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|      | VCI-00  | H-00    | TEDE-00 | IO-00   | LAB-01  | L-00    | M-00    |
|      | VCIE-00 | DCP-00  | NRC-00  | NSAE-00 | ISN-00  | OCS-00  | OES-00  |
|      | OIC-00  | OMB-00  | NIMA-00 | EPAU-00 | PA-00   | MCC-00  | PM-00   |
|      | P-00    | ISNE-00 | SEEO-00 | DOHS-00 | IRM-00  | SSO-00  | SS-00   |
|      | NCTC-00 | CRYE-00 | FMP-00  | BBG-00  | EPAE-00 | IIP-00  | PMB-00  |
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STATE FOR NP, AC, PM  
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UNITED STATES DEPARTMENT OF STATE  
 REVIEW AUTHORITY: JOHN L MILLS  
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1. Media Reaction Report filed SEPTEL.

## --TRIPLE SUICIDE AT GUANTANAMO

1. Washington/Miami datelined wire stories on the apparent suicide by three inmates of the U.S. military prison at Guantanamo Bay were highlighted in most national and vernacular dailies. The straightforward reports generally played as the lead on the international news pages, with some papers displaying file photos of detainees being taken for interrogation at the U.S. naval base in Guantanamo Bay. Reports noted that the dead men were described as two Saudis and one Yemeni. The U.S. military said that the circumstances of the deaths were being investigated. If confirmed, the three would be the first suicides at the Guantanamo prison after numerous reported attempts and hunger strikes, according to attorneys representing prisoners. General John Craddock, head of the US Southern Command, which operates the Guantanamo base, said autopsies are being performed. International and national news bulletins of national electronic media also covered the story.

2. Mainstream Eastern India English and vernacular newspapers prominently displayed the suicide story on their international pages. Largest THE TELEGRAPH carried a LOS ANGELES TIMES/WASHINGTON POST NEWS service story under the seven-column headline "Suicide Noose Around U.S. Terror Prison." The dispatch also published two photographs of a detainee being taken for interrogation, and of items that are given to the detainees at the prison. The Kolkata edition of national daily THE TIMES OF INDIA splashed parallel stories with the main story written with inputs from wire services being placed under the eight-column headline "Triple Suicides Rewrite Gitmo Shame Script: Act of 'Asymmetric Warfare,' Says U.S. Army; Bush 'Seriously Concerned'" (Kicker). The second story from REUTERS was carried under the double-column headline "Suicide Attempts Inevitable, Says Freed British Inmate."

3. The largest and most influential Bengali daily ANANDABAZAR PATRIKA carried a single column/REUTERS story with the headline "Guantanamo Suicides Amount To War, Claim (U.S.) Army" on an inside page. Largest Calcutta Urdu AKHBAR-E-MASHRIQ carried the story on both June 11 and 12. The June 11 front-page/single-column story was carried under the headline "Detainees In Guantanamo Bay Commit Suicide As a Mark of Protest Against Oppression." The June 12 story was published with the three-column headline "Even Before

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This 23 Detainees In Guantanamo Committed Suicide" in an inside page. Influential AZAD HIND carried a wire service story on June 12 as a three-Column anchor with the headline "Three Detainees in Guantanamo Bay Commit Suicide." Latest entrant ROZNAMA RASHTRIYA SAHARA also ran an inside page/wire service story on June 12 under the headline "Guantanamo Bay: 3 Detainees Commit Suicide."

--TRACKING THE N-DEAL - EXPERTS' MEET FROM MONDAY

4. National dailies over the weekend ran stories stating that technical experts from India and U.S. will fine tune details of the civil nuclear cooperation agreement from Monday, as discussions for the enabling legislation in the U.S. Congress enter the final stages. A team of American officials - representatives of the State Department, Department of Energy and Nuclear Regulatory Commission -

will be in New Delhi for three-day talks with their Indian counterparts to negotiate the Agreement for Peaceful Nuclear Cooperation or the 123 Agreement. Once Congress amends the U.S. Atomic Energy Act, the 123 Agreement needs to be in place to commence nuclear commerce, reports noted. This would be followed by an amendmejt in the NSG to en able trade with India. According to sources, before commerce begins, India would need to finalize its India-specific safeguard agreements with the IAEA.

5. THE HINDUSTAN TIMES noted that technical negotiations are set to be as tough as the Civil Nuclear Cooperation Agreement, sources said. Among the hurdles would be suggestions by the U.S. that India place a cap on future nuclear testing, a "suggestion" India has rejected saying it already has a voluntary moratorium on testing in place. In a bid to put the deal on the fast track, the Bush Administration has presented a draft legislative proposal to Congress. Undersecretary of State Nicholas Burns on Friday said Secretary of State Condoleezza Rice handed over the proposal, suggesting amendments to the Atomic Energy Act to grant India a special waiver, at the request of the Congress leadership. But it is entirely the Congress' prerogative to decide on the mechanics it has to follow, Burns said.

