to ensure that people are not carried away by economic and social discontent to join the ranks of the affected people. That is why walking on two legs and a firm resolve to see that law and order is maintained and simultaneously a firm commitment to ensure that the gains of development do reach to the disadvantaged sections of our society, particularly those living in the tribal areas is required.

I am conscious of the fact that the tribal population in our country has not got a fair deal. The way we administer the tribal areas; the way we send officers who are disinterested to work in these difficult tribal areas, the flow of resources is not properly monitored and there is no proper guidance in the spending of resources. I think, the whole development strategy for tribal areas in Central India at least requires a fresh look.

I promise that our Government will do all that is possible to bring the tribal communities of our country into the national mainstream. We have taken some steps in the last five years. The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, which confers rights on forest dwellers, is a step in that direction. But I do recognise much more needs to be done on the economic and social fronts to contain the discontentment in the tribal areas which often leads to naxalism or left-wing extremism.

In his speech, the hon. Leader of the Opposition, Shri L.K. Advani, mentioned that the Centre has been blamed for certain lapses by the Commission of Inquiry set up by the Maharashtra Government in connection with the terrorist attack in Mumbai on November 26. As Members of Parliament are aware, the Government of Maharashtra had set up a Two-member Commission of Inquiry to inquire into the events of that day and the manner in which the State Government had responded to the attack. I understand that the Commission of Inquiry has submitted its Report to the State Government. The State Government would, no doubt, be tabling

the Report in the Maharashtra Legislature, together possibly with an Action Taken Report. It is not possible, therefore, to comment at this stage on the contents of the Report of the Commission of Inquiry before the Report is formally tabled on the floor of the State Legislature. I shall, therefore, refrain from commenting on the inferences drawn by the hon. Leader of the Opposition about a Report that is yet to be placed on the floor of the State Assembly.

I would, however, like to inform the House about the several steps that have been taken since November 2008 to further tighten the vigil against future terrorist attacks of this nature. As Members are aware, the perpetrators of the November 26 attack came by sea. We were all aware of our vulnerability to such attacks from this quarter and had already taken a number of steps, but obviously these were inadequate. A massive effort has hence been taken to streamline our maritime security which included the setting up of a Maritime Command under the Coast Guard with overall responsibility vested with our Navy.

We have increased the number of Marine Police Stations to supplement the efforts of the Coast Guard and the Navy. There have been several other steps that have been taken. But I shall enumerate only a few. Improvements in intelligence sharing is one. The Multi Agency Centre has been fully energised and Subsidiary Multi Agency Centres constituted in more States. The process will be completed shortly. The Net-Centric Information Command structure is being put in place to achieve online transfer of all actionable intelligence in a streamlined manner. Generation of actionable intelligence has simultaneously been given priority and measures put in place for this purpose. Technical innovation and technical support to intelligence production has been given the highest priority. Steps have also been taken to improve the quality of intelligence analysis. Investigation into serious terrorist offences will, from now on, be the responsibility of the newly-constituted National Investigation Agency.

Additional legal measures taken include — apart from the new NIA Act — significant amendments to the Unlawful Activities (Prevention) Act. The Home Minister is in constant dialogue with Chief Ministers of States keeping them informed of the specific aspects of the two new pieces of legislation.

Madam, following the terrorist attacks in Mumbai on 26th November, 2008, the imperative necessity to have dedicated counter terrorist forces has been further reinforced. The National Security Guard is the principal counter terrorist force in the country. A major effort has been made to improve its capability, improving better mobility and state-of-the-art equipment. At least, four new NSG hubs have been set up in different parts of the country. In addition, certain other dedicated counter terrorist forces are sought to be created.

Madam, it goes without saying that both the challenges of the troubled times that we live in terms of security of our nation and the unique opportunities within our reach for the well being of our people, enjoin us to work together for common goals. I am grateful to the hon. leaders of the Opposition who offered their support on both these counts. I consider it the duty of my Government to build further unity of purpose. I have always felt that our differences will melt away when we consider the overwhelming nature of the challenge that our country faces.

Madam, I would like to say a few words about our relations with our neighbours. We are living in a neighbourhood of great turbulence. I have believed India cannot realize its ambitions unless there is peace and prosperity in South Asia as a whole and if our neighbourhood is suffering from instability, turbulence that has direct bearing on our own evolution as a democratic polity committed to sustained growth and development. I have, therefore, a vision for a transformed South Asia where, with the cooperation of all our neighbours, we move from poverty to prosperity, from ignorance to knowledge society and from insecurity to lasting peace. What is at stake is the future of one-and-a-half billion people living in South Asia. I sincerely believe it is in our vital interest therefore to try again to make peace with Pakistan. I recognise, it takes two hands to clap. There are some disturbing trends, but I do hope that the Government of Pakistan will create an atmosphere in which we can realize this vision. I expect the Government of Pakistan to take strong, effective and sustained action to prevent the use of their territory for the commission of acts of terrorism in India, or against

Indian interests, and use every means at their disposal to bring to justice those who have committed these crimes in the past, including the attack on Mumbai. I believe that such actions will be welcomed by the



peoples of both countries. If the leaders of Pakistan have the courage, the determination and statesmanship to take this road to peace, I wish to assure them that we will meet them more than half way.

I should say a few words about Sri Lanka. We have centuries-old ties with the people of Sri Lanka and we have a deep and abiding interest in the well-being of the Tamil people in that country. The Tamil problem is larger than the LTTE and I sincerely hope that the Sri Lankan Government will show imagination and courage in meeting the legitimate concerns and aspirations of the Tamil people to live their lives as equal citizens and with dignity and self-respect. We have been taking an active part in the relief and rehabilitation of the Internally Displaced Persons in Sri Lanka and I have already earmarked Rs. 500 crore for this purpose. We are willing to do more to restore normalcy and to return such people to their rightful homes and occupations.

In this House as well as in the other House, Members have expressed concerns about the developments in Australia. Madam, Australia has emerged as a major destination for Indian students. Like many other Members who have spoken in this House, I have been appalled by the senseless violence and crime, some of it racially motivated against our students in Australia. I propose to engage the authorities in Australia in a high level dialogue with a view to taking stock of the situation and to providing adequate security for Indian students.

Madam, I have already spoken to Prime Minister Rudd of Australia on this subject. He assured me that any racist attacks on Indian students would be strongly dealt with. He made a Statement in Parliament in which he condemned and deplored the attacks and said that they were unacceptable. He emphasised that Australia is a multi-cultural nation which respects and embraces diversity. He said that these would be countered with the full force of the law.

Madam, I do not wish to under-play the anxiety of the parents of our students, but I wish to request the media to be mindful of the fact that there are over 200,000 Australian citizens of Indian origin. We should be mindful of their interests and avoid willy-nilly creating a situation where

these citizens of Australia of Indian origin become the targets of racist intolerance. India and Australia have very good relations and it has been our effort to widen and deepen these ties in the last five years.

Madam, I should say a few words about our relations with China. Hon. Members have raised the issue of our relations with China and I should say that China is our strategic partner. We have a multi-faceted relationship with China. There is enough space — I have said so often — for both China and India to develop and contribute to global peace, stability and prosperity. We do not see our relations with China in antagonistic terms. We have a large trading relationship, we consult each other on global issues, whether in the G-20 process on climate change or terrorism, and we share a common commitment to maintain peace and tranquillity on our border.

There are, of course, issues which are complex such as the boundary question. But we have agreed upon a mechanism to address this matter. We wish to build a strong and stable relationship with China. This is in the mutual interest of both our countries. I have been assured by the Chinese leadership— I have interacted with them extensively in the last five years— that they also subscribe to the views I have expressed just now. But whether it is China or any country, we will ensure the territorial integrity and unity of our country and protect the security in every manner necessary. The House should have no misgiving on that score.

Madam, the President's Address has covered a vast territory. I could not do justice to all the points that have been raised. But as I listened to the debate, I was struck by an underlying sense of unity on all sides that India should move forward as a united nation to achieve its coveted place in the comity of nations. That is the mandate, a mandate for change, a mandate for inclusive development, a mandate to strengthen the secular foundations of our magnificent republic. It is to these tasks that I commit our Government and I invite all hon. Members to join me in passing this Motion of Thanks unanimously.

**BACK NOTE**

**XXXIV. Reply on Motion of Thanks to the President's Address  
9 June, 2009**

**NIL**

## **STATEMENT REGARDING PRIME MINISTER'S VISITS TO ITALY, FRANCE AND EGYPT**

**17 July, 2009**

Madam, Speaker, I returned earlier today from visits to France and Egypt. Before that I had visited Italy for the G-8/G-5 Summit meetings.

Meetings of the G-8 and G-5 countries have become an annual feature. The agenda for this year's meetings was wide ranging, but the main focus was on the on-going global economic and financial slowdown.

The developing countries have been the most affected by the global financial and economic crisis. I stressed the importance of a concerted and well-coordinated global response to address systemic failures and to stimulate the real economy. There is need to maintain adequate flow of finance to the developing countries and to keep markets open by resisting protectionist pressures.

As a responsible member of the international community, I conveyed to the G-8 and G-5 countries that we recognize our obligation to preserve and protect our environment but climate change cannot be addressed by perpetuating the poverty of the developing countries. I presented India's Action Plan on Climate Change and the eight National Missions which we have set up in this regard. We are willing to do more provided there are credible arrangements to provide both additional financial support as well as technological transfers from developed to developing countries.

India's participation as guest of honour at the French National Day was an honour and a matter of pride for us all. I wish to share with the hon. Members the pride I felt to see the brave men of our Armed Forces from all three Services leading the French National Day parade. We have a strategic partnership with France. In this spirit, in our discussions, President Sarkozy and I reviewed the entire range of our bilateral cooperation including counter-terrorism and defence co-operation. President Sarkozy was categorical in asserting that France is ready for full civilian nuclear cooperation with India.

In Egypt I participated in the 15th Summit of the Non-Aligned Movement. NAM is the powerful voice of almost two-third of the world's nations. I recalled what Pandit Nehru had said about NAM being a moral force in global affairs. The Summit called for bringing decision-making

processes in the international system, including the UN and international financial institutions, in tune with contemporary realities. I am glad that our views found widespread resonance and that the Summit heeded our call to strongly condemn international terrorism.

On the sidelines of the Summit, I met with the Presidents of Egypt, Sri Lanka, Vietnam and the Palestinian National Authority, and the Prime Ministers of Bangladesh, Malaysia, Nepal and Pakistan. I found a uniform desire among all these countries to further enhance their relations with India.

During my meeting with Prime Minister Gilani of Pakistan yesterday, we discussed the present condition of India-Pakistan relations, its future potential and the steps that are necessary to enable us to realize the potential.

I conveyed to him the strong sentiments of the people of India over the issue of terrorism, especially the terrorist attacks in Mumbai. We are reviewing the dossier of investigations into these attacks which Pakistan has provided to us. I also conveyed to Prime Minister Gilani that sustained, effective and credible action needs to be taken not only to bring the perpetrators of the Mumbai attack to justice but also to shut down the operations of terrorist groups so as to prevent any future attacks.

It has been and it remains our consistent position that the starting point of any meaningful dialogue with Pakistan is a fulfillment of their commitment, in letter and spirit, not to allow their territory to be used in any manner for terrorist activities against India.

Prime Minister Gilani assured me that Pakistan will do everything in its power to bring the perpetrators of the Mumbai attacks to justice. He also told me that there is consensus in Pakistan against the activities of these terrorist groups, that strong action is being taken and that this is in Pakistan's own interest. The distinguished parliamentarians from different parties who accompanied the Pakistan Prime Minister also said to me that there was political consensus in Pakistan on this issue.

As the Joint Statement says, action on terrorism should not be linked to the composite dialogue process, and therefore cannot await other developments. It was agreed that the two countries will share real time,

credible and actionable information on any future threats.

Whether, when and in what form we broaden the dialogue with Pakistan will depend on future developments. For the present, we have agreed that the Foreign Secretaries will meet as often as necessary and report to the two Foreign Ministers who will meet on the sidelines of the United Nations General Assembly.

Madam, as I have said before in this House, India seeks cooperative relations with Pakistan, and engagement is the only way forward to realize the vision of a stable and prosperous South Asia living in peace and amity. We are willing to go more than half way provided Pakistan creates the conditions for a meaningful dialogue. I hope that there is forward movement in the coming months.

Madam, I have returned home convinced that these interactions with world leaders have served to further advance India's interests.

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**BACK NOTE**

**XXXV. Statement regarding Prime Minister's visits to Italy, France and Egypt 17 July, 2009**

**NIL**

## ISSUES ARISING OUT OF PRIME MINISTER'S VISIT TO FOREIGN COUNTRIES

29 July, 2009

Madam Speaker, I am very grateful to Shri Yashwant Sinha, Shri Mulayam Singhji, Shri Sharad Yadavji for their comments on the Joint Statement that was issued after Sharm-el-Sheikh and also for what I said in the G-8 meetings in Italy. I will cover all the points and clarify all the issues.

Madam Speaker, as I have said many times before, we cannot wish away the fact that Pakistan is our neighbour. We should be good neighbours. If we live in peace, as good neighbours do, both of us can focus our energies on many problems that confront our people, our acute poverty which afflicts millions and millions of people in South Asia. If there is cooperation between us, and not conflict, vast opportunities will open up for trade, travel and development that will create prosperity in both countries.

It is, therefore, in our vital interest to make sincere efforts to live in peace with Pakistan. But despite the best of intentions, we cannot move forward if terrorist attacks launched from Pakistani soil continue to kill and injure our citizens, here and abroad. That is the national position and I stand by that.

Madam, I have said time and again and I repeat it right now again. It is impossible for any Government in India to work towards full normalisation of relations with Pakistan unless the Government of Pakistan fulfils, in letter and spirit, its commitment not to allow its territory to be used in any manner for terrorist activities against India.

This was a commitment, as my friend, Shri Yashwant Sinha mentioned, made to my distinguished predecessor, Shri Atal Bihari Vajpayee, and it has been repeated to me in every meeting I have had with the Pakistani leadership. The people of India expect these assurances to be honoured and this Government recognises that as the common national consensus.

Madam, the attack on Mumbai last November outraged our nation and cast a deep shadow over our relation with Pakistan. The reality and the horror of it were brought into Indian homes over three traumatic days that



still haunt us. The people of India demand that this must never happen again.

Over the past seven months, we followed a policy, using all effective bilateral and multilateral instruments at our command, to ensure that Pakistan acts, with credibility and sincerity, as we would expect of any civilized nation.

Soon after the attacks, the United Nations Security Council imposed sanctions on Lashkar-e-Toiba and its front organisations, including the Jamaat-ud-Dawa. It also imposed sanctions on four individuals connected with the organisation, including one of the masterminds behind the Mumbai attacks, Zaki-ur-Rehman Lakhvi.

We exercised great restraint under very difficult circumstances but made it clear that Pakistan must act. On 5th January, 2009, we handed over to Pakistan the details of the links to Pakistan that were revealed by our investigators. Some action followed and Pakistan formally responded to us on two occasions regarding the progress of their own investigations in February 2009 and then just two days before my departure for Paris and Sharm-El-sheikh.

The latest dossier is a 34 page document that gives the details of the planning and sequence of events, details of the investigations carried out by the special Federal Investigation Agency Team of Pakistan, a copy of the FIR lodged, and the details and photographs of the accused in custody and those declared as proclaimed offenders. It provides details of the communication networks used, financing of the operation and seizures made in Pakistan, including maps, life boats, literature on navigational training, intelligence manuals, back packs, etc. This is Pakistan's dossier supplied to us. It states that the investigation has established beyond doubt that Lashkar-e-toiba activists conspired, financed and executed the attacks. Five of the accused have been arrested, including Zaki-ur-Rehman Lakhvi and Zarar Shah; and thirteen others have been declared proclaimed offenders. A charge sheet has since been filed against them under Pakistan's Anti Terrorism Act, and other relevant laws.

We have been told that the investigations are nearly complete and that a trial will now proceed. We have also been asked for some further

information and we will provide this shortly.

This, Madam Speaker, is the first time that Pakistan has ever formally briefed us on the results of the investigation into a terrorist attack in India. It has never happened before. This, I repeat, is the first time. It is also the first time that they have admitted that their nationals and a terrorist organisation based in Pakistan carried out a ghastly terrorist attack in India.

Madam Speaker, the reality is that this is far more than the NDA Government was ever able to extract from Pakistan, despite all their tall talks. This is true of the entire duration of the NDA regime. They were never able to get Pakistan to admit what they have admitted now. So, I say with all respect to Shri Yashwant Sinha, that the UPA Government needs no lessons from the Opposition on how to conduct foreign affairs or secure our nation against terrorist threats.

Madam Speaker, while noting the steps Pakistan has taken, I have to say that, they do not go far enough. We hope that the trial will make quick progress and that exemplary punishment will be meted out to those who committed this horrific crime against humanity. We need evidence that action is being taken to outlaw, disarm, and shut down the terrorist groups and their front organisations that still operate on Pakistani soil and which continue to post a grave threat to our country.

Madam Speaker, in the final analysis the reality is that despite all the friends that we may have — and we wish to make as many friends, as Shri Mulayam Singh ji said, as possible — the harsh reality of the modern world power structure is such that when it comes to matters relating to our internal security and defence, we will have to depend on ourselves. Self-help is the best help. There is no substitute to strengthening our defence capabilities, our national security structure and our emergency response mechanism. I wish to assure the House that the Government is giving these matters the highest priority and attention.

Several important steps have been taken to modernise, rationalise and strengthen our defence security and intelligence apparatus. A detailed plan to address internal security challenges is being implemented in a time-bound manner. The Government is maintaining utmost vigilance in the area of internal security. Measures have been taken to ensure enhanced information

and intelligence sharing on a real time basis. The policy of zero tolerance towards terrorism, from whatever source it originates, has been put in place.

Madam, in the area of Defence, steps are underway to substantially improve our coastal and maritime security. Large acquisitions of major weapon systems and platforms have been approved for the modernisation of our Army, Navy and Air Force. There has been a special focus to improve the welfare of the Armed Forces personnel. We will spare no effort and no expense to defend our nation against any threat to our sovereignty, unity and integrity. This is the sacred and bounden duty of any Government of this great country.

Madam Speaker, but we do not dilute our positions or our resolve to defeat terrorism by talking to any country. Other major powers affected by Pakistan based terrorism are also engaging with Pakistan. Unless we talk directly to Pakistan, we will have to rely on third parties to do so. This I submit to this august House that this particular route has very severe limitations as to its effectiveness and for the longer term view of what South Asia should be, the growing involvement of foreign powers in the affairs of South Asia is not something to our liking. I say, therefore, with strength and conviction that dialogue and engagement is the best way forward. This has been the history of our relations with Pakistan over the last decade.

Shri Atal Bihari Vajpayee took a decision of political courage to visit Lahore in 1999. Then came Kargil and the hijacking of an Indian Airlines plane to Kandahar. Yet, he invited General Musharraf to Agra and again tried to make peace. The nation witnessed the terrible attack on Parliament in 2001. There followed an extremely difficult phase in our relationship. The Armed Forces of the two countries stood fully mobilized. But to his great credit, Shri Vajpayee was not deterred, as a statesman should not be. In 2004, he went to Islamabad, where a Joint Statement was issued that set out a vision for a cooperative relationship. I must remind the House that the Opposition Parties supported those bold steps. I for one share Shri Vajpayee's vision and I have also felt his frustration in dealing with Pakistan.

In my meetings with President Zardari in Yekaterinburg and with the Prime Minister Gilani in Sharm-El-Sheikh, I conveyed in the strongest possible terms our concerns and expectations. I conveyed to them the deep anger

and hurt of the people of India due to the persistence of terrorist attacks on our people. I told them that the operations of all terrorist groups that threaten India must end permanently. I urged them to make no distinctions between different terrorist organisations.

I said that it was not enough to say that Pakistan is itself a victim of terrorism. They must show the same political will and take the same strong and sustained action against terrorist groups operating on their eastern border as they now seem to be taking against the groups on their western border.

Both President Zardari and Prime Minister Gilani assured me that the Pakistan Government was serious and that effective action would be taken against the perpetrators of the Mumbai carnage.

Shri Yashwant Sinha asked me what was the change between my meeting with President Zardari and later my meeting with Prime Minister Gilani. In-between came the dossier which showed progress though not adequate progress of the type that I had already indicated. He asked me: "Will you trust Pakistan?" Let me say that in the affairs of two neighbours, the best approach is, what the late President Reagan once said: "trust but verify". We have no other way of moving forward unless we want to go to war.

I was told by both President Zardari and Prime Minister Gilani that Mumbai was the work of non-State actors. I said that this gave little satisfaction to us and that it was the duty of their Government to ensure that such acts were not perpetrated from their territory. I told them that another attack of this kind would put an intolerable strain on our relationship and that they must take all possible measures to prevent a recurrence.

Madam Speaker, after I returned from Sharm-el-Sheikh, I made a Statement in Parliament which clarified and elaborated not just the Joint Statement issued following my meeting with Prime Minister Gilani but also what we discussed.

I wish to reiterate that the President and the Prime Minister of Pakistan know, after our recent meetings, that we can have a meaningful dialogue with Pakistan only if they fulfil their commitment, in letter and spirit, not to allow their territory to be used in any manner for terrorist activities against India. This message was repeated when the Foreign Ministers

and the Foreign Secretaries met.

I stand by what I have said in Parliament — that there has been no dilution of our position in this regard.

An interpretation has been sought to be given that the Statement says that we will continue to engage in a composite dialogue whether Pakistan takes action against terrorism or not. This is not correct. The Joint Statement emphasised that action on terrorism cannot be linked to dialogue. Pakistan knows very well that with terrorism being such a mortal and global threat, no civilised country can set terms and conditions for rooting it out. It is an absolute and compelling imperative that cannot be dependent on resumption of the composite dialogue. In the Joint Statement itself, the two sides have agreed to share real-time, credible and actionable information on any future terrorist threats.

Madam Speaker, when I spoke to Prime Minister Gilani about terrorism from Pakistan, he mentioned to me that many Pakistanis thought that India meddled in Balochistan. I told him that we have no interest whatsoever in destabilising Pakistan nor do we harbour any ill intent towards Pakistan. We believe that a stable, peaceful and prosperous Pakistan living in peace with its neighbours is in India's own interest.

I told him then and I say it here again that we are not afraid of discussing any issue of concern between the two countries. If there are any misgivings, we are willing to discuss them and remove them. I told him that I had been told by the leadership of Pakistan several times that Indian Consulates in Afghanistan were involved in activities against Pakistan. This is totally false. We have had Consulates in Kandahar and Jalalabad for 60 years. Our Consulates perform normal diplomatic functions and are assisting in the reconstruction of Afghanistan where we have a large aid programme that is benefiting the common people of Afghanistan. But we are willing to discuss all these issues because we know that we are doing nothing wrong. I told Prime Minister Gilani that our conduct is an open book. If Pakistan has any evidence — and they have not given me any evidence, no dossier was ever supplied — we are willing to look at it because we have nothing to hide.

