CHAPTER – 6
INDO-US NUCLEAR DEAL (2006) & ITS IMPLICATIONS

INDO-US CIVILIAN NUCLEAR AGREEMENT

The Indo-U.S. civilian nuclear agreement is the name commonly attributed to a bilateral agreement on nuclear cooperation between the United States of America and the Republic of India. The framework for this agreement was a Joint Statement by Indian Prime Minister Manmohan Singh and U.S. President George W. Bush, under which India agreed to separate its civil and military nuclear facilities and place civil facilities under International Atomic Energy Agency (IAEA) safeguards and, in exchange, the United States agreed to work toward full civil nuclear cooperation with India.¹

On August 1, 2008, the IAEA approved the safeguards agreement with India,² after which the United States approached the Nuclear Suppliers Group (NSG) to grant a waiver to India to commence civilian nuclear trade.³ The 45-nation NSG granted the waiver to India on September 6, 2008 allowing it to access civilian nuclear technology and fuel from other countries.⁴ However, India can commence nuclear trade with the United States only after the deal is passed by the U.S. Congress. The deal is a major focus of the Congress's last session which began on September 8, 2008.⁵

The *Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006*, also known as the *Hyde Act*, is the U.S. domestic law that modifies the requirements of Section 123 of the U.S. Atomic Energy Act to permit nuclear

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¹ Joint Statement Between President George W. Bush and Prime Minister Manmohan Singh
⁵ [http://economictimes.indiatimes.com/Features/The_Sunday_ET/Dateline_India/After_NSG_waiver_nuke_deal_goes_to_US_Congress/articleshow/3453368.cms](http://economictimes.indiatimes.com/Features/The_Sunday_ET/Dateline_India/After_NSG_waiver_nuke_deal_goes_to_US_Congress/articleshow/3453368.cms)
cooperation with India and in particular to negotiate a 123 agreement to operationalize the 2005 Joint Statement. As a domestic U.S. law, the Hyde Act is binding on the United States. The Hyde Act cannot be binding on India's sovereign decisions although it can be construed as prescriptive for future U.S. reactions. As per the Vienna convention, an international treaty such as the 123 agreement cannot be superseded by an internal law such as the Hyde Act.

The 123 agreement defines the terms and conditions for bilateral civilian nuclear cooperation, and requires separate approvals by the U.S. Congress and by Indian cabinet ministers. According to the Nuclear Power Corporation of India, the agreement will help India meet its goal of adding 25,000 MW of nuclear power capacity through imports of nuclear reactors and fuel by 2020.

After the terms of the 123 agreement were concluded on July 27, 2007, it ran into trouble because of stiff opposition in India from the communist allies of the ruling United Progressive Alliance. The government survived a confidence vote in the parliament on July 22, 2008 by 275–256 votes in the backdrop of defections from both camps to the opposite camps. The deal also had faced opposition from non-proliferation activists, anti-nuclear organisations, and some states within the Nuclear Suppliers Group. A deal which is inconsistent with the Hyde Act and does not place restrictions on India has also faced opposition in the U.S. House and may not receive a vote until 2009. In February 2008 U.S. Secretary of State Condoleezza

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7 The Indo-U.S. nuclear debate from [www.gulfnews.com](http://www.gulfnews.com)
8 [At G-8, Singh, Bush reaffirm commitment to nuclear deal - Economy and Politics - livemint.com](http://livemint.com).
11 "Indian government survives vote”.
deepest)
13 [Center for Arms Control and Non-Proliferation: U.S.-India Nuclear Energy Deal: What's Next?](http://www.armscontrol.org/Issues/India
deepest)
14 [AP: Democrat pushes for India nuke conditions](http://articles.washingtonpost.com/2008-02-15/politics/20080215_1_nuclear-deal-india
congress)
15 [Markey: U.S.-India Nuclear Deal Vote Near Impossibility This Year](http://www.washingtonpost.com/wp-dyn/content/article/2008/02/06/AR2008020609507.html)
Rice said that any agreement would be "consistent with the obligations of the Hyde Act".\textsuperscript{16}

Parties to the Non Proliferation Treaty (NPT) have a recognized right of access to peaceful uses of nuclear energy and an obligation to cooperate on civilian nuclear technology. Separately, the Nuclear Suppliers Group has agreed on guidelines for nuclear exports, including reactors and fuel. Those guidelines condition such exports on comprehensive safeguards by the International Atomic Energy Agency, which are designed to verify that nuclear energy is not diverted from peaceful use to weapons programs. Though neither India, Israel, nor Pakistan have signed the NPT, India argues that instead of addressing the central objective of universal and comprehensive non-proliferation, the treaty creates a club of "nuclear haves" and a larger group of "nuclear have-nots" by restricting the legal possession of nuclear weapons to those states that tested them before 1967, who alone are free to possess and multiply their nuclear stockpiles.\textsuperscript{17} India insists on a comprehensive action plan for a nuclear-free world within a specific time-frame and has also adopted a voluntary "no first use policy".

In response to a growing Chinese nuclear arsenal, India conducted a nuclear test in 1974 (called "peaceful nuclear explosion" and explicitly not for "offensive" first strike military purposes but which could be used as a "peaceful deterrence"). Led by the U.S., other states have set up an informal group, the Nuclear Suppliers Group (NSG), to control exports of nuclear materials, equipment and technology.\textsuperscript{18} Consequently, India was left outside the international nuclear order, which forced India to develop its own resources for each stage of the nuclear fuel cycle and power generation, including next generation reactors such as fast breeder reactors\textsuperscript{19} and a thorium breeder reactor known as the Advanced Heavy Water Reactor. In addition to impelling India to achieve success in developing these new reactor technologies, the sanctions also provided India with the impetus to continue developing its own

\textsuperscript{16} Economic Times of India: Hyde Act will haunt nuclear deal at NSG too
\textsuperscript{17} "Embassy of India: Nuclear Non-proliferation".
\textsuperscript{18} Nuclear Suppliers Group
\textsuperscript{19} A Thorium Breeder Reactor.
nuclear weapons technology with a specific goal of achieving self-sufficiency for all key components for weapons design, testing and production.

Given that India is estimated to possess reserves of about 80,000-112,369 tons of uranium, India has more than enough fissile material to supply its nuclear weapons program, even if it restricted Plutonium production to only 8 of the country's 17 current reactors, and then further restricted Plutonium production to only 1/4 of the fuel core of these reactors. According to the calculations of one of the key advisers to the US Nuclear deal negotiating team, Ashley Tellis:

Operating India’s eight unsafeguarded PHWRs in such a [conservative] regime would bequeath New Delhi with some 12,135–13,370 kilograms of weapons-grade plutonium, which is sufficient to produce between 2,023–2,228 nuclear weapons over and above those already existing in the Indian arsenal. Although no Indian analyst, let alone a policy maker, has ever advocated any nuclear inventory that even remotely approximates such numbers, this heuristic exercise confirms that New Delhi has the capability to produce a gigantic nuclear arsenal while subsisting well within the lowest estimates of its known uranium reserves.

However, because the amount of nuclear fuel required for the electricity generation sector is far greater than that required to maintain a nuclear weapons program, and since India's estimated reserve of uranium represents only 1% of the world's known uranium reserves, the NSG's uranium export restrictions mainly affected Indian nuclear power generation capacity. Specifically, the NSG sanctions challenge India's long term plans to expand and fuel its civilian nuclear power generation capacity from its current output of about 4GWe (GigaWatt electricity) to a power output of 20GWe by 2020; assuming the planned expansion used conventional Uranium/Plutonium fueled heavy water and light water nuclear power plants.

Consequently, India's nuclear isolation constrained expansion of its civil nuclear program, but left India relatively immune to foreign reactions to a prospective nuclear test. Partly for this reason, but mainly due to continued unchecked covert nuclear and missile proliferation activities between Pakistan,
China and North Korea, India conducted five more nuclear tests in May, 1998 at Pokhran.

India was subject to international sanctions after its May 1998 nuclear tests. However, due to the size of the Indian economy and its relatively large domestic sector, these sanctions had little impact on India, with Indian GDP growth increasing from 4.8% in 1997-1998 (prior to sanctions) to 6.6% (during sanctions) in 1998-1999. Consequently, at the end of 2001, the Bush Administration decided to drop all sanctions on India. Although India achieved its strategic objectives from the Pokhran nuclear weapons tests in 1998, it continued to find its civil nuclear program isolated internationally.

**RATIONALE BEHIND THE AGREEMENT**

**Competition for conventional energy**

The growing energy demands of the Indian and Chinese economies have raised questions on the impact of global availability to conventional energy. The Bush Administration has concluded that an Indian shift toward nuclear energy is in the best interest for America to secure its energy needs of coal, crude oil, and natural gas.

