

# PM against rollback

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Statesman News Service

## Why Bengal pays more

NEW DELHI, June 7: Two days after the Manmohan Singh Cabinet effected a steep increase in petroleum product prices, the contentious issue continues to be gripped by uncertainty.

The ruling Congress leadership finds itself in a double bind on this sticky matter. On the one hand is the imperatives of economy and governance, on the other is the Congress party's political compulsion on an issue that directly has a bearing on day-to-day lives of people across the country.

The question making the rounds in political circles is, who is going to blink first over petro price hike - Mrs Sonia Gandhi or Dr Manmohan Singh.

Both the Congress and the PMO have stuck to their guns so far - the Congress continues to stridently press for a review of the decision while the PMO has staunchly backed the move.

For the third day in a row, the AICC today urged the

NEW DELHI, June 7: The Left parties are planning a nationwide agitation to protest the petrol price hike announced recently by the Centre, but consumers in Left-ruled West Bengal are paying Rs 3.56 more for every litre of petrol than consumers in Delhi.

This is on account of the vast difference in sales tax between West Bengal and Delhi. Petroleum ministry officials have apprised the minister of the difference in sales tax between Delhi and West Bengal and its subsequent impact on the people of the state. Senior officials in the petroleum ministry today urged the minister to take up the issue during his meeting with Left leaders and ask them to reduce sales tax in Left-ruled states to bring them at par with Delhi "if they are really concerned about the common man's plight". A consumer in West Bengal is paying Rs 3.56 more per litre for petrol, Rs 2.49 more per litre of diesel, Rs 0.25 more for kerosene and Rs 5.75 more for every LPG cylinder.

■ VIJAY THAKUR

Manmohan Singh government to go in for a partial rollback of the fuel hike, seeking to convey the concerns and hardships of *aam aadmi* - the party's theme song - over the steep hike to the government.

The PMO sent out the signal that despite fierce all-round opposition, including from the Congress, Dr Singh would hold his ground on the government's decision to hike petrol price by Rs 4 a litre

and diesel by Rs 2.

"There will be no rollback. We will face it," the Prime Minister was said to have told the petroleum minister, Mr Murli Deora, during their meeting this afternoon.

Dr Singh approved the petroleum ministry's publicity and advertisement campaign for public awareness on the circumstances that necessitated the fuel price hike in addition to other steps.

# Manmohan for steps to tackle global economic imbalances

“Corrective steps, however, could be disruptive if they are sudden and unexpected”

Ashok Dasgupta

**HYDERABAD:** Prime Minister Manmohan Singh on Friday exhorted multilateral institutions to evolve fast “quick and credible” responses to tackle the current global economic imbalances, as otherwise it could lead to a severe crisis.

He was addressing Governors of the Asian Development Bank (ADB) at its opening session here. Dr. Singh said all major international financial institutions should pool their collective wisdom, expertise and experience to devise credible strategies to enable the world economy to cope with the increased unpredictability and volatility of energy prices and their impact on the processes of world economic growth.

The imbalances had resulted in huge disparities in the current account position. While the United States had a deficit of \$ 805 billion — at 6.4 per cent of its GDP (gross domestic product) — Japan a surplus of \$163.9 billion and China \$158.6 billion. In the wake of surging oil prices, the oil-rich Gulf nations too had accumulated a surplus of \$196 billion.

The situation called for coordinated action, both from countries having current account surpluses and those having current account deficits to set right the imbalances. In this, international institutions have a major role to play.

Dr. Singh, however, pointed out that the process of correcting the imbalances could be disruptive if it was sudden and unexpected.

Highlighting the Southeast Asian financial meltdown, he



**SPEAKING ECONOMICS:** Prime Minister Manmohan Singh with Asian Development Bank president Haruhiko Kuroda at the opening session of the 39th annual meeting of its Board of Governors in Hyderabad on Friday.

— PHOTO: SATISH H.

said: “An important lesson coming out of the Asian crisis is the need for effective, quick and credible responses from international financial institutions in the event of a crisis.”

The Prime Minister reminded the financial institutions that they had come “under heavy

criticism for not acting quickly enough in the aftermath of the Asian crisis.” It was important that they injected adequate funds in time in to the economies facing crisis to provide an assurance of stability.

“There is a view that funding must come before, than after the

foreign exchange reserves bottom out. It is perceptions that fuel a crisis and it is important to manage them by acting quickly and decisively. Thus, not only the quantum of funding but also the speed with which it is channelised was an equally critical factor.” The financial institu-

tions, therefore, should be ahead of the curve, identify the potential victims and “go to their support in good time so as to contain the crisis.”