Madam Speaker, I sincerely believe that it is as much in Pakistan's

interest as it is in ours to strive to make peace. Pakistan must defeat terrorism before being consumed by it. I believe the current leadership there understands that. It may not be very strong, but the impression that I have is that the current leadership understands the need for action. I was told by their parliamentarians who accompanied Prime Minister Gilani that there is now a political consensus in Pakistan against terrorism. That should strengthen the hands of its leadership in taking the hard decisions that will be needed to destroy terrorism and its sponsors in their country.

Madam Speaker, our objective, as I said at the outset, must be a permanent peace with Pakistan where we are bound together by a shared future and a common prosperity. I believe that there is a large constituency for peace in both countries. The majority of people in both countries want an honourable settlement of the problems between us that have festered far too long and want to set aside the animosities of the past. We know this, but in the past there have been hurdles in a consistent pursuit of this path. As a result, the enemies of peace have flourished. They want to make our alienation permanent, the distance between our two countries an unbridgeable divide. In the interest of our people and in the interest of the prosperity and peace of South Asia, we must not let this happen. This is why I hope and pray that the leadership in Pakistan will have the strength and the courage to defeat those who want to destroy not just peace between India and Pakistan, but the future of South Asia. As I have said before, if they show that strength and that courage, we will meet them more than half the way.

There are uncertainties on the horizon. I cannot predict the future. But, as I said, in dealing with our neighbour, — two nuclear powers - the only way forward is to begin to trust each other despite all that has happened in the past, not trust blindly, but trust and verify. For the present, what is it that we have agreed? People have been saying that we have broken the national consensus. I simply refuse to believe that we have broken any national consensus not to tolerate terrorism and that Pakistan has to act and act effectively on terrorism before there can be a comprehensive dialogue covering all areas of disagreement or concerns of the two countries.

For the present, all that we have agreed is that the two Foreign Secretaries will meet. The two Foreign Secretaries have been meeting even

before the Joint Statement. Further, we have agreed that the two Foreign Ministers will meet on the sidelines of the General Assembly. The two Foreign Ministers have been meeting even before the Statement was issued. They met recently in Trieste. I met President Zardari in Russia. I met Prime Minister Gilani even before this Statement. So, in operational terms all that we have agreed is that there will be a meeting of Foreign Secretaries, as often as necessary, followed by a meeting of the two Foreign Ministers on the sidelines of the General Assembly.

Does it involve a surrender of any position? Does it involve a weakening of a position? As neighbours, I sincerely believe that it is our obligation to keep channels of communication open, look at what is happening in the world today.

America and Iran were sworn enemies for 30 years. But, now they feel compelled to enter into dialogue. This is happening all over the world and unless we want to go to war with Pakistan, there is no other way but to go step by step; trust but verify is the only possible way of dealing with Pakistan.

Madam, I now come to three other issues which hon. Yashwant Sinha Ji has raised. One relates to the end-use monitoring arrangement we have made with the United States for Defence purchases. All Governments, Madam, including our Government, are particular about end-uses to which exported Defence equipment and technologies are put to and for preventing them from falling into wrong hands.

Since the late 1990s, the Governments of India and the United States have entered into end-use monitoring arrangement for the import of US high-technology Defence equipment and supplies. These were negotiated before this Agreement in each case by successive Governments of India. The Government has only accepted those arrangements which are fully in consonance with our sovereignty and dignity.

What we have now agreed with the United States is a generic formulation which will apply to future such supplies that India chooses to undertake. By agreeing to a generic formulation, we have introduced an element of predictability in what is otherwise an *ad-hoc* case by case negotiation.

I should add that we need access to all technologies available in the

world for the modernisation of our Defence forces. The threats to our country are growing and we need to have the capability to deal with them and to be ahead of them. Our Armed Forces are entitled to the best possible equipment available anywhere in the world. It is also in our interest, therefore, to diversify to the maximum extent possible the sources of our imports of Defence items and equipment.

You have my assurance, Madam, and through you I wish to convey this to this august House that our Government has taken all precautions to ensure an outcome that guarantees our sovereignty and national interest. Nothing in the text that has been agreed to compromises India's sovereignty. There is no provision — I repeat, there is no provision — for any unilateral action by the United States side with regard to inspection or related matters. India has the sovereign right to jointly decide, including through joint consultations, the verification procedure. Any verification has to follow a request; it has to be on a mutually-acceptable date and at a mutually acceptable venue. There is no provision for on-site inspections or granting of access to any military site or sensitive areas. This is the position with regard to end-use monitoring.

Madam Speaker, Shri Yashwant Sinha brought up the issue of climate change as if we have changed goal-posts. There is nothing of that sort. There was a meeting in Italy along with the G-8 meeting of major economies of the world. India was invited to that meeting where 17 other countries were present. I should, however, mention that the Major Economic Forum Declaration adopted at L'Aquila is not a declaration of Climate Change policy by India, nor is it a bilateral declaration between India and another country or a group of countries. It is a declaration that represents a shared view among 17 developed and developing countries, the latter category including China, South Africa, Brazil, Indonesia, and Mexico. Therefore, the formulations are necessarily generally worded to reflect different approaches and positions of a fairly diverse group of countries.

It has been argued in some quarters that the reference in the Declaration to a scientific view that global temperature increase should not exceed two degrees centigrade, represents a significant shift in India's position on climate change, and that it may oblige us to accept emission reduction targets. This is a one-sided and misleading interpretation of the contents of the Declaration.



It is India's view, which has been consistently voiced in all world fora, that global warming is taking place and taking place here and now and that its adverse consequences will impact most heavily on developing countries like India. The reference to a two degree centigrade increase as a threshold reflects a prevalent scientific opinion internationally and only reinforces what India has been saying about the dangers from global warming. True, this is the first time that India has accepted a reference to two degree centigrade in a document as a possible threshold guiding global action, but this is entirely in line with our stated position on global warming.

Drawing attention to the seriousness of global warming does not automatically translate into a compulsion on the part of India or other developing countries, represented in the Major Economic Forum, to accept emission reduction obligations. I should like to mention in this matter that our position and the Chinese position are nearly identical, and we have been coordinating our position with that country on this important issue.

Quite to the contrary, the greater the threat from global warming, the greater the responsibility of developed countries to take on ambitious emission reduction targets. That is why, 37 developing countries, including India, China, Brazil, South Africa, and Indonesia have tabled a submission at the multilateral negotiations asking the developed countries to accept reduction targets of at least 40 per cent by 2020 with 1990 as the baseline.

Madam, the Major Economies Forum Declaration reaffirms the principles and provisions of the United Nations Framework Convention on Climate Change, in particular, the principle of equity and of common but differentiated responsibilities and respective capabilities.

As is well-known, the United Nations Framework Convention on Climate Change imposes emission reduction targets only on developed countries. Developing countries are committed to sustainable development. The full incremental cost of any mitigation by them must be fully compensated by transfers of financial and technological resources from developed countries. This is fully reflected in the Major Economies Forum Declaration.

Furthermore, at the insistence of India, supported by other developing countries, the Declaration includes an explicit acknowledgement that in undertaking climate change action, the 'first and overriding priority' of

developing countries will be their pursuit of the goals of economic and social development and poverty eradication. This should allay any apprehension that India will be under pressure to undertake commitments that may undermine her economic growth prospects.

Madam, with regard to the G-8 decision on enrichment and re-processing technologies, some Members have raised the issue of the Statement issued by G-8 countries on Non-Proliferation at the L'Aquila Summit in Italy earlier in July, and the reference made to the transfer of enrichment and re-processing items and technology. The concern appears to be as to whether an effort is being made by certain countries to prevent the transfer of enrichment and re-processing items and technology to non-NPT countries, that is, countries like India who have not signed the Non-Proliferation Treaty.

Madam Speaker, our Government is fully committed to the achievement of full international civil nuclear cooperation. Consistent with this objective in September last year, India secured a clean, and I repeat we secured a clean exemption from the Nuclear Suppliers Group, one that was India specific. At that time also, there were attempts to make a distinction but we got a clean exemption which means that the Nuclear Suppliers Group consisting of 45 countries has agreed to transfer all technologies which are consistent with their national law.

The 'Statement on Civil Nuclear Cooperation with India' approved by the Nuclear Suppliers Group on September 6, 2008 contains India's reciprocal commitments and actions in exchange for access to international civil nuclear cooperation. It is our expectation that any future decisions of the Nuclear Suppliers Group relating to the transfer of enrichment and re-processing item and technology would take into account the special status accorded to India by the NSG. The NSG has given us this clean exemption knowing full well that India is not a signatory to the NPT.

Prohibition by the NSG of such transfers would require a consensus among all the 46 countries. That does not exist at present. The exemption given to India by the NSG provides for consultations and we will hence remain engaged with that body so that any decisions take into account the special status accorded to India by the global nuclear community.

As far as G-8 is concerned, the fact is that we have no civil nuclear

cooperation agreement with the G-8 Bloc *per se*. We have, however, signed bilateral agreements with France, Russia and the United States.

I said this before and I repeat it. When I read about this G-8 Statement, I raised this matter with the French President. He was gracious enough to tell me that as far as France is concerned, there would be no restriction on the transfer of these technologies. In fact, he volunteered. He said: "If you want me to go public, even I am willing to do that". So, my understanding of this area is that there is no consensus in the Nuclear Suppliers Group to debar India from access to the reprocessing and enrichment technology.

Madam, in the course of discussion, some hon. Members have raised the issue of our accepting pre-conditions for transfer of enrichment and reprocessing items and technology. I wish to, once again, assure Shri Yashwant Sinha that pending global nuclear disarmament, there is no question of India joining the Nuclear Non-Proliferation Treaty as a non-nuclear weapon State.

I would also like to clarify that the transfer of enrichment and reprocessing items and technology has no bearing whatsoever on India's upfront entitlement to reprocess foreign origin spent fuel and the use of such fuel in our own safeguarded facilities.

Finally, Madam, I would like to bring to the attention of this august House that India has full mastery of the entire nuclear fuel cycle, and this includes enrichment and reprocessing technology. We have a well-entrenched E&R infrastructure of our own. Our domestic three-stage nuclear power programme is entirely indigenous and self-sustaining. Our indigenous Fast Breeder Reactor Programme and linked technology put us in the league of those very few nations, which today possess cutting-edge technologies. The transfer of enrichment and reprocessing items and technology to India as part of full international civil nuclear cooperation, would be an additionality to accelerate our three-stage programme.

Madam, I believe, I have rightly answered all the major points. The hon. External Affairs Minister would sum up the debate. He would deal with other aspects.

Madam, I would like to say that there are no bilateral negotiations taking place outside the framework of the United Nations Framework Convention. There are discussions. When we have bilateral meetings, there

are discussions on many subjects. But these are not negotiations. The negotiating forum is and will be the Framework Convention, the Copenhagen process. That is the correct way of looking at it. Whatever we discuss in the G-8, it is all designed to explore various options to build the consensus. These are not negotiating forums at all.

Now, with regard to the E&R facilities, the 123 Agreement provides for a dedicated re-processing facility. For that, negotiations have already started. There was a time limit by which those negotiations have to be completed. They are moving in the right direction. So, it is not at all, I think, true to say that this re-processing facility will face any difficulty. First of all, I am not sure that the 45-Member Nuclear Suppliers' Group will endorse what the G-8 decide. Attempts were made in the past also. But I think there are many people who believe that a country like India has to be treated differently and it is a source of strength that this recognition prevented a consensus which would have been injurious to us.

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**BACK NOTE**

**XXXVI. Issue arising out of Prime Minister's Visit to Foreign Countries  
29 July, 2009**

**NIL**

## REPLY ON MOTION OF THANKS ON THE PRESIDENT'S ADDRESS

5 March, 2010

Madam Speaker, I rise to join all Members of this august House in conveying our sincere thanks to the hon. President of India for her enlightening Address. Over the past two days we have had a very constructive debate on the issues covered in the Rashtrapatiji's Address. While several Members have expressed satisfaction at the working of the Government, some others have criticized it. This is as it should be.

Madam, before I come to the main subject, I would like to make a mention of the stampede that occurred yesterday at a temple in district Pratapgarh. The issue, I believe, had been raised by the concerned Member of Parliament in the Lok Sabha yesterday. I join all hon. Members in conveying our heartfelt condolences to the families of the deceased and wish speedy recovery to normal health of those who have suffered injuries. We have decided to make from the Prime Minister's National Relief Fund an *ex-gratia* payment of Rs. 2 lakh each to the next of kin of the deceased and Rs. 50,000 to the seriously injured.

Madam Speaker, the essence of the hon. President's Address is contained in paragraph three, and I seek your indulgence to read that paragraph once again. It says:

"My Government was voted to office with a clear cut mandate to protect and deepen the values of pluralism and secularism, and to ensure rapid growth with justice and fairness for all. Since assuming office in May 2009, my government has worked single-mindedly to build on the achievements of its earlier term to deliver the promise of faster and more inclusive growth. The aam aadmi was and is at the core of this promise; the aam aadmi had to be protected against the ravages of the worst ever global economic crisis since the Great Depression and against the failure of the monsoon in large parts of the country in mid-2009."

Madam, our economy's performance has to be judged against the twin impacts of the international financial crisis which suddenly erupted in September, 2008 and then subsequently the failure of the south-west monsoon

in the year 2009. I sincerely believe that the way our Government has dealt with the impacts on our economy of these two adverse turns in our circumstances beyond our control is praiseworthy and indeed the whole world is praising India for the success with which we have achieved in this country.

Under the impact of the global economic crisis, the mighty countries of America and Europe have experienced negative growth rates. In 2008-09, India's growth rate also declined but we still maintain a growth rate of 6.7 per cent. In the current year, we will have a growth rate of minimum of 7.2 per cent but possibly going up to 7.5 per cent.

In the fiscal year 2009-10, the growth rate of the economy will be probably close to, what I have mentioned, 7.5 per cent but the most conservative estimate is seven per cent. In the next fiscal year, we are confident of achieving a growth rate of eight per cent or more; and the year thereafter we will be able to return the economy to nine per cent growth rate.

Why do I emphasise the growth rate? Madam, growth is not an end in itself. The end is the well-being of our people. Growth is only a means to provide relief to those who are suffering; growth is a means to find resources to spend on education, on health, on rural development, on social security. If we do not grow fast enough, we may talk about removal of poverty, we may talk about expanding irrigation and other facilities in rural India but these will all remain pipe dreams. The fact that the first three years of our Government saw a sharp increase in the growth rate, enabled our Government to devote a lot more resources for rural development, for agricultural development, for education.

Therefore, it is very important that the economy should get back to the growth rate of nine per cent or more. I am confident that the macro-economic fundamentals of our economy are very sound. Why do I say this? Ten years ago, nobody would have imagined that India's savings and investment rates, can be as high as 35 per cent or 36 per cent. In the last four to five years, we have so managed the economy that both the savings and investments in our country now are equal to the savings and investment rates which prevailed until 10 years ago only in the countries of South East Asia or East Asia.

Moreover, I feel, in the years to come, in the next two decades, the

dividend arising from the sharp rise in the working age population to total population of our country will provide another positive factor to push the savings rate of this country close to 40 per cent of our national income. If we manage our economy well, if we manage the creation of social and physical infrastructure well, if the processes of governance are improved to reduce the scope for corruption, I think, there is no barrier to India entering on a long-term basis the age of double digit growth. This is the vision that our Government is working to realise.

I recognise that there are current problems, which cannot be wished away. The hon. Members from both sides of the House have referred to the price situation. I will be the last one to say that the behaviour of food prices in the last one year is something which does not worry us. We have been worried about it a great deal and to the extent that we could adopt measures, we have adopted; and the House has my assurance that if any practical methods can further bring relief to our people, our Government will always be sensitive to the concerns of the *aam aadmi*.

Madam, the crisis situation that emerged was a byproduct of events over which we had no control. There is, first, the effect of international commodity prices which have gone up and since India is no longer a closed economy, despite what Dr. Joshi may say, we are dependent on imports of substantial quantities of vegetable oils. In years of shortage, we depend upon import of sugar. We are dependent to a substantial extent on import of pulses. When international prices of these commodities rise, I think, there is inevitably an impact in our country.

When international prices of rice and wheat go, if we do not pay remunerative prices to our farmers, our ability to procure for the Public Distribution System may be seriously in danger, and, therefore, we have to pay remunerative prices to our farmers but the side effect of that is, it raises the floor price or market determined prices.

I invite the House to reflect on a situation that we were faced with. There was the global recession. Simultaneously, because of the drought and because of the high commodity prices world wide, there was pressure on prices. We could have dealt with the price effect by a very tough monetary and fiscal policy which would have depressed the demand. Would that have been the course which the House would recommend to me? If we had gone



that route, there would have been large scale unemployment and steep fall in industrial production in our country. At a time when the world is faced with a global economic crisis and declining rates of employment, we have so managed our economy that we have not allowed, I think, large scale unemployment to emerge as a problem in our country, despite the world wide recession that prevails.

At the same time we were able to introduce a large number of stimulus packages which ensured that the interests of the weaker sections of the society were protected. Take for example, the National Rural Employment Guarantee Scheme.

Madam, 4.5 crores of households have benefited. Fifty per cent of them are women. Fifty per cent of them are Scheduled Castes and Scheduled Tribes. I am not saying that in one go or in one short period of five years, we can remove poverty. But if we are sincere, if we use all the resources of the economy to step up our growth rate, if we manage our fiscal situation well, we can certainly soften the harsh edges of extreme poverty in a period of about five more years.

We need to invest more in education. We need to invest more in health. We are doing that. We need to invest more in rural infrastructure and urban infrastructure. We are doing that. But more needs to be done. Please help us to strengthen the growth impulses in our economy so that we can accelerate the tempo of social and economic change.

I have said growth is important not in itself, but because it provides us the resources to tackle the problems of poverty, ignorance and disease about which Jawaharlal Nehru spoke from the Central Hall of Parliament on the midnight of August 14, 1947.

Madam, many Members have in the discussion expressed their anxiety about rising prices. We had a separate discussion on this issue. But I would again like to inform this House that the Government has been alive to the problem and has taken all possible measures to address the issue. To put matters in perspective, it is important to recognise that in 2009 we had one of the most severe droughts in recent history, the worst since 1972. As a result, the production of foodgrains, pulses and oilseeds has been adversely affected. Production of sugarcane has also gone down. This was preceded by the economic slow down. To respond to this, the Government had to

stimulate demand and increase the availability of bank credit.

We have taken decisive action on several fronts. We acted early to limit the fall in the Kharif production. As a result, we could contain the reduction in foodgrain production to a large extent. We have been able to procure around 23 million tonnes of rice this year which is not very different from what we had procured last year during the same time. There should be no panic on the food situation front considering the comfortable level of food stocks that are available with the Central Government. Rabi prospects are also very encouraging. Post-monsoon rains have been good. All this augurs well for our ability to stabilise food prices at a reasonable level. We have permitted import of raw and white sugar at zero duty and imports are taking place. Enforcement in terms of imposing stock and time limits in the hands of State Governments. We have empowered State Governments to do so through the Essential Commodities Act and I have requested the Chief Ministers to take stern action against hoarders.

Madam Speaker, many hon. Members have spoken about the export of sugar. Very often we have to honour prior international commitments. The amount of sugar that India has exported relative imports is so small that it is surprising that so much is being made out of this. In November 2009, India exported sugar worth Rs. 7.94 crore whereas it imported sugar worth Rs. 611.40 crore. In December 2009 the exports of sugar were worth Rs. 12.34 crore whereas the imports were worth Rs. 216.90 crore. From this, it will be obvious that the factors responsible for a sharp increase in sugar prices are to be found in the cyclical nature of production of sugarcane. There is a cycle which has been noticed for almost 50 years in the behaviour of sugarcane production. For two or three years in one cycle there is upward pressure on prices followed by a steep fall in prices.

We have to find ways and means to stabilise the sugar economy despite this behaviour and we will explore ways and means to see that in future prices of sugar can be stabilised at reasonable levels unmindful of the cyclical nature of the production of sugar.

Madam, I now come to the internal security issues. The overall security situation in our country has remained satisfactory in the last year. This is not to ignore the horrible terrorist act in Pune. But taking an overall view of the internal security situation, what I am stating, I think, is what is the

reality. A number of concrete steps have been taken to strengthen and reorient our security architecture in order to meet the growing threats of terrorism, insurgency and communalism. We have remained in close touch with State Governments to evolve a common and practical approach. We are taking firm action to curb naxalite violence. It is unfortunate that they are targeting innocent people and destroying roads, power lines and other essential infrastructure. In some places we have received reports of the use of children; we have drawn up an integrated plan to tackle the problem in consultation with the States. A high-level meeting was recently held with all the Chief Ministers where we reviewed the situation. The security forces have achieved several notable successes. While we are determined to take firm action, we are ready to talk to any group that abjures violence unconditionally and agrees to abide by the due constitutional process.

Madam, the National Investigation Agency has commenced its work. Four regional hubs of National Security Guard have been set up. We are in the process of setting up a National Counter-Terrorism Centre. A National Committee on Coastal Security has been set up which has adopted an integrated approach to coastal security and has taken major initiatives and decisions for registration of vessels, issue of identity cards to fishermen, installation of transponders on boats and setting up of four Joint Operation Centres. Coastal police stations and interceptor boats have become operational under the Coastal Security Scheme.

To supplement the efforts of the State Government in modernising their police force, we have provided Rs. 1,250 crore during the current year of which Rs. 955.53 crore have been released to States up to 28th January this year. This has helped States to augmenting the resources available to police forces in terms of vehicles, weaponry, communications, training, forensic facilities, intelligence capabilities, security equipment and buildings. The Bureau of Police Research and Development is engaged in impact assessment study of the scheme so that the scheme could be improved.

Some hon. Members have said that agriculture has been growing at negative rates. This is indeed surprising. A drought is beyond anybody's control. A severe drought does result in negative growth in agriculture and it is no surprise that agriculture is expected to grow at minus two per cent in 2009-10.

But we should not forget that in 2002-03, following the drought of 2002, agricultural growth went down by a good seven per cent. Food production went down from 202 million tonnes in 1998-99 to 174 million tonnes in 2002-03. I would also like to remind Members that the agricultural sector has been growing at an average rate of four per cent during the period 2005-08 compared to the growth rate of around two per cent from 1997 to 2002. Our pro-farmer policies have borne fruit.

For the first time in the recent past, we have reversed the trend of declining investment in agriculture and stepped up investment in agriculture through the Accelerated Irrigation Benefit Programme, the Rashtriya Krishi Vikas Yojana, the National Food Security Mission, the National Horticulture Mission and other such schemes. We should also not forget the investment in water conservation structures that is being made through millions of works under the Mahatma Gandhi National Employment Guarantee Scheme. Food production has increased from 174 million tonnes in 2002-03 to 233 million tonnes in 2008-09, which represents a growth rate of around six per cent per year. We are, however, conscious that a lot more needs to be done to improve agricultural productivity and we are committed to continuing our efforts to increase both public and private investment in agriculture and diversify our agriculture so that higher farm incomes provide stability to the lives of our farmers.