**Nuclear non-proliferation**

While India still harbours aspirations of being recognised as a nuclear power before considering signing the NPT as a nuclear weapons state (which would be possible if the current 1967 cutoff in the definition of a "nuclear weapon state" were pushed to 1975), other parties to the NPT are not likely to support such an amendment. As a compromise, the proposed civil nuclear agreement implicitly recognises India's "de facto" status even without signing the NPT. The Bush administration justifies a nuclear pact with India because it is important in helping to advance the non-proliferation framework by formally recognising India's strong non-proliferation record even though it has not signed the NPT. The former Under Secretary of State of Political Affairs, Nicholas Burns, one of the architects of the
Indo-U.S. nuclear deal said “India’s trust, its credibility, the fact that it has promised to create a state-of-the-art facility, monitored by the IAEA, to begin a new export control regime in place, because it has not proliferated the nuclear technology, we can’t say that about Pakistan.” when asked whether the U.S. would offer a nuclear deal with Pakistan on the lines of the Indo-U.S. deal. Mohammed ElBaradei, head of the International Atomic Energy Agency, which would be in charge of inspecting India's civilian reactors has praised the deal as "it would also bring India closer as an important partner in the nonproliferation regime". However, members of the IAEA safeguards staff have made it clear that Indian demands that New Delhi be allowed to determine when Indian reactors might be inspected could undermine the IAEA safeguards system. The reason for this is to restrict development of nuclear weapons and to negotiate with India indirectly to ratify the NPT using another mechanism.

**Economic considerations**

Financially, the U.S. also expects that such a deal could spur India's economic growth and bring in $150 billion in the next decade for nuclear power plants, of which the U.S. wants a share. It is India's stated objective to increase the production of nuclear power generation from its present capacity of 4,000 MWe to 20,000 MWe in the next decade. However, the developmental economic advising firm Dalberg, which advises the IMF and the World Bank, moreover, has done its own analysis of the economic value of investing in nuclear power development in India. Their conclusion is that for the next 20 years such investments are likely to be far less valuable economically or environmentally than a variety of other measures to increase electricity production in India. They have noted that U.S. nuclear vendors cannot sell any reactors to India unless and until India caps third party liabilities or establishes a credible liability pool to protect U.S. firms from being sued in the case of an accident or a terrorist act of sabotage against nuclear plants.

**Strategic**

Since the end of the Cold War, The Pentagon, along with certain U.S. ambassadors such as Robert Blackwill, have requested increased strategic ties with
India and a de-hyphenization of Pakistan with India. The United States also sees India as a viable counter-weight to the growing influence of China.

While India is self-sufficient in thorium, possessing 25% of the world's known and economical viable thorium, it possesses a meager 1% of the similarly calculated global uranium reserves. Indian support for cooperation with the U.S. centers around the issue of obtaining a steady supply of sufficient energy for the economy to grow. Indian opposition to the pact centers around the concessions that would need to be made, as well as the likely de-prioritization of research into a thorium fuel-cycle if uranium becomes highly available given the well understood utilization of uranium in a nuclear fuel cycle.

**Agreement**

On March 2, 2006 in New Delhi, George W. Bush and Manmohan Singh signed a Civil Nuclear Cooperation Agreement, following an initiation during the July 2005 summit in Washington between the two leaders over civilian nuclear cooperation.

Heavily endorsed by the White House, the agreement is thought to be a major victory to George W. Bush's foreign policy initiative and was described by many lawmakers as a cornerstone of the new strategic partnership between the two countries. The agreement is widely considered to help India fulfill its soaring energy demands and boost U.S. and India into a strategic partnership. The Pentagon speculates this will help ease global demand for crude oil and natural gas.

On August 3, 2007, both the countries released the full text of the 123 agreement. Nicholas Burns, the chief negotiator of the India-United States nuclear deal, said the U.S. has the right to terminate the deal if India tests a nuclear weapon and that no part of the agreement recognizes India as a nuclear weapons state.

**Hyde Act Passage in the U.S.**

On December 18, 2006 President George W. Bush signed the Hyde Act into law. The Act was passed by an overwhelming 359–68 in the United States House of
Representatives on July 26 and by 85–12 in the United States Senate on November 16 in a strong show of bipartisan support.

The House version (H.R. 5682) and Senate version (S. 3709) of the bill differed due to amendments each had added before approving, but the versions were reconciled with a House vote of 330–59 on December 8 and a Senate voice-vote on December 9 before being passed on to President G.W. Bush for final approval. The White House had urged Congress to expedite the reconciliation process during the end-2006 lame duck session, and recommended removing certain amendments which would be deemed deal-killers by India. Nonetheless, while softened, several clauses restricting India's strategic nuclear program and conditions on having India align with U.S. views over Iran were incorporated in the Hyde Act.

In response to the language Congress used in the Act to define U.S. policy toward India, President Bush, stated "Given the Constitution's commitment to the authority of the presidency to conduct the nation's foreign affairs, the executive branch shall construe such policy statements as advisory," going on to cite sections 103 and 104 (d) (2) of the bill. To assure Congress that its work would not be totally discarded, Bush continued by saying that the executive would give "the due weight that comity between the legislative and executive branches should require, to the extent consistent with U.S. foreign policy."

**POLITICAL OPPOSITION IN INDIA**

Indian parliament vote

On July 9, 2008, India formally submitted the safeguards agreement to the IAEA. This development came after the Prime Minister of India Manmohan Singh returned from the 34th G8 summit meeting in Tokyo where he met with U.S. President George W. Bush. On June 19, 2008, news media reported that Indian Prime Minister Dr. Manmohan Singh threatened to resign his position if the Left Front, whose support was crucial for the ruling United Progressive Alliance to prove its majority in the Indian parliament, continued to oppose the nuclear deal and he described their stance as irrational and reactionary. According to *the Hindu*, External
Affairs Minister's Pranab Mukherjee’s earlier statement said “I cannot bind the government if we lose our majority,” implying that United Progressive Alliance government would not put its signature on any deal with IAEA if it lost the majority in either a 'opposition-initiated no-confidence motion' or if failing to muster a vote of confidence in Indian parliament after being told to prove its majority by the president. On July 08, 2008, Prakash Karat announced that the Left Front is withdrawing its support to the government over the decision by the government to go ahead on the United States-India Peaceful Atomic Energy Cooperation Act. The left front had been a staunch advocate of not proceeding with this deal citing national interests.

On 22 July 2008 the UPA faced its first confidence vote in the Lok Sabha after the Communist Party of India (Marxist) led Left Front withdrew support over India approaching the IAEA for Indo-U.S. nuclear deal. The UPA won the confidence vote with 275 votes to the opposition's 256, (10 members abstained from the vote) to record a 19-vote victory.

IAEA approval

The IAEA Board of Governors approved the safeguards agreement on August 1, 2008, and the 45-state Nuclear Suppliers Group next had to approve a policy allowing nuclear cooperation with India. U.S. President Bush can then make the necessary certifications and seek final approval by the U.S. Congress. There were objections from Pakistan, Iran, Ireland, Norway, Switzerland and Austria at the IAEA meeting.

NSG waiver

On September 6, 2008 India was granted the waiver at the NSG meeting held in Vienna, Austria. The consensus was arrived at after overcoming misgivings expressed by Austria, Ireland and New Zealand and is an unprecedented step in giving exemption to a country which has not signed the NPT and the Comprehensive Test Ban Treaty (CTBT) The Indian team who worked on the deal includes
Manmohan Singh, Pranab Mukherjee, Shiv Shankar Menon, Shyam Saran, MK Narayanan, Anil Kakodkar, RB Grover, and DB Venkatesh Varma.

Versions of U.S. draft exemption

On August 2008 U.S. draft exemption would have granted India a waiver based on the "steps that India has taken voluntarily as a contributing partner in the non-proliferation regime". Based on these steps, and without further conditions, the draft waiver would have allowed for the transfer to India of both trigger list and dual-use items (including technology), waiving the full-scope safeguards requirements of the NSG guidelines.

A September 2008 waiver would have recognized additional "steps that India has voluntarily taken". The waiver called for notifying the NSG of bilateral agreements and for regular consultations; however, it also would have waived the full-scope safeguards requirements of the NSG guidelines without further conditions.

The U.S. draft underwent further changes in an effort to make the language more acceptable to the NSG.

Initial support and opposition

The deal had initial support from the United States, the United Kingdom, France, Japan, Russia, and Germany. After some initial opposition, there were reports of Australia, Switzerland, and Canada expressing their support for the deal. Selig S. Harrison, a former South Asia bureau chief of The Washington Post, has said the deal may represent a tacit recognition of India as a nuclear weapon state, while former U.S. Undersecretary of State for Arms Control and International Security Robert Joseph says the U.S. State Department made it "very clear that we will not recognize India as a nuclear-weapon state".