--"INDIA WILL GET TO STOCKPILE FUEL FOR EVERY N-REACTOR"

6. A 3-column lead story in June 12 THE INDIAN EXPRESS noted that as India and U.S. sit today to negotiate a bilateral civilian nuclear cooperation agreement, it is clear that the document will contain significant assurances on fuel supply which would allow India to stockpile fuel for

the lifetime of every reactor. Diplomatic correspondent Pranab Dhal Samanta said India would also be moving forward on negotiations over the safeguards agreement with an IAEA team expected to arrive here later this month. But all this is preparatory and the signing would happen only after the U.S. Congress passes the enabling legislation. The unique fuel supply assurance was agreed upon during negotiations on the separation plan and has not been ever conceded to any country not recognized as a nuclear weapons state, Samanta observed. In practical terms, there will be no restriction on how much fuel India can buy. India can import fuel beyond the immediate requirement of its reactors on the grounds that it will be part of a strategic reserve.

7. This is part of a string of other assurances like US help in negotiating a India-specific fuel supply agreement with the IAEA and a back-up arrangement that in case all these assurances fail, U.S. and India will convene a group of supplier friendly countries like Russia, UK and France to restore supply. This is in return for India agreeing to accept permanent safeguards on its civilian facilities unlike other nuclear weapon states, Samanta said. On the India-specific legislation pending with the Congress, it has been agreed that even the agreement will be put to vote. In discussions between principal interlocutors Shyam Saran and Nicholas Burns in London, Washington conveyed that it had come up with a compromise that Congress takes up the legislation and puts it on vote but will also get a chance to vote upon the bilateral agreement once it is negotiated. This puts to rest speculation over the Tom Lantos proposal-it has now been withdrawn-that the Congress will first pass a "sense of the Congress" resolution and vote on the Bill only after other conditions like the bilateral agreement and the safeguards agreement are negotiated.

8. On the issue of the deal going off in case India were to test a device, Samanta said, the sense is very clear that Washington has this law in place internally but it won't be part of the bilateral agreement. U.S. is inclined to accept a wording that reaffirms India's commitment to voluntary moratorium on testing. This is expected to be formalized in the current round of talks. Also, it was clarified in London that the Congressional waiver will be a one-time affair and not done annually as was being suggested in some quarters. Samanta noted that there has been criticism that India placed far too many facilities like the Nuclear Fuel Complex are under safeguards apart from the 14 reactors. It's, however, learnt that what has been undertaken is a fire walling within the NFC so that separate processing can

be feasible for civilian and military facilities. Sources clarified that the entire NFC will not be under safeguards, just units that will be needed for processing fuel obtained from abroad have been separated from the rest which can be used for strategic purposes. This is a logical step in separating civilian and military fuel cycles.

--U.S. CANNOT CHANGE GOALPOST UNILATERALLY: NATWAR

9. THE HINDU quoted former External Affairs Minister Natwar Singh as stating that the United States cannot unilaterally change the goalpost and depart from the "letter and spirit" of the Indo-U.S. agreement on civilian nuclear cooperation reached last year. Singh was with Prime Minister Manmohan Singh in Washington when the two sides reached the path-breaking deal on July 18, 2005. The report noted that his comments to PTI in an interview came a day before India and the U.S. formally launched negotiations here on a bilateral nuclear cooperation agreement amid indications from Washington that this pact could be linked to the Civil Nuclear Cooperation deal currently under debate in Congress. Singh said U.S. Secretary of State Condoleezza Rice's deposition during a Congressional hearing on April 5 showed a "shift" from the July 18 agreement.

--NUCLEAR SEPARATION TO COST INDIA BILLIONS

10. THE ASIAN AGE's political editor Seema Mustafa noted in a lead special story on Sunday that India will have to spend "tens of billions" of dollars on separating its military and civilian nuclear facilities, setting up a new nuclear infrastructure and on dismantling the Cirus and Apsara reactors. Nuclear scientists have anonymously floated the figure of USD40 billion for separation and another USD60 billion for establishing the proposed civilian nuclear sector. Significantly, these figures were neither confirmed nor denied by Department of Atomic Energy chief Anil Kakodkar when he was questioned about the costs at a press conference, Mustafa said. Informed sources told this correspondent that at this stage even the government could not cite figures for implementing the finer details of the U.S.-India civilian nuclear energy agreement, but that it was safe on the basis of a cursory break-up to predict that the costs involved would be "staggering" and close to the above figures worked out by nuclear scientists. For instance, any effort to determine the cost to the nation of this ambitious exercise of separating the facilities would have to take into account the billions of dollars spent in setting up a new facility, refurbishing an old one apart from what will be spent now on dismantling Cirus, relocating

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Apsara and creating additional nuclear facilities in the civilian sector.