Dr. Joshi referred to our going to America to seek solutions to agricultural problems of our country. I wish to assure him that there is no scope for this sort of *galatfahmi*. I think, our Government recognises the imperative of food security and that self-sufficiency in basic foodgrains has to be a part of the National policy for development. This is a policy which we have pursued under successive Congress Governments way back from the sixties till date. We will continue to pursue it hereafter as well.

Madam, the decision to pay remunerative prices by way of minimum support prices is a part of our effort to incentivise growth of agricultural production and productivity.

I think, Advaniji raised the issue of farmers' suicide. Our Government has been very sensitive to the issue of farmers' suicide and everything possible in terms of Government action is being done to ameliorate agrarian distress. The loans of small and marginal farmers have been waived and for

other farmers, a one time settlement has been made. These measures have benefited 3.68 crore farmers to the extent of Rs. 70,000 crore. A special package for suicide-prone districts of Maharashtra, Andhra Pradesh, Karnataka and Kerala has been implemented. The minimum support prices of most agricultural commodities have been enhanced substantially over the last six years. It was ensured that fertiliser prices did not increase during the same period. We have, in fact, reduced the prices of complex fertilisers in 2008 in order to rationalise nutrient use.

The increase in the Minimum Support Price of cotton has come as a great boon for cotton production in Vidarbha and other cotton-growing regions of the country.

It has been said that the loan-waiver scheme has not helped farmers and it has only helped banks. Nothing can be farther from the truth. It is surprising that we forget that nearly Rs. 70,000 crore, that was recoverable from farmers, has not been recovered. It should also be borne in mind that owing to defaults in repayment, farmers would not be eligible for fresh credits. We have ensured the flow of fresh credit to the farm sector. During 2008-09, against a target of Rs. 2,80,000 crore, the total credit flow to agriculture was Rs. 3,01,582 crore. During this year, we have a target of disbursing Rs. 3,25,000 crore and so far Rs. 2,18,202 crore have already gone to the agricultural sector.

We have accorded very high priority to the welfare of minorities. We have accepted most of the recommendations of the Sachar Committee and this House has been informed of the action taken on them. We have launched special programmes aimed at social, economic and educational development of minorities. Three new scholarship schemes have been started and are under implementation. We expect more than 40 lakh students to benefit from this scheme in the Eleventh Plan. At least 30 per cent of these students would be girls.

Madam, the new 15-Point Programme aims to ensure that at least 15 per cent of benefits in certain schemes flow to minorities, and the schemes for minority welfare are being closely monitored. Under this programme, additional school rooms; drinking water supply schemes; Anganwadi centres; and houses are being constructed for the minorities.

To improve the access of minorities to bank credit, we have set the target that at least 15 per cent of the priority sector lending will flow to them. During 2008-09, more than Rs. 82,000 crore of bank credit, under priority sector lending, went to the minorities. This represents nearly 12 per cent of the total priority sector lending. We hope to improve on this in years to come.

Minorities have not been represented adequately in Government services. We have taken steps to correct this situation, and as a result the share of minorities in Government jobs has increased over the past three years.

Madam, some Members have raised the issue of rights of tribals over forests. We are making genuine efforts together with the State Governments to ensure early disposal of claims and distribution of titles under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act. I have also requested the Chief Ministers of concerned States on three occasions to take all measures necessary to accelerate the process of implementation of the Act and to ensure expeditious distribution of title deeds to all eligible claimants. This was reiterated during the Conference of Chief Ministers and State Ministers held in November 2009 to review the implementation of the Act. The Ministry of Tribal Affairs is closely monitoring the progress in this regard.

Madam, some Members have expressed concern over the implementation of the National Rural Employment Guarantee Scheme. Let me say that this is a scheme, which has the potential to change the face of rural India. To improve its impact, we have initiated measures to bring in greater transparency and accountability.

An ombudsman scheme for setting up an independent grievance redressal mechanism at the district level has been formulated, and States are in the process of setting up district ombudsmen. Social Audits by *Gram Sabhas* have also been taken up. Details of job cards, muster rolls and works undertaken have also been placed in the public domain. A scheme for independent monitoring by eminent citizens has been formulated. Efforts will be made to continue to improve the implementation of this revolutionary scheme.

Madam, Advani Ji had raised the issue of black-money deposited in foreign countries. The Finance Minister had written to Shri Advani Ji in May, 2009, providing information about the action taken. Subsequently, we have moved further in the matter. Twenty countries and jurisdictions have been prioritized for entering into agreements regarding exchange of information and assistance in collection of taxes. Negotiations have been completed with the Bahamas and Bermuda, and steps are being taken for signing of agreements. We have also approached Switzerland for renegotiation of our tax treaty, so that we can have access to bank information. Negotiations were held in November, 2009, and the matter is being pursued for finalising a new protocol, through which we will be able to obtain information in specific cases. India is an active participant in global fora for improving transparency and exchange of information on tax matters.

Hon. Advani Ji had also raised the issue of 'One Rank, One Pension' to Ex-Servicemen. He has stated that the commitment I made in my last year's Independence Day speech and Finance Minister's promise in his Budget Speech of July 6, 2009, have not been honoured. This is not correct. The factual position is that we had constituted a Committee under the Cabinet Secretary to look into the issue of 'One Rank, One Pension' and other related matters. The Committee did not recommend 'One Rank, One Pension'. But whatever recommendations the Committee made to substantially enhance the pensionary benefits of personnel below officer rank and commissioned officers were accepted by the Government, and this is what I had stated in my Independence Day's speech. The recommendations which have been accepted cover what the Finance Minister had promised in his Budget Speech of 2009. Of the seven recommendations that the Committee made, five have been implemented. The two recommendations which have not been implemented will be implemented very soon.

Madam, I share the concern of hon. Members about the need for electoral reforms. I do not think there is any dispute regarding the need for electoral reforms. Unfortunately, we do not have the same degree of unanimity on the manner in which to go about it. It has been our accepted position and also the accepted position of previous Governments that electoral reforms should be brought about only by broad-based political consensus. The recommendations of the Election Commission regarding electoral reforms and other proposals received by us are presently under consideration of

the Standing Committee of Parliament. Therefore, the Committee would be able to recommend measures which should find support in this House across the political spectrum.

We introduced the Women's Reservation Bill in the Rajya Sabha in May 2008. We have already considered the Report of the Standing Committee of Parliament on this Bill. It will be our endeavour to bring the Bill before Parliament in this very session. I sincerely hope that hon. Members would support the Bill as it would be the strongest affirmation of our commitment to the empowerment of women.

I should say a few words about foreign policy. The Government's foreign policy has been based on national consensus and full adherence to the principles and objectives laid down by the founding fathers of our Constitution. The foreign policy that we have pursued in the first term of our Government and on which we have built upon in the second term has yielded solid dividends. India's standing in the comity of nations has never been higher. In the troubled world that we live in, there is respect for India's role as a force of moderation, reason and stability. The resilience of our democracy, our commitment to pluralism and secularism and the strength of our economy have enhanced our standing in the world.

The situation in our neighbourhood is a matter of high priority for us. We have had very intense and substantive interactions with our neighbours in the last nine months. Several Members have voiced their concerns over the situation in Pakistan and the terrorism that is emanating from there against India. The Government fully shares these concerns. We are taking all necessary steps to strengthen our internal security and defence capabilities.

Government has kept Parliament fully informed at every stage of our policy towards Pakistan. I had made a detailed statement on our approach towards Pakistan in this august House on 29th July, 2009. The External Affairs Minister briefed the House on the last round of Foreign Secretary level talks in February. Our policy towards Pakistan is consistent, cautious and realistic.

I have never believed that the channels of communication with Pakistan should break down. Even at the height of the cold war, the Americans and the Soviets used to speak to each other. The chances of miscalculation can only increase in an environment of no contact. I therefore, personally



conveyed our concerns to President Zardari when I met him in Russia and later to Prime Minister Gilani at the NAM Summit last year. I had made an offer of talks on humanitarian and other issues in October last year during my visit to Anantnag. The decision to resume talks at the Foreign Secretary level is not a sudden decision but a calculated one based on weighing all the costs and benefits. The fact of the matter is that the rest of the international community is talking to Pakistan. So, our not talking to them is not going to isolate them. We have made our point strongly, but we cannot wish away the problem by not talking to them. Dialogue is the only way forward for civilized countries to resolve their problems. But it is equally true that for any meaningful dialogue to proceed, the terror machine has to be controlled by Pakistan even if non-state actors are at work. I have said so in Parliament a number of times and that remains our consistent position. We have left Pakistan in no doubt about our concerns and our expectations with regard to the actions

Pakistan must take against the terrorist groups operating on Pakistani soil and targeting India. Pakistan must fulfil its assurances that it will not permit any territory under its control to be used to support terrorism in any manner.

Madam, some hon. Members have referred to my discussions in Saudi Arabia on Pakistan. Saudi Arabia is also affected by terrorism and this was one of the subjects that came up in our discussions. I discussed India-Pakistan ties in this context. I mentioned to the Saudi leadership, as I have to other world leaders as well, that all problems between India and Pakistan can be resolved through meaningful bilateral dialogue, if only Pakistan could be urged to take a reasonable attitude in dealing with those terrorist elements who target our country. I wish to reaffirm that no offer was made seeking mediation. We do not need any mediation. We are talking directly to Pakistan.

Advaniji said that we acted under US pressure.

Madam, I think we do a disservice to any Government and Prime Minister of this proud country, if we say that such fundamental matters of national security and foreign policy are based on anything but our supreme national interest.

I have had many discussions with President Obama since he took

office. I categorically state that not once has he sought to pressurize India into taking one position or the other. On the contrary, he has always expressed understanding of the positions we have taken from time to time. I would urge the Opposition not to spread disinformation on sensitive aspects of our foreign policy.

Let me say, Madam, that we do not wish to see the involvement of foreign powers in South Asia. Whatever our problems, we must learn to talk to each other and to solve our problems in a peaceful manner using our own creative genius.

Madam, in Afghanistan our assistance has received widespread support among the people of Afghanistan. The entire nation was outraged by the most recent brutal attack in Kabul on February 26, which has led to the loss of seven innocent Indian lives. These Indian nationals were in Afghanistan on a mission of goodwill and friendship helping to construct the peaceful and democratic Afghanistan that our Afghan friends desire. We condemn this cowardly act. I wish to assure this House that such attacks will not bend the will of the people of India.

President Karzai had telephoned me and I have requested him to ensure the safety of all Indians. I assured him of any support and assistance that may be required. We are closely monitoring the developments with regard to Afghanistan and we will assist the people of Afghanistan in securing their legitimate right to determine their destiny in the manner they choose without outside interference.

Madam, Joshi ji made some comments about India-China relations. Let me say, China is our important neighbour, with whom we have a comprehensive and multi-sectoral relationship. We wish to build upon the achievements so far so as to create a partnership that is mutually beneficial. We are convinced that good relations with China are in the interests of both countries, and will contribute to peace, security and stability not only of the Asia-Pacific region but also of the world. We are both committed at the highest level to maintain peace and tranquility on the border, pending the resolution of the border question. This is a complex matter which will take time to resolve. I had an excellent interaction with Prime Minister, Wen Jiabao in Copenhagen, and our cooperation in the area of climate change is a shining example how our two countries can work together on issues of

global importance and those which impinge on the future of our two peoples.

In Sri Lanka, the conclusion of military operations against the LTTE has opened opportunities for finding such a lasting political settlement which will be acceptable to all communities, particularly the Tamils, within a united Sri Lanka. We have and we will continue to contribute to the humanitarian and rehabilitation efforts of the Sri Lankan Government, and to the long-term reconstruction of areas that have been affected by the military conflict. Our assistance package of Rs. 500 crore for immediate relief, resettlement and reconstruction is under implementation.

We have taken several steps to diversify and broad-base our relations with Bangladesh. A major milestone in this respect was the visit of Prime Minister, Sheikh Hasina to India in January 2010. During that visit we put in place a comprehensive framework of cooperation for development of our relations, which includes a renewed commitment by both sides to actively cooperate on security issues. We have provided a line of credit of one billion US dollars for a range of projects in Bangladesh which we intend to follow up vigorously. The Government of Bangladesh has reassured us that they will not allow their territory to be used for activities inimical to India. We have welcomed some of the steps they have recently taken in this direction.

Our country is passing through a difficult time. Security and stability are the need of the hour. Political parties can differ on various issues but I do believe it is important for us to face challenges in a united manner. I seek the cooperation and support of all sections of this House. Let us not allow narrow partisan considerations to come in the way of effective governance of this great country.

The people of India expect both the Treasury and Opposition benches to engage constructively and ensure safety, security and prosperity for our citizens.

**BACK NOTE**

**XXXVII. Reply on Motion of Thanks on the President's Address  
5 March, 2010**

**NIL**

**CELEBRATIONS OF BIRTH CENTENARY OF  
RABINDRANATH TAGORE**

**7 May, 2010**

150th Birth Anniversary Celebrations of Kavi Guru Rabindranath Tagore *w.e.f.* 9th May, 2010.

Madam, Rabindranath Tagore is a part of India's civilizational and cultural heritage. He is dear to each and every one of India's citizens. The Government has already decided to celebrate the 150th Anniversary of his birth in a befitting manner.

The National Committee is being setup under my Chairmanship, and the Implementation Committee is being setup under the Chairmanship of my distinguished colleague Shri Pranab Mukherjee. I assure the House that I do recognize that this is an event, which we must celebrate appropriately to ensure that we do notice and we are able to honour this great poet of India in a befitting manner.

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**BACK NOTE**

**XXXVIII. Celebrations of Birth Centenary of Rabindranath Tagore  
7 May, 2010**

**NIL**

## REPLY TO DISCUSSION ON CIVIL LIABILITY FOR NUCLEAR DAMAGE

25 August, 2010

Mr. Chairman, Sir, Shri Prithviraj Chavan, my colleague, in his introductory statement has covered a lot of territory. In the final reply to the debate, he will deal with many technical issues which have arisen in the debate.

My purpose is rather limited. I wish to state categorically that this Bill completes in a way our journey to end the nuclear apartheid which the world had imposed on India in the year 1974. To say that this is being done to promote American interest and to help American Corporations, I think is far from being the truth. As far as I am concerned, this is not the first time that I have been accused of doing such a thing. I recall and Advaniji would recall in 1992, when I had presented the Budget of the Congress Government, the whole Opposition, with a few exceptions, rose to say that I should be impeached, that this Budget had been prepared in the United States.

Mr. Chairman, Sir, history will be a judge, what we did in 1991 and how it has contributed to what. Shri Jaswant Singhji calls a resurgent and assertive India. I leave it to the people of this country to judge. It is with this very motivation that our Government has tried to complete the journey towards ending the regime of nuclear apartheid. To say that we have in a way compromised with India's national interest would be a travesty of facts.

Without going into the details, I would once again assert that while we have pursued this Bill with determination, this process was started in 1999. When I looked at the old files of the Atomic Energy Commission, I found there was a lot of work done by our scientists, by our technologists. They all came to the conclusion that India does need such a law. At that time we were not in power. But it is certainly true that when we came to power, in our discussions with the United States we signed a Memorandum of Understanding on the 10th of September in which we said we would bring such a Bill and enact such a law. This is not, in any way, contrary to India's interest and the fact that it was stated in that memorandum was not certainly an act of anti-national intent as Shri Jaswant Singh tried to imply.

Mr. Chairman, Sir, these are some of the brief comments that I wanted

to make. About technical issues that have been raised, my colleague will reply. But I do agree with Shri Jaswant Singh that nuclear energy, utilisation of nuclear energy is a serious issue and that it can be misused. Therefore, I think, all actions leading to use of nuclear energy, I think, must be done with utmost care. His concern about nuclear safety is one which I fully share and I assure the House that we have an independent Atomic Energy Regulatory Board which is an independent entity. The fact that we have so many reactors, 40 reactors and that there has not been one single incident is a tribute to our scientists and technologists who man our nuclear facilities.

Mr. Chairman, Sir, even then I take note of the sentiment that we cannot rest on our laurels. We will do everything to strengthen the Atomic Energy Regulatory Board to ensure that safety concerns receive the attention that they must if we are to use nuclear power as a major source for generating and meeting India's need for energy.

Mr. Chairman, Sir, a question has been raised whether nuclear power is a viable economic option. As of now, all the studies that I have seen done in the atomic energy establishments do state that beyond a certain distance from the coal mines nuclear energy is the preferred option even now. But technology is not constant. Technology is moving and moving fast enough. I cannot predict what the future holds for us but I would like that if the future does throw up the proposition that nuclear power is a viable option, then India should have the ability to make use of nuclear power. Development is not about fixing the technological framework. Development, in the final analysis, is an act of widening the development options that are open to the country and what our Government has done has created more opportunities, more options for India in future to meet its energy requirements.

It is of course certainly true that presently hydro power presents limited options. Coal also offers limited options insofar as the effect on climate change and carbon emissions are concerned. Therefore, nuclear power is an option which we should simply not ignore. What we have done, I think, enables India to enter into nuclear commerce with other willing countries in order to widen its development options in meeting its energy requirements.

Mr. Chairman, Sir, with these words, I beg of this House to pass this Bill with unanimity.



**BACK NOTE**

**XXXIX. Reply to Discussion on Civil Liability for Nuclear Damage  
25 August, 2010**

**NIL**

## CONSTITUTION OF JOINT PARLIAMENTARY COMMITTEE ON POLICY AND ALLOCATION OF 2G SPECTRUM

22 February, 2011

Madam Speaker, on account of the controversy relating to the allocation of 2G spectrum, the precious Winter Session of Parliament was lost. Our country can ill-afford a situation where Parliament is paralyzed and important legislative business is not allowed to be considered. In paralyzing Parliament, I believe, we all do disservice to those who have elected us.

Madam, our Government is committed to root out corruption and has acted expeditiously and transparently in this direction. A CBI investigation into the allocation of 2G spectrum is being supervised by the Supreme Court. Also, the Public Accounts Committee of Parliament is seized of the matter and the Government is fully cooperating with it. We also have the report of the Independent Inquiry Committee set up under the Chairmanship of Justice Shivraj Patil, which is in the public domain. The Ministry of Communications and Information Technology has also acted with expedition.

Madam, our Government believed that as all effective steps were being taken, we might have been able to persuade the Opposition not to insist on a JPC. We could not succeed in spite of our sincere efforts. We can ill-afford a situation where Parliament is not allowed to function during the crucial Budget Session. It is in these special circumstances that our Government agrees to the setting up of a Joint Parliamentary Committee.

Madam, we are a functioning democracy and must strive to resolve our differences in a spirit of accommodation and collaboration, not confrontation. This, I hope, will renew our confidence in India's forward march. I am, therefore, requesting the hon. Speaker to proceed with the formation of a Joint Parliamentary Committee. A formal motion in this regard will be moved soon.

**BACK NOTE**

- XL. Constitution of Joint Parliamentary Committee on Policy and Allocation of 2G Spectrum 22 February, 2011**

**NIL**

**REPLY ON MOTION OF THANKS TO  
THE PRESIDENT'S ADDRESS**

**24 FEBRUARY, 2011**

Madam Speaker, I join all Members of Parliament in expressing our grateful regards and thanks to the hon. President for the gracious Address that she has presented to both Houses of Parliament.

Madam, the debate has been vigorous. Several issues have been raised which deserve the attention of the Government as well as other entities. I am, therefore, very happy that Parliament is functioning as it should function. There is a couplet in Urdu which says something like this:

History has witnessed that atrocity also, when moments commit the mistakes and countries suffered for it.

During the last three months when Parliament was not allowed to function, I often felt that we were passing through one such moment. I thank all leaders from all political parties for their sagacity to end that stalemate and that the House is functioning normally as it should function is a tribute to our deep and abiding commitment to contribute everything in our power to strengthen the institution of Parliament in our country.

I have listened with great respect to the speeches that have been made. I was not present all the time, but I have extensive notes. Shri Rajnath Singh, Shri Mulayam Singh Yadav, Shri Sharad Yadav, Shri Devegowda, and many Members from our side — Shri P.C. Chacko and Shri Manish Tewari — have made very many important points. I will try to answer as many as I can. But I think the gist of the concerns of Parliament is captured in Paragraph 6 of the President's Speech where the hon. President lists the five priorities for our Government in the year 2011-12:

1. to combat inflation and in particular to protect the common man from the impact of rising food prices;

2. to address frontally the concern regarding the lack of probity and integrity in public life;

3. to sustain the momentum of economic growth while ensuring that the poor, the weak and the disadvantaged get a fair share in the fruits of growth;

4. to maintain an uncompromising vigil on the internal and external security fronts; and

5. to pursue a foreign policy which will ensure that our voice is heard and our interests are protected in global fora.

This, I feel, Madam, captures the gist of the concerned which the Members have expressed. Some have appreciated what the Government is doing; others have criticized that our efforts are inadequate, half-hearted, and some people have questioned our motives also. I have always believed that in a parliamentary system, those who take part in debate can debate broad questions, but if people start doubting intentions, I think that is not good for the healthy growth of the parliamentary system.

Madam, with regard to inflation, I will be the first one to admit that inflation in the last 18 months has become a problem. There were reasons beyond our control. First of all, there was the drought of 2009; there were natural calamities which affected the production of important products such as vegetables and onions.

There was the international environment where the oil prices have been rising. Now the cost of oil is as much as over 100 dollars per barrel. Internationally, the world food situation has deteriorated. World prices are rising of commodities like oil seeds and vegetable oil which we import are rising. On all these things we have no control. But, there are also commodities where we can control prices. I would like to inform the hon. Members of this House, through you, that as far as cereal prices are concerned, because of the fact that we have large accumulated public stocks with the FCI and public procurement agencies, we have been able to stabilise prices of cereals, wheat and rice. There have been problems with regard to vegetables, with regard to meat and with regard to milk. But some of these things are beyond control. The Government policy is to ensure that we control inflation but in a manner by which we do not hurt the growth of employment opportunities and I respectfully submit to this august House that if we have a ham-handed approach, we would kill the growth process which is the only source of providing jobs for our youth. So, this delicate balance which has to be preserved between control of inflation and protection of employment, sometimes gives a feeling to ordinary people that we are not worried about inflation. That is not the case. Our Government stands committed to control

inflation. I am hopeful that by the end of this fiscal year, the rate of inflation, at least the headline inflation, will come down to about seven per cent. Food inflation has also been a cause of concern. But recently, the situation has improved and I expect the situation to improve further. But in the long run, in a country like India where agriculture prices are the kingpin of the price structure, the only way we can control inflation is through increased production and increased productivity of agriculture.