Norway, Austria, Brazil, and Japan all warned that their support for India at the IAEA did not mean that they would not express reservations at the NSG. New Zealand, which is a member of the NSG but not of the IAEA Board of Governors, cautioned that its support should not be taken for granted. Ireland, which launched
the non-proliferation treaty process in 1958 and signed it first in 1968, doubted India's nuclear trade agreement with the U.S. Russia, a potentially large nuclear supplier to India, expressed reservations about transferring enrichment and reprocessing technology to India. China argued the agreement constituted "a major blow to the international non-proliferation regime". New Zealand said it would like to see a few conditions written in to the waiver: the exemption ceasing if India conducts nuclear tests, India signing the International Atomic Energy Agency's (IAEA) additional protocol, and placing limits on the scope of the technology that can be given to India and which could relate to nuclear weapons. Austria, Ireland, the Netherlands, Switzerland and Scandinavian countries proposed similar amendments.

After the first NSG meeting in August 2008, diplomats noted that up to 20 of the 45 NSG states tabled conditions similar to the Hyde Act for India's waiver to do business with the NSG. "There were proposals on practically every paragraph," a European diplomat said. A group of seven NSG members suggested including some of the provisions of the U.S. Hyde Act in the final waiver. Daryll Kimball, executive director of the Washington-based Arms Control Association, said the NSG should at a minimum "make clear that nuclear trade with India shall be terminated if it resumes testing for any reason. If India cannot agree to such terms, it suggests that India is not serious about its nuclear test moratorium pledge."

Reactions following the waiver

After India was granted the waiver on September 6, the United Kingdom said that the NSG's decision would make a "significant contribution" to global energy and climate security. U.S. National Security Council spokesman Gordon Johndroe said, "this is a historic achievement that strengthens global non-proliferation principles while assisting India to meet its energy requirements in an environmentally friendly manner. The United States thanks the participating governments in the NSG for their outstanding efforts and cooperation to welcome India into the global non-proliferation community. We especially appreciate the role Germany played as chair to move this process forward." New Zealand praised the NSG consensus and said that it got the best possible deal with India. One of India's strongest allies Russia said
in a statement, "We are convinced that the exemption made for India reflects Delhi’s impeccable record in the non-proliferation sphere and will guarantee the peaceful uses of nuclear exports to India." Australian Foreign Minister Stephen Smith said that the NSG granted waiver because of "India's rise as a global power" and added, "If such a request was made for another country, I don't think it would have been cleared by the NSG members." During his visit to India in September 2008, Smith said that Australia "understood and respected India's decision not to join the Non-Proliferation Treaty". German Foreign Ministry spokesman Jens Ploetner called India a "special case" and added, "Does this agreement send an approving message to Iran? No, it absolutely does not."

**Confusion over China's stance**

Initially, there were reports of People's Republic of China was not going to reveal its position over the issue until it had determined the extent of the opposition against the waiver at the NSG. On September 1, 2008, the prominent Chinese newspaper *People's Daily* expressed its strong disapproval of the civilian agreement with India. India's National Security Advisor remarked that one of the major opponents of the waiver was China and said that he would express Indian government's displeasure over the issue. The fact that China abstained during the final voting process, further indicated China's non-approval of the nuclear agreement. In a statement, the Chinese delegation to the NSG opined the group should address the aspirations of other countries too, an implicit reference to Pakistan. There were also reports in the Indian media of India considering the cancellation of a state visits by both the Chinese Foreign Minister Yang Jiechi and the New Zealand Governor General because of both countries apparent initial opposition to the NSG waiver. However, External Affairs Minister Pranab Mukherjee said the Chinese Foreign Minister will be welcomed "as an honored guest". The *Times of India* noted that China's stance could have a long-term implication on Sino-Indian relations.

There were some other conflicting reports on China's stance, however. *The Hindu* reported that though China had expressed its desire to include more stern language in the final draft, they had informed India about their intention to back the
agreement. In an interview to the *Hindustan Times*, Chinese Assistant Foreign Minister Hu Zhengyue said that "China understands India's needs for civil nuclear energy and related international cooperation." Chinese Foreign Minister Yang Jiechi told India's *CNN-IBN*, "We didn't do anything to block it [the deal]. We played a constructive role. We also adopted a positive and responsible attitude and a safeguards agreement was reached, so facts speak louder ... than some reports". During a press conference in New Delhi, Yang added, "The policy was set much before that. When consensus was reached, China had already made it clear in a certain way that we have no problem with the [NSG] statement." Highlighting the importance of Sino-Indian relations, Yang remarked, "let us [India and China] work together to move beyond doubts to build a stronger relationship between us."

However, despite these revisionist comments by Chinese representative Yang, the fact remains that China refused to even attend the meeting where the NSG conducted its final vote approving the nuclear agreement; a fact reported by the Washington Post as follows: "China expressed disapproval by not attending the final meeting."

**Indian reactions**

Indian PM Manmohan Singh is expected to visit Washington D.C. on September 26, 2008 to celebrate the conclusion of the agreement with U.S. President George W. Bush. He will also be visiting France to convey his appreciation for the country's stance. India's External Affairs Minister Pranab Mukherjee expressed his deep appreciation for India's allies in the NSG, especially the United States, United Kingdom, France, Russia, Germany, South Africa and Brazil for helping India achieve NSG's consensus on the nuclear deal. India also said that it would convey its special thanks to New Zealand's Governor General Anand Satyanand during his scheduled visit to New Delhi.

Bhartiya Janata Party's Yashwant Sinha, who also formerly held the post of India's External Affairs Minister, criticized the Indian government's decision to seek NSG's consensus and remarked that "India has walked into the non-proliferation trap set by the U.S., we have given up our right to test nuclear weapons forever, it has been surrendered by the government". However, another prominent member of the
same party and India's former National Security Advisor Brajesh Mishra supported
the development at the NSG and said that the waiver granted made "no prohibition"
on India to conduct nuclear tests in the future. Former President of India and noted
Indian scientist, APJ Abdul Kalam, also supported the agreement and remarked that
New Delhi may break its "voluntary moratorium" on further nuclear tests in
"supreme national interest". However, analyst M K Bhadrakumar deferred. He said
that the consensus at NSG was achieved on the "basis" of Pranab Mukherjee's
commitment on India's voluntary moratorium on nuclear testing and by doing so,
India has entered into a "multilateral commitment" bringing it within "the ambit of
the CTBT and NPT".

The NSG consensus was welcomed by several major Indian companies. Major Indian corporations like Videocon Group, Tata Power and Jindal Power saw a
$40 billion (U.S.) nuclear energy market in India in the next 10-15 years. On a more
optimistic note, some of India's largest and most well-respected corporations like
Bharat Heavy Electricals Limited, National Thermal Power Corporation and Larsen
& Toubro were eyeing a $100 billion (U.S.) business in this sector over the same
time period. According to Hindustan Times, nuclear energy will produce 52,000 MW
of electricity in India by 2020.

Other reactions over the issue

More than 150 non-proliferation activists and anti-nuclear organizations
called for tightening the initial NSG agreement to prevent harming the current global
non-proliferation regime. Among the steps called for were:

- ceasing cooperation if India conducts nuclear tests or withdraws from
  safeguards
- supplying only an amount of fuel which is commensurate with ordinary
  reactor operating requirements
- expressly prohibiting the transfer of enrichment, reprocessing and heavy
  water production items to India
• opposing any special safeguards exemptions for India
• conditioning the waiver on India stopping fissile production and legally binding itself not to conduct nuclear tests
• not allowing India to reprocess nuclear fuel supplied by a member state in a facility that is not under permanent and unconditional IAEA safeguards
• agreeing that all bilateral nuclear cooperation agreements between an NSG member-state and India explicitly prohibit the replication or use of such technology in any unsafeguarded Indian facilities

The call said that the draft Indian nuclear "deal would be a nonproliferation disaster and a serious setback to the prospects of global nuclear disarmament" and also pushed for all world leaders who are serious about ending the arms race to "to stand up and be counted."

Dr. Kaveh L Afrasiabi, who has taught political science at Tehran University, has argued the agreement will set a new precedent for other states, adding that the agreement represents a diplomatic boon for Tehran. Ali Ashgar Soltanieh, the Iranian Deputy Director General for International and Political Affairs, has complained the agreement may undermine the credibility, integrity and universality of the Nuclear Nonproliferation Treaty. Pakistan argues the safeguards agreement "threatens to increase the chances of a nuclear arms race in the subcontinent." Pakistani Foreign Minister Shah Mahmood Qureshi has suggested his country should be considered for such an accord, and Pakistan has also said the same process "should be available as a model for other non-NPT states". Israel is citing the Indo-U.S. civil nuclear deal as a precedent to alter Nuclear Suppliers Group (NSG) rules to construct its first nuclear power plant in the Negev desert, and is also pushing for its own trade exemptions.