Another report on Page 15

06 MAY 2006

# LOOKING FOR EUROS | BMW, Volkswagen, Carl Zeiss, Boehringer, Deutsche Bank to come with millions In Germany, PM ropes in big-time investment

VIKAS DHOOT

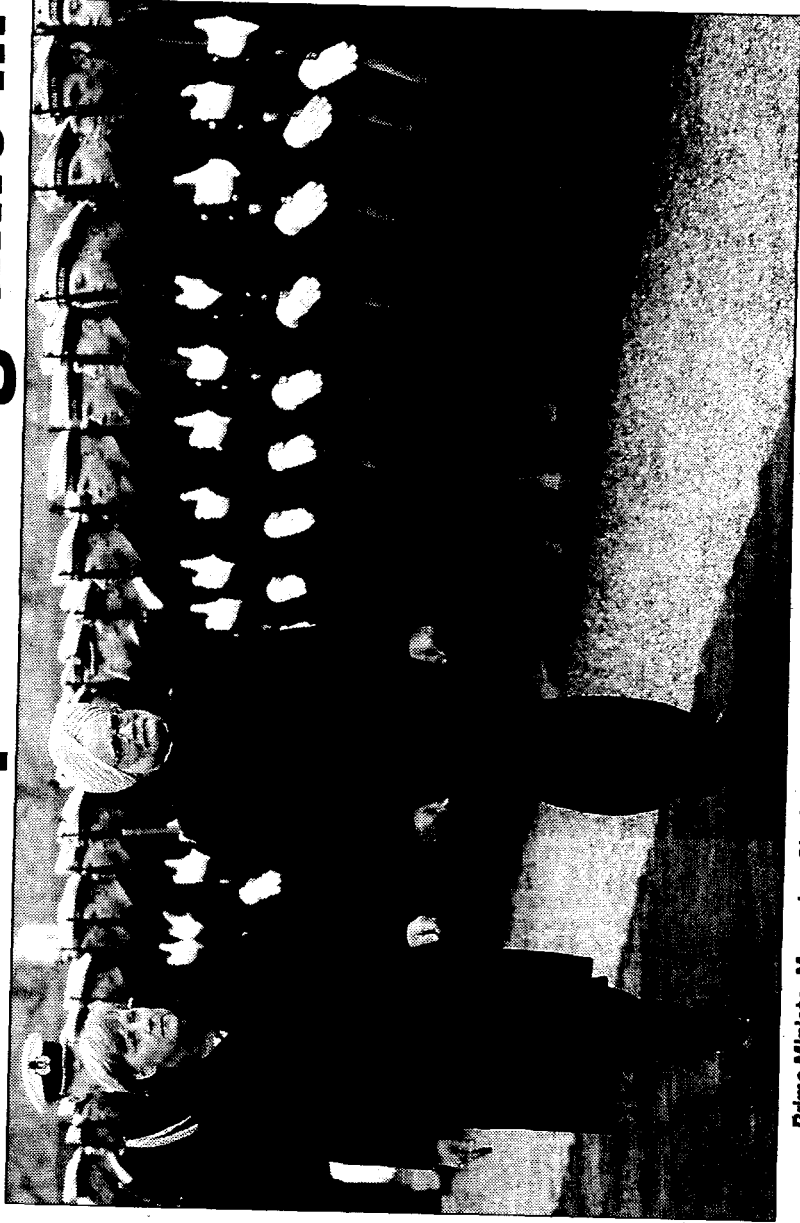
HANNOVER, APRIL 23

**P**RIME Minister Dr Manmohan Singh's plea for more investments from German companies seems to have had an instant response. BMW, Carl Zeiss, Volkswagen, Boehringer, Deutsche Bank and several other large German companies are set to bring in fresh investments worth millions of Euros into India, while companies already present on Indian soil are about to make incremental investments.

At a breakfast meeting with over a dozen top German CEOs of companies such as Siemens, Bosch and ABB, the Prime Minister spoke extensively about India's growth story and its target of 8 to 10 per cent growth over the next decade.

Commerce and Industry Minister Kamal Nath, Science and Technology Minister Kapil Sibal, Power Secretary R V Shahi and Secretary (Department of Industrial Policy and Promotions) Ajay Dua, who were also present at the meeting, allayed fears over specific concerns and issues raised by Germany Inc.

After the meeting, Nath said that 70 per cent of the German investments in India over the last two years have been in the manufacturing sector. "It is very important for India to seek investments in manufacturing from Germany, as it is the largest manufacturing base in Europe. What's inter-



**Prime Minister Manmohan Singh and German Chancellor Angela Merkel walk past a military parade to welcome the PM in German city of Hannover on Sunday. AP**

esting now is that German companies are investing in manufacturing and Information Technology simultaneously," Nath said, before revealing some of the specific investments on the anvil.

Power sector players like Siemens and ABB have expressed interest in participating in India's seven ultra-

mega power projects, while Siemens has already committed Euro 600 million to set up another plant. But the real big news is that BMW is setting up a Euro 600-million plant for passenger cars near Chennai, for which all clearances and approvals are already in place.

Nath said that BMW officials had

written to the Commerce Ministry appreciating the investment clearance process as the 'fastest they have encountered anywhere in the world'.