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--INDIA DISMISSES U.S. 'GO-AHEAD' FOR AGNI-III LAUNCH

11. Indian officials Friday dismissed a media report that claimed the U.S. had given its nod for test firing the nuclear-capable Agni-III intercontinental ballistic missile, saying this was only the interpretation of Washington think tank Stratfor. "The think tank has interpreted a statement Gen. Peter Pace (Chairman of the U.S. Joint Chiefs of Staff) made here (last week) to imply that the U.S. had given its go ahead for the test. India has made it amply clear that we have imposed a voluntary ban on testing and that is where the matter stands," a Defense Ministry official said. Defense Minister Pranab Mukherjee said India would publicly announce the Agni-III test firing as and when it happens. Reports recalled that Gen. Pace, while replying to a question on Agni-III at a press conference in New Delhi on June 5, had said: "India is a sovereign nation and can decide for itself what weapons it needs. Missile tests do not necessarily destabilize the region." The think tank has taken this as tacit U.S. approval for the test, the official said.

--INDIA TESTS ARMY VERSION OF PRITHVI 1 MISSILE

12. Mainstream dailies quoted defense ministry sources as stating that India Sunday test fired the army version of the nuclear capable Prithvi-1 missile from a test range in Orissa. The short-range liquid-propellant ballistic missile was tested from the Integrated Test Range (ITR) at Chandipur in the coastal district of Balasore at about 1.40 p.m. The missile, which is 9 meters long and 1.1 meters in diameter, weighs 4,000 kg. It has a range of 150 km. The Prithvi-1, which India began developing in 1983, is launched from a Transporter-Erector-Launcher (TEL) vehicle, designed to transport the missile along roads and railways. The missile takes approximately two hours to launch. Its short range and low payload prevent it from being used against strategic targets, reports noted.

--MUSHARRAF TO PRESS CHINA FOR 2 REACTORS

13. THE INDIAN EXPRESS' strategic affairs editor C. Raja Mohan noted Monday that as the implementation of the historic Indo-US nuclear deal gathers momentum this week, Pakistan President Pervez Musharraf is stepping up the pressure on China to announce the sale of two civilian

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nuclear power reactors. While New Delhi understands the anxieties in Islamabad following the Indo-U.S. nuclear deal last year, it will be certainly upset if Beijing seeks to complicate the American debate on nuclear cooperation with India by threatening a similar deal with Pakistan. On the eve of Musharraf's visit to China today to attend the fifth anniversary summit of the Shanghai Cooperation Organization, government sources in Pakistan have put out the word that he will seek an agreement on the sale of two Chinese nuclear power reactors of 300 MW each. Raja Mohan said India has warily noted Beijing's reluctance to support the liberalization of nuclear rules in favor of India at the 45-nation Nuclear Suppliers Group. The United States has insisted that the exemptions it is seeking in domestic and international non-proliferation law are India-specific and will not be applicable to either Pakistan or Israel, which are also outside the regime of the Nuclear Non-Proliferation Treaty.

14. China's emphasis, in contrast, is on defining "criteria" for nuclear cooperation with non-NPT countries, rather than making country-specific adjustments that the U.S. is seeking in relation to India. Many in India suspect that China wants to perpetuate the theory of "parity" between India and Pakistan on nuclear issues. As a consequence, its stress on criteria is being interpreted here as attempts to get the NSG to either extend the courtesy of nuclear cooperation to Pakistan or deny it to both New Delhi and Islamabad. Any move now by the Chinese leadership to sell nuclear reactors to Pakistan could stiffen resistance in both Washington and the NSG against the Indo-US nuclear agreement, Raja Mohan observed. American opponents of the Bush Administration's nuclear deal with India have been warning that Indo-US nuclear cooperation will inevitably be followed by a Chinese counter-move with Pakistan. The best way to prevent such an outcome and the presumed strain on the global nuclear order, arms control advocates in Washington insist, is to avoid nuclear cooperation with India.