Brahma Chellaney, a Professor of Strategic Studies at the New Delhi-based Centre for Policy Research, argued that the wording of the U.S. exemption sought to irrevocably tether New Delhi to the nuclear non-proliferation regime. He argued India would be brought under a wider non-proliferation net, with India being tied to compliance with the entire set of NSG rules. India would acquiesce to its unilateral
test moratorium being turned into a multilateral legality. He concluded that instead of the "full" civil nuclear cooperation that the original July 18, 2005, deal promised, India's access to civil nuclear enrichment and reprocessing technologies would be restricted through the initial NSG waiver.

**Consideration by U.S. Congress**

The Bush Administration told Congress in January 2008 that the United States may cease all cooperation with India if India detonates a nuclear explosive device. The Administration further said it was not its intention to assist India in the design, construction or operation of sensitive nuclear technologies through the transfer of dual-use items. The statements were considered sensitive in India because debate over the agreement in India could have toppled the government of Prime Minister Manmohan Singh. The State Department had requested they remain secret even though they were not classified. Secretary of State Condoleezza Rice also previously told the House Foreign Affairs Panel in public testimony that any agreement "will have to be completely consistent with the obligations of the Hyde Act". Both the Assistant Secretary of State for South and Central Asian Affairs Richard Boucher and the Former Assistant Secretary of State for Legislative Affairs Jeffrey Bergner have also said the agreement would be in conformity with the Hyde Act.

Howard Berman, chair of the U.S. House Foreign Affairs Committee, in a letter to U.S. Secretary of State Condoleezza Rice has warned that an NSG waiver "inconsistent" with the 2006 Hyde Act will "jeopardise" the Indo-U.S. nuclear deal in U.S. Congress. Speaker of the House of Representatives Nancy Pelosi and Senate Majority leader Harry Reid have set September 26, 2008 as the adjournment date for Congress. Congressional officials have said the White House may be able to work with lawmakers to expedite a vote before Congress goes in to recess, while a hurdle for the White House is that a Democratic congress might not be inclined to give President Bush a significant victory during his waning days in office.
Representative Berman has said he will push for more information about the negotiations in Vienna before expediting a vote. Berman further said the Administration would have to show how the NSG decision is consistent with the Hyde Act, including which technologies can be sent to India and what impact a nuclear test by India would have. Edward J. Markey, co-chairman of the House Bipartisan Task Force on Non-proliferation, said there need to be clear consequences if India breaks its commitments or resumes nuclear testing.

The U.S. – India Nuclear Deal

The U.S. Congress on October 1, 2008, gave final approval to an agreement facilitating nuclear cooperation between the United States and India. The deal is seen as a watershed in U.S.-India relations and introduces a new aspect to international nonproliferation efforts. First introduced in the joint statement released by President Bush and Indian Prime Minister Manmohan Singh on July 18, 2005, the deal lifts a three-decade U.S. moratorium on nuclear trade with India. It provides U.S. assistance to India’s civilian nuclear energy program, and expands U.S.-India cooperation in energy and satellite technology. But critics in the United States say the deal fundamentally reverses half a century of U.S. nonproliferation efforts, undermines attempts to prevent states like Iran and North Korea from acquiring nuclear weapons, and potentially contributes to a nuclear arms race in Asia. "It's an unprecedented deal for India," says Charles D. Ferguson, science and technology fellow at the Council on Foreign Relations. "If you look at the three countries outside the Nuclear Non-Proliferation Treaty (NPT)-Israel, India, and Pakistan-this stands to be a unique deal."

A number of issues must be resolved before U.S. companies can start nuclear trade with India. The Indian parliament has yet to approve legislation granting civil liability protection to U.S. energy companies. India would also like the United States to relax some of its restrictions on technology transfer to India. But India appears intent to move ahead: In July 2009, New Delhi designated two sites for U.S. companies to build nuclear reactors in India.
What are the terms of the deal?

The details of the deal include the following:

- India agrees to allow inspectors from the International Atomic Energy Association (IAEA), the United Nations' nuclear watchdog group, access to its civilian nuclear program. By March 2006, India promised to place fourteen of its twenty-two power reactors under IAEA safeguards permanently. Teresita Schaffer, director of the South Asia program at the Center for Strategic and International Studies, says these will include domestically built plants, which India has not been willing to safeguard before now. India has promised that all future civilian thermal and breeder reactors shall be placed under IAEA safeguards permanently. However, the Indian prime minister says New Delhi "retains the sole right to determine such reactors as civilian." According to him: "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." Military facilities-and stockpiles of nuclear fuel that India has produced up to now-will be exempt from inspections or safeguards.

- India commits to signing an Additional Protocol (PDF)-which allows more intrusive IAEA inspections-of its civilian facilities.

- India agrees to continue its moratorium on nuclear weapons testing.

- India commits to strengthening the security of its nuclear arsenals.

- India works toward negotiating a Fissile Material Cutoff Treaty (FMCT) with the United States banning the production of fissile material for weapons purposes. India agrees to prevent the spread of enrichment and reprocessing technologies to states that don't possess them and to support international nonproliferation efforts.

- U.S. companies will be allowed to build nuclear reactors in India and provide nuclear fuel for its civilian energy program. (An approval by the Nuclear
Suppliers Group lifting the ban on India has also cleared the way for other countries to make nuclear fuel and technology sales to India.

**What kind of technology would India receive in return?**

India would be eligible to buy U.S. dual-use nuclear technology, including materials and equipment that could be used to enrich uranium or reprocess plutonium, potentially creating the material for nuclear bombs. It would also receive imported fuel for its nuclear reactors.

**What do proponents say about the deal?**

Proponents of the agreement argue it will bring India closer to the United States at a time when the two countries are forging a strategic relationship to pursue common interests in fighting terrorism, spreading democracy, and preventing the domination of Asia by a single power. Ashley Tellis of the Carnegie Endowment for International Peace—who was intimately involved in negotiating the civil nuclear agreement with India as senior adviser to the U.S. undersecretary of state for political affairs—said in congressional testimony in 2005 that the deal recognizes this growing relationship by engaging India, which has proven it is not a nuclear proliferation risk. Other experts say the deal lays out the requirements for India to be recognized as a responsible steward of nuclear power. "This is part of a process of making India a more durable and reliable nuclear partner".

Other experts say the deal:

- **Would encourage India to accept international safeguards on facilities it has not allowed to be inspected before.** This is a major step, experts say, because the existing nonproliferation regime has failed either to force India to give up its nuclear weapons or make it accept international inspections and restrictions on its nuclear facilities. "President Bush's bilateral deal correctly recognizes that it is far better for the nonproliferation community if India works with it rather than against it," writes Seema Gahlaut of the University of Georgia's Center for International Trade and Security in a CSIS policy brief. IAEA Director-General Mohammed ElBaradei has strongly endorsed
the deal, calling it a pragmatic way to bring India into the nonproliferation community.

- **Recognizes India's history of imposing voluntary safeguards on its nuclear program.** Proponents of the deal say India has an excellent record of setting credible safeguards on its nuclear program for the last thirty years. After the safeguards on the U.S.-supplied Tarapur nuclear facility expired in 1993, for example, India voluntarily established a new agreement with the IAEA to continue the restrictions.

- **Recognizes that India has a good record on proliferation.** Although it is not a signatory to the NPT, India has maintained strict controls on its nuclear technology and has not shared it with any other country. Proponents of the deal say this restraint shows that India, unlike its nuclear neighbor Pakistan, is committed to responsible nuclear stewardship and fighting proliferation. In May 2005 India passed a law, the WMD Act, which criminalizes the trade and brokering of sensitive technology.

- **Rewards India's decision to adopt similar nuclear export standards as those imposed by the Nuclear Suppliers Group (NSG).** India has thus far chosen to abide by the strict export controls on nuclear technology set by the NSG, a group of forty-five nuclear-supplier states that coordinates controls of nuclear exports to non-nuclear-weapon states. Experts say if India chose to lift these voluntary restrictions, it could easily sell its technology to far less trustworthy countries around the world. The U.S. deal would reward the Indian government for its voluntary controls and give New Delhi incentive to continue them, against the demands of Indian hardliners who question what India gets out of placing such limits on itself.