Auto component major Bosch has announced a Euro 500-million investment, while MAN Nutzfahrzeuge is setting up a truck and bus manufacturing unit in Pitampura in Mad-

hya Pradesh. Deutsche Bank wants to set up BPOs for their global services in India. Optical lens maker Carl Zeiss and Baerlocher want to set up R&D centres, while pharma and engineering companies are also in advanced stages of setting base.

Hannover Messe, the largest exhibition company in the world with its own site, which is incidentally also hosting the Technology Fair where India is a partner country this week, has expressed keen interest in setting up an exhibition centre in Mumbai.

Nath explained that "German companies want exhibition grounds in Mumbai. They feel the facilities in Delhi are inadequate, while Mumbai has none. They are interested in forming a joint venture like a similar tie-up they already have in Shanghai."

Simultaneously, a Memorandum of Understanding was signed between German Railways and Indian Railways, two of the world's biggest and oldest rail networks.

The main areas of cooperation will be railway related technologies and developing and undertaking joint research projects.

Modernisation of transport operations and management, maintenance and servicing of railway lines and technology for increasing speed of rail traffic are also areas where German and Indian Railways will work in tandem as a consequence of the Memorandum of Understanding.

# Dam work to continue: PMO

**Statesman News Service**

NEW DELHI/GANDHINAGAR, April 16: Sinking their differences in the campaign for the Sardar Sarovar project on the Narmada river, Congress and BJP MPs and MLAs today met Prime Minister Dr Manmohan Singh here after which the PMO said no decision had been taken to suspend construction work at the project.

Gujarat chief minister Mr Narendra Modi began a 51-hour hunger strike in Ahmedabad protesting against the recommendation of water resources minister Mr Saifuddin Soz,

who heads the Narmada Control Authority, to suspend work on the project till rehabilitation of dam oustees was done in a satisfactory manner even as the PCC withdrew its strike call following the Prime Minister's assurance that work on raising the height of the dam would not be stopped.

Twenty six MPs of the BJP and the Congress from Gujarat today met the Prime Minister and urged him to allow continuance of construction work on the Narmada dam.

They told the Prime Minister that the Narmada was the lifeline of Gujarat

and the decision of the Narmada Control Authority to raise the height of the dam could not be reviewed as it was taken "unanimously". In Ahmedabad, Mr Modi, after taking blessings of several religious leaders, began his fast to protest Mr Soz's recommendation that work at the project be stopped till rehabilitation of those displaced by the dam was completed.

Though Mr Modi had announced that he would protest at Sabarmati Ashram, the Guajrat government decided on another venue due to security concerns and space con-

straints and had erected a massive pandal at the venue.

With a banner reading "*Narmada ka bandh nahin rukega aur Gujarat nahin jhukega*" (Narmada dam work will not stop and Gujarat will not bow), Mr Modi sat on the dais along with his entire Cabinet colleagues and senior party leaders who have come from across the state.

The Supreme Court will hear tomorrow an application seeking suspension of work on the project till completion of rehabilitation of the affected families.

■ **Another report, photograph on page 5**

THE STATESMAN

# Arjun makes PM party to quota call

**OUR SPECIAL CORRESPONDENT**

**New Delhi, April 7:** Arjun Singh today tried to scotch speculation that the Prime Minister had been kept in the dark as his ministry drew up the plans for a 49 per cent seat quota in centrally-funded educational institutions.

Was Manmohan Singh kept in the loop, the human resource development (HRD) minister was asked.

"Very strange," Arjun shot back. "The decision was taken by the Prime Minister in per-

son. Now, if they have gone out of the loop, I don't know. Some people are trying to whip up the issue. I know that," he added without taking any names.

The Prime Minister's Office, too, said Manmohan Singh had been kept informed.

The move to raise the reservation to 49 per cent — by adding a 27 per cent Other Backward Classes (OBC) quota to the existing 22 per cent Scheduled Caste (SC) and Scheduled Tribe (ST) quotas — will become an important campaign plank during the Uttar Pradesh polls next year.

Arjun is delaying a formal announcement of the plan keeping in mind the code of conduct in force for the Assembly polls in five states. A cabinet note on the move, however, is in circulation.

Once the government announces the decision, it is certain to trigger a round of vote bank politics by parties like the Congress, Samajwadi Party and Rashtriya Janata Dal. The OBCs are a formidable constituency in Uttar Pradesh.

Some in the Congress feel the quota shouldn't apply to the creamy layer among the OBCs. But the 93rd Constitutional Amendment Act, which forms the backdrop for the current plan, does not lay down an economic criterion for reservation.

The amendment act, which sanctions reservation for "socially and educationally backward classes", has opened up controversial possibilities, such as unaided private insti-

tutions being made to introduce quotas.

The act also allows a government to extend reservation to schools if it wants. For instance, Uttar Pradesh or Bihar can introduce reservation for SC, ST and OBC students at government schools.