--U.S. CONGRESS CUTS PAK AID, BUSH NOSE

15. THE TIMES OF INDIA reported Monday from Washington under above headline that the U.S. Congress and Bush administration may be parting ways over how to treat America's client state, Pakistan. While the administration continues to lavish financial rewards and praise for services ostensibly rendered by Islamabad, the U.S. House on Friday sharply cut economic and military aid to Pakistan by

nearly USD150 million for its poor human rights record, lack of democracy, and its nuclear shenanigans, while demanding more accountability from both Washington and Islamabad. Noting U.S. lawmakers' observations while passing the appropriations bill, Washington correspondent Chidanand Rajghatta said there is speculation in Congressional circles that the cuts are also aimed at punishing Pakistan for its dubious role in the war on terrorism and for not allowing full access to the nuclear smuggler A.Q.Khan to enable Washington bring Iran to account.

--PAK TO US: LIMIT INDIAN TROOPS IN AFGHANISTAN

16. A New Delhi-dated report in THE TIMES OF INDIA on Sunday said speculation that India might be asked to dispatch troops to Afghanistan to buttress the ISAF presence there has apparently rung alarm bells in the Pakistani establishment. According to sources (unnamed), Pakistan has asked the U.S. to ensure that Indian security presence in Afghanistan remains restrained. This came after President George Bush publicly asked India to increase its presence in Afghanistan when he visited the region in March. India, though committed to its presence in the Afghan reconstruction drive, will stay out of the security game, except to provide greater protection to its own people. Indian officials say that stepping into the Afghan security situation now would make Indians sitting ducks for Pakistan-trained and sponsored new-Taliban, currently enjoying a resurgence in the southern and eastern parts of the country. In fact, Indian security officials say that if the U.S. had taken up the Indian offer to send troops to Afghanistan, in the past five years India, given its experience, would have created a vastly better-trained Afghan security force than exists at present.

--IAF TO ACQUIRE 126 NEW FIGHTER AIRCRAFT

17. The Indian Air Force (IAF) would soon float international tenders for acquisition of 126 new fighter aircrafts and also buy off the shelf 18 SU-30 MKI jets as replacements for the first lot purchased by India, Air Chief Marshal S.P. Tyagi said in Dehra Dun on June 10. A contract for the purchase of new Sukhoi jets would be signed shortly with Russia, which would replace the first batch of aircrafts, he told reporters on the sidelines of the Passing out Parade at the Indian Military Academy there. Originally, the first batch of Su-30s were to be sent back to Russia for upgrading to MKI standard, but the Russians had insisted that India would be better off buying upgraded new fighters off the shelf. Indicating that the Request for

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Proposals for the 126 new fighters would be sent out soon, Tyagi said the choice of the new aircraft would be done after a thorough scrutiny and negotiations with competing bidders.

--GOI NOT TO ALTER POST-TENDER NORMS FOR WHEAT IMPORT

18. Despite challenges being faced in firming up new wheat import contracts, the GOI has reportedly ruled out any compromise on post-tender conditions for its purchase from the international market. "We will not change the post-tendering norms for wheat imports. That is not possible," a top food ministry official was quoted as saying.

"Corrigendum on wheat import norms will only be issued before the contract is being awarded in order to ensure level playing field to all the participating bidders but not later," he said. Of 35 lakh tons of wheat to be imported, contracts for 22 lakh tons are yet to be awarded.

Projecting a 10 million ton fall in world wheat production this year, the Food and Agriculture Organization (FAO) has forecast a strong demand outlook for the commodity during 2006-07. Of the contract for 5 lakh tons of wheat import by India under the first phase, over 91,000 ton have arrived at the South Indian ports. The outstanding quantity of the wheat consignment bagged in the first round of State Trading Corporation-floated global tender would be delivered at the Indian ports shortly, the exporting firm Australian Wheat Board (AWB) said. Agriculture Minister Sharad Pawar said last week that the Indian government would float fresh tenders for about 22 lakh tons of wheat, which it was seeking to replenish depleted buffer stock.

19. THE TIMES OF INDIA reported from Washington that the U.S. is pressing India for a level-playing field to compete for a massive 3.5 million ton wheat purchase order, the terms of which is loaded against American exporters. The issue has figured prominently in recent weeks in high-level exchanges between New Delhi and Washington, including during Sharad Pawar's visit to Washington last week. Amid renewed farming links between the two sides arising from the Agriculture Knowledge Initiative, the U.S. farm lobby has been complaining that India has shut out American wheat exporters with complicated tender terms that are "virtually impossible to comply with." The report noted that the U.S. Wheat Associates has been pressing the Administration to take up the issue with New Delhi ahead of a second tender for 2.3 million tons of wheat.