I think, Shri Mulayam Singhji, Shri Devegowdaji expressed concern about the plight of farmers. I share their concern about the farmers not getting a fair deal. By way of fixing the procurement prices, we have tried to give sufficiently remunerative procurement prices for sugarcane, for wheat and for rice. But there are commodities where procurement system cannot be extended. Therefore, if the commodities are perishable and they are in short supply, there is no mechanism to control their prices. The only way in the long run to control inflation, as I said, is to invest in agriculture. That is what we are committed to. There may be some defects in the functioning of various schemes like the Rashtriya Krishi Vikas Yojana and the National Food Security Mission. But I do not think that this is an issue which should divide the House. The Government is very serious and it takes very seriously its commitment to do everything in our power to strengthen the growth impulses in agriculture and to strengthen the growth of productivity.

We have to strengthen the Public Distribution System. The Public Distribution System is the kingpin of our strategy to stabilise prices of foodgrains. When we come forward with the National Food Security Bill, I am confident that we will expand the frontiers of our ability to control inflation.

And that commitment I give to this august House that we are working to bring to this august House at an early date a Bill to consider and approve the system of our National Food Security.

Madam, the second point that I wish to address and which the President has highlighted or drawn attention to address frontally the concern regarding the lack of probity and integrity in public life. I will be the last person to deny that some unfortunate developments have taken place in the area of telecom, in the area of Commonwealth Games. Those concerns are being addressed. As and when we got credible, actionable evidence, action has

been taken. Chief Ministers have resigned; Ministers have resigned, the CBI has been on the trail of wrong doers and I assure the hon. House that there is nothing we will not do in order to clean our public life.

With regard to telecom policy, Madam, I would like to place before this House a few things. My own view has been that as far as the telecom policy that was sought to be implemented by the United Progressive Alliance Government is concerned in the basic policy, there was nothing wrong. It was consistent with the advice given by the TRAI; it was consistent with the need that we all felt to maximum tele-density. And if you look at the figures of tele-density, when our Government came into office, let us say, in March, 2004, the tele-density in rural areas was 1.55 per cent in urban areas, it was 20.79 per cent and the total for the country was 7.02 per cent. In the last six years, when we look at December, 2010, the tele-density in rural India has gone up to 31.22 per cent in urban areas to 147.52 per cent and the total tele-density in our country has gone up from seven per cent in March 2004, to 66 per cent in December, 2010.

People talk of scams and if there is a scam, it must be dealt with. The law of the land must punish the wrong doers. But we must also not overlook the fact of this tremendous growth of the telecom sector which has taken place as a result of sound policies pursued by our Government. In 1999, the then NDA Government changed the system of allocating telecom resources. The National Telecom Policy was needed at that time because the operators could not honour their earlier commitment which they had undertaken through the auction process. So, the auction process was reversed in 1999. In its place, there was put in place a revenue sharing modal. Our Government, by and large, has continued on the same path that was laid down in the National Telecom Policies.

I think that policy has paid rich dividends. People ask me why then all these concerns about the wrong-doings. My respectful answer to that is that when I looked at the telecom situation in 2007-08, the proposal that came to me was that the Ministry had decided not to go in for auctions. At that time, it had the support of the technical arm of the telecom regulatory system, the TRAI; it had the support of the concerned Ministry; and I felt

that for level-playing field, it was entirely appropriate that we should continue on the path which we had followed until 2007.

Then subsequently it turned out to be that while the policy was sound, the way it was implemented, I think, gave rise to problems. Those problems will now be looked into by the JPC; they are being looked into by the PAC; and if there are any criminal aspects, they are being looked into by the CBI. Our Government will fully cooperate with all these agencies and with all these entities to ensure that the truth comes out and the guilty are punished.

Madam, with regard to the Commonwealth Games, we have had a very successful Commonwealth Games. Despite all the doubts that we all had at one time; the Games were a great success. The Gold medal and the other medal tally is very impressive and I would like to congratulate the youth of India for their excellent performance in the Games.

Even before the Games were concluded, there were complaints of wrong-doings and from the ramparts of the Red Fort, on the 15th of August last year, I had promised the country that if any wrong things had been done, we would investigate that matter, and if found guilty, nobody would be spared. That commitment stands. The High-Powered Committee is looking into the various aspects. Its first report has been received, and the Government has been prompt in taking effective action in line with the recommendation of that report. The other matters are being looked into by the investigating agencies.

In all these matters, I think, it is our bounden duty and my promise to this House that we will not flinch from ensuring that no wrong-doer escapes the penalties that our legal system provides.

Madam, the third issue which has been agitating the minds of some people is in connection with the Antrix-Devas deal with regard to the transponder lease agreement which was entered into in 2004. I would like to place certain facts before this august House. The Antrix Corporation entered into a commercial contract in January 2005 with Devas Multimedia Services for lease of two transponders to be built by ISRO.

This was done under its own authority. But Antrix needed Government approvals for operationalising the Contract. These were not given. In particular, the operating licences and regulatory approvals from various Ministries



were also not given and hence the Contract did not become operational. In the light of complaints that emerged and the growing national security and strategic requirements the Government undertook a review of the Contract in December 2009. This was followed by a decision of the Space Commission in July 2010 to annul the Contract. Since then, the Government has taken a policy decision that in the light of the country's strategic requirement it will not be able to provide orbit slot in S-Band to Antrix for commercial activities including for those which are the subject matter of existing contractual obligation for S-Band. Action has been taken to annul the Contract in pursuance of this decision.

I wish to clarify Madam that no allocation of terrestrial spectrum has been made by the Government to either Antrix or Devas and, therefore, the figures of costing being quoted by some Members of lakhs of crores have no basis.

I should also like to mention to this august House, Madam, that the decision to open satellite services to non-Government parties, Indians and foreign was taken and approved by the then Government in 1997. This was not the Congress Government. Thereafter, the norms, guidelines and procedures to operationalise this policy, including the modalities for pricing of lease of transponder, were approved in the year 2000 under the NDA Government regime. The Government has set up a high-powered review committee on February 10, 2011 to review the technical, commercial, procedural and financial aspects of the Agreement to suggest corrective measures, to fix responsibility for lapses, if any, and to review the adequacy of procedures and approval processes followed by Antrix, ISRO and Department of Space and to suggest improvements.

Madam, having said this, I wish to say that our country takes great pride in the spectacular achievements of our space scientists. The Government is fully committed to preserving the integrity and excellence of India's Space programme and the honest effort of our scientists.

Madam, the third issue relates to sustaining the momentum of growth while ensuring that the poor, the weak and the disadvantaged get a fair share in the fruits of growth. Madam, the whole world admires India's economic growth performance in face of the unprecedented global economic crisis of September, 2008. Wherever I go, people ask us how is it that a

country like India can maintain the growth path of 7.5 per cent or even aspire to a 9 per cent growth rate when the whole world is caught in a depression mood. I think it is a tribute to India's industrialists. It is a tribute to India's farmers. It is a tribute to India's workers that we have managed to sustain the rhythm of the growth process. Even this year our growth will be as high as 8.5 per cent.

I take this opportunity to compliment my colleague, Shri Pranab Mukherjee for his handling of our economy.

I have often maintained that meaningful solutions to the problem of mass poverty that still prevails in our country can be found only in the framework of a rapidly expanding economy. Rapid economic growth of the last four or five years has enabled us to generate more tax resources. These resources have been ploughed back more and more in support of the flagship programmes for social inclusion and for economic inclusion, and that is the only way in which we can solve the problem of mass poverty, ignorance and disease which still afflict millions and millions of our people. So I urge all the hon. Members that while we debate issues, we can find fault but the message should not go out that India is adrift, that India has lost its way, and that the enthusiasm for getting this country moving forward is something which is no longer in evidence.

I assure you, Madam, our Government is committed to achieving a growth rate of 9 to 10 per cent. Our Government is committed to ensure that the bulk of the resources for this growth come from the domestic sources, that our savings and investment rates, which are as high as 35 to 37 per cent, are given every opportunity to make their contribution to sustaining the growth process and that we will use more and more of the resources we get to strengthen our facilities for education, paying particular emphasis to the education of the girl child, paying particular emphasis to the education of the disadvantaged sections — Scheduled Castes, Scheduled Tribes, Minorities and Other Backward Classes.

Madam, this year alone the Post-Matric Scholarship Scheme for the Scheduled Caste students will benefit 46 lakh students which is an all time record. This is a process we need to carry further to enlarge opportunities of gainful employment for all our children and all our youth, particularly, the youth coming from the disadvantaged sections.

Madam, I have already mentioned our commitment to bring to this

House a National Food Security Bill which is under preparation. If that comes about, it will supplement the efforts that have made through Mahatma Gandhi National Rural Employment Guarantee Programme to wipe out the tears of the suffering mass of our country. I do not say that we have, in that last 5 to 6 years, been able to abolish poverty. There is acute poverty, particularly in certain parts of our country like tribal areas. We recognise our obligation to do more to help those areas but we have, at least, put in place a mechanism to soften the harsh edges of extreme poverty. The Mahatma Gandhi NREG Scheme has provided a floor to the incomes of agricultural labourers when they cannot get employment in any other way. The minimum wage of Rs. 100 is now indexed in most States and, therefore, it would have risen to Rs. 130. A wage of Rs. 130 per day for one month and if jobs are available for full 100 days, I think that provides a significant relief to people and their earning capacity goes up. Therefore, there is a social safety net which is built.

If we bring in a Food Security Bill which provides food at sufficiently low prices, then that would further strengthen our anti-poverty programmes. In addition we have with regard to the Scheduled Castes, the minority children education and other welfare programmes. That is the only way in which we can move forward. I commit our Government to re-visit our flagship programmes to find out if there are weaknesses. Some people have said there are weaknesses; there are leakages in these programmes. In the MNREGA, there are weaknesses. I do recognise that the performance in these programmes varies from one part of our country to another. There are excellent examples. It will be our efforts to also stress upon the State Governments to plug loopholes. That is what we wish to do in order to strengthen the growth impulses of our economy and to strengthen the redistributive aspects of our development process by paying special attention to the needs of the disadvantaged sections, the minorities, backward classes and other poorer sections of our community.

Madam, one issue which has been raised from time to time and it was also raised during the last elections, is with regard to black money. We all want to clean our system of this menace. But we all know that black money accumulation is not a product of the last four or five years. It has been there for a long period and we have made attempts to deal with it. The economic reforms of 1991 were one such attempt to reduce the scope of discretionary powers of the Government at the Centre so that there would be less scope for arbitrary practices; less scope for collection of black

money. The economic reforms process has helped to revive our growth impulses. At the margin, it has also helped to reduce the scope of black money. But I would be the last one to deny that we have a long way to go. We need more competition in our country to stimulate our economy and to promote efficiency. But at the same time we need the regulatory system to ensure that there is fair competition, that the basic purposes of having an environment friendly policy are not ignored. There is a delicate trade off between environment and development. We can neglect neither. Therefore, we need a very sensitive regulatory system. But if we talk of a regulatory system we open up the scope of discretion as well. Therefore, we have to revisit the regulatory framework. While we recognise the need for having a sound regulatory system, it must not degenerate once again to new one way of bringing back the licence permit Raj. That is one dimension of controlling the generation of black money through economic activities.

The other source of generation of black money is tax evasion and I venture to think that over the years particularly since 1991 our tax system, both direct and indirect, has moved in the right direction and that on balance there is less scope for tax evasion today than was the case earlier and the evidence is quite clear from the handsome figures of the rate of growth of the Central Government's tax revenue.

But there are new sources like criminal activities, human trafficking and narcotics. All these have also become more important. As our economy grows, these practices also have unfortunately tended to grow. Therefore, in order to deal with black money, we have to tighten that part of the regulatory framework and supervisory platform which can counter, control these tendencies and prevent wrong doing.

Action has been taken. Shri Pranab Mukherjee has held a Press Conference. We are approaching the relevant authorities there. If this money is held abroad, we are approaching the relevant authorities. If there are legal restrictions, we are trying to negotiate new legal treaties which would provide smoother flow of information.

I also wish to assure the House that, on this question of black money, particularly black money held abroad, we are one with the Opposition in saying that everything should be done to bring back this money to India because it belongs to us. This is not the issue which should divide the House. We will sit together with all parties and seek their help and invite

suggestions as to how far we can move and at what pace we can move. We are absolutely open when it comes to dealing with black money. All constructive suggestions will be welcome.

Madam Speaker, I come to the fourth issue referred to by the President that we shall maintain an uncompromising vigil on the internal and external security fronts. On the internal security of our country, we face many challenges. There is the terrorists challenge. There is Left Wing extremism. There is the problem of insurgency in some parts of the North-Eastern States of our country. I am not claiming that we have succeeded in getting over these problems. But they have been contained. With regard to acts of terror, efforts are being made by my Government and our Home Minister to strengthen the internal security system in our country. The National Investigation Agency is in place. The multi agency investigation centre is in place. Counter-terror steps are being strengthened and the results are there to see but there is no scope for complacency. We shall remain ever alert to ensure that terrorist elements do not succeed in their nefarious design.

Terror is not something which can be attributed to any one religion. Terrorists have no religion. Therefore, we have to create a climate where this country will unitedly face terrorism of any hue. It will unitedly face that menace and overcome that menace.

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Madam, with regard to Left Wing extremism, we have to deal with this matter with firmness but also with great sensitivity. We are dealing with our own people. I will be the last person to deny that some times it is economic deprivation which draws people into the folds of left wing extremism. Therefore, we have to have a two-pronged strategy. We have to have a strategy of development, of giving a ray of hope for the future to the communities of tribals, communities of Central India where this left wing extremism is raising its head in a vicious way. That is why our Government has drawn up an Integrated Development Programme for sixty naxalite-affected districts. That is a Programme which should grow in intensity, grow in depth in the years to come so that the tribal youth are not misdirected into the folds of left wing extremism. You can depend upon the Central Government's keen desire to work in partnership with the State Governments to get mastery over this menace of left wing extremism.

With regard to North-East, the situation in Manipur and some parts of Assam has been a cause of concern. But overall the situation has improved. More recently, the leadership of the main insurgent group, ULFA, has thought it fit to give up the path of pursuit of violence and to enter into discussion and dialogue with the Government. I welcome it. I have been trying to reach out to ULFA right from the year 2005. At one time I did succeed, but later on they backed out. I am very happy that they have now accepted our invitation to discuss and to have a dialogue. They have given up the path of violence. That is a very positive development. We should encourage both sides to work out arrangements which will lead to satisfactory outcomes of these discussions.

With regard to Jammu and Kashmir, we have passed through a difficult time, particularly the last summer. But since then the situation has improved. But we keep our fingers crossed. This summer, I hope we will be vigilant enough to ensure that the unfortunate events that took place in the last summer in parts of Jammu and Kashmir do not take place. Our approach to the problems of Jammu and Kashmir is that we will give no quarters to secessionist elements. We will do everything in our power to strengthen the hands of the State Government to provide a fairer deal to the youth of Jammu and Kashmir, to provide avenues for gainful employment. I have appointed a Group under Dr. Rangarajan to work out a plan for providing 50,000 to 1,00,000 jobs to the Kashmiri youth. That Report is now nearly ready. I hope that once we start implementing it, and there are precise proposals where the Indian industry commits itself to employ Kashmiri youth and if we can create jobs for a lakh of students from the Valley and other parts of Kashmir, I dare say it will change the mindset of the Kashmiri people. It is an obligation of all the political parties to do nothing which will disturb the peaceful atmosphere that now prevails in Jammu and Kashmir.

As regards foreign policy, our policy has been to be as friendly as possible with our neighbours. I have maintained and I still maintain that full development of this sub-continent of ours will not be realized unless India and Pakistan relations are normalised. I have been working for that objective since 2005. Some progress was made, but then there was a lapse. The terrorist elements, would of course, not want the process of normalisation to come into effect. But I am convinced and I believe that there is a growing conviction in Pakistan as well among the thinking population that terrorism is not an instrument which can be used by any

civilised Government as an instrument of its State Policy. I sincerely hope and believe that the new ruling classes of Pakistan would grasp the hands of our friendship and recognize that, whatever are our differences, terror, as an instrument of State Policy, is something that no civilised society ought to use. Today, we have an atmosphere in which negotiations can go forward. There are hopeful signs. After meeting of the two Foreign Secretaries in Thimpu, they have agreed to resume the process of dialogue and that is the only way in which we can resolve our problems. We are willing to discuss all outstanding issues with Pakistan provided Pakistan gives up its practice of allowing the use of its territory for terrorist activities against India.

With regard to Sri Lanka, the return of peace to Sri Lanka, we sincerely hope will enable the Sri Lankan Government to pay greater attention to the requirements of providing a fair deal including political devolution to the minorities, particularly the Tamil minorities. We have been impressing upon the Government of Sri Lanka this requirement and we will continue to impress upon them that it is their solemn obligation to ensure that the Tamil minority gets an honoured place in the polity of Sri Lanka to lead a life of dignity and self-respect. From time to time, Indian fishermen run into problems and there have been recent incidents in which some of our fishermen have been shot at. A large number of these fishermen were arrested. We took up this matter with Sri Lanka. The arrested fishermen have been released. But these frequent attempts of creating tensions between the fishing communities of the two countries are something about which we have to find a permanent solution. We will continue to impress upon the Government of Sri Lanka that they should not do anything even if some of our fishermen stray into their water. I think they may arrest them, but they should not kill anyone of them. That is not something which is acceptable to our people.

Madam, overall, India is respected in the world as never before.

Whenever I go abroad, people marvel about the existence of a country of a billion people with all the diversities, with all the poverty of its masses, yet trying to seek its economic and social salvation in the framework of a functioning democracy, in the framework of a democratic polity, in the framework of commitment to rule of law, commitment to all fundamental human rights. I sincerely hope that whatever we do, we should take pride in these characteristics because we are one-sixth of the human race. If India succeeds in finding its economic and social salvation through democracy,

through commitment to rule of law, through respect for all fundamental human freedom, I dare say that we will become the harbingers of a message of change for the better for the entire world.

India, therefore, has a message. That message is one of strengthening democracy; that message is of strengthening the forces of secularism; that message is the persistent quest of gender equality; that development must lead to social and economic equity. These are the guiding principles given to us by the Founding Fathers of our Republic. These are the principles which will continue to guide our Government and I hope these are the principles whose pursuit can unite all the Members of this House on this side and on that side. On that note, Madam, I once again thank the hon. President for her gracious Address.

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**BACK NOTE**

**XLI.        Reply on Motion of Thanks to the President's Address  
              24 February, 2011**

1.        SHRI YASHWANT SINHA (HAZARIBAGH): Why did the Home Minister refer to saffron terror? What does he mean by it?

              MADAM SPEAKER: Let him complete his reply. Kindly take your seat.

**STATEMENT REGARDING QUASHING THE APPOINTMENT  
OF CENTRAL VIGILANCE COMMISSIONER (CVC) BY  
THE SUPREME COURT**

**7 March, 2011**

Madam Speaker, the post of Central Vigilance Commissioner was due to fall vacant on 8th September, 2010 on the completion of term of Shri Pratyush Sinha.

Under the CVC Act, 2003, the appointment of the Central Vigilance Commissioner is required to be made by the President by Warrant under her hand and seal and on the basis of the recommendation of a Committee consisting of the Prime Minister, the Home Minister and the Leader of Opposition in the House of the People.

The meeting of the Committee took place on 3 September 2010. The Leader of Opposition gave a dissenting note. In pursuance of the recommendations made by the Committee, the President appointed Shri P.J. Thomas as the CVC and he was sworn on 7 September 2010.

After the appointment of Shri Thomas, two public interest litigation petitions were filed in the Supreme Court challenging the appointment of Shri Thomas as the CVC.

Hon'ble Supreme Court declared the recommendation of the Committee as non-est in law and quashed the appointment of Shri P.J. Thomas as the Chief Vigilance Commissioner.

Madam Speaker, the Hon'ble Supreme Court has pronounced its decision. We accept and respect the verdict of the Hon'ble Supreme Court. The Government will take into consideration the guidelines/directions given by the Court while appointing a new CVC.

**BACK NOTE**

- XLII. Statement Regarding Quashing the Appointment of Central Vigilance Commissioner(CVC) by the Supreme Court 7 March, 2011**

**NIL**

## **STATEMENT REGARDING MASSIVE EARTHQUAKE AND TSUNAMI IN JAPAN**

**14 March, 2011**

Madam Speaker, as hon. Members are aware, the north eastern part of Japan was hit by a massive earthquake and tsunami on the 11th of March.

Images of destruction and human misery are being flashed on Television channels. These are heart-rending and deeply disturbing sights. It is becoming evident that the scale of destruction and loss of human lives are likely to be far higher than initially expected. This is a moment of immense and grave tragedy for Japan.

I have already conveyed, on behalf of the Government and people of India, our deepest condolences to the Prime Minister of Japan. I have told him that India stands in full solidarity with the people of Japan and that our resources are at the disposal of Japan for any assistance they may require.

I am confident that this august House will join me in reiterating the heartfelt condolences of the people of India to the friendly people of Japan, and extending our prayers and thoughts to them during this most horrific disaster.

Madam, we can never forget that India has been the largest recipient of Japan's overseas development assistance. We have the best of relations with Japan. We are in touch with the Government of Japan to ascertain the kind of assistance they need. As an immediate step, we are airlifting 25,000 blankets to Japan. We are ready to send search and rescue teams and relief material. We stand ready to help in the relief, rehabilitation and reconstruction phase. Our Navy is on standby to send its ships to Japan as part of such an exercise.

We will spare no effort in assisting the Japanese authorities in dealing with the aftermath of this disaster.

There are about 25,000 Indian nationals in Japan. Most of them were not living in the areas affected by the tsunami. About 70 Indians are in the shelters established by Japanese authorities in the tsunami affected areas. We are monitoring their welfare. So far we do not have any reports of casualties.

The disaster has affected some of the nuclear power plants in Japan. The Government of India is in constant touch with the International Atomic Energy Agency, the Japanese Atomic Industrial Forum, and the World Association of Nuclear Operators.

Madam, in India, we are currently operating 20 nuclear power reactors. 18 of these are the indigenous Pressurized Heavy Water Reactors. Two reactors at Tarapur, TAPS-1 and TAPS-2 are Boiling Water Reactors of the type being operated in Japan. A safety audit of these reactors has been completed recently. Indian nuclear plants have in the past met their safety standards. Following the earthquake in Bhuj on 26 January, 2002 the Kakrapar Atomic Power Station continued to operate safely without interruptions. Following the 2004 tsunami, the Madras Atomic Power Station was safely shut down without any radiological consequences. It was possible to restart the plant in a few days after regulatory review.

I would like to assure hon. Members of the House that the Government attaches the highest importance to nuclear safety. The Department of Atomic Energy and its agencies including the Nuclear Power Corporation of India have been instructed to undertake an immediate technical review of all safety systems of our nuclear power plants particularly with a view to ensuring that they would be able to withstand the impact of large natural disasters such as tsunamis and earthquakes.

I would also like to inform the House that work is underway in the Department of Atomic Energy towards further strengthening India's national nuclear safety regulatory authority.