The HRD ministry says the act doesn't refer to any specific kind of educational institution, leaving all kinds open to seat reservations.

Arjun has written to the state governments asking them to honour the commitment made in the act.

The United Progressive Alliance, soon after it came to power, had started a discussion on job reservations in the private sector. Social justice minister Meira Kumar is still talking to private corporations like Ficci and the Confederation of Indian Industry.

But Tata group chairman Ratan Tata today opposed reservation in educational institutions as well as the private sector. "Though I do not want to comment on it, it (reservation) is bad... In some way, it will tend to divide the country into different groups."



Arjun

# Merit in greater convertibility: PM



(From left) R. Venkatraman, C.R. Rangarajan, PM Manmohan Singh, M. Narsimhan, Bimal Jalan and Y.V. Reddy at a function to release the third volume of RBI's history in Mumbai on Saturday. Prashant Nadkar

## Says will ask Chidambaram, RBI to come put with a roadmap to greater capital account convertibility 'based on current realities'

### AGENCIES

MUMBAI | MARCH 18

**P**RIME Minister Manmohan Singh said on Saturday the country's economic position internally and externally had become "far more comfortable" and it was worth looking into greater capital account convertibility.

In a speech at the central bank in financial hub Mumbai, Singh said he would ask the Finance Minister and the Reserve Bank of India to come out with a roadmap to greater convertibility "based on current realities".

The Indian rupee is only partially convertible and India has, in the past, set out benchmarks for full capital account convertibility, including levels of fiscal deficit and foreign exchange reserves, inflation and non-performing assets of banks.

"Given the changes that have taken place over the last two decades, there is merit in moving

towards fuller capital account convertibility within a transparent framework," Singh said.

India's external debt was \$124.3 billion at the end of September 2005, up \$2.2 billion from the end of June due to higher borrowings by corporates abroad. Its foreign exchange reserves are nearly \$144 billion, exceeding external debt by about \$20 billion and enough to cover around 13 months of imports.

The central bank said in a report released on Saturday there had been "a perceptible improvement in external debt indicators over the years, reflecting the growing sustainability of external debt of India".

In its Report on Currency and Finance for 2004-05, the RBI said software exports have remained strong despite concerns about protectionist measures from the countries which import them. Also, expatriate Indians continue to send money home at a robust pace, making India one

of the world's leading recipients of remittances.

The resilience of the external sector during the current fiscal year was reflected in the fact that a record level of the current account deficit was financed through normal capital flows, it said.

The fiscal deficit is expected to be 4.1 per cent of gross domestic product at the end of this financial year on March 31, lower than a targeted 4.3 per cent, although the combined federal and states' deficit is much higher at about 7.7 per cent. Inflation is currently running at about 4 per cent.

The Prime minister's Economic Advisory Council has said it expects the current account deficit for this financial year to be 2.9 per cent of GDP, compared with a deficit of 0.9 per cent last year.

The central bank also said it expected foreign fund inflows to the booming stock market to remain steady in the near term

amid growing investor confidence in Asia's third-largest economy. The Sensex has gained nearly 16 per cent so far this year, lifted by net foreign portfolio investment of more than \$3.2 billion. It rose 42 per cent in 2005 as foreign institutional investors (FIIs) moved in a record \$10.7 billion.

"A series of India-centric funds being floated overseas reflect that the FII inflows are likely to remain robust in the near term," it said. The inflows have helped the rupee rise 1.4 per cent against the dollar since the start of 2006 and analysts say if India continues its drive to lower its fiscal deficit, its sound balance of payments position could lead to a ratings upgrade which would attract more investment.

International rating agencies Fitch Ratings and Standard & Poor's rate India one notch below investment grade while Moody's Investor Services gives its foreign currency rating an investment grade.

Our Political Bureau  
NEW DELHI

2-11-13



PRIME Minister Manmohan Singh today settled the Parliament debate on the Indo-US civilian nuclear energy deal with a firm assertion that India had not compromised its strategic interests, nuclear programme and its right to determine a credible minimum nuclear deterrent, while entering into the agreement with the USA. He reiterated that the deal would serve the 'enlightened national interest'.

Aware that opposition to the deal had lost its rhetoric punch both inside and outside Parliament, a confident looking Prime Minister to-

## International Inspection Won't Be Allowed in BARC

# Nuke interest safe: PM

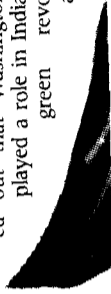
day tried to linking the deal to the development plank of his government. He said the agreement that he signed with President Bush would help the country to deal with its energy needs in a big way, and would accelerate the overall growth of the economy, with special benefits for the agriculture and energy sectors.

"It is a step forward which will take the country on a higher growth and development trajectory," he said, adding that research and development opportunities

would also not be adversely affected due to the Indo-US agreement. On the issue of closing down the CIRUS reactor by 2010, Singh clarified that only the fuel core of Apsara reactor would be shifted from Bhabha Atomic Research Centre and not the reactor itself.

