


May 23, 1994

Dear Republican Colleague:

With the recent visit of Prime Minister P.V. Narasimha Rao of India and with the upcoming debate on the Foreign Operations Appropriations Act for FY95 this week, I thought you might be interested in the following article on relations with India. It is written by Mr. Gopal Khanna who is Chairman of the Asian Indian-American Republicans of Minnesota.

Sincerely,


Rod Grams
Member of Congress



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 103^d CONGRESS, SECOND SESSION

House of Representatives

FOREIGN AID TO INDIA, FOREIGN OPERATIONS
APPROPRIATIONS BILL FOR FISCAL YEAR 1995

HON. ROD GRAMS

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 26, 1994

Mr. Grams, Mr. Speaker, in his recent address to the Congress, Prime Minister P.V. Narasimha Rao of India has demonstrated the progress India has made in the last 47 years of her democracy and how United States-India relations have blossomed because of that progress. Mr. Rao has helped to lead India's socialist-type economy out of decades of protectionism, loosened state control on industries, and cut red tape on foreign investment. These kind of reforms have been significant in bringing our two countries closer together.

Our countries have very productive trade relations. The United States buys one-fifth of India's exports, more than any other country. Exports from India to the United States are growing. Last year they were up 20 percent alone. India has also enjoyed a trade surplus growing to \$1.8 billion in India's favor in 1992 and 1993.

However, I am concerned about United States relations with India and efforts by Pakistani terrorists to undermine progress in building upon this friendship. You will recall that during floor debate over the fiscal year 1994 foreign operations appropriations bill, key concerns over human rights violations by the Indian Government led to the reduction in developmental aid to India by \$4.1 million.

I am glad to know that we did not repeat this mistake this year by offering an amendment to the fiscal year 1995 foreign operations appropriations bill to reduce the level of aid to India. I am concerned that the information presented to Members of Congress is one sided. India stands as one of the few democracies that offers positive trading opportunities for the Nation. Before we close the door on India, I would urge my colleagues to take an objective view at the market potential and continued productive relations between our two countries.

May 15, 1994

PARTNERSHIP OPPORTUNITY TO BUILD NEW WORLD ORDER

In his book "Diplomacy", former Secretary of State Henry Kissinger has correctly observed that "Americans have never been comfortable acknowledging openly their own selfish interests. Whether fighting world wars or local conflicts. U.S. leaders always claimed to be struggling in the name of principle, not interest." He then continues, "In the next century, American leaders will have to articulate a concept of the national interest and explain how that interest is served by the maintenance of the balance of power. America will need partners to preserve equilibrium in several regions, and these partners cannot always be chosen on the basis of moral considerations alone."

Indian Prime Minister Narasimha Rao's visit to the White House gives us an excellent opportunity to reach out and build a partnership with an emerging world power. A relationship that is based not only on economic and political interests, but one that is forged by genuine moral considerations.

First, our economic interest.

In spite of a fairly decent recovery during the last twelve months, more and more large companies continue to downsize in order to stay competitive and profitable. And, in doing so, have laid off hundreds of thousands of Americans. We need to do more to create jobs at home. It is our foremost economic interest.

An aggressive and creative export policy can help us achieve that. We need access to markets abroad. Tom Peters, who is the author of "In Search of Excellence", in a recent article "Booming India a country filled with contradictions" noted that, "the 250 million or so Indians in the middle and upper classes (about 40 million of whom make more than \$40,000 a year) add up to a well-off population equal in size to the United States." A market share we cannot afford to ignore, lest Japanese and European companies will fill the void. Indians love "made in USA" labels. They are eager to collaborate with US Companies as is clear from the fact that the Government of India has recently issued licenses to IBM, Coca-Cola, McDonald, AT&T, Morgan Stanley, and SaraLee amongst others. GE and Motorola are convinced that their Indian operations will provide increased profitability during the next decade.

It is in our economic interest to nurture a partnership with India. Its market size is too large to be ignored. Improved trade with India can create new jobs at home.

Second, our political interest.

The bi-polar world of the cold-war era created adversaries by association. Pakistan allowed military bases for U.S., and was therefore a friend, in spite of its brutal and dictatorial regimes. India, on the other hand, a democracy, aligned with USSR, and as such was "tilted" against in the era of the Nixon-Kissinger doctrine.

But, that is history. The cold war is over.

Time has come when we need to make a paradigm shift, and a major one at that, vis a vis our relations with India. Politically, India offers a democratically elected government to work with instead of dictatorship - a form of government we all loath so much. It is true that there is political strife in India right now, but it is also common knowledge in Washington that this turmoil has been caused by the terrorists supported, trained, and armed by Pakistan. The Task Force on Terrorism and Unconventional Warfare has revealed this fact in its report to the U.S. House of Representatives Republican Research Committee.

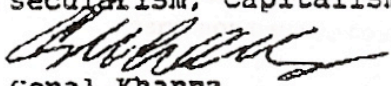
India's commitment to secular democracy gives us a framework to build a balance of power structure in Asia that will serve as a counter-weight to China and other dictatorships in the region. It will also be a model for those aspiring to build democratic institutions. After all India has demonstrated that such institutions can indeed be built.

It is in our political interest to nurture a partnership with India. Its success with democracy can provide a beacon of hope to others in the region.

Finally, some moral considerations.

Regional partners cannot always be chosen on the basis of moral consideration alone. But, as Dr. Kissinger points out, "America would not be true to itself if it did not insist on the universal applicability of the idea of liberty. That America should give preference to democratic governments over repressive ones and be prepared to pay some price for its moral convictions is beyond dispute."

President Bush recognized the need to create a new world order because he understood the implications of geo-political changes set in motion by the demise of communism. As President Clinton prepares to meet this week with Prime Minister Narasimha Rao, America has an opportunity to build a partnership with India based not only on our very substantial economic and political interests, but one that can be cemented by moral considerations associated with common values of the peoples of the two largest democracies in the world - secularism, capitalism, and, liberty and justice for all.


Gopal Khanna
Chairman AIARM