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**BACK NOTE**

- XLIII. Statement Regarding Massive Earthquake and Tsunami in Japan 14 March, 2011**

**NIL**

## STATEMENT ON NEWSPAPER REPORT ON PAYMENT OF CASH FOR VOTES

18 March, 2011

Madam Speaker, yesterday several hon. Members raised allegations based on reports in a newspaper of what purport to be 'cables' from the US Embassy in New Delhi to their authorities in Washington. The Government of India cannot confirm the veracity, contents or even the existence of such communication. I may point out that many of the persons referred to in those reports have stoutly denied the veracity of the contents.

Madam, an issue was raised that the offence of bribery was committed in India. The Government rejects that allegation absolutely and firmly. Yet, if you remember that in July, 2008, in the Fourteenth Lok Sabha, the Government moved a Motion of Confidence. In an open vote that was taken on the floor of the House, the Government won the confidence of the Lok Sabha by 275 votes for and 256 votes against.

The allegations of bribery were investigated by a Committee constituted by the Fourteenth Lok Sabha. The Committee had concluded that there was insufficient evidence to draw any conclusion of bribery.

Madam, I am disappointed that Members of the Opposition have forgotten what happened thereafter. Upon the conclusion of the term of the Fourteenth Lok Sabha, there was a general election. In that general election, the Opposition parties repeated their allegations of bribery in the trust vote. How did the people respond to those allegations? The principal Opposition Party which had 138 seats in the Fourteenth Lok Sabha was reduced to 116 seats in the Fifteenth Lok Sabha. The Left Parties, found that their tally was reduced from 59 to 24. It is the Congress Party alone which increased its tally from 145 to 206, an increase of 61 seats.

Madam, it is unfortunate that the Opposition continues to raise old charges that have been debated, discussed and rejected by the people of India. It is most surprising that speculative, unverified and unverifiable communication should be given dignity and seized upon by the Opposition parties to revive old charges that have been soundly rejected.

Madam, I wish to make it clear that no one from the Congress Party or the Government indulged in any unlawful act during the trust vote during July, 2008. The UPA-I Government always enjoyed the confidence of the people and the Fourteenth Lok Sabha. The UPA-II Government has been formed in the Fifteenth Lok Sabha and enjoys the confidence of this House and the people of India. Thank you very much.

**BACK NOTE**

**XLIV. Statement on Newspaper Report on Payment of Cash for Votes  
18 March, 2011**

**NIL**



## DISCUSSION ON NEWSPAPER REPORTS ON CASH FOR VOTES

23 March, 2011

Madam Speaker, I must confess to you that it is with a tinge of sadness that I am addressing this august House.

Our country is faced with enormous challenges. The Middle East, West Asia and North Africa are in flames. We have six million citizens of our country based in these countries. We should be worrying about the future of those citizens of ours. Seventy per cent of our oil supplies come from the Middle East. If the conflict in the area gathers momentum, there will be a serious question mark about our quest for energy security. I thought that this august House would use this opportunity to reflect, not in a spirit of partisan upmanship, but as one, as people charged with the responsibility of governing this country to work out a viable strategy as to how we should and we can deal with these emerging events. Instead, we have chosen to be exercised by what some embassy official writes about us. I must warn the House that that is a dangerous path. Tomorrow, if another official of a foreign embassy takes it into his head to create a feeling of strife and distress among the political parties in our country, all that he has to do is to plant a diplomatic message, and also ensure that somehow it leaks. I think the nation, the country and this august Parliament should reflect as to what we are doing to our country. It is not in a spirit of any partisan upmanship I say this, but as someone who is worried about the aftermath, the after effect of this development on the future management of our country.

With these words, I come back to the main subject. Let me say that I am no match with Shrimati Sushmaji when it comes to her oratorical skills. She has narrated an Urdu couplet, I would also do so and say: I accept that I am not worthy of your glance. But look at my country and my patience.

Madam Speaker, this is not the first time that I have been faced in my parliamentary career with an opposition onslaught of the type that you have been witnessing of late. I had to go through that fate as the Finance Minister and as the Prime Minister. The main opposition party, right from the year 2004, adopted the attitude that we were a usurper. Shri Advani ji believes that being the Prime Minister was his birthright. And, therefore, he has never forgiven me. All that I can say to Shri Advani ji is that the people

of India have voted us into power in a free and fair election; please wait for another three and a half years in the wings.

Madam Speaker, as the hon. Members will recall, several Members had raised allegations based on the reports in a newspaper about the purported cables from the US Embassy in New Delhi to their authorities in Washington. In response to the request from the Leader of the Opposition, I had made a Statement on this subject in this august House on March 18, 2011.

Madam, I reiterate that it is not possible for the Government of India to confirm the veracity or the contents of such communications. If they exist, they would be communications from the US diplomats stationed in New Delhi to their Government in Washington. This is not open to us to inquire from either of the two regarding the communications they exchanged amongst themselves. In my Statement of 18th March, 2011, I had also stated that many of the persons referred to in these communications have strongly denied their veracity.

Madam, in my Statement, I had also referred to the issue raised regarding the offence of bribery. Apart from rejecting the allegations, I had also drawn the attention of this august House to the fact that the allegations were investigated by a Committee constituted by the Fourteenth Lok Sabha and the Committee had concluded that there was insufficient evidence to draw a conclusion of bribery. The hon. Leader of the Opposition has questioned the veracity of this Statement and I would spend some time to convince her and the Members of the opposition that the inference that I have drawn is not incorrect.

Madam, in this context, I refer to what the then Speaker Shri Somnath Chatterjee stated in this august House on 16th December, 2008 while introducing the Report of the Committee and I quote it.

This is what Shri Somnath Chatterjee said:

"The finding of the Committee is that material on record does not conclusively prove that the money contained in the bag which was eventually displayed in the House was actually sent by the persons who were alleged to have sent it for the purpose of winning over Shri Ashok Argal, Shri Faggan Singh Kulaste and Shri Mahavir Bagora to vote in favour of Motion of Confidence. The Committee have, however,

found the evidence given before the Committee by three persons involved in this episode as unconvincing and the Committee have suggested that their role in the matter needs to be investigated by investigating agencies."

Shri Somnath Chatterjee went on to say:

"I am accordingly referring the matter pertaining to the said three persons to the hon. Minister of Home Affairs for appropriate action in the light of the recommendations of the Committee."

So, Madam, what I had stated is exactly what Shri Somnath Chatterjee stated while introducing this Report and, therefore, I urge the hon. Members not to doubt my credentials in this regard.

Madam, the same thing emerges when we study the Report of the Committee in totality. It is no use quoting sections which suit one's convenience or which support one's argument. I had studied the Report and it is my considered judgement that on balance what I have stated, that the Committee came to the conclusion that there was no conclusive evidence of bribery, is the correct one. I quote again the Committee. In its paragraph 168, the Committee has observed as follows:

"The Committee, after taking into account their findings and conclusions in the matter as detailed in para 141, particularly at 14 to 17 relating to roles of Shri Sanjeev Saxena, Shri Sohail Hindustani and Shri Sudheendra Kulkarni, recommend that this matter may be probed further by an appropriate investigating agency."

Madam, the matter was referred to the Delhi Police for investigation. Further investigation is in progress.

Madam Speaker, I leave it to the good sense of this august House to decide for itself whether the Report of the Committee, in any way, substantiates the wild allegations levelled by some hon. Members of the Opposition.

Madam, I would like to make it clear, once again, that none from the Congress Party or the Government indulged in any such unlawful act during the Trust Vote in 2008. We have not been involved in any such transactions and we have not authorized anyone to indulge in such transactions.

**BACK NOTE**

**XLV. Discussion on Newspaper Reports on Cash for Votes  
23 March, 2011**

**NIL**

**STATEMENT REGARDING SETTING UP OF LOK PAL AND  
CERTAIN EVENTS THAT TOOK PLACE  
ON 16 AUGUST 2011 IN NEW DELHI**

**17 August, 2011**

Hon. Madam, Speaker, it is my painful duty to report to this august House certain events that took place yesterday in New Delhi.

Hon. Members are aware that after extensive consultations and discussions including deliberations in a Joint Drafting Committee and a meeting of all political parties represented in Parliament, the Government has introduced a Bill in the Lok Sabha on the setting up of the Lok Pal. The Bill has been referred to the Standing Committee concerned.

Madam, notwithstanding the introduction of the Bill, Shri Anna Hazare and his supporters have persisted with their demand that the Jan Lok Pal Bill drafted by Shri Anna Hazare should be introduced in Parliament and that the Jan Lok Pal Bill should be the Bill that must be passed by Parliament. In support of this demand, Shri Anna Hazare had announced some time ago that he would undertake an indefinite fast beginning 16th August, 2011.

On 2nd August, 2011, an application was made to the Delhi Police by an organization called India Against Corruption for permission to hold a month-long fast beginning August 16, 2011 at New Delhi. Delhi Police held discussions with the applicants in order to identify a suitable place and to formulate the conditions under which permission could be granted for holding a fast at that place. Eventually, on August 13, 2011, Delhi Police informed the applicants that permission would be granted for the protest at Jai Prakash Narayan Park, near Feroz Shah Kotla, subject to permission being granted by the land owning agency and subject to certain conditions.

Delhi Police also informed the applicants that they would have to give an undertaking to abide by the conditions.

However, on August 15, 2011, the organizers refused to accept six of the conditions, including the condition that the protest fast would be limited to three days. Hence, Delhi Police informed the applicants that, since they had declined to accept some of the conditions and refused to give the undertaking to abide by all the conditions, permission would not be granted

to hold the protest fast at Jai Prakash Narayan Park. Prohibitory orders under Section 144 of the Criminal Procedure Code were also imposed on August 15, 2011 in and around Jai Prakash Narayan Park and some other areas.

On the evening of August 15, 2011, Shri Anna Hazare, through public statements, made it clear that he and his supporters would converge at Jai Prakash Narayan Park and defy the prohibitory orders under section 144 of the Criminal Procedure Code. Yesterday morning, the Delhi Police reviewed the situation. The Delhi Police came to the conclusion that it was clear that Shri Anna Hazare and his supporters would commit a cognizable offence and there was a likelihood of a breach of peace. Hence, Shri Anna Hazare and six others were arrested, as a preventive measure, under section 151/107 of the Criminal Procedure Code. They were taken to the Delhi Police Officers' Mess at Alipur Road and, subsequently, produced before a Magistrate. The Delhi Police did not seek the police remand of the arrested persons. The Magistrate offered to release the arrested persons on their personal bonds subject to the condition that they would undertake not to violate the prohibitory orders. However, Shri Anna Hazare and others refused to give such an undertaking or furnish personal bonds. Hence, the Magistrate remanded the arrested persons to seven days' judicial custody.

Meanwhile, during the course of yesterday, 2,603 persons were detained in Delhi when they were proceeding to or were in areas where prohibitory orders under section 144 of the Criminal Procedure Code were in force. All of them were released later in the evening yesterday.

Late yesterday evening, the Delhi Police received information that Shri Anna Hazare intended to move the Supreme Court challenging the orders of the Delhi Police. The Delhi Police also received information that the petition was likely to be mentioned before the Supreme Court on Wednesday, *i.e.* today, for urgent hearing. Since there were reasonable grounds to believe that Shri Anna Hazare had opted to seek legal remedies, the Delhi Police did not apprehend any imminent breach of peace or imminent disturbance to tranquility if the arrested persons were released. Let me finish. Hence, the Delhi Police moved the Magistrate concerned to review his earlier order and the Magistrate was pleased to release Shri Anna Hazare and the other arrested persons at about seven p.m. yesterday. The jail

authorities informed Shri Anna Hazare and others that orders for their release had been received. However, Shri Anna Hazare and others (except one) declined to leave the jail premises unless the Government gave an undertaking that they would be permitted to hold their protest fast at Jai Prakash Narayan Park without any condition.

Madam, our Government acknowledges the right of citizens to hold peaceful protests.

In fact, the Delhi Police have allowed several such protests, but in each case appropriate conditions have always been imposed and the organizers were always required to give an undertaking to abide by all the conditions. Shri Anna Hazare and his supporters would have been allowed to hold their protest fast if they had accepted the conditions under which the permission was granted and had undertaken to abide by those conditions. Since they declined to do so, Delhi Police was obliged to refuse permission to hold the protest fast.

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Madam, the Government wishes to stress that the issue before the nation is not whether a Lok Pal Bill is necessary or desirable. All of us in this House are agreed that a Lok Pal Bill must be passed as early as possible. The question is, who drafts the law and who makes the law? I submit that the time-honoured practice is that the Executive drafts a Bill and places it before Parliament and that Parliament debates and adopts the Bill with amendments if necessary. In the process of adoption of the Bill, there will be opportunities for Shri Anna Hazare and others to present their views to the Standing Committee to which this Bill has been referred by the hon. Speaker. The Standing Committee as well as Parliament can modify the Bill if they so desire. However, I am not aware of any constitutional philosophy or principle that allows any one to question the sole prerogative of Parliament to make a law. In making a law on Lok Pal, the Government has faithfully adhered to the well-settled principles. As far as I am able to gather, Shri Anna Hazare questions these principles and claims a right to impose his Jan Lok Pal Bill upon Parliament.

Madam, I acknowledge that Shri Anna Hazare may be inspired by

high ideals in his campaign to set up a strong and effective Lok Pal. However, the path that he has chosen to impose his draft of a Bill upon Parliament is totally misconceived and fraught with grave consequences for our parliamentary democracy.

Our Government does not seek any confrontation with any section of the society. But when some sections of society deliberately challenge the authority of the Government and the prerogative of Parliament, it is the bounden duty of the Government to maintain peace and tranquillity.

Delhi Police, as the authority charged with the responsibility, took the minimum steps necessary to maintain peace and tranquillity in the capital city. Inevitably, though unfortunately, it led to the arrest and subsequent release of Shri Anna Hazare and some of his supporters. I sincerely hope that the incidents of yesterday will not be repeated today or in the future.

Madam, I should also make it clear that the issue between the Government and Shri Anna Hazare is not one of different attitudes to fighting corruption. In my Independence Day Address, I spoke at length about the need to deal effectively with corruption. I would like to assure the House that we are determined to provide a Government that is transparent, accountable and responsive at all times and determined to fight corruption. But as I said on 15th August at the Red Fort, there is no magic wand by which, in one stroke, we will get rid of the menace of corruption. We have to work simultaneously on several fronts. In my 15th August Address, I have outlined some of the measures we intend to put in place to strengthen our fight against corruption. I invite all sections of this House to join hands with us to deal with the cancer of corruption.

Madam, with respect to the events of yesterday, I will only say that a functional and functioning democracy must allow multiple voices to be heard. But difference of opinion must be resolved through dialogue and consensus. Those who believe that their voice and their voice alone represents the will of 1.2 billion people should reflect deeply on that position. They must allow the elected representatives of the people in Parliament to do the job that they were elected for.

Madam, India is an emerging economy. We are now emerging as one



of the important players on the world stage. There are many forces that would not like to see India realize its true place in the Comity of Nations. We must not play into their hands. We must not create an environment in which our economic progress is hijacked by internal dissension. We must keep our mind focussed on the need to push ahead with economic progress for the upliftment of the '*aam aadmi*'.

Madam, I appeal to all sections of this august House to ensure that the Government and its processes, and the Parliament and its processes function smoothly and effectively. There is no substitute for that. If some people do not agree with our policy, there will be a time when they will have an opportunity to present their points of view to the people of India.

Madam, I request all the political parties to ensure that Parliament functions smoothly. There are very important legislative measures that are required to be passed. If we do not pass them, we will do great injustice to the people of India and, in turn, hurt the '*aam aadmi*'.

We are willing to debate every issue in Parliament, and we have demonstrated that we are cooperating with the Opposition in every possible way to ensure that Parliament functions smoothly.

We, as elected representatives of our people, should do nothing to weaken our people's faith in the capacity of our democracy, our institutions and our social ideals and values to overcome all difficulties. We should have faith that we can build a promising future for ourselves. Let us unite in that faith.

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## **BACK NOTE**

### **XLVI. Statement regarding setting up of Lok Pal and Certain Events that took place on 16 August 2011 in New Delhi 17 August, 2011**

1. **SHRI YASHWANT SINHA (HAZARIBAGH):** Who is running the Government? Are you running it or the Delhi Police is running it?

**THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE):** Madam, I will request the hon. Leaders to allow the hon. Prime Minister to complete his statement. Let the hon. Prime Minister complete his statement and after that they can speak.

**MADAM SPEAKER:** Please take your seats. Please sit down. Let the hon. Prime Minister complete the statement.

## **SITUATION ARISING OUT OF WIDESPREAD CORRUPTION IN THE COUNTRY**

**25 August, 2011**

Hon. Speaker Madam, I am very happy that at last, the House had a debate on the issue of corruption. I thank all the Members who participated in this debate.

Madam, that corruption is a major national issue is a matter about which there is unanimity in the country. That we should collectively work to find credible approaches, credible solutions to deal with this scourge is also a matter which unites all sections of thinking public opinion in our country.

Madam, I share that perception; and on behalf of our Government, I would like to assure this august House that in the two and a half years that is left to us, we will do everything in our power to cleanse the system of this country.

Madam, Dr. Murli Manohar Joshi is not here. Yesterday, he made a powerful speech and he turned it into a personal attack on me as if I am the fountain head of corruption and that I have knowingly connived at corruption of some of my colleagues.

Madam, I consider it beneath my dignity to enter into an argument on issues which are before the PAC, issues which are in our courts. In my seven years as Prime Minister even when the Opposition Members have accused me of many crimes, I have never used harsh language in describing the conduct of any Member of this House.

Madam, I would like to assert before this House that I have a public life in the service of this country for nearly 41 years. In these 41 years of my public life, 20 years in Parliament I have tried to serve this country to the best of my ability.

I, as Finance Minister, inherited an economy with a bankrupt treasury, with foreign exchange reserves totally exhausted, with credit worthiness of our country seriously in doubt. We turned around that economy. We have ensured that this economy, the bankrupt economy that we inherited, has

become one of the fastest growing economies of the world.

Madam, whatever the Members of the Opposition may say, the fact is that India is respected all over the world. I think that is because of the inherent strength of our economy, of our polity, of our democratic system but at the margin, in these seven years or earlier as Finance Minister, I did make a small contribution in my own way to enhance the prestige of this country, and therefore, while charges are levelled against me, it hurts. But I am not going to convert this forum into a forum for accusation one way or the other. All I can say is that if any wrongdoing has been done by me, I invite the Leader of the Opposition to look at my property which I may have accumulated in the last 41 years, members of my family.

I would accept the verdict of the Leader of the Opposition if they find that I have used public office to amass wealth for myself or for any member of my family.

Madam, in the course of seven years as Prime Minister, I may have made mistakes. Who is above making mistakes? To err is human but to accuse me of evil intentions, of conniving at corruption is a charge I firmly repudiate.

Madam, this is not an occasion to trade allegations to and fro and I am not going to deal with this matter as the matter is before the court or before the various Committees of Parliament and they will come with their own conclusions. I would, however, like to say that corruption is a multifaceted problem. Therefore, we, as a nation, have to find practical, pragmatic means but effective means to tackle it, and this is not merely the responsibility of the Central Government. The State Governments are responsible for over 50 per cent of the total national spending and the conduct of the State Governments, which is the one way people come in contact with Government, is essentially the responsibility of the States. There is anger in the country. There is anger about the misuse of public offices.

Therefore, both at the Centre and the States, it is our obligation to clean up the system of governance to reform and to ensure that we leave behind for our children and grand children a system of public administration which is capable of meeting the challenges of the 21st century. I commit our Government to doing precisely that. In my address to the nation from the

ramparts of the Red Fort, I listed a number of areas where in the next couple of months I would like our Government to take initiative and I stand committed to whatever I promised from the ramparts of the Red Fort.

Madam, corruption sources are numerous. Until the early 90s, the ramparts of the Red Fort, I listed a number of areas where in the next couple of months I would like our Government to take initiative and I stand committed to whatever I promised from the ramparts of the Red Fort.

Madam, corruption sources are numerous. Until the early 90s, the biggest single source of corruption was the licensing system, the industrial licensing system, the import controls and the foreign exchange controls. The liberalisation that we brought about has ended that part of the corruption story.

Another major part of corruption was the rates of taxation which were so exorbitant that people were tempted to enter into corrupt practices to reduce their tax liabilities. We have, I venture to suggest, ourselves and the successor Governments worked hard to simplify to streamline the taxation system and on balance there is less scope for corruption as far as taxation matters are concerned. Even though I recognise that a residual element is still there and we have to work together through various mechanisms, including goods and services tax which is now in the public domain and, which is, I believe, an obligation which our country must fulfil if it wants to move forward. But, there are many other areas where corruption still persists. We have to tackle this problem from various angles.

There are Central Government programmes administered by the State Governments but there are leakages. Therefore, we must find ways and means of reforming the system of public administration so that these leakages can be plugged. Malfunctioning of public distribution has been widely commented upon. We must, therefore, devise new methodologies to ensure that the Public Distribution System will be free of malpractices. This is an obligation which we can discharge only in full collaboration with the State Governments and discharge we must. But I would like this House to endorse the reform of the Public Distribution System, where the ordinary people come in contact with the Government machinery or meeting the

for corruption in future.

Madam, in certain areas, greater competition itself will reduce the scope for corruption. But, we know that there are areas of infrastructure where competition can at best be only limited.

There is scope for regulation. We have, in the last couple of years, put in place regulatory mechanisms, but the functioning of these regulatory mechanisms, especially with regard to the management of the infrastructure, is something which requires attention. That is yet another area where we must find ways and means to streamline the regulatory system, so that there is less scope for corruption.

I could go on. But I do not want to repeat what I said from the ramparts of the Red Fort. The House has my assurance that we will work in full public glare to fulfil what we have promised. I have set up a group under Shri Pranab Mukherjee to look at the scope for reducing the amount of discretion that ministers have at the Centre. This group has made some important suggestions. They will be considered by the Cabinet and we will put in place a mechanism to reduce the scope for misuse of discretionary power or to eliminate discretionary power wherever it can be done without detriment to public interest or achievement of public good.

Madam, it is in the context of corruption that the last few weeks have seen momentous developments. Shri Anna Hazare has gone on fast. His plea is that we should adopt the Jan Lokpal Bill that has been drafted by them. The background of this whole exercise is well known to this august House. We had sittings together with the five representatives of Shri Anna Hazare, including himself, who met with our five representatives and a large measure of agreement was reached with regard to the shape of the Lokpal Bill that we should have. On certain matters there was disagreement and that disagreement could not be resolved and therefore, we referred that matter for consideration at the All Parties meeting and the consensus was that the Government should come with its own version of the Bill and various Parties would then reflect on what to do with that Bill. We discharged that obligation. We submitted that Bill to Parliament. It has now been referred to the Standing Committee.

This Standing Committee can consider all options and we can find ways and means of ensuring that the Bill that has been prepared by Shri Anna Hazare is given due consideration by this Committee. Also, along with this, there are other ideas. There is Dr. Jayaprakash Narayan's group which produced a Bill; there are ideas which have been mentioned in a paper by Shrimati Aruna Roy. All these matters can be discussed, debated and a consensus can be built up in the Standing Committee. We are open to all suggestions. We will work with all sections of this House to have a Lokpal, who is strong, who is effective and about which there is a national consensus.