"We will not allow any international inspections in BARC. This is because BARC is an institution of high national security importance and will not be allowed any international inspection," he said.

He also made it clear that his government did not consider it a problem in entering into agreements with the US in areas which would benefit the Indian developmental interests, including joint ventures in private sector and capital infusion. He pointed out that Washington had played a role in India's first green revolution



the latest nuclear deal had the potential to usher in a second green revolution.

Since today's debate followed the Prime Minister's elaborate statement on the nuclear deal earlier in the week, the fire was evidently missing in the Opposition and Left benches, which just made it a point to register its often-stated concerns. The mood of the Lok Sabha at the end of Singh's speech was evident from the fact that he had left his critics more than satisfied.

"India has not agreed to any formula that amounts to capping its strategic nuclear programme," Singh said. He asserted the deal was finalised after taking into confidence India's scientific and strategic establishment into confidence. Singh said the US had given a number of assurances for uninterrupted supply of nuclear material for use in civilian reactors.

# No safeguards for FBRs: PM

**New Delhi:** In a clear rejection of US demand, Prime Minister Manmohan Singh on Monday declared that India cannot accept safeguards on its indigenous fast breeder programme and will ensure that no impediments were put in its research and development activities.

Making a suo motu statement in both Houses of Parliament, Singh reminded the US about "reciprocity" agreed to by India and the US in July last year, saying "certain assurances" relating to the supply of imported fuel for Tarapur made then "remain to be fulfilled".

Observing that negotiations on nuclear deal were "currently at a delicate stage", he said "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." Declaring government's "overarching commitment" to national security and related issue of autonomy of the nuclear programme, the Prime Minister said "We have made it clear that we cannot accept safeguards on our indigenous Fast Breeder Programme".

Singh emphatically stated that in deciding the contours of the plan to separate civilian and military nuclear facilities, India has taken into account its "cur-

rent and future strategic needs and programme after careful deliberation of all relevant factors, consistent with our Nuclear Doctrine." This envisions a "credible minimum nuclear deterrent to inflict unacceptable damage on an adversary indulging in a nuclear first-strike," he said. The tough-talking by Singh comes two days ahead of the visit of US President George W Bush and close on the heels of intense negotiations here to wrap up a follow-up agreement between foreign secretary Shyam Saran and US under secretary of state Nicholas Burns.

The PM assured members 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." He said "ours is a sacred trust to protect succeeding generations from a nuclear threat and we shall uphold this trust."

Asserting that the country's three-stage nuclear programme will "not be undermined or hindered by external interference," he said "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 and D effort, or in any way compromising our autonomy of developing the programme." Agencies



“ 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 ”

28 FEB 2006

THE TIMES OF INDIA



# Nuke threat too close for comfort: PM

Iran vote explained

HT Correspondent  
New Delhi, February 17

THE PRIME Minister on Friday explained why India had decided to vote for a resolution reporting Iran's nuclear programme to the UN Security Council.

The motivating factor, Manmohan Singh said, was nuclear proliferation in India's own neighbourhood. This had raised security concerns to which India could not turn a blind eye, Singh said in a suo motu statement to the Lok Sabha.

He referred to the import of sensitive technologies from Third World countries and said, "The source of such clandestine proliferation of sensitive technologies lies in our own neighbourhood, details of which have emerged from successive IAEA reports. India cannot afford to turn a blind eye to the security implications of such proliferation activities," he said, seeking to stem the tide of opposition from Left allies.

The vote would not drive a wedge between India and Iran, he assured the House. "India's vote does not in any way detract from the traditionally close and friendly relations we are privileged to enjoy with Iran. We intend to further strengthen and expand our multifaceted ties with Iran to mutual benefit," he said. "We are committed to the proposed Iran-Pakistan-India gas pipeline." The petroleum ministers of the three countries will meet in Tehran in March.

Though India was in favour of the resolution, he pointed out that it had consistently sought to promote a solution through dialogue. The resolution, too "calls for continued diplomatic efforts including through exploration of the option provided by Russia, which we have supported."

He agreed that Iran's cooperation with the IAEA had clarified a number of questions, yet there remained "many unresolved questions on key issues", including that of technologies imported from third countries.

"Iran, as a signatory to the NPT, has the legal right to develop peaceful uses of nuclear energy. But it is incumbent upon Iran to exercise those rights in the context of the safeguards it has voluntarily accepted upon its nuclear programme under the IAEA," he said.

The resolution not only had the support of all P-5 countries, including Russia and China, but "also of important NAM and developing countries" including Argentina, Brazil, Egypt, Ghana, Singapore, Sri Lanka and Yemen, he said.