**What are the objections to the agreement?**

Critics call the terms of the agreement overly beneficial for India and lacking sufficient safeguards to prevent New Delhi from continuing to produce nuclear weapons. "We are going to be sending, or allowing others to send, fresh fuel to
India-including yellowcake and lightly enriched uranium-that will free up Indian
domestic sources of fuel to be solely dedicated to making many more bombs than
they would otherwise have been able to make," says Henry Sokolski, executive
director of the Nonproliferation Policy Education Center, a nonprofit organization
dedicated to improving awareness of proliferation issues. While India has pledged
that any U.S. assistance to its civilian nuclear energy program will not benefit its
nuclear weapons program, experts say India could use the imported nuclear fuel to
feed its civilian energy program while diverting its own nuclear fuel to weapons
production. New Delhi has done similar things in the past; India claimed it was using
nuclear technology for civilian purposes right up until its first nuclear weapons test
in 1974. A Congressional Research Service report (PDF) on the agreement states,
"There are no measures in this global partnership to restrain India's nuclear weapons
program."

Other objections raised by experts include:

- **The safeguards apply only to facilities and material manufactured by India beginning when the agreement was reached.** It doesn't cover the fissile material produced by India over the last several decades of nuclear activity. The CRS report says, "A significant question is how India, in the absence of full-scope safeguards, can provide adequate confidence that U.S. peaceful nuclear technology will not be diverted to nuclear weapons purposes."

- **The deal does not require India to cap or limit its fissile material production.** This comes at a time when nearly all the major nuclear powers-including the United States, France, Britain, and Russia-are moving to limit their production.

- **The deal does not require India to restrict the number of nuclear weapons it plans to produce.**

- **There are more cost-efficient ways to improve India's energy and technology sectors.** These could include making India's existing electricity
grid more efficient, restructuring the country's coal industry, and expanding
the use of renewable energy sources, Sokolski said in congressional
testimony in 2005. All these steps would involve much less dangerous
transfers of technology that would not be dual-use, and therefore not
convertible to nuclear weapons production.

• The agreement takes unnecessary risks without adequate preparation or
expert review. The agreement "appears to have been formulated without a
comprehensive high-level review of its potential impact on nonproliferation,
the significant engagement of many of the government's most senior
nonproliferation experts, or a clear plan for achieving its implementation,"
wrote William C. Potter, director of the Center for Nonproliferation Studies
at the Monterey Institute of International Studies, in Nonproliferation Review
in August 2005. "Indeed, it bears all the signs of a top-down administrative
directive specifically designed to circumvent the interagency review process
and to minimize input from any remnants of the traditional 'nonproliferation
lobby.'"

Who needs to approve the agreement?

The final terms of the nuclear deal were approved by the following bodies
before they could be implemented:

• IAEA. India signed a safeguards agreement with the IAEA under which all
nuclear material and equipment transferred to it by the United States as a part
of this deal shall be subject to safeguards. In August 2008, the IAEA's Board
of Governors approved an India-specific safeguards agreement (PDF). The
IAEA said it will begin to implement the new agreement in 2009, with the
aim of bringing fourteen Indian reactors under agency safeguards by 2014.
The IAEA currently applies safeguards to six of these fourteen nuclear
reactors under previous agreements. IAEA Director General Mohamed
ElBaradei says the IAEA and India are in dialogue concerning an additional
protocol to the draft safeguards agreement.
• **India's Parliament.** While the deal does not require a formal vote by the parliament, the coalition government has faced a confidence vote over it. Many parliamentarians oppose the deal, arguing it will limit India's sovereignty and hurt its security. Some Indian nuclear experts are protesting what they see as excessive U.S. participation in deciding which of India's nuclear facilities to define as civilian, and open to international inspections under the plan.

• **The Nuclear Suppliers Group.** In September 2008, after much lobbying by the Bush administration, the group approved the India-specific exemption.

• **Congress.** In October 2008, the U.S. Congress gave final approval to the bill. Under the U.S. Atomic Energy Act, which regulates the trade of nuclear material, congressional approval was needed to pass the exemptions to U.S. laws required for the nuclear deal to be implemented. Some members of Congress were resistant, and called for India to commit to strict limits on its nuclear weapons program before the deal went through. There is a potential area of dispute with India over the terms for suspending the agreement. Before clearing the bill, the U.S. Senate rejected an amendment that would require U.S. nuclear supplies to be cut off if India tests nuclear weapons. The deal does not explicitly impose that condition, though it is part of a 2006 law known as the Hyde Act, which gave the deal preliminary approval.

**What effect will the U.S.-India deal have on the NPT?**

It could gut the agreement, some experts say. Article I of the treaty says nations that possess nuclear weapons agree not to help states that do not possess weapons to acquire them. David Albright, president of the Institute for Science and International Security, says without additional measures to ensure a real barrier exists between India's military and civilian nuclear programs, the agreement "could pose serious risks to the security of the United States" by potentially allowing Indian companies to proliferate banned nuclear technology around the world. In addition, it could lead other suppliers-including Russia and China-to bend the international rules.
so they can sell their own nuclear technology to other countries, some of them hostile to the United States. On the other hand, experts like Gahlaut argue the NPT was already failing in its mission to prevent proliferation. She says many countries—including North Korea, Libya, Iran, and Iraq—have cheated while being signatories of the NPT.

**What role does China play in the U.S.-Indian nuclear deal?**

It is a motivating factor in the deal, some experts say. China's rise in the region is prompting the United States to seek a strategic relationship with India. "The United States is trying to cement its relationship with the world's largest democracy in order to counterbalance China," CFR's Ferguson says. The Bush administration is "hoping that latching onto India as the rising star of Asia could help them handle China," Sokolski says.

Some experts say the growing economic relationship between China and India is so critical to New Delhi that its interests in China cannot be threatened or replaced by any agreement with the United States. Other experts worry U.S. nuclear aid to India could foster a dangerous nuclear rivalry between India and China. Though India has a strong interest in building economic relations with China, New Delhi is still wary of China's military rise in the region.

**What effect will the deal have on U.S. and Indian relations with Pakistan?**

Pakistan has not received a similar deal on nuclear energy from Washington. Some experts say this apparent U.S. favoritism toward India could increase the nuclear rivalry between the intensely competitive nations, and potentially raise tensions in the already dangerous region. "My impression is that [the Pakistanis] are worried this will feed the Indian nuclear weapons program and therefore weaken deterrence," Blackwill said. Other experts say the two countries, both admittedly now nuclear, could be forced to deal more cautiously with each other. Pakistan is already a proliferation risk: Pakistani nuclear scientist A.Q. Khan's illicit nuclear network, revealed in 2004, shocked the world with its brazen trade of nuclear technology. Some experts worry the U.S.-India deal could prompt Pakistan to go elsewhere, for instance to China, for similar terms.
What’s the history of India’s nuclear program?

In the 1950s, the United States helped India develop nuclear energy under the Atoms for Peace program. The United States built a nuclear reactor for India, provided nuclear fuel for a time, and allowed Indian scientists study at U.S. nuclear laboratories. In 1968, India refused to sign the NPT, claiming it was biased. In 1974, India tested its first nuclear bomb, showing it could develop nuclear weapons with technology transferred for peaceful purposes. As a result, the United States isolated India for twenty-five years, refusing nuclear cooperation and trying to convince other countries to do the same. But since 2000, the United States has moved to build a "strategic partnership" with India, increasing cooperation in fields including spaceflight, satellite technology, and missile defense.

INDIA – US NUCLEAR DEAL – The Benefits

Ultimately the India – US Nuclear deal has to translate into economics, commerce, trade, development and FDI.

At the moment, Indian Opposition politicians think that the country’s independence and prestige have been sold out. Many US politicians are thinking that a gaping hole has been punched into the NPT regime. Yes, both are right, although the Indian side is stretching it a bit. In US, the Nuclear Lobby Group has gained an upper hand. When Manmohan – Bush finalized this deal in July of 2005, the Lobby Group mounted an instantaneous opposition. Unable to persuade the Bush administration to renege the deal, they changed tactics and have started a campaign against it with the US Congress (the elected body). This resulted in US sending a tough negotiator in Nicholas Burn to negotiate further details and possible concessions to salvage the deal in the US Congress. He did well and ended up in getting ironclad concessions prior to President Bush’s visit to India.

The opposition to this agreement is not dead yet. The Nuclear Lobby Group is making a last ditch effort to scuttle the deal in the Congress. But full backing of the President Bush and his able Secretary of State Condi Rice will ultimately help to get this deal through. On the other hand, most of the analysts and politicians opposing the deal in India are now lying low.
How does US benefit with this Deal?

President Bush is looking forward at the changing times. From 1970-78 when US sponsored NPT (Nuclear Proliferation Treaty) and its subsequent laws, it was their intent to punish India for exploding a nuclear bomb in 1974. They set a date of 1967 as criteria for inclusion in the select group. China was gleeful; as they had exploded their bomb in 1964, hence found their berth in this group automatically. So did France. To exclude India with a fifth of humanity and a bomb was a mistake. India at that time was economically weak.