We have produced a Bill which reflects the thinking of our Government. But we are open to persuasion and we have an open mind and when we discuss this Bill, whether in Parliament or in the Standing Committee, we will work with a single minded devotion to ensure that we leave behind for posterity a Lokpal Bill which does credit to our concerns for meeting the challenge of corruption.

Madam, yesterday there was a very good meeting of all political parties. All political parties agreed that we should request Shri Anna Hazare to give up his fast and that we should find ways and means to ensure that ideas reflected in the Jan Lokpal Bill are given adequate consideration in parliamentary processes and that we should come forward with a strong, effective Bill which has the broad support of the country as a whole. I commit our Government to working with all sections of the House to realise this dream. Therefore, I urge all Members of the House to join me in making an appeal to Shri Anna Hazare that he has made his point. It has been registered with us. I respect his idealism. I respect him as an individual. He has become the embodiment of our people's disgust and concern about tackling corruption. I applaud him, I salute him. His life is much too precious and therefore, I would urge Shri Anna Hazare to end his fast.

We will find effective ways and means of discussing the Jan Lokpal Bill along with the Government version of the Bill along with Shrimati Aruna Roy's Bill, along with the ideas in the paper that Dr. Jayaprakash Narayan has submitted. All ideas should be discussed, debated so that we have a Bill

which is the best possible Bill, which will help us to deal with the problem of corruption.

Madam, it has been mentioned to me that Shri Anna Hazare and his colleagues are very keen that their Bill should be discussed in the Parliament. I have not thought over this matter in great depth, but a thought comes to me that perhaps we could have a debate in this House on all the Bills that are in the public domain and have a discussion on what are the weak points of various Bills and what are the strong points of various Bills and at the end of that debate, send the whole record for consideration of the Standing Committee of the Parliament. I have a feeling that this will meet the point that Shri Anna Hazare and his colleagues have been making that Parliament must have a chance to give its views on their Bill before sending it to the Standing Committee and therefore, I submit to this august House that this is one via media which will respect the parliamentary supremacy and, at the same time, enable Parliament to take on board ideas contained in the Lokpal Bill drafted by Shri Anna Hazare and his colleagues.

Madam, I conclude by appealing to all sections of the House to join in appeal that I have made to Shri Anna Hazare that his life is much too precious.

We would like him to live a long life and a happy life in the service of our people.

He has registered his point. Therefore, we respectfully request him to end his fast. I think that if we do it, then this would be a befitting finale to this very constructive debate on corruption and in tackling it that has taken place in this House since yesterday.

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**BACK NOTE**

**XLVII. Situation Arising out of Widespread Corruption in the Country  
25 August, 2011**

**NIL**

## STATEMENT REGARDING LOK PAL AND LOKAYUKTA BILL

27 December, 2011

Madam Chairperson, Sushmaji quoted in the morning one of my favorite couplets.

There are some very special moments in the life of a nation. This is one such moment. The nation awaits with bated breath how the collective wisdom of this august House will be reflected in the vote at the end of the debate on the Lokpal and Lokayukta Bill, 2011.

Madam, the broad provisions of this Bill have been vigorously debated both in the public domain and by political parties. It is my honest belief that the Bill that is now before this august House lives up to the promise that Members of this House collectively made to the people of this country by way of the sense of the House at the end of the debate on 27th August, 2011.

The task of legislation is very serious business and must eventually be performed by all of us who have been constitutionally assigned this duty. Others can persuade and have their voices heard. But the decision must rest with us. At the same time we must keep in mind the fact that corruption and its consequences eat into the body politic. We have seen how public anger has manifested itself in the last one year. Let us, therefore, endorse this Bill as proposed. In drafting this legislation, we have had a wide range of consultations. I compliment the hon. Members and the Chairman of the Standing Committee which looked into this Bill in great detail. We have been enriched by the wisdom of political parties and all shades of opinion that have been taken into account.

I wish to state that when our Government was elected to office in 2004, we wanted our policies to be people-centric. We believe in transparent, open governance and the well-being of the *aam aadmi* is central to all our policy prescriptions. Our ideological commitment to 'open governance' led us to bring the Right to Information Act in 2005. To further our people-centric policies, we enacted the National Rural Employment Guarantee Act, 2005. The Right of Children to Free and Compulsory Education Act, 2009, is evidence of our desire to empower the disadvantaged and marginalized. The National Rural Health Mission addresses the health concerns of the

poor in the rural areas. We have attempted to rejuvenate our cities through the Jawaharlal Nehru National Urban Renewable Mission.

The Rajiv Awas Yojana aims to provide housing to the poor and homeless in cities. The introduction of the National Food Security Bill, 2011, is yet another step to secure the poor and the malnourished from the consequences of hunger and deprivation. The Land Acquisition, Rehabilitation and Resettlement Bill, 2011 seeks equity for the farmer and those deprived of livelihoods. We have tried to create a more egalitarian and inclusive India delivering the fruits of growth to the less privileged. That is and shall continue to be our Government's mission.

Madam, on corruption, our Government, like none before, has taken decisive steps. In the last one year, we have been working on certain landmark legislations. The Right of Citizens for Time Bound Delivery of Goods and Services and Redressal of their Grievances Bill, 2011, is before Parliament. The Public Interest Disclosure and Protection to Persons Making the Disclosures Bill, 2011, and the Lokpal and Lokayuktas Bill, 2011, await Parliament's approval. The Judicial Standards and Accountability Bill, 2010, has already been cleared by the Standing Committee and awaits Government's consideration. The Electronic Delivery of Services Bill, 2011, is being introduced which will ensure that essential public services are electronically delivered at the doorstep of the citizen. These are landmark and unprecedented pieces of legislation.

Madam, on the administrative side, our Government seeks to streamline decision making consistent with the principles of transparency and accountability. We are formulating public policy measures on procurement. A Group of Ministers has recommended elimination of discretion in administrative matters where possible. This work is in process. We began with the Right to Information Act. We will not end the fight against corruption with the Lokpal and Lokayuktas Bill.

Madam, we must embrace a holistic approach in our fight against corruption. Our laws must be all pervasive if we are genuine in our endeavour. Legal sophistry cannot be used to argue that State Legislatures must not adopt the model law proposed or delay its enforcement. Corruption is corruption whether in the Union or in the States. It has no legislative

colour. I urge leaders of all political parties to rise above partisan politics to demonstrate to the people of India that this House means business in its effort to combat corruption. All of us are party to the resolution reflecting the sense of the House in which we committed to establish Lokayuktas in the States along with the Lokpal. We would be in breach of the promise that this House made to the nation if we do not provide for the mechanism of the Lokayuktas by taking recourse to citing articles of the Constitution as impediments. Such a course of action should not derail the sense of the House. I urge all my colleagues in Parliament to rise to the occasion and look beyond politics to pass this law.

Madam, the Central Government is responsible for providing a limited number of public services directly to the citizen. The real problem lies in the domain of State Governments where the *aam aadmi* feels the pinch of petty corruption on a daily basis. It is for this reason that Group C and Group D employees have been brought within the ambit of Lokayuktas in States. Local as well as State authorities are charged with providing essential services to the common man. It is here that the bane of corruption needs to be fought. Water, electricity, municipal services, land records, policing, transport, ration shops are but a few examples of essential services provided by State and local authorities that affect the life of the common person. Setting up of Lokayuktas in States will go a long way in addressing the sense of frustration that is reflected in the anger that we see now around us.

Madam, even the major flagship schemes of the Central Government are implemented by public functionaries working under the State Government. Everyday in this and the other House, Members express their disillusionment with the way our Central schemes are implemented by States. We need to remedy this. Unless Lokayuktas are put in place, the cancer of corruption will spread. Let us not delay the issue any further. Federalism cannot be an impediment in our war against corruption.

Madam, as regards the CBI, we believe that the CBI should function without interference through any Government diktat. But no institution and no individual, howsoever high he may be, should be free from accountability. All institutional structures must be consistent with our

Constitution. Today, we are given to believe that a Government that is directly elected by the people and accountable to it cannot be trusted but a body that will not derive its legitimacy from the people directly or be accountable to it, could be trusted to wield its immense powers with honour and trust. No entity should be created inconsistent with our Constitutional framework and charged with onerous executive responsibilities without any proper accountability. In the ultimate analysis all institutions within the framework of this Constitution are accountable to Parliament and Parliament alone. In our enthusiasm to enact this law, we must not falter. I believe that the CBI should function independently of the Lokpal. I also believe that the CBI should function independently of the Government. But independence does not mean absence of accountability. We have, therefore, proposed a process of appointment of the CBI Director, which involves the Prime Minister, the Chief Justice of India or his nominee and the Leader of the Opposition in the Lok Sabha. None should have doubts about the integrity of this process. As far as the issue of CBI functioning under the Lokpal is concerned, our Government believes that this would create an executive structure outside Parliament, which is accountable to none. This is anathema to sound Constitutional principles. I believe that the Bill, which is now before this House, contains a judicious blend of functional autonomy and accountability of the CBI. I am sure that the wisdom of this august House will rise to support our Government's proposals as reflected in this Bill.

Madam, in the course of this debate, bureaucracy has been at the receiving end. While I agree that public functionaries must be above board and that delinquents must be dealt with expeditiously and decisively, I must express my deep appreciation for many a public servant who have shown exemplary integrity in discharging their functions in an environment of distrust.

I do not think all public functionaries need to be painted with the same brush just as all politicians should not be presumed to be dishonest or corrupt. We must not throw the baby out with the bath water. Without a functional, efficient administrative system, no Government can deliver for

its people. Let us not supplant the system with one in which the public servants will hesitate to fearlessly record what they think and in that process endanger the very soul of good governance. In judging the conduct of public servants, we must not lose sight of the need to distinguish genuine and honest mistakes in the discharge of their duties from patently illegal acts. Very often our public servants have to take decisions under conditions of great uncertainty. The future being inherently uncertain, it is possible that an action which *ex ante* appears to be rational may *ex post* turn out to be faulty. Our systems of reward and punishment must not lose sight of this fact.

Madam, all systems of governance must be based on trust. It is the people's trust that we in Government reflect and protect. Rampant distrust of all authority imperils the foundations of democracy. Our polity with its enormous size and diversity can only be held together when we put our faith and trust in institutions that we have carefully built over the last 63 years. The power of the electorate is the ultimate authority which brings accountability to our democratic institutions. In endangering democracy, we will only be unleashing the forces of chaos and anarchy where reason will give way to emotion.

Madam, we are creating something for the future in response to the inadequacies of the present. We have to be mindful of the pitfalls when we look into the future. Let us not create something that will destroy all that we cherish— all in the name of combating corruption. Let us remember that the road to hell is paved sometimes with good intentions.

We, as the representatives of the people, must act now to start yet another journey to rebuild the trust that is essential for a strong and vibrant India. I thank you.

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**BACK NOTE**

**XLVIII. Statement regarding Lok Pal and Lokayukta Bill,  
27 December, 2011**

**NIL**

## REPLY ON MOTION OF THANKS TO THE PRESIDENT'S ADDRESS

19 March, 2012

Madam Speaker, I rise to join all Members of this august House in conveying our sincere thanks to the hon. President for her enlightened Address. The debate on the President's Address has been very wide-ranging and Shri Jaswant Singhji has made his contribution as well. I thank all the hon. Members from all sides who have contributed to this debate.

The President's Address lays down the objectives and the roadmap that our Government is following and will pursue with greater vigour to deal with the challenges that are mentioned in the President's Address. The President's Address in paragraph 10 refers to five important challenges that our country faces today. They are:—

- (1) to strive for livelihood security for the vast majority of our population and contribute to work for removal of poverty, hunger and illiteracy from our land;
- (2) to achieve economic security through rapid and broad-based development and creation of productive jobs for our people;
- (3) to ensure energy security for our rapid growth;
- (4) to realise our developmental goals without jeopardizing our ecological and environmental security; and
- (5) to guarantee our internal and external security within the framework of just, plural, secular and inclusive growth.

Madam, these five challenges sum up the task that lies ahead of our Government in the two-and-a-half years that remain.

As far as the economy is concerned, my colleague, the hon. Minister of Finance has placed the *Economic Survey* on the Table of the House and the *Economic Survey* gives an exhaustive account of the state of the economy. The Finance Minister has also referred to challenges facing us, in his Budget Speech. Madam, all these issues will be thoroughly debated during the general debate on the Budget next week. Therefore, I will be brief while dealing with the economy of the country.

I am sure, hon. Members are aware that we are charting our course through waters that are choppy for all countries today. The year 2011-12 has



been a difficult year for all countries. Global growth decelerated everywhere. Industrialised countries grew at the rate of only 1.6 per cent in 2011, which is half the rate in the previous years. The international economic environment that we face is highly uncertain.

The developments in North Africa and West Asia have led to a steep increase in the prices of hydrocarbons adversely affecting among others prices of fertilisers and foodgrains that have also put pressure on our balance of payment.

Madam, in this background, our own economic performance of about seven per cent growth — though slower than what we had hoped — must be regarded as commendable. Of course, we cannot view this as acceptable. We must strive to improve upon this in the next year and return as quickly as possible to a higher growth path and we must do this while also ensuring that we will progress towards our objective of achieving inclusive growth with reasonable price stability. Madam, for all this, we need a broad-based national consensus covering all sections of political opinion represented in this august House. This is an occasion when we must rise above narrow partisan ends and stand united as a nation.

Madam, we grew at 9 per cent for five years before 2008, and I do believe that we can get back to that kind of growth rate provided we can agree on a number of difficult decisions. If we succeed in that objective, we will ensure that India continues its rise as an economic power and acquires the economic capability of reducing persistent poverty from which we have suffered and fills the gaps, which are all too evident in critical areas such as health, education, skill-development, and provision of clean drinking water and sanitation. Shri Jaswant Singh referred to the problem of drinking water supply. I assure him that our Government attaches high priority to ensuring that all our citizens have access to clean drinking water.

Madam, several Members have referred to the problems faced by weaker sections of our society and I do agree with them that we need to focus, in particular, on the developmental gaps affecting the weaker sections of our population such as Scheduled Castes, Scheduled Tribes, the Other Backward Classes, the Minorities and other disadvantaged groups. I would like to assure the hon. Members that we will rise to this important task.

Madam, the Twelfth Five-Year Plan, which will be presented to the National Development Council (NDC) sometime in the middle of the year,

will lay out a credible plan of action for faster, sustainable and more inclusive growth. I do not wish to go into details, but only wish to remind the hon. Members that our path is not easy.

I am sure that the hon. Members also realize that the difficult decisions that we have to take are made more difficult by the fact that we are a coalition Government and we have to evolve policy keeping in mind the need to maintain a consensus. The challenges that this poses have been sharply brought out in the developments following the presentation of the Railway Budget. I would like to use this opportunity to inform the hon. Members of the latest development. Madam, I received late last night an e-mail message followed by a formal letter from Shri Dinesh Trivedi tendering his resignation as the Railway Minister.

I propose to forward this letter to the President with the recommendation to accept Shri Trivedi's letter of resignation. I regret the departure of Shri Trivedi. He had presented the Railway Budget which promised to carry out the Vision 2020 that was outlined by his predecessor. A new Railway Minister will be sworn in shortly. He will have the onerous duty of carrying forward the challenging task of modernizing our railway system.

Madam Speaker, in a country as large and as complex as ours, and where the farmers of our country constitute 65 per cent of the labour force, it is inevitable that Parliament and the Government should be worried about the state of India's agriculture. I share the agony of the hon. Members, when they refer to the suicides of our farmers.

The House has my assurance that we will work with renewed vigour to ensure that no farmer in our country is forced to go to the extreme level of committing suicide.

Our Government has attached high priority to the development of agriculture, to increase public investment in agriculture, to ensure that there is more attention, technologically, paid to the development of agriculture and as a result, the growth rate of agricultural production within the last five years has been as high as 3 per cent to 3.5 per cent per annum. This year we are likely to achieve a record production of foodgrains of 250 million tonnes.

Last year, Rashtriya Krishi Vikas Yojana, the National Horticulture Mission, and the Food Security Mission have all contributed to create a

more favourable environment for the growth of agriculture. But I will be the last one to say that more cannot be done. We will, in the Twelfth Five Year Plan, focus more sharply on the development of our agriculture because the interest of farmers is uppermost in the minds of our Government. That will be the priority we will follow with due diligence.

Madam, there were references to the price situation in the country. I do admit that in the last two years, the prices have become a problem. Fortunately, there are indications that prices are coming under control, but we have to be vigilant. It was in this context that the Finance Minister's effort to control the fiscal deficit is very relevant. Our fiscal deficit did increase in the year 2008-09 because of the developments in the international economic environment, and it was our hope that we will be able to get back to a more reasonable level of fiscal deficit in the year 2011-12. The Finance Minister had projected a fiscal deficit of 4.8 per cent for that year. It turns out that the fiscal deficit will be as high as 5.9 per cent. The Finance Minister has committed our Government to work towards a reduction in the fiscal deficit to 5.1 per cent in the next year. It is very important that the Finance Minister succeeds in the control of fiscal deficit, in the control over the balance of payments deficit to a more reasonable level as it is essential for us to achieve our objectives of growth with reasonable price stability.

Since these matters will be debated at length during the debate on the Budget, I do not propose to spend more time in dealing with these issues. However, there are certain matters which I would like to refer to and one of these relates to the establishment of the National Counter Terrorism Centre. While discussing issue relating to the National Counter Terrorism Centre, Shri Rajnath Singh Ji questioned the sincerity of our Government while dealing with problems of terrorism.

Madam, dealing with terrorism and dealing effectively as well to control left wing extremism constitute two big challenges before our country and for all the growth objectives that we have, particularly, the development of the Central Indian regions. The States of Chhattisgarh, Madhya Pradesh, Bihar, Jharkhand are infested with left wing extremism. Control over left wing extremism and control over terrorism are absolute necessities if we are to achieve our growth objectives.

Madam, let me assure the House that our Government is committed to providing fully secured living conditions to its citizens and it will take

every possible step to deal with the menace of terrorism. In fact, setting up the NCTC is an important step in that direction. Concern has been raised that the Central Government is trying to encroach upon the jurisdiction of the State Government and it has been suggested that they should be taken into confidence before the National Counter Terrorism Centre becomes operational. The question of setting up of National Counter Terrorism Centre has been discussed at various fora since the report of the Group of Ministers appointed by the previous Government and the recommendations of the Second Administrative Reforms Commission were submitted. The multi-agency Centre that was established in 2001 was a pre-cursor to the NCTC and the need for a single and effective point of consideration for coordination for counter terrorism has been discussed in meetings on internal security of Chief Ministers. As has been pointed out by some Members that a number of Chief Ministers have expressed their concern after the order was issued and I have replied to them that there will be consultations before the next steps are taken. The consultation was held on 12th March, 2012 with the Chief Secretaries and DGPs from different State Governments. The meeting of the Chief Ministers on Internal Security has been called which was originally scheduled for 15th February, 2012 but because of elections, it had to be postponed. It is now scheduled on 16th April, 2012. Therefore, adequate and full consultations will take place before the next steps are taken.

Madam, I think that the idea of NCTC and the manner in which the NCTC will function are two separate issues. The idea of NCTC, you have all agreed is unexceptional. And the manner in which the NCTC will function, there may be differences but I am confident that through discussions and dialogues, these differences could be narrowed down and a consensus can be arrived and that will be our sincere effort.

Madam, another issue which was raised during the debate relates to the state of Sri Lankan Tamils. Some Members have raised concern regarding the situation in Sri Lanka. The Central Government fully shares the concerns and sentiments raised by hon. Members regarding the welfare of Sri Lankan Tamils. Since the end of conflict in Sri Lanka, our focus has been on the welfare and well being of the Tamil citizens of Sri Lanka. Their resettlement and rehabilitation has been of the highest and most immediate priority for our Government. The steps taken by the Central Government in this regard has been outlined in the *suo motu* statement made by the External Affairs Minister on 14th March, 2012. As a result of our constructive engagement

with the Government of Sri Lanka and our considerable assistance programme, a modicum of normalcy is beginning to return to the Tamil areas in Sri Lanka. There has also been progress, given the withdrawal of emergency regulations by the Government of Sri Lanka and the conduct of elections to local bodies in the Northern provinces of Sri Lanka.

Members have also raised the issue of human rights violations during the protracted conflict in Sri Lanka and on the US initiated draft resolution on promoting reconciliation and accountability in Sri Lanka at the on-going 19th Session of the UN Human Rights Council in Geneva. The Government of India has emphasised to the Government of Sri Lanka the importance of a genuine process of reconciliation to address the grievances of the Tamil community. In this connection, we have called for implementation of the recommendations contained in the report of the Commission appointed by the Sri Lankan Government that has been tabled before the Sri Lankan Parliament. These include various constructive measures for healing the wounds of the conflict and fostering the process of lasting peace and reconciliation in Sri Lanka.

We have asked the Government of Sri Lanka to stand by its commitment towards pursuit of a political process through a broader dialogue with all parties including the Tamil National Alliance leading to the full implementation of the 13th Amendment to the Sri Lankan Constitution so as to achieve meaningful devolution of power and genuine national reconciliation. We hope that the Government of Sri Lanka recognises the critical importance of this issue, acts decisively and with vision in this regard. We will remain engaged with them through this process and encourage them to take forward the dialogue with the elected representatives of Sri Lankan Tamils.

As regards the issue of a draft resolution initiated by the United States at the on-going 19th Session of the UN Human Rights Council in Geneva, we do not yet have the final text of the Resolution. However, I may assure the House that we are inclined to vote in favour of a Resolution. That, we hope, will advance our objective, namely, the achievement of the future for the Tamil community in Sri Lanka that is marked by equality, dignity, justice and self-respect.

Madam, Shri Jaswant Singhji has raised the issue of Gorkhaland Territorial Administration. I wish to assure this House that we have worked with sincerity to find an amicable solution to this difficult problem. We

recognise the contribution made by the Government of West Bengal in facilitating this outcome. Whatever issues are outstanding, the House has my assurance, we will work with the same constructive spirit to find a pragmatic, practical and viable solution.

Madam, I would not like to take more of the time of this House. I once again join all Members in thanking hon. President for her enlightened address which I hope we can adopt with acclamation.

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**BACK NOTE**

**XLIX. Reply on Motion of Thanks to the President's Address  
19 March, 2012**

**NIL**

## **SIXTY YEARS JOURNEY OF THE INDIAN PARLIAMENT**

**13 May, 2012**

Madam Speaker, I convey my warm congratulations to you, the Members of this august House and the people of India on this momentous occasion of the 60th Anniversary of the first Session of our Parliament.

Madam, the Lok Sabha is a true representation of the unique diversity and genius of the Indian people. Its Members have come from every region, community, religion and strata of society. Some of them have left their mark with their masterly rhetoric, others with their earthy wisdom. Whether from the Left or the Right, from the Government or Treasury Benches, this House has voiced the tribulations of ordinary Indians and provided succour to them by enacting laws that translated the social and economic ideals of our nation into practical reality. What the Constitution envisioned, Parliament translated into action.