The source of clandestine proliferation of sensitive technologies lies in our own neighbourhood ... India cannot afford to turn a blind eye to the security implications

Manmohan Singh

# Strategy shift is inevitable: PM

## Govt responds to foreign policy critics

**NILOVA Roy Chaudhury**  
New Delhi, February 14

**UNDER PRESSURE** from allies over the vote against Iran at the IAEA and over the Indo-US civil nuclear deal, Prime Minister Manmohan Singh on Tuesday made it clear that the government's foreign policy tactics and strategy could "change with time" to face the "changing reality of an ever-changing world".

After laying the foundation stone for a new MEA's headquarters (named after Jawaharlal Nehru), the PM made a point to critics of his government's foreign policy, urging on the need for continuous adaptation to "show creativity and enterprise in dealing with the rapidly changing world".

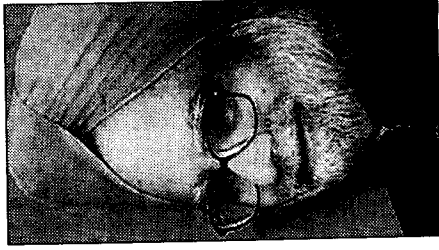
"Given India's rising demand for energy, the uncertainty of supply of hydro-carbons and concerns about global warming, issues relating to energy security have important implications

for the conduct of our foreign policy," he said.

The PM is due to make a detailed statement, placing India's position on Iran and the Indo-US civil nuclear deal in perspective, in the Budget session of Parliament. The Left parties have sought a discussion on the Iran issue.

The PM was emphatic in defending his government's "values" while formulating its policies, saying they were "universal and will remain true for all time" to the creed of "enlightened national interest".

"We have worked hard to create the space needed to have the freedom to make policy choices in an increasingly inter-dependent world," he said. "The foreign policy we pursue abroad must reflect our national priorities and concerns," the PM said. "There cannot be a disconnect between domestic capabilities, national aspirations and external policies."



**"The policy we pursue abroad must reflect our national priorities and concerns"**

*PM Manmohan Singh*

## BJP supports Centre on Iran vote

**SHEKHAR Iyer**  
New Delhi, February 14

**THE GOVERNMENT** can heave a sigh of relief — the BJP won't join either the Left or other parties in Parliament in opposing its vote against Iran at the IAEA meeting.

A meeting of the BJP's parliamentary party executive, chaired by A.B. Vajpayee, on Tuesday issued a statement that saw nothing wrong in supporting the government on the Iran vote.

However, BJP leaders criticised the government for creating the "impression" that it had surrendered its sovereign rights to take decisions on key issues and "permitted to be hustled and pressured into voting in a particular manner".

Nevertheless, the BJP's decision to back the government means it need not worry much about proposed censure motion planned by the Left and Samajwadi Party.

The BJP's reasoning is that "it is not in India's interest to have an-

other nuclear neighbour in its vicinity". Secondly, Iran is a recipient of clandestine technology from countries, including Pakistan.

Interestingly, the RSS and VHP were the first to support the PM on the Iran vote.

The BJP statement read: "India can clearly neither ignore nor minimise the strategic implications and adverse consequences of Iran acquiring nuclear weapons." The party went on to say that it was, therefore, patently in India's interests to have been in the forefront of that vast majority of the international community questioning the many clandestine devices through which nuclear technology and material have been transferred to Iran from Pakistan and several other countries.

"These acquisitions are in clear violation of the obligations and commitments under the Non-Proliferation Treaty plus all related safeguard provisions of it," the party said.

## Left keeps away from dinner

**AGAINST THE** backdrop of a chill in their ties with UPA government for its policies on Iran's nuclear programme and economy, Left leaders on Tuesday kept away from a dinner hosted by Prime Minister Manmohan Singh to allied parties ahead of the budget session of Parliament. Even some of the leaders present in the Capital did not attend it. Left sources said there had been no conscious decision to keep away from the dinner and that top leaders were all out of the Capital. The absence of Left leaders at the dinner came a day after the Left-UPA coordination committee meeting which saw a detailed discussion on various issues with the Prime Minister and UPA chairperson Sonia Gandhi. RSP leader Abani Roy said the dinner meeting was of "broader UPA".

*PTI, New Delhi*

# We will last full term, asserts PM

Statesman News Service

NEW DELHI, Feb. 1. — Notwithstanding differences with Leftist allies on certain economic and foreign issues, the Prime Minister, Dr Manmohan Singh, today said his UPA government would complete its five-year term.

"There may be differences within the coalition but whenever a decision is taken it's taken consciously. Our government will not fall. It will last five years", Dr Singh said at a Press conference at Vigyan Bhavan, alluding to criticism voiced by Leftists on certain economic and foreign policies.

He said his government would neither disinvest nor privatise any of the Navratna PSUs.

On India's foreign policy, the Prime Minister said its aim was to "promote the enlightened national interest of the country".

Changes in policy have to be in

important steps to make the world adopt a more friendly approach to us," Dr Singh said. "We have been able to improve our relations with many of our neighbours, including our biggest neighbour, China," the Prime Minister added.