For 25 years India endured its exclusion for not signing the NPT and was barred from any civilian use nuclear technology and materials. Later US politicians, to placate Pakistan, even blamed India for starting a nuclear arms race. In short, India was ignored. Although China was no better economically then, yet it was welcomed as one of the World powers.

Economic benefits to US

If India sets up 10 large size nuclear power plants, which is its intent in next 15 years, India will import technology and hardware from US for at least half of these projects (technology for the remaining may come from elsewhere). Each of these plants at a green field site will cost about $4 billion. In short, orders worth $15-20 billion could be placed with the US companies in next 6 to 8 years. Remaining orders may go to France, Germany, Canada and UK. Fund for these installations will come to India either in form of FDI or soft & commercial loans. Banks and equipment manufacturers abroad will be delighted to make this amount available to India. In return India will pay it back with goods and services export, in the same way China did it for the past 25 years. It is a win-win situation for the US lenders and US suppliers. Further expansion of business dealings on both sides will follow.

Another example of emerging Indo-US co-operation is in the area of aerospace industry. Order for $8 Billion worth of commercial airplanes has been placed with Boeing of Seattle. Another big order for 125 military planes is on the way. US parliamentarians have to work these big business deals in their thinking prior their vote.
The high tech manufacturing industry is at a take off stage in India. In last 3 months, announcements by big US companies totaling $7 billion dollars investment have been made. This has gone far beyond India’s expectations. This sector together with IT services and BPO will power the US industry and businesses into higher profitability and help India accelerate its growth.

Co-operation in auto parts, pharmaceuticals, R & D and defense industry cannot be ruled out. For each of these US is looking for a low cost supplier, that could be alternative to China.

**Political Benefits to US**

With a few strokes of pen, President Bush eliminated a major Cold War irritant from the scene. India is not politically and diplomatically aligned with US as Europe is, but India as a strategic partner in ensuring safety of sea-lanes of the Indian Ocean is very valuable. At the moment as long as US stays in Iraq and Afghanistan, the world will perceive US as a big bully. A major regional power, with a different outlook than the European and the US is needed to cool the tempers off. India has to step in to prevent further sliding of the Middle East into anarchy.

**Military Benefits to the US**

US benefits immensely with India as a major military power. Forty percent of worlds’ oil and commerce passes through the Indian Ocean sea-lanes. These today are unprotected. Pirates in the Red Sea and at the Malacca Straits prey on commerce. Indian cooperation will be helpful in keeping the sea-lanes free.

Another unstated benefit for US appears to be their assessment that India could be a counter weight to a “rising China” in the region. This is not the view of Indian policy makers who believe that a constructive engagement with China is more beneficial and not linked to any military or strategic relationship with USA.

Future military expansion in India to take up its role as a regional player bids well for the US military hardware suppliers. They will gain immensely over next 20 years.
What does India get out of the Deal?

Benefits to India are immense with this deal. First and foremost, is the de-facto recognition of India as a nuclear power? It is not clearly stated in the deal, but it’s an implicit understanding. India missed this opportunity in 1970-78. It is unlikely that this opportunity is to be missed again. Second, is future recognition of India as a permanent UN Security Council member? India has tried this in last three years. It has not succeeded. It is unlikely to succeed in next 10 years. But with a Trillion and a half dollar economy (8% growth over ten years), India will make this grade. When UN reforming movement gains strength in the future, India will be right there and waiting for this opportunity.

Economic benefits to India

There is an urgent need in India for capital to build its infrastructure and manufacturing base. And there is only one source to get it i.e. US & Europe. US and Europe at this moment are content with sending capital to China to supply them with consumer goods. The former very cleverly had avoided exporting manufacturing technology to supply high priced, high technology capital goods to China. This component together with auto-parts, pharmaceuticals and computer hardware could herald India into big leagues in ten years and beyond. Commercial Aircraft manufacture, ship building, factories to make giant power plants, steel making plants, mining & drilling hardware, petroleum & petrochemical plant building facilities could be ultimately shared with India. The latter within ten years will have a workforce sufficiently skilled to undertake all the foregoing. It will be beneficial to US. Labor costs in India, will always stay a third of US, and European costs. That will make India an ideal candidate for this technology transfer.

Opportunity of the KPO (Knowledge Process Off-shoring) is knocking at India’s door. Indian graduates of Science and Engineering will play a major role in this expansion. In about 5 years KPO Off-shoring will grow immensely. India stands to benefit most from it. Thanks to the edge, Indian science & technology graduates have established.
Political Benefits to India

After 50 years of isolation, India will have the opportunity to say something, in world forums like UN, WTO and World monetary lending institutions, and be heard. This was not the case previously. Reasons – India had no clout. With western economies in the future, tied more and more with India, the latter’s clout will improve. There will be frequent inter-government exchanges on matters of mutual interest. India could become a full member of the select group of G-8 members. Gone will be the days that US politicians will heap scorn on India, the way they are doing it today. The Indo – US Nuclear deal is in fact dumping the past and unlocking the hidden potential of the future. In addition Pakistan may get the cue and begin a rethink of its policies towards India.

Military Benefits to India

Indian military is in need to diversify its sourcing of military hardware. Russia has been a very reliable source for the past 40 years. This source has to be diversified. Ultimately all military hardware will have to be produced in India. But development time in India is too long and success factor is low. This has to be speeded up. The only way at India’s disposal is buy its immediate needs and import technology to develop its own weapon system. It is a bit expensive up front but pays dividend later as India joins the select group of countries as a source of military hardware.

Technological Leapfrog

The immediate benefit would be in getting the latest technology for nuclear power generation. Current progress in India on building its own nuclear power plants at best has a failing grade. Most of nuclear power plants in India are of other country’s design. The Indian Department of Atomic Energy falsely clings to the view that Fast Breeder Reactors will allow India to bridge the nuclear gap in the future. That future may be difficult to arrive. It may be too distant. This will hold economic development as hostage. Moreover developing nuclear technology is one thing,
implementing it is another. For even homegrown technology, India will have to import critical components.

US Congress Support and its Realities

The support of US Congress is crucial to the deal. This is a major headache, Bush Administration have to deal with. Currently, US Nuclear Lobby Group has the ear of the US Congress. The latter has become hostage to its past fallacies. They enacted bad laws in the past and are having difficulty modifying them. Now it is for the US Congress to redeem itself by changing the bad laws.

Thanks to diplomatic and political skills of President Bush and Prime Minister Manmohan Singh, we have a deal which could lift India into the Trillion-dollar club, faster. They both have worked hard. Ten years from now when electricity supply situation in India’s households, industry and farms is significantly better, we have to thank them both. Thank God, we are not struck with in one sided, Iran - Pakistan – India pipeline deal. This would have held India permanently hostage to Pakistan.

The amendment overturns a 30-year-old US ban on supplying India with nuclear fuel and technology, implemented after India's first nuclear test in 1974.

The Reality No. 1

The correct situation is that USA is not offering anything at all, but has forced every members of the Nuclear Suppliers Group, about 44 countries of the World including Russia, not to supply anything at all to India regarding nuclear energy and related matters. Russia after India’s nuclear tests in 1974 was the only country for India as a source of materials for the nuclear energy including weapons and nuclear power plants. The only exceptions are USA, which has continued to supply fuels for the Tarapur nuclear plant for some years and China, who has supplied fuels for the Tarapur plant after the refusal of the US to do so. Russia so far has supplied India heavy water plants, reprocessing plants, Fast Breeder Reactors
and two fresh nuclear power plants with the excuse that the contracts for these were signed between India and the Soviet Union, which Russia has to oblige.

However, other member countries particularly USA would not listen to that argument anymore and have practically forced Russia to stop supplying any new nuclear power plants or any new supplies for the India’s nuclear industries, unless India would allow inspections by the International Atomic Energy Agency (IAEA). That would practically means that India has no choice but to abandon nuclear weapons programme and to accept full-scale safeguard from the IAEA so that in future India would not be able to produce any weapons grade nuclear materials either. Due to the objections raised by USA, Russia is disinterested to continue to supply nuclear materials or power plants to India anymore. The sudden shift of Russia’s position is the result of India’s decision to ignore Russia and to buy weapons systems, aircrafts, submarines from Israel, Britain and France and India’s growing interest to purchase aircrafts from USA.

Now USA is suggesting that if India would purchase nuclear power plants not from Russia but from the US, these restrictions can be relaxed in case India can separate out the civilians power plants from those which can be even remotely utilized by the Indian defense establishments. Both of these steps require massive financial investments. The purchase of nuclear power plants from USA would mean paying possibly ten times more than the cost of corresponding Russian nuclear power plants.