Madam, as we look back over these years, we feel a sense of quiet satisfaction that this august institution representing the will of the sovereign people has indeed lived up to the ideals of the founding fathers of our Republic.

A number of countries in Asia, Africa and South America, who liberated themselves from the yoke of imperialism in the 1940s and 1950s, either succumbed to the scourge of military dictatorship or the tyranny of one party rule. India, on the other hand, has maintained an unbroken democratic tradition sanctified by 15 cycles of general elections and many scores of State and local body elections.

Madam, this august Chamber has scripted the development of our nation through debate and discourse tempered by the twin imperatives of idealism and pragmatism. The House has passed landmark legislation that have deepened the democratic roots of our polity and furthered our ideal of building a nation in which each citizen has an equal opportunity to social and economic fulfillment and cultural enlightenment.

In recent years, we have empowered our citizens by providing them the rights to information, education and minimum employment. We have taken affirmative measures to help the weaker sections of our society including the Scheduled Castes, Scheduled Tribes, Other Backward Classes, minorities



and women. But I know, this is an unfinished agenda.

In times of calamity or crisis, our Parliament has always demonstrated the ability to reflect the collective resolve of our nation and show solidarity with the people and the Government. Be it the external aggressions of 1962, 1965, 1999 or the glorious moments of 1971, this institution surmounted political partisanship to reflect the common aspirations and sentiments of our people.

However, as we look ahead, this occasion should also become the moment for some candid and serious introspection. The manner in which we have conducted our affairs, especially over the past couple of years, has created a sense of frustration and disillusionment among the people. The daily routine of disruptions, adjournments and shouting in the House are leading many outside to question the efficacy of this institution and its place in public affairs.

If we are to restore the prestige of this institution, each and every one of us must lead by example. We need to resolve that the Rules of Procedure and Conduct that we have collectively evolved would be honoured in letter and spirit. Unless we can find some ways to resolve the growing impasse in the functioning of Parliament, public disenchantment will only grow. The leaders of political parties should sit together to find ways and means to raise issues, small or big, and air differences in a manner that does not stall Parliament at every occasion.

Madam, I believe that we should also reflect on how we should conduct the affairs of the State in which each of us plays a responsible role. Democracy is based on the notion of a popular mandate but it should not be construed as a populist mandate. I believe that a mature democracy is one that balances the daily pressures of politics against the long-term needs of development. These conflicting demands between the here and now of electoral politics, and the requirements of the long run that development imposes, can be and must be balanced.

We all have a sacred and solemn responsibility to the people who have elected us. But equally we bear a moral responsibility to do what is right by the generations still to come. We must therefore always keep in mind that our conduct and the actions we take here today will determine the state of the nation we will bequeath to our children and grandchildren.

In conclusion, Madam, I wish to say that I am optimistic that the innate wisdom of our people and the strength of our democratic institutions will guide us on the right path to building a secure and prosperous India.

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**BACK NOTE**

- L.       Sixty Years Journey of the Indian Parliament 13 May, 2012**

**NIL**

**PREVENTION OF ATTACKS ON PEOPLE OF  
NORTH-EASTERN STATES IN BANGALORE  
AND OTHER PARTS OF THE COUNTRY**

**17 August, 2012**

Madam Speaker, I rise not to reply to the various points that have been made in the debate but merely to add my voice to the feelings that I have heard being expressed in this august House. That what has been happening in the last few days in some parts of our country, the growing sense of insecurity among people from the North-East living in different parts of our country is something, which is most reprehensible, and that all of us should work together to get this sort of situation brought under control without any further loss of time.

I commit that the Government will work with all like-minded people to create a feeling of security among the people of the North-East residing in various parts of our country. They have as much right as anyone else to live, to earn and to study at wherever place they may go to.

The unity and integrity of our country is being threatened by certain elements and, without apportioning blame, I would urge this House to send a message loud and clear to all the people of the North-East residing in different parts of our country that our people are one, that we will do everything to provide security to the people of the North-East residing in various parts of our country, and that this is an obligation, which we will discharge to the best of our ability, with all political parties joining hands to send out a clear message to the people of the North-East that we will work to restore peace and amity so that this feeling of insecurity is brought under control.

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**BACK NOTE**

- LI. Prevention of Attacks on People of North-Eastern States in Bangalore and Other Parts of the Country 17 August, 2012**

**NIL**

**STATEMENT ON PERFORMANCE AUDIT REPORT  
ON ALLOCATION OF COAL BLOCKS AND  
AUGMENTATION OF COAL PRODUCTION**

**27 August, 2012**

Madam, I seek the indulgence of the House to make a statement on issues regarding coal block allocations which have been the subject matter of much discussion in the Press and on which several hon. Members have also expressed concern.

The issues arise from a report of the Comptroller and Auditor General which has been tabled in Parliament and remitted to the Public Accounts Committee. CAG reports are normally discussed in detail in the Public Accounts Committee, when the Ministry concerned responds to the issues raised. The PAC then submits its report to the Speaker and that Report is then discussed in Parliament.

I seek your indulgence to depart from this established procedure because of the nature of the allegations that are being made and because I was holding the charge of Coal Minister for a part of the time covered by the report. I want to assure hon. Members that as the minister in charge, I take full responsibility for the decisions of the Ministry. I wish to say that any allegations of impropriety are without basis and unsupported by the facts.

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Allocation of coal blocks to private companies for captive use commenced in 1993, after the Coal Mines (Nationalisation) Act, 1973 was amended. This was done with the objective of attracting private investments in specified end uses. As the economy grew in size, the demand for coal also grew and it became evident that Coal India Ltd. alone would not be able to meet the growing demand.

Since 1993, allocation of captive coal blocks was being done on the basis of recommendations made by an inter-Ministerial Screening Committee which also had representatives of State Governments. Taking into account the increasing number of applicants for coal block allocation, the Government, in 2003, evolved a consolidated set of guidelines to ensure transparency and consistency in allocation.

In the wake of rapidly growing demand for coal and captive coal blocks, it was the UPA-I Government which, for the first time, conceived the idea of making allocations through the competitive bidding route in June 2004.

The CAG report is critical of the allocations mainly on three counts. Firstly, it states that the Screening Committee did not follow a transparent and objective method while making recommendations for allocation of coal blocks.

Secondly, it observes that competitive bidding could have been introduced in 2006 by amending the administrative instructions in vogue instead of going through a prolonged legal examination of the issue which delayed the decision making process.

Finally, the report mentions that the delay in introduction of competitive bidding rendered the existing process beneficial to a large number of private companies. According to the assumptions and computations made by the CAG, there is a financial gain of about Rs. 1.86 lakh crore to private parties.

The observations of the CAG are clearly disputable.

The policy of allocation of coal blocks to private parties, which the CAG has criticized, was not a new policy introduced by the UPA. The policy has existed since 1993 and previous Governments also allocated coal blocks in precisely the manner that the CAG has now criticized.

The UPA made improvements in the procedure in 2005 by inviting applications through open advertisements after providing details of the coal blocks on offer along with the guidelines and the conditions of allotment. These applications were examined and evaluated by a broad based Steering Committee with representatives from State Governments, related Ministries of the Central Government and the coal companies. The applications were assessed on parameters such as the techno economic feasibility of the end use project, status of preparedness to set up the end use project, past track record in execution of projects, financial and technical capabilities of the applicant companies, recommendations of the State Governments and the administrative Ministry concerned.

Any administrative allocation procedure involves some judgement and in this case the judgement was that of the many participants in the

Screening Committee acting collectively. There were then no allegations of impropriety in the functioning of the Committee.

The CAG says that competitive bidding could have been introduced in 2006 by amending the existing administrative instructions. This premise of the CAG is flawed.

The observation of the CAG that the process of competitive bidding could have been introduced by amending the administrative instructions is based on the opinion expressed by the Department of Legal Affairs in July and August 2006. However, the CAG's observation is based on a selective reading of the opinions given by the Department of Legal Affairs.

Initially, the Government had initiated a proposal to introduce competitive bidding by formulating appropriate rules. This matter was referred to the Department of Legal Affairs, which initially opined that amendment to the Coal Mines (Nationalisation) Act would be necessary for this purpose.

A meeting was convened in the PMO on 25 July 2005 which was attended by representatives of coal and lignite bearing States. In the meeting the representatives of State Governments were opposed to the proposed switch over to competitive bidding. It was further noted that the legislative changes that would be required for the proposed change would require considerable time and the process of allocation of coal blocks for captive mining could not be kept in abeyance for so long given the pressing demand for coal. Therefore, it was decided in this meeting to continue with the allocation of coal blocks through the extant Screening Committee procedure till the new competitive bidding procedure became operational. This was a collective decision of the Centre and the State Governments concerned.

It was only in August, 2006 that the Department of Legal Affairs opined that competitive bidding could be introduced through administrative instructions. However, the same Department also opined that legislative amendments would be required for placing the proposed process on a sound legal footing. In a meeting held in September, 2006 Secretary, Department of Legal Affairs categorically opined that having regard to the nature and scope of the relevant legislation, it would be most appropriate to achieve the objective through amendment to the Mines & Minerals (Development & Regulation) Act.



In any case, in a democracy, it is difficult to accept the notion that a decision of the Government to seek legislative amendment to implement a change in policy should come for adverse audit scrutiny. The issue was contentious and the proposed change to competitive bidding required consensus building among various stakeholders with divergent views, which is inherent in the legislative process.

As stated above, major coal and lignite bearing States like West Bengal, Chhattisgarh, Jharkhand, Orissa and Rajasthan that were ruled by opposition-parties, were strongly opposed to a switch over to the process of competitive bidding as they felt that it would increase the cost of coal, adversely impact value addition and development of industries in their areas and would dilute their prerogative in the selection of lessees.

The then Chief Minister of Rajasthan Shrimati Vasundhara Raje wrote to me in April 2005 opposing competitive bidding saying that it was against the spirit of the Sarkaria Commission recommendations. Dr. Raman Singh, Chief Minister of Chhattisgarh wrote to me in June 2005 seeking continuation of the extant policy and requesting that any changes in coal policy be made after arriving at a consensus between the Central Government and the States. The State Governments of West Bengal and Orissa also wrote formally opposing a change to the system of competitive bidding.

Ministry of Power, too, felt that auctioning of coal could lead to enhanced cost of producing energy.

It is pertinent to mention that the Coal Mines Nationalisation (Amendment) Bill, 2000 to facilitate commercial mining by private companies was pending in the Parliament for a long time owing to stiff opposition from the stakeholders.

Despite the elaborate consultative process undertaken prior to introducing the amendment bill in Parliament. The Standing Committee advised the Ministry of Coal to carry out another round of discussions with the States. This further demonstrates that the decision to seek broader consultation and consensus through a Parliamentary process was the right one.

The CAG report has criticised the Government for not implementing this decision speedily enough. In retrospect, I would readily agree that in a

world where things can be done by fate, we could have done it faster. But, given the complexities of the process of consensus building in our Parliamentary system, this is easier said than done.

Let me humbly submit that, even if we accept CAG's contention that benefits accrued to private companies, their computations can be questioned on a number of technical points. The CAG has computed financial gains to private parties as being the difference between the average sale price and the production cost of CIL of the estimated extractable reserves of the allocated coal blocks. Firstly, computation of extractable reserves based on averages would not be correct. Secondly, the cost of production of coal varies significantly from mine to mine even for CIL due to varying geo-mining conditions, method of extraction, surface features, number of settlements, availability of infrastructure etc. Thirdly, CIL has been generally mining coal in areas with better infrastructure and more favourable mining conditions, whereas the coal blocks offered for captive mining are generally located in areas with more difficult geological conditions. Fourthly, a part of the gains would in any case get appropriated by the Government through taxation and under the MMDR Bill, presently being considered by the Parliament, 26 per cent of the profits earned on coal mining operations would have to be made available for local area development. Therefore, aggregating the purported financial gains to private parties merely on the basis of the average production costs and sale price of CIL could be highly misleading. Moreover, as the coal blocks were allocated to private companies only for captive purposes for specified end-uses, it would not be appropriate to link the allocated blocks to the price of coal set by CIL.

There are other important technical issues which will be gone into thoroughly in the Ministry of Coal's detailed response to the PAC and I do not propose to focus on them.

It is true that the private parties that were allocated captive coal blocks could not achieve their production targets. This could be partly due to cumbersome processes involved in getting statutory clearances, an issue we are addressing separately. We have initiated action to cancel the allocations of allottees who did not take adequate follow-up action to commence

production. Moreover, CBI is separately investigating the allegations of malpractices, on the basis of which due action will be taken against wrongdoers, if any.

From 1993 onwards, successive Governments continued with the policy of allocation of coal blocks for captive use and did not treat such allocations as a revenue generating activity. Let me reiterate that the idea of introducing auction was conceived for the first time by the UPA Government in the wake of increasing demand for captive blocks. Action was initiated to examine the idea in all its dimensions and the process culminated in Parliament approving the necessary legislative amendments in 2010. The law making process inevitably took time on account of several factors that I have outlined.

While the process of making legislative changes was in progress, the only alternative before the Government was to continue with the current system of allocations through the Screening Committee mechanism till the new system of auction based competitive bidding could be put in place. Stopping the process of allocation would only have delayed the much needed expansion in the supply of coal. Although the coal produced thus far from the blocks allocated to the private sector is below the target, it is reasonable to expect that as clearances are speeded up, production will come into effect in the course of the Twelfth Plan. Postponing the allocation of coal blocks until the new system was in place would have meant lower energy production, lower GDP growth and also lower revenues. It is unfortunate that the CAG has not taken these aspects into account.

Let me state emphatically that it has always been the intention of Government to augment production of coal by making available coal blocks for captive mining through transparent processes and guidelines which fully took into account the legitimate concerns of all stakeholders, including the State Governments. The implicit suggestion of the CAG that the Government should have circumvented the legislative process through administrative instructions, over the registered objections of several State Governments including those ruled by opposition parties, if implemented would have been undemocratic and contrary to the spirit of the functioning of our federal polity. The facts speak for themselves and show.

This, in short, is the background, the factual position and the rationale of Government's actions. Now that the report of the CAG is before the House, appropriate action on the recommendations and observations contained in the report will follow through the established parliamentary procedures.

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## **BACK NOTE**

### **LII. Statement on Performance Audit Report on allocation of Coal blocks and augmentation of Coal production 27 August, 2012**

1. MADAM SPEAKER: Hon. Prime Minister, you may lay the Statement on the Table of the House.

DR. MANMOHAN SINGH: Madam, I beg to lay it on the Table of the House.

## REPLY ON MOTION OF THANKS TO THE PRESIDENT'S ADDRESS

6 March, 2013

Madam Speaker, I rise to join all Members of this august House in conveying our sincere thanks to hon. President for his enlightened Address. The debate on the President's Address has been vigorous and wide ranging. I thank all the hon. Members who have contributed to this debate.

Madam, as hon. President mentioned in the initial parts of his Address, our economy has faced a difficult situation in the past one year. Hon. Members are aware that our growth has slowed down and the fiscal deficit has risen. Inflation has been a persistent problem in the last two years. The Current Account Deficit is substantially higher than what we would like it to be. The Finance Minister has dealt with all these issues in his Budget speech, and before that the *Economic Survey* tabled in this House gave a fairly comprehensive picture of the state of the economy. I would therefore be brief in speaking about the challenges that confront our economy and what we need to do to overcome them.

However, Madam, I do wish to emphatically endorse the view of the Finance Minister that the slow-down in the economy need not persist, and that we are fully capable of putting the country back on a high growth path of 7 to 8 per cent per annum in the next two to three years. To achieve this, we need to increase the rate of investment, especially in infrastructure. Our effort, therefore, will be to raise domestic savings, contain the growth of subsidies and encourage private investment.

While our aim is to achieve an average GDP growth of 8 per cent during the 12th Plan and agricultural growth of 4 per cent, the focus will continue to remain on inclusive growth. Inclusive growth implies not only reducing poverty, but also improving regional equality across and within States, uplift of the Scheduled Castes, Scheduled Tribes, Other Backward Classes and minorities, closing gender gaps and generating more and better employment opportunities. Our policies have been designed to fulfill these objectives.

Madam Speaker, I listened with great interest to the speech of the hon. Shri Rajnath Singhji, and the best I can do is to compare the nine years of UPA rule with the six years of NDA rule so that our countrymen can

draw a proper appreciation of what has been done in these nine years.

Madam, first I take the growth of the GDP. If you look at the period of nine years including the current period of slow down, our average growth rate in these nine years will be 7.9 per cent against this, the NDA six years yielded no more than 6 per cent.

Madam, it is true that growth in 2012 has slowed down, but nowhere else is the growth profile in an upward direction. Europe is in recession, the US' growth rate is very low; Japan is stagnating; Brazil's growth rate is less than 2 per cent and South Africa's growth rate is 2.3 per cent. In the light of the prevailing global situation, our growth rate looks to be impressive even though we are not satisfied with it.

Madam, inclusiveness of the growth process can be judged in many ways. The first and foremost is the concern with the wellbeing of our farmers, what happens to agricultural production and as I said earlier from 2004-05 to 2011-12, that is the UPA period, the growth rate of agricultural production and allied activities was 3.5 per cent. The corresponding growth rate from 1998-99 to 2003-04 of the NDA period was no more than 2.9 per cent. Because agriculture has grown at a faster rate, also because of a number of inclusive policies put in place by our Government, like Mahatma Gandhi National Rural Employment Guarantee Programme, the per capita consumption in rural areas during the UPA period has grown at the rate of per annum 3.4 per cent. In the NDA period the per capita rural consumption grew by no more than 0.8 per cent per year.

I come now to real wages in agriculture. Real wages in agriculture in the Eleventh Plan Period have grown at an average annual rate of 6.8 per cent. In the previous decade the growth rate of real wages in agriculture was no more than 1.1 per cent.

Madam, with regard to poverty, in the UPA Period, poverty declined at an average annual rate of 2 per cent per annum. In the preceding ten years, the rate of decline was no more than 0.8 per cent.

Madam, we are all concerned about the slow down in industry. But when we compare the nine years' period in which the UPA has been in

Government, our industrial growth rate average is 8.5 per cent, the corresponding average for the NDA from 1998-99 to 2003-04 is no more than 5.6 per cent.

With regard to regional inequalities, inter-State growth differential has narrowed and inter-State inequality is not increasing. The so-called BIMARU States have also done much better in the UPA Period than was the case previously.

In terms of education and skill development also the achievements of the UPA are really notable. The key instruments for promoting inclusiveness and empowerment are education, health and skill development. There has been near universal enrolment in primary schools and a steady increase in average number of years of schooling of the labour force.

The Right to Education Act is a major landmark of the UPA.

Madam, with regard to higher education, there has been an unprecedented expansion of central universities. Their number has gone up from 17 in 2004-05 to 44. The IITs have gone up from 7 to 16. The number of IIMs has gone up from 6 to 13. The number of Indian Institutes of Science, Education and Research have gone up from 1 to 5. Indian Institutes of Information and Technology have gone up from 2 to 4. The result is that the gross enrolment in higher education, which was 12.3 per cent in 2006-07, has gone up to 18 per cent in 2011-12.

With regard to health, Madam, National Rural Health Mission has made a very important start. The Rashtriya Swasthya Bima Yojana is a huge UPA initiative and it provides in-patient cover to 3.4 crores of families. The infant mortality rate has fallen from 58 to 44. The maternal mortality rate has fallen from 254 to 212. The life expectancy at birth in 2000-01 was, 62.5 years, and by 2010-11 it has gone up to 66 years. Literacy rate, similarly, has gone up from 64.8 to 74 per cent. The death rate has declined from 8.4 per cent to 7.1 per cent.

Madam, it is not my case that what we have achieved is the optimum level. I do recognise that growth requires further efforts to boost it. We need to do lot more to promote inclusiveness health and education require greater attention, environment protection measures have to be adopted



with greater amount of firmness. But I would respectfully submit to this august House that what has been achieved is not something which can be belittled as Shri Rajnath Singhji tried to do.

I know that BJP has a particular view towards the economic and social policy of the UPA. A few days ago, a conclave of the National Council of BJP assembled in Delhi used the choicest abuses for the Congress establishment and Congress leadership including myself. It is not my intention to reply them in that language because I do believe that our work and our performance are the best judges of what we have achieved. A poet has said:

“हमको उनसे वफा की है उम्मीद,  
जो नहीं जानते वफा क्या है”

Also, Madam, there is a proverb.

“जो गरजते हैं  
वो बरसते नहीं। ”

We have seen this arrogance not for the first time. The Shining India campaign in 2004 led to disastrous results for the BJP. In 2009, they fielded the iron man Advani ji against the lamb that Manmohan Singh is, and we all know as to what was the result. I am convinced that if the people of India were to look at our record in these nine or ten years, they would repeat what they did in 2004 and 2009.

Madam, several hon. Members have expressed concern about the state of agriculture. I share that concern. Farmers in our country are the most important constituent that the UPA cares for. We have done utmost to give our farmers remunerative prices, and here I make bold to say that the procurement prices of wheat, of rice and other products have been raised in a manner which was never seen ever before in the history of this country.

I share the concern of the hon. Members on the need for focused attention to the agricultural sector. That has been our priority. It will remain our priority. The achievements of our farmers in keeping us self-sufficient in food are indeed extraordinary. They work hard under adverse circumstances and they deserve all possible assistance.

It is for this reason that we have increased the Minimum Support

Prices as never before. If you look at these prices across various commodities, they have increased by 50 to 200 per cent since 2004-05. Since the year 2004 we have more than doubled the Minimum Support Prices for wheat and paddy. Credit flow to the agricultural sector has increased since 2003-04 by nearly 500 per cent. The 12th Plan allocation for the sector has been fixed at over twice the size for the 11th Plan.

Madam, it is the result of the hard work of our farmers and our policies that the average annual rate of growth in the agriculture and allied sector which was stagnating at the level of 2.4 per cent and 2.5 per cent during the 9th and 10th Plans respectively increased to 3.7 per cent during the 11th Plan despite the occurrence of a countrywide drought in 2009.

It is true that the growth of the agricultural sector during 2012-13 is, at present, projected at 1.8 per cent. But the revival of the monsoon during the latter half of the kharif season and improved prospects of rabi due to conducive weather conditions give me hope that the actual growth rate during this year would be higher than the figure that I have mentioned.

To address the issue of shortage of covered storage capacity, the Government had formulated the Private Entrepreneurs Guarantee Scheme in 2008. A capacity of 181 lakh metric tonnes has been sanctioned under this Scheme, of which 43 lakh metric tonnes of capacity has already been created.

Madam, an issue that did not come up significantly in the debate but which I wish to flag is that of water. Shri Devegowda ji, in his own way, referred to this problem. I do agree that we have a national problem in the distribution of water of the inter-State rivers, and I hope that the country would recognize the great importance of dealing with this problem in a holistic perspective.