He noted that India was pursuing a composite dialogue with Pakistan with the "understanding that in South Asia we have not just a shared past, but a shared future and a shared destiny." Dr Singh emphasised that the development and well-being of all our neighbours was "in our interests".

Declaring that India's position on Iran's controversial nuclear programme would not be affected by pressure, he said New Delhi's stand at the crucial IAEA meeting would depend on the draft resolution on the issue but asked Teheran to fulfil its international obligations.

"I still believe that this is a matter which should be resolved

through diplomacy and dialogue," he said. Just a day ahead of the IAEA meeting in Vienna, Dr Singh said the matter should be resolved within the ambit of the international nuclear watchdog. The government is considering setting up a pay commission for its employees, the Prime Minister said.

"The last pay commission was set up in 1994. The time has now come to set up a new commission and we are making preparations for it," he said.

Listing his government's accomplishments, the Prime Minister said the country was inching towards a growth rate of eight to 10 per cent after hitting a 7-7.5 per cent mark over the past three years. Dr Singh said the government was committed to undertaking further reforms to make India an active participant

■ See PM: page 4



Dr Singh refrained from rating the performance of his government on a scale of one to 10.

"Last time, when I made a comment, I was largely criticised by our own party people. This time I am wiser," he said.

With changes in the international political scenario, he said. "Our government has taken

# PM: Govt on reform path

(Continued from page 1)

in the global economy.

"All our macro-economic indicators are robust and point to another year of over seven per cent growth," Dr Singh said.

For strengthening the infrastructure, the Prime Minister said he expected an investment of over Rs 1,70,000 crore in the National Highway programme in the next seven years.

"Our airports are buzzing with flights. Airports too are getting modernised with Hyderabad and Bangalore soon getting new airports," he said.

Asserting that India had a "legitimate" claim for a permanent seat in an expanded UN Security Council, the Prime Minister said there was a growing recognition world-

wide about this but admitted there could be "some difficulties on the way".

Asked about Opposition charges that he has been the weakest Prime Minister the country has ever had, Dr Singh said he should be judged by his accomplishments and not by what BJP leader Mr LK Advani says.

"Taste of pudding lies in eating. I should be judged by not what Mr Advani says but by what I do," Dr Singh said.

The Prime Minister allayed apprehensions that the government was under pressure from Left parties and said some opposition gives scope for introspection by the government.

"I do not think they (Left parties) will do so in the long run", Dr Singh said adding "in a democracy some pressure

does perform a useful function".

In reply to another query on pressure from Left parties ahead of the Assembly elections in Kerala and West Bengal, the Prime Minister said some tension can be expected as a prelude to the elections.

"We are on different sides in Kerala and West Bengal and it is a fact that as elections draw nearer, political parties want to go all the way to improve their prospects."

To a question about carving out new states like Vidarbha and Telangana, he said: "We have to evolve a broad-based consensus on the issue and efforts are on to evolve a consensus."

On the Allahabad High Court order quashing the minority status of Aligarh

Muslim University (AMU), Dr Singh said the government was thinking of ways to restore the minority character of the educational institution.

"The government is contemplating measures for ensuring that the minority character of AMU is restored," he said.

He admitted that the Congress party required to strengthen itself in Bihar and UP. Asked whether Mr Rahul Gandhi's accompanying him during his visit to Afghanistan and his speech at the Congress plenary in Hyderabad indicated some important post for party president Mrs Sonia Gandhi's son, Dr Singh parried a direct reply.

The Prime Minister said he would like all young party MPs to take more interest in public affairs as well as the running of Congress.

FRIDAY, FEBRUARY 3, 2006

## Now, a political Prime Minister

**M**anmohan Singh's first meeting with the capital's press corps in September 2004 showcased a Prime Minister starting out on the learning curve. Dr. Singh felt compelled to dispel scepticism about his ability to hold his job: "After 100 days, I have honed my survival instinct." The Prime Minister who took questions on Wednesday did so like a pro — not just self-assured and politically savvy but also adept at evasion and obfuscation. The trademark humility was gone; in its place was on view political smugness, only too evident in the way he dealt with critical posers on foreign policy, the Government's track record in office, and the Congress' relationship with its allies. The sharpest and most predictable questions revolved around India's relationship with the United States — the discomfiting aspects of the civilian-nuclear deal, Ambassador David Mulford's threatening remarks, and American arm-twisting on Iran. In response, the Prime Minister took refuge in patented homilies: India's foreign policy was guided by "enlightened national interest" predicated on good relations with all countries; there was "no question of bending" on the nuclear deal; India was an "honoured dialogue partner" for the international community, "seeking a brave new world order," and so forth.