Thus, it is a kind of business negotiations with carrots and sticks attached to it. In practice, India has no other option but to accept the American offer, as President Putin is not Yeltsin, who has rejected the American demand in 1993 not to supply any defense equipments to India particularly rocket engines which can be utilized to manufacture longer range missiles. India’s relationship with Russia is going downhill for the last few years as India is purchasing weapons at a much higher costs from France, Israel, Britain and will possibly buy from USA, not from Russia. As a result, Putin is reluctant to support India anymore.
The nuclear offer of the US is not a friendly gesture to India as the Indian media is trying to portray but a process of surrender for India regarding its nuclear energy and weapons programme. If India buys nuclear power plants from the US, these would be under full-scale inspection of the IAEA, thus India cannot divert anything from these plants for the defense services. India will not get the reprocessing plant, without which it cannot manufacture nuclear weapons. If India buys not from the Russians, they would be reluctant to help India in future regarding missiles, rockets, and nuclear fuel enrichment programme.

Thus, gradually India nuclear weapons programme will disappear. India’s efforts to develop missiles and rockets would be affected adversely too. Thus, India would be much less powerful than Pakistan in every aspect, as Pakistan has no such constraints. It would continue to receive both advanced nuclear weapons and missiles from China in future as it had received in the past with the full knowledge of the US since the days of President Reagan.

**The Reality No 2:**

The media both in India and in USA is giving the impression that USA is trying to make India as a bulwark against China. In fact, USA since 1972 has made China as a bulwark against the Soviet Union by supplying indirectly every type of weapons technology via Israel, France, Pakistan, and Turkey. USA also made China as the permanent member of the UN Security Council as a counterweight against the Soviet Union.

However, USA has no intention to use India in the same way because of some important reasons. There was no American investment in the Soviet Union in 1972, but the bulk of the foreign investments in China today are from the US and its allied countries. The Soviet Union did not have in 1972 massive amounts of US Dollars as its foreign exchange reserve, as China has today. There was virtually no trade between USA and the Soviet Union except during the late 1980s. However, China’s exports and as a result its economy depends on USA, UK, Australia, Japan and Western Europe.
If USA wants to destroy China as a power, it can do so without firing a single bullet, but by just not importing from China and asking its allies not to import from China. USA had followed that policy in 1934 against Japan, but it has no intention to follow it against China, because that would undermine investments of large number of American companies and their profit. China can also retaliate against USA just by selling its Dollar reserve, which would mean a massive devaluation of the US Dollar and destruction of the special status of the US Dollar as the international reserve currency – a fiat money by which USA can buy anything from the rest of the world just by printing its own currency. There is no need for the US to earn foreign exchange to pay for its imports or to pay for the American military bases all over the world in any other currency but in US Dollar.

This unique position would be diminished if China suddenly exchanges its Dollar holdings into Euro. That can destroy the American economy, as USA would not be able to use Dollar to get its imports. USA would be unable to pay for the expenses of the American military bases as well thus, reducing the US to a regional power, not a world power. Close bilateral relationship through trade and investments has made USA and China indispensable to each other.

Because of these threats to the American Dollar and the America’s special status as a super-power, USA is reluctant even to recognize Taiwan as a separate country, but still insisting upon the “one-China” policy, which basically approves Chinese colonialism over Taiwan. USA also has no policy towards Tibet, which was colonized by China in 1949. President Clinton has declared China as the strategic partner of USA. President Bush recently joined hands with China to oppose India’s possible membership of the UN Security Council. However, in 1972, President Nixon had no objection against China’s membership of the UN Security Council. USA even had forced the expulsion of Taiwan from the U.N to make room for China.

That was the reason when India has declared after the nuclear tests in 1998 that China is the enemy number one for India, it has cut no ice in USA. President Clinton still has imposed sanctions against India and India was isolated in the world
temporarily. President Bush has forced India to start the peace-process with Pakistan, who has already killed more than 50,000 people in the Jammu & Kashmir and has managed to spread terrorism throughout India. USA also forced India to abandon its development of long-range missiles and any further nuclear testing. As a result, India has no credible nuclear forces and is in no match for China. This situation will not change in future in favour of India, as USA does not want India to have either nuclear weapons or missiles.

USA is not offering India any advanced weapons system or aircrafts. The F-16 aircraft, which USA has offered India is equivalent to Russian Mig-29, which India already got about ten years ago and is under production in HAL factories in India. USA is delivering same aircrafts to Pakistan and to a large number of other countries, as it wants to dispose of old aircrafts. A pure business deal from which USA not India will gain substantially is repackaged by the media as the friendly gesture of the United States to India.

**Does India has credible nuclear force:**

A credible nuclear force should be able to withstand the first strike by its adversary. It also should be able to carry our retaliatory nuclear strike against the enemy. When Indian’s nuclear delivery system depends only on the aircrafts, as India’s missiles are not fitted with nuclear weapons, India has doubtful capacity to strike back against Pakistan and has no capacity at all against China. Against China, India has Russian Tupolev-95 strategic bomber with 6000km range, but it is doubtful whether they can penetrate Chinese defense. India’s Agni-2 has a range of 2200km, thus it cannot reach most parts of China.

India needs to develop immediately a missile with 5000km range, which can strike China effectively; however, that is not possible due to the pressure from the U.S. The development of Agni-3 is delayed by more than ten years by now due to the objections from the U.S. With the Chinese mobile missile system, the best option for India to have nuclear powered submarine which can go close to China’s coast. Although it was offered by Russia a few years ago, India has opted for old French submarines, which are of no help in this matter.
China has a formidable nuclear force. It has deployed some 125 long range (1700km or more) nuclear armed ballistic missiles. It has developed DF-31 ballistic missiles with a range of 8000 km, which can hit any parts of India from anywhere in China. Other missiles in the armory of China include CSS-2, CSS-3, and CSS-5 of 1700km range, which also can hit India from Tibet. However, China has decided to use Pakistan against India, by supplying whatever China has. Thus, Pakistan is now more powerful in nuclear weapons delivery system than India can be in near future.

For India, aircrafts are the only available delivery system for nuclear weapons. Russian Sukhoy-30 and MIG-29 with a range up to 1400km, French Jaguar with a similar range, Russian MIG-27 with a slightly reduced range are the possible options for India. None of these can be useful against China. Whether they can penetrate Pakistan’s defense is a big question, because by the time India will be able to react after the first strike by Pakistan, India’s airfields and the aircrafts will be wiped out.

Pakistan’s M-11 missiles obtained from China are mobile missiles although these have short ranges of 300km. ‘No-Dong’ missiles obtained from North Korea with the approval of China has 1500km range. This can cover most important parts of India. Pakistan has no need, unlike that of India, to conduct any tests to maintain its nuclear weapons, as it can obtain these whenever required from China. China does not bother to obey the Non-Proliferation Treaty; it has already supplied Chasma nuclear plant to Pakistan.

**India’s position on nuclear plants:**

For India, even the supply of adequate amounts of nuclear materials for weapons development is in doubt. The proposed new reactors in Kudankulam cannot be built by Russia anymore because of American objections. In Kudankulam Russia already built two reactors and provided low interest loans of $1.5 billion. Russia has resumed supplies of low-enriched nuclear fuel for Tarapur plant, originally built by USA, but abandoned after 1974. USA is now objecting to that supplies too. The realistic option for India is too wait for the completion in 2010 of Kalapakkam Fast Breeder Reactor, built by Russia to provide India enriched uranium for the nuclear
weapons. However, that route also can be closed by USA who is increasing pressure on Russia through the Nuclear Suppliers Group (NSG) of 44 nations. Unless India will abandon its nuclear weapons, it cannot be a member of the NSG either. To override the objections of the NSG, Russia has offered India a floating nuclear reactor, which can be placed near India’s shore. However, India is so far reluctant to accept it, as it would certainly annoy USA.

The Possible Role of India:

The reality is that by accepting American pseudo-friendship India is becoming weaker than even Pakistan, who has long-range missiles fitted with nuclear weapons imported from China and can be used against India at any time. As Pakistan has the policy of ‘first strike’ with nuclear weapons, as obvious from the preparations of General Musharaf during the Kargil invasion of 1999, it is doubtful whether India, without the support of the Soviet Union as it had during both 1965 and 1971 wars, can withstand the first nuclear strike by Pakistan. The most likely scenario is that India will collapse, which would open the door for invasions by Pakistan, China, and Nepal.

India’s policy makers may have thought about this possibility, which has provoked them to surrender so easily to the American demand to accept the control of the IAEA on the nuclear facilities in India. USA wants India to be reduced to the level of the Philippines, Thailand, Kenya, or Egypt, whereby India would receive American political backings, some economic co-operations and foreign aid but it would not have any power of any significance but would be dependent upon the American goodwill.