The UPA Government recognises the management of water resources as a major challenge. Shrimati Supriya Sule referred to the need to give greater importance to the construction of check dams. We have already decided to modify the Accelerated Irrigation Benefit Programme to make it more effective, and expand the Watershed Development Programme during the 12th Five Year Plan. Apart from agriculture, urban and industrial water

demand also needs to be managed more efficiently. Our ground water resources need to be better preserved. We will be bringing forward proposals on a new ground water law and a national water framework law very shortly.

Madam, several hon. Members, cutting across party lines, have expressed concern over incidents of violence against women. This is an issue, which unites all sections of our House, and I sincerely appeal to all sections of the House to speak with one voice. If there are any legislative measures, which we can agree upon, they can be then pushed forward at a much higher speed than is normally done when it comes to legislation through Parliament. I sincerely hope that we will, with one voice, agree to go forward in a manner which will do justice to 50 per cent of India's population, that is, our women and children.

Let me reiterate to this august House the commitment of our Government to ensuring the dignity, safety and security of every woman of our country. We have adopted a series of measures — legislative, institutional and procedural — which reaffirm the collective responsibility of this Government in this direction as more and more women enter public spaces. The Government has been prompt in acting on the recommendations of the Justice Verma Committee, by promulgating an Ordinance amending and strengthening the law to deal with crimes of sexual violence against women. I am happy that 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Bill, 2012' was passed by Parliament last week.

We have a number of schemes in place to provide restorative justice to victims of rape and sexual violence through financial assistance and support services. The National Mission for Empowerment of Women would be implementing 'One Stop Crisis Centre's for providing all necessary services for women victims/survivors of violence at a public hospital in 100 Districts.

A new umbrella scheme for protection and empowerment of women and a toll free 24x7 helpline for women as a Central Sector Scheme across India is on the anvil.

The Government's resolve is further reflected in the announcement of the Finance Minister in his Budget Speech that an additional amount of

Rs. 200 crore has been allocated to the Ministry of Women and Child Development to address issues of gender discrimination. The Nirbhaya Fund of Rs. 1,000 crore announced by the Finance Minister is further testimony of our Government's solidarity with our girl children and women as we pledge to empower them and keep them safe and secure. However real and effective change in the status of women in our country can come only if there is a change in our societal values We need to collectively work towards this goal.

Madam Speaker, some Members have stressed the need to implement the Sachar Committee's Report to raise the standard of living of the poor among the minorities. The Sachar Committee submitted its Report in 2006. The Government accepted 72 out of 76 recommendations made by the Committee. The majority of the recommendations can be clubbed under (i) education, (ii) access to credit, (iii) Wakfs, and (iv) special development initiatives. I believe that our Government has done good work in each of these areas.

The Ministry of Minority Affairs today implements three scholarship and one fellowship schemes for minorities. During the Eleventh Plan period, more than one crore students benefitted from these schemes.

In the year 2012-13, nearly 15 per cent of the total priority sector lending has been availed of by the minority communities. In addition, the National Minorities Development and Finance Corporation has disbursed credit totalling over Rs. 1,100 crore to nearly five lakh Muslim beneficiaries. The Wakf (Amendment) Bill, 2010 has been approved by the Cabinet and will be introduced during the current Session of Parliament. I am also happy to inform the House that contours of a National Wakf Development Corporation will be finalised in the near future. The Multi-sectoral Development Programme to provide basic amenities was launched in 90 identified backward minority concentration districts and is now being modified to focus at the block level. An amount of Rs. 3,400 crore has been released to State Governments on this account upto February 2013. Besides this, relevant social sector Ministries have been mandated to provide at least 15 per cent of the outlays for the development of minorities under the Prime Minister's 15-Point Programme.

Madam, good governance is a *sine qua non* for the benefits of the programmes of the Government to be realised by our people. Towards this end, I would like to reiterate our commitment to ushering in reforms for greater transparency, probity, integrity and accountability in governance. We are committed to the enactment of the legislations proposed in this regard, particularly the Lokpal Bill, the Whistle Blower's Protection Bill and the Prevention of Bribery of Foreign Public Officials and Officials of Public International Organisations Bill, which already stand introduced in the Parliament. I would seek the cooperation of all Members of the House for the expeditious passage of these pending Bills.

Madam Speaker, Shri Mulayam Singh Yadav raised the issue of corruption in the implementation of MGNREGA Scheme and suggested its discontinuation. I would like to mention that the Scheme, which is implemented through the State Governments, provides a safety net to a very large number of rural families in times of distress. Our Government has taken several measures to ensure transparency and accountability in the implementation of this Scheme.

The measures undertaken include social audits through Gram Sabhas, placement of information on critical parameters in the public domain, disbursement of wages through banks and post offices, audit by Chartered Accountants at the Gram Panchayat level, formulation of standard operating procedures for redress of complaints and issue of guidelines for State Level Vigilance and Monitoring Committees. The States have been asked to set up an Ombudsman for redress of grievances under the Scheme in districts.

The Government is also considering the setting up of a concurrent evaluation office to evaluate the performance of various rural development schemes, including MGNREGA with a view to enable mid-course corrections. We are committed to working with States to ensure the highest level of transparency and accountability of this significant scheme.

Madam, since the UPA came to power in 2004, we have sought, to the extent possible, to encourage and create an international environment conducive to our primary task of transforming India. In this quest, we have utilised the opportunities that existed to further India's interests by obtaining the removal of restraint and sanction regime on India, encouraging international investment in India's development, and building cooperative and peaceful relations with other powers.

I can say with certainty that our standing in the world and our ability to pursue our interests has gone up in the last nine years. There is greater international understanding now of our challenges such as terrorism and there is a growing international acceptance of India's rightful place in the global political, economic and security architecture, including the United Nations Security Council. We have safeguarded our interests in global negotiations on such vital issues as trade and climate change. We have increased our access to markets, capital, energy, minerals and advanced technology.

When faced with challenges such as the international financial and economic crisis, we have successfully mitigated its effects on India to a considerable extent. We have safeguarded our interests in global negotiations on such vital issues as trade and climate change. We have increased our access to markets, capital, energy, minerals and advanced technology.

Madam, members have raised the issue of human rights violations during the conflict in Sri Lanka and the lack of progress on reconciliation, accountability and political devolution in Sri Lanka. The Government takes the sentiments expressed by Members very seriously. We are firmly of the view that issues of reconciliation and political devolution in Sri Lanka need to be addressed with a sense of urgency.

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We have consistently called upon the Government of Sri Lanka to fulfil its public commitments for the implementation of the 13th Amendment and for building further on it so as to achieve a meaningful political settlement. We have also urged that elections to the Northern Provincial Council be held at the earliest and have called for effective and time-bound implementation of the constructive recommendations contained in the Lessons Learnt and Reconciliation Commission report. This was also the message, Madam, I conveyed to President Rajapaksa during his visit to India in September 2012. We will continue to remain engaged with the Government of Sri Lanka to implement these steps and take forward the process of reconciliation and settlement.

As regards the issue of a draft resolution expected to be Tabled by the United States at the forthcoming Session of the UN Human Rights Council in Geneva, our decision will depend on the substance of the final text Tabled in the Council. We will, however, be guided by our consistent

position that we support proposals that seek to advance the achievement of a future for the Tamil community in Sri Lanka that is marked by equality, dignity, justice and self-respect.

I wish to assure the House that our Government will remain engaged with the Government of Sri Lanka to promote a durable settlement of the Tamil problem that enables the Tamil citizens of Sri Lanka to lead a life of dignity and self-respect with equal rights. I also assure the Members that we will remain engaged with the Government of Sri Lanka with regard to the welfare, safety and security of our fishermen to ensure that fishermen on both sides can continue to pursue their livelihood in a safe, secure and sustainable manner.

I would also like to respond to the concerns raised by some Members on China. At the outset, I wish to underline that India and China are two large neighbouring countries with a long history of civilisational interaction. In my view, there is enough space in the world today for both countries to achieve their developmental aspirations. While we do have differences over the border issue, since 1988 we have evolved mechanisms to address the issue and to maintain peace and tranquillity on the border. Having agreed to guiding principles and political parameters for a boundary settlement, with Premier Wen Jiabao in 2005, today our special representatives are discussing a framework for settlement of the boundary. Members will understand that this is a complex and sensitive issue and that its resolution could take time. Pending a settlement, both sides are committed to maintain the *status quo* and peace and tranquillity in the border areas. Last year, our two countries established a new mechanism to ensure this. We had also agreed that differences on the boundary question should not come in the way of mutually beneficial cooperation.

We will continue to manage our overall relations with China with maturity, recognising opportunities for common development and convergence of interests with China on many regional and global issues. The new leaders of China have conveyed to me their desire to strengthen our strategic communication and to forge a better future for our relations. This is also the goal of our Government. We should engage the new China confidently and constructively in a spirit of national consensus.

Madam, some hon. Members mentioned China's dam-building activity on the upper reaches of the Brahmaputra. We can and we do use diplomatic engagement and dialogue to ensure that these activities, which are taking

place on Chinese territory, do not, in any way, harm the livelihood of our people and our ecology. We have raised these concerns with China at every level and, as a result, have begun dialogue and cooperation with China on trans-border rivers. Upon recent reports about new dams being planned on the upper reaches of the Brahmaputra, China officially assured us that these are run-of-the-river projects and will not result in water storage. We will also continue to assure ourselves in this regard, using our own means. I assure hon. Members that we remain vigilant about all developments in India's periphery or elsewhere that could affect our security, unity and territorial integrity, and we will take all necessary measures to respond to them.

Madam, concern has been expressed in the House about the situation in Maldives. India has always stood for a stable, prosperous and democratic Maldives. As a close and friendly neighbour, India remains concerned about the ongoing political instability in Maldives since the transfer of power in February, 2012. We are closely engaged with all political forces and stakeholders in Maldives and encourage them to resolve their issues through dialogue.

The Election Commission of Maldives has announced that Presidential Elections would be held in September 2013. India will support all efforts to ensure a free, fair, credible and inclusive Presidential election that can contribute to durable peace, stability and prosperity in the Maldives. We will continue to monitor the situation and take all necessary measures to strengthen our relations with and to protect our interests in Maldives.

Madam Speaker, our dialogue with Pakistan continues in order to normalize our relations: promote bilateral cooperation and people-to-people contacts; and resolve outstanding issues. Progress has been possible in some areas like trade and people-to-people contacts. But, incidents such as the barbaric manner in which two Indian soldiers were killed on the Line of Control (LoC) in January 2013 vitiate the atmosphere and cast a shadow on the bilateral dialogue process. Further, we are yet to see tangible progress in dismantling the terrorism infrastructure in Pakistan and in bringing to justice the perpetrators of the Mumbai terror attack of November 2008. Normal, good-neighbourly relations between India and Pakistan — free from the threat of violence, and enhanced bilateral economic cooperation — would be in our mutual interest. We also expect Pakistan to take steps to create a conducive environment to take the process of normalization forward.



We have an abiding interest in a stable, strong, united, democratic and prosperous Afghanistan, which is no longer a safe haven for terrorism. As Afghanistan undergoes political, economic and security transitions in 2014 and beyond, we will continue to help build Afghan capabilities to evolve peacefully and fight terrorism and extremism.

Madam Speaker, hon. Members have also raised a number of State and sector-specific issues during the debate. While I am not going into these issues for want of time, I would like to assure you that we have taken note of them. I am advising my colleagues to make sincere efforts to address them to the satisfaction of the hon. Members.

With these words, Madam, I once again join Members in thanking the hon. President for his insightful Address, which I commend for adoption with acclamation.

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## **BACK NOTE**

### **LIII. Reply on Motion of Thanks to the President's Address 6 March, 2013**

1. SHRI T.R. BAALU (SRIPERUMBUDUR): For past three years, your Government is keeping quiet. For past three years, what your Government did, is lukewarm. It is not good.

## **STATEMENT REGARDING CURRENT ECONOMIC SITUATION IN THE COUNTRY**

**30 August, 2013**

Madam Speaker, the movement of the exchange rate of the Indian Rupee recently has been a matter of concern. The Rupee has depreciated sharply against the dollar since the last week of May. There are concerns; and justifiably so, of the impact this would have on our economy.

Madam, what triggered the sharp and sudden depreciation was the markets' reaction to certain unexpected external developments. On May 22, 2013, the United States' Federal Reserve indicated that it would soon taper its Quantitative Easing as the US economy was recovering. This led to a reversal of capital flows to Emerging Economies, which are now sharply pulling down not just the Rupee but also the Brazilian Real, the Turkish Lira, the Indonesian Rupiah, the South African Rand and many other currencies.

While global factors such as tensions over Syria and the prospect of the US Federal Reserve tapering its policy of Quantitative Easing have caused general weaknesses in the Emerging Market currencies, the Rupee has been especially hit because of our large Current Account Deficit and some other domestic factors. We intend to act to reduce the Current Account Deficit and bring about an improvement in the functioning of our economy.

In 2010-11 and the years prior to it, our Current Account Deficit was more modest and financing it was not difficult, even in the crisis year of 2008-09. Since then, there has been a deterioration, mainly on account of huge imports of gold, higher costs of crude oil imports and recently, of coal. On the export side, weak demand in major markets has kept our exports from growing. Exports have been further hit by a collapse in iron ore exports. Taken together, these factors have made our Current Account Deficit unsustainably large.

Clearly, Madam, we need to reduce our appetite for gold, economise in the use of petroleum products and take steps to increase our exports.

We have taken measures to reduce the Current Account Deficit. The Finance Minister has indicated that it will be below \$70 billion this year, and we will take all possible steps to ensure that outcome. These are already

showing results with a declining trade deficit in both June and July. The Government is confident that we will be able to lower our Current Account Deficit to \$70 billion. Our medium term objective is to reduce the Current Account Deficit to 2.5 per cent of our GDP. Our short term objective is to finance the current account deficit in an orderly fashion. We will make every effort to maintain a macro economic framework friendly to foreign capital inflows to enable orderly financing of the Current Account Deficit.

Madam Speaker, coming back to the effects of the Rupee depreciation, we must realise that part of this depreciation was merely a needed adjustment. Inflation in India has been much higher than in the advanced countries. Therefore, it is natural that there has to be a correction in the exchange rate to account for this difference. To some extent, depreciation can be good for the economy as this will help to increase our export competitiveness and discourage imports.

There are many sectors which are regaining competitiveness in export markets as a result of the fall in the exchange rate. Over the next few months, I expect the effects of this to be felt more strongly, both in exports and in the financial position of exporting sectors. This in itself would correct the Current Account Deficit to some extent.

However, foreign exchange markets have a notorious history of overshooting. Unfortunately, this is what is happening not only in relation to the Rupee but also other currencies.

The Reserve Bank and the Government have taken a number of steps to stabilize the Rupee. Some measures have given rise to doubts in some quarters that capital controls are on the horizon. I would like to assure the House and the world at large that the Government is not contemplating any such measures. The last two decades have seen India grow as an open economy and we have benefited from it. There is no question of reversing these policies just because there is some turbulence in capital and currency markets. The sudden decline in the exchange rate is certainly a shock, but we will address this through other measures, not through capital controls or by reversing the process of reforms. The Finance Minister has clarified this matter at length, and I take this opportunity to reaffirm our position.

Madam Speaker, ultimately, the value of the Rupee is determined by

the fundamentals of our economy. While we have taken a number of actions to strengthen those fundamentals, we intend to do more.

Growth has slowed in recent months. I expect growth in the first quarter of 2013-14 to be relatively flat, but as the effects of the good monsoon kick in, I expect it to pick up.

There are many reasons for this optimism. The decisions of the Cabinet Committee on Investment in reviving stalled projects will start bearing fruit in the second half of the year. The full effects of the growth friendly measures that have been taken over the last six months, such as liberalizing norms for Foreign Direct Investment, resolution of some tax issues of concern to industry and fuel subsidy reform will come into play over the year, resulting in higher growth particularly in manufacturing. Exports are also starting to look up as the growth performance of the rest of the world is showing signs of improving. So, I believe growth will pick up in the second half of the fiscal year barring extreme unforeseen eventualities.

Madam, there are questions about the size of the fiscal deficit. The Government will do whatever is necessary to contain the fiscal deficit to 4.8 per cent of GDP this year. The most growth-friendly way to contain the deficit is to spend carefully, especially on subsidies that do not reach the poor, and we will take effective steps to that end.

Madam, inflation measured by the Wholesale Price Index has been coming down, even though inflation measured by the Consumer Price Index is still too high. Depreciation of the Rupee and rise in Dollar prices of petroleum products will no doubt lead to some further upward pressure on prices. The Reserve Bank will therefore continue to focus on bringing down inflation. The favourable monsoon and the anticipated good harvest will help bring down food prices and ease the task of controlling inflation.

All in all, the macro-stabilization process, which should support the value of the Rupee, is under way. I expect that as the fruits of our efforts materialize, currency markets will recover.

Madam Speaker, even while we go about doing what is necessary, it is important to recognize that the fundamentals of the Indian economy continue to be strong. India's overall public-debt to GDP ratio has been on a declining trend from 73.2 per cent of GDP in 2006-07 to 66 per cent in 2012-13. Similarly, India's external debt is only 21.2 per cent of our GDP and while

short-term debt has risen, it stands at no more than 5.2 per cent of our GDP. Our foreign exchange reserves stand at US\$ 278 billion and are more than sufficient to meet India's external financing requirements.

Madam, many foreign analysts worry about banking problems that may arise in the wake of the currency crisis. The Indian banking sector has been seen to have some rise in bad debts. The question that needs to be asked is whether there is a liquidity problem or a solvency problem for the borrowers.

My belief is that there is a liquidity problem. Many of the projects are not unviable but only delayed, in contrast to the over-building that has characterised the banking sector problems in many other countries. As these projects come on stream, they will generate revenue and repay loans. Our banks are, fortunately, well capitalised, much above the Basel norms and they have the capacity to provide for any non-performing assets until those assets are turned around.

Madam Speaker, the easy reforms of the past have been done. We have the more difficult reforms to do, such as reduction of subsidies, insurance and pension sector reforms, eliminating bureaucratic red-tape and implementing Goods and Services Tax. These are not low hanging fruit and they need active political consensus.

It is here that, I urge hon. Members across the political spectrum to reflect on the need of the hour. Many laws that are necessary are held up for lack of political consensus. Reforms such as the Goods and Services Tax, which everyone agrees is essential to restore growth and boost revenues, require States to come to an agreement. We need to forge consensus on such vital issues. I urge political parties to work towards this end and to join in the Government's efforts to put the economy back on the path of stable, sustainable growth.

Madam, there may be short-term shocks to our economy and we need to face them. That is the reality of operating in a globalised economy, whose benefits we have reaped over the last 15 to 20 years. We will need to ensure that the fundamentals of the economy remain strong so that India continues to grow at a healthy rate for many years to come. That we will ensure. We are, no doubt, faced with important challenges, but we have the capacity to address them. It is at times like these that the nation shows what it is truly capable of.

**BACK NOTE**

**LIV. Statement Regarding Current Economic Situation in the Country  
30 August, 2013**

**NIL**

## **STATEMENT REGARDING REPORTED MISSING FILES RELATING TO ALLOCATION OF COAL BLOCKS**

**3 September, 2013**

Hon. Madam Speaker, with regard to the so-called missing files or papers pertaining to the ongoing investigation into the allocation of coal blocks, I would like to emphasize that the Government is making all efforts to locate the papers requisitioned by the CBI.

And, at this stage, it would be premature to say that some papers are indeed missing. A vast majority of the papers sought by the CBI have already been handed over to them. However, disregarding the factual position, some Members have gone ahead and drawn their own conclusions that there is something fishy and the Government is hiding something.

Hon. Madam Speaker, let me assure this august House that the Government has nothing to hide. The fact that more than 150,000 pages of documentation have already been handed over to the CBI clearly shows that our intention to facilitate the process of investigation cannot be called into question. Right from the days the CAG began its exercise of performance audit, the Government has always provided its fullest cooperation to the CAG and later to the CBI. We will continue to do so. If the records in question are indeed found missing, the Government will carry out a thorough investigation and ensure that the guilty are brought to book.

Hon. Madam Speaker, the matter of allocation of coal blocks is sub-judice, the apex court of the country is looking into all aspects of these allocations. Moreover, the ongoing investigation by the CBI is being closely monitored by the apex court.

In its order dated 29th August 2013, the Supreme Court has directed that within five days the CBI shall provide a comprehensive list of documents and records which remain outstanding and, thereafter within two weeks the Government will hand over the available papers to the CBI. The Government shall follow these directions in letter and spirit and shall do its very best to locate and hand over the requisite papers to the CBI within the time-frame stipulated by the apex court. If the Government is unable to locate some of these papers within the stipulated time, then as directed by the Supreme Court, a report will be filed with the CBI for appropriate inquiry and investigation.

In such a situation, I urge the hon. Members of this august body not



to draw hasty conclusions and let the House continue with its normal business.

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**BACK NOTE**

- LV. Statement Regarding Reported Missing Files relating to Allocation of Coal Blocks 3 September, 2013**

**NIL**

## **VALEDICTORY ADDRESS ON THE CONCLUSION OF THE 15TH LOK SABHA**

**21 February, 2014**

Madam Speaker, as we come to the end of the journey of the 15th Lok Sabha, I join all Members of this august House to pay tribute to the manner in which you have conducted our proceedings.

Madam, in parliamentary life, there are bound to be differences among parties but there must also be ways and means of finding pathways to bring minimum amount of consistency and reconciliation so that the ship of the Indian State can move forward. And we have seen that, on certain crucial matters, this House has the capacity, the will, to rise above partisan strife and to find pathways of national reconciliation.

The manner in which the State of Telangana is being born is yet another indication that this country is capable of taking some of the most difficult decisions without any rancour, without worrying too much about the pros and cons of things that do not matter and we can take pride in the fact that the Telangana State, whose quest for being born was pending for the last sixty years, has ultimately seen the light of day.

The Food Security Bill is yet another landmark legislation. It will create a ray of hope among those who are deprived sections of our community. It will encourage our farmers to produce more. Sharad Pawar Ji has described the manner in which the agricultural situation in our country has improved and I compliment him for the manner in which he has guided the destiny of the Agriculture Ministry. Obviously, all Members of the House have played a very important role in bringing that outcome about.

Madam, we are now entering a phase where the people of India will once again have an opportunity to assess, to pass their judgement on the performance of Government, weaknesses of our Government, the achievements of the Government and it is in that process, that once again a new sense of consensus will emerge which will carry our country to new

pathways.I thank all the hon. Members of the House.

I thank the Leader of the Opposition. I thank my colleague, Shri Sushil Kumar Shinde who, as the Leader of the House, has performed his duties with aplomb. I give all Members of this august House my best wishes and let us hope that, out of this strife, out of this tense atmosphere which prevailed for some time, there will be a birth of a new atmosphere of hope.

With these words, I conclude my remarks by once again thanking you, Madam Speaker, for the manner, the grace with which you have conducted the proceedings.

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**BACK NOTE**

**LVI. Valedictory Address on the Conclusion of the 15th Lok Sabha  
21 February, 2014**

**NIL**