--EIGHT STATES TO WORK TOGETHER ON BT COTTONSEED ISSUE

20. Agriculture ministers and officials of eight states met

in Hyderabad on Friday to formulate a strategy to work together to protect the interests of farmers on issues involving high cost of the seeds of transgenic crops. The states of Andhra Pradesh, Gujarat, Karnataka, West Bengal, Maharashtra, Tamil Nadu, Punjab and Madhya Pradesh have agreed to adopt a coordinated approach to the case relating to the pricing of Bt cottonseed, which is pending in the Supreme Court. The meeting was held in the wake of Mahyco-Monsanto, Indian arm of U.S. biotech major Monsanto, approaching the apex court against an order passed by the Andhra Pradesh government on the pricing of Bt cottonseed. The Andhra Pradesh government, following a ruling by Monopolies and Restrictive Trade Practices Commission (MRTPC), had asked Monsanto not to charge more than Rs.750 for a 450-gram pack of Bt cottonseeds. The pricing became a national issue with some other states also directing the company not to charge more than this amount. Last year, the price of Bt. Cottonseed was Rs.1,800 per 450 grams.

21. Meanwhile, Mahyco-Monsanto on Friday decided to bring down the 'trait value' of its genetically modified Bt cottonseed with effect from June 10. The new trait value would be Rs 880 for a 450 gm seed packet, MMBL managing director M.K. Sharma said in a statement in New Delhi. He said the new rate would be in tune with directions issued by the Monopolies and Restrictive Trade Practices Commission, PTI reported.

--83 MILLION BPO JOBS BY 2010

22. THE HINDUSTAN TIMES reported that doom casters may be ready to write off the Indian outsourcing story but businesses and analysts are still swearing by it. The forecast is that by 2010 India will have a potential workforce of 83 million as the skill base grows and diversifies to move up the value chain of services on offer for off shoring. This is the inference drawn by a study conducted by the U.S.-based employment services consultant, Manpower, jointly with the Hay Group. The message is loud and clear: India leads the pack, as the gap between India and China - the second largest ranked offshore market - is larger than the gap between the next nine countries combined. The contention is seconded by a recent Forrester Research report, which predicts that by 2015, about 3.3 million U.S. jobs in the services sector and USD136 billion in wages are likely to move to countries like India, Russia, China, and the Philippines. Another consultant, AT Kearney, has also ranked India as the number one destination in the

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Off shoring Location Attractiveness Index report out of a list of 40 contenders, endorsing the outsourcing saga. UNCLASSIFIED

--RS. 1,000 CRORE PACKAGE FOR NEPAL

23. India on Friday announced a Rs 1,000 crore package to help Nepal tide over its immediate economic difficulties. At the end of the three-day visit by Nepalese Prime Minister G. P. Koirala, India also assured Nepal that it would expedite work on all infrastructure projects in the areas of roads, railway linkages, border infrastructure, water resources and construction of an oil pipeline, special economic zone and upgrading of airports. The two governments would also identify other areas for further cooperation. In a joint statement at the end of Koirala's first foreign visit after taking over as Prime Minister, it was decided to immediately extend a one-time grant of Rs. 100 crore to the budget of the Government of Nepal. India

would offer a soft credit line of USD100 million (about Rs.500 crore) for the execution of infrastructure development projects as prioritized by the Government of Nepal. The 'Aid to Nepal' budget for the current financial year would be enhanced from Rs. 65 crore to Rs. 150 crore annually. India also agreed to waive the dues outstanding by Nepal to India on account of defense purchases.

--KASHMIR JOURNALIST ABDUCTED, ESCAPES BID ON LIFE

24. Shujaat Bukhari, a Kashmiri journalist who works as a Special Correspondent with THE HINDU, had a narrow escape Saturday night when unidentified armed youths made a bid on his life. Bukhari was abducted from the busy Residency Road in Srinagar Saturday night, minutes after he stepped out of THE INDIAN EXPRESS office after meeting colleagues. He was told to board a waiting autorickshaw (three-wheeler scooter) and then driven through different localities of Batamaloo and downtown Srinagar. "A person approached me and offered a handshake. He asked me to board an autorickshaw, parked nearby. When I asked why, he took out a pistol and told me to get in," Bukhari recalled. "They were three, one of them was at the wheel. I was told to switch off my mobile phone. At Ali Jan Road, one of them received a call on his mobile and he responded with an "Is it so?" He then directed the driver to turn around." Moments later, Bukhari was dragged out of the autorickshaw and one of the youths fired at him but the pistol didn't work. Bukhari fled into an adjoining locality. After walking quite some distance, he hired another autorickshaw to reach a friend's home. Srinagar Senior Superintendent of Police Afad-ul-Mujtaba said the

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case was being investigated. "We are on it. There's no breakthrough so far."  
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