The Prime Minister stuck to the Government's stated position that Indo-U. S. civilian nuclear cooperation was designed to end the regime of discrimination that denied India access to nuclear infrastructure and fuel. Persistent questioning on the deal in the making produced a self-contradictory, odd response: "There will be complete transparency ... I will take the first opportunity to make a statement in Parliament." Does transparency not mean taking the public into confidence before a deal with far-going implications is done? Does transparency mean revealing nothing when Parliament is not in session, on a sensitive matter that is being actively debated within the U.S. political establishment? Dr. Singh leads a minority Government whose very existence depends on support from the outside but you wouldn't think so from his smug response to questions relating to serious differences on economic and foreign policy. The Left parties, he maintained, were expected to mount pressure, such pressure was useful in a democracy, but it did not amount to a threat to the Government. Dr. Singh showed no remorse for his Government's mishandling of the Bihar issue, underlined by the Supreme Court judgment holding the May 2005 dissolution of the Bihar Assembly to be unconstitutional. He even took cover behind the 3-2 split verdict, implying it could have gone either way, so what's the big deal? His assertion that the Government had no role in freeing Ottavio Quattrocchi's bank accounts in London and that it was the Central Bureau of Investigation's independent call was at variance with everything known about this scandal. Prime Minister Singh must clearly do better than this.

THE HINDU

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# PM broadens dialogue process for Kashmir

Masood Hussain  
SRINAGAR 10 JANUARY

**F**INALLY the Centre has decided to broaden the dialogue process and in the new scheme of things, it is Sajjad Ghani Lone who is meeting Prime Minister Manmohan Singh on Saturday evening after the PMO invited his group for talks on Kashmir. He is leading a five-member delegation.

"It is a welcome step," Lone told *ET* after his faction of Peoples' Conference (PC) decided to send the delegation. "It is imperative upon the Government of India to identify other relevant parties so that talks are inclusive and result-oriented. However, results should not be the yardstick for success or failure of talks given the back-



**Hawks Too Welcome: Manmohan**

ground of violence of last 16 years," he added.

Sajjad, who broke away from his brother Bilal after their father Abdul Ghani Lone was assassinated, is leading his PC. Unlike Sajjad, who is equidistant from the rival Hurriyat groups, Bilal is part of the moderate group and was part of the Hurriyat trio that met Pakistan

President Musharraf last week. "There is no harm if others also talk to the Government of India but we believe that talks need to be a serious affair and result-oriented," Bilal told *ET* from Delhi.

Bilal said in their meeting with Musharraf, they got certain "positive proposals", which they would like to discuss in Delhi. He said they have not received any invitation for the second round of talks with the Prime Minister. "There is a set procedure. Once we get the invitation, we will meet and decide accordingly," he added.

Sources said the moderates have been conveyed to have a meeting with the national security adviser (NSA) MK Narayanan before dates for the next round with the prime minister are decided.

# Manmohan sets agenda for 2006

'Rozgar badhao' (Increase employment) to be the slogan

Special Correspondent

**NEW DELHI:** In a bid to ensure effective implementation of the United Progressive Alliance Government's National Common Minimum Programme, Prime Minister Manmohan Singh on Monday chaired a meeting to review the progress achieved in 2005, and outline the priorities for 2006.

Briefing newsmen after the nearly two-hour long meeting, the Prime Minister's Media Adviser, Sanjaya Baru, said: "The Prime Minister took stock of the implementation of programmes launched in 2005 and looked at the agenda for 2006. It was a detailed meeting covering all areas, including defence and foreign policy."

The main thrust of discussion at Monday's meeting, while identifying the priority areas for 2006, was on the need for close monitoring of the various projects launched last year such as the National Rural Employment Scheme, the Bharat Nirman programme, the National Urban Renewal Mission and the National Rural Health Mission.

"A monitoring mechanism will be set up both at the Central and State level," Mr. Baru said.

## Employment generation

Also, with 'Rozgar badhao' (Increase employment) as the slogan for 2006, Mr. Baru said the Centre's efforts would be to increase avenues of employment with particular focus on labour-intensive sectors such as textiles and housing, apart from infrastructure, power, coal and roads, railways and airports.

## Education

Other initiatives in the field of education, including the 'Sarva Siksha Abhiyan' and the mid-day meals programme, would also be monitored. It was also decided



to ensure quarterly monitoring of project implementation in each area. Besides, new initiatives to ensure increased investment, especially in labour-intensive projects, in the economy would also be pursued.

Yet another decision was to formulate policy initiatives to encourage employment-generating investment in agriculture, manufacturing and services sectors.

## Another meeting soon

The Prime Minister, Mr Baru said, would shortly hold another meeting to prioritise the sectors that would receive focused attention during the year.

While stressing the importance of sound macro-economic management along with prudent fiscal management, Dr. Singh noted that economic policy reform aimed at encouraging new investment in all sectors would be taken up.

Earlier, Senior officials made presentations on the implementation of the various NCMP initiatives during 2005.

Among those who attended the meeting were Planning Commission Deputy Chairman Montek Singh Ahluwalia, National Security Adviser M.K. Narayanan and the PM's Principal Secretary, T.K.A. Nair.