The process of surrender has started in Jammu & Kashmir where India is gradually willing to surrender the sovereignty over Jammu & Kashmir for a joint administration or regional autonomy or open border with demilitarization of the region. The nuclear co-operation with USA would start the second phase of surrender to abolish nuclear weapons in India, but Pakistan, as an ally of both NATO and China, would still have nuclear weapons. It is unfortunate that the Indian media and the so-called experts of foreign policy cannot see the reality but have decided to live in a fool’s paradise.
IMPACT ON OUR FOREIGN POLICY

Our policy towards Iran has already undergone a sea change even before the Indo-US nuclear deal comes into existence. Our vote against Iran at IAEA was the litmus test. While India, for obvious reasons, would not welcome a new entrant in the Nuclear Club, this factor alone should not have swung our vote. Iran has not violated the NPT in any major way while Pakistan, China and N. Korea have clandestinely and openly violated major provisions of NPT. Action taken by IAEA against Pakistan could not come to fruition due to Pakistan’s intransigent stand that A.R. Khan, the thief in charge of the Pakistan’s nuclear programme, would not be made available for questioning by IAEA. Pakistan has been allowed to go scot-free and unpunished due to backing by US and the inability of IAEA to proceed against Pakistan.

Pakistan’s doctrine of ‘first use of nuclear weapons’, as against ours of ‘non-first use’, and Pakistan’s repeated threats to use nuclear weapons against India are a threat to India’s existence.

This is in stark contrast to Iran’s putative intention. By our vote at IAEA we have gravely damaged our burgeoning and mutually beneficial economic matrix of deals, especially in the hydro-carbons sector, in which India remains and will remain for the near future a big importer. The fact that India did not energetically and implacably oppose clandestine selling of nuclear equipment by Pakistan has weakened India’s position and diminished her stature within the global nuclear community, especially IAEA. This has put India in a bind where we are not even seen as a country capable of defending its strategic allies. We are already being dubbed as a US stooge. How does all this square up in our long term quest for membership of the UN Security Council?

There has been a great deal of heat and dissonance generated over the Indo-US Nuclear Deal. A certain amount of dissonance would be expected in a fractious democracy, especially when the Government is one of coalition, that too with the intransigent and rather opportunistic communists. But the heat has been unbearable
and the dissonance deafening. For the first time since independence, not only there is no political consensus across the political spectrum, rather there is wide chasm and discord.

Since 1947, our foreign policy has been defined and enunciated into a form and with such contents that it has enjoyed multi-partisan support of a preponderant majority far exceeding Congress party’s strength in the Parliament. The nuclear component of our foreign policy has evolved from the need for autonomy in our defense and security framework. That was the reason behind Pt. Nehru’s endorsement of the nuclear policy formulated by late Dr. H. Bhabha.

We have also worked very hard for peaceful development of nuclear energy. We were able to withstand the political after-effect generated by 1973 and 1998 explosions. Even though 1998 explosions should have been made before the conclusion of CTBT, as done by France & China, our stature actually grew and the Great Powers that condemned us for our nuclear tests came back unconditionally, not only to normalize their relations but also to enter into strategic dialogue with us. This was helped, undoubtedly, by the opening up of our economy in 1991 leading to vigorous economic growth over the last 15 years.

Late Rajiv Gandhi had the vision to foresee the problem of scarcity of energy in India and under his leadership, the Ministry of External Affairs (I was the Joint Secretary dealing with the USSR) was able to achieve a strategic breakthrough in persuading the then USSR to put up 10 x 1000 Mw Nuclear Power Plants. Nuclear fuel was to be supplied by the USSR. As we did not wish to have the spent fuel with its concomitant safeguards and disposal problems, we persuaded the USSR to take it back. The Soviet export of plant/machinery was on standard soft terms (48% -grant element), but it increased to 52% on my persuasion. Soviet Union also agreed to provide nuclear fuel on concessional terms. There was no unilateral, bilateral or multilateral condition imposed by the USSR, except that these power plants would be under project specific safeguards and not full-scale safeguards of IAEA, which was entirely un objectionable.
We have the agreement and the format for unlimited development of nuclear energy in cooperation with Russia. Why go for a deal, specially with the US, that it would come under severe, unreasonable, stringent and totally gratuitous conditions.

We declared a unilateral voluntary moratorium on nuclear explosions, meaning clearly that if our security & circumstances so demanded in future, we could & would undertake Nuclear Tests. Being bound by the putative agreement with US, we would not be able to do so without violating the entire agreement. Our agreements with Nuclear Supplier Group et al and US would be revoked, even though the IAEA safeguards would continue.

We are not going to get any special treatment from IAEA for safeguards. IAEA has only two kinds of safeguards – one for non-nuclear NPT signatory states and the other for 5 NWS (Nuclear Weapon States – USA, USSR, China, UK, and France). In fact, when we are a declared Nuclear Weapons Power, for us to sign safeguards akin to those applicable to non-nuclear weapon NPT countries would be politically humiliating and strategically disastrous, canceling in one swoop all our cumulative and hard fought gains over the past forty years in attacking the unjust and discriminatory NPT and our carving out a highly respectable place in the global nuclear community.

Mr. Yogesh Tiwari, I was India’s Permanent Representative to the IAEA during 1998-2000. I recall dispatching a special report on safeguards voluntarily accepted by Nuclear-Weapon States. We actually worked out a proposal similar to but not identical with the one that Chinese Government had proposed and was accepted by IAEA. In our informal discussions with IAEA, I was given to understand that a proposal on the Chinese lines submitted by us would be welcomed by the IAEA. There was no meaningful response from the concerned authorities in India. Had the Government acted upon our proposal, it would have resulted in a de facto recognition of our nuclear weapon capability and lent a win-win position for both India and the IAEA. This option now seems to be closed, as the US

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20 Yogesh Tiwari is a retired IFS Officer and has served as the Ambassador to Austria and Singapore besides handling various other important assignments in the MEA Gol.
Government would be mediating our negotiations with IAEA and the US congress will have the authority to accept or reject it and, of course, to amend it too. Now, even the European Union has acquired the temerity and gumption to call on India to sign the NPT. Imagine what will happen when we go begging before Nuclear Suppliers Group (dominated by the European Union Members) annually for Uranium.

**NUCLEAR DEAL: HARSH TRUTHS**

WE may have all missed the most interesting point in the kerfuffle over the Indo-US nuclear deal. Prime Minister Manmohan Singh and Congress President Sonia Gandhi have emerged as the greatest advertising team since World War II. The strategy is not dissimilar to that employed by Germany and Italy in the war: Repeat a lie often enough and it will be perceived as the truth.

Take the promise of electricity to every village. The claim is arrant nonsense. The eight reactors the government wants to purchase in the next four years — commissioning will be much later — will not increase the share of nuclear power in the energy mix beyond 2.5 percent.

A second lie: The Hyde Act has nothing to do with the deal, which will be governed only by the 123 Agreement. This is astonishing disinformation. America has repeatedly stated that it will not — indeed, legally, it cannot — deviate from the provisions of the Hyde Act, and America is the supplier nation. Our only role is to hand out hard currency for what America decides to sell.

The third question asks: “Does the administration believe that the nuclear cooperation agreement with India overrides the Hyde Act regarding any apparent conflicts, discrepancies, or inconsistencies? Does this include provisions in the Hyde Act which do not appear in the nuclear cooperation agreement?”

The answer is unambiguous: “In his Sept. 19 statement, Assistant Secretary Boucher twice made clear that ‘we think (the proposed 123 Agreement with India) is in full conformity with the Hyde Act’. India is already in compliance with Hyde. This is why Delhi did not place an order for fuel from Russia or France after the
NSG waiver. The Hyde Act prohibits any transaction without approval from the US Congress, which is yet to come.

The letter unravels the striptease of illusions carefully nurtured by Delhi. Paramount was the implication that the deal would give India access to the most sensitive nuclear technologies. Check out questions 4, 5, 6 and 7, on “dual-use items for use in sensitive nuclear facilities”, assistance to “India in the design, construction, or operation of sensitive nuclear technologies through the transfer of dual-use items outside the agreement” and whether US would adhere to the Hyde Act which discourages the spread of such technologies. Here are the answers: “...as a framework agreement it does not compel any such transfers, and as a matter of policy the United States does not transfer dual-use items for use in sensitive nuclear facilities... the US government will not assist India in the design, construction, or operation of sensitive nuclear technologies... The administration does not plan to negotiate an amendment to the proposed US-India Agreement to transfer to India sensitive nuclear facilities or critical components of such facilities...”

Nothing new, is it? It seems we have a slightly castrated agreement.

There is insufficient space to quote the document in greater detail; suffice it to say that there is huge variance with the Indian perception on fuel supply, fallback safeguards and reprocessing rights. America has absolute clarity on a fundamental issue that could cause much grief: India’s right to test. Delhi has hyperventilated that India’s right to test has been protected. The House asked President Geroge W. Bush, in question 16: “Would any of these commitments continue to apply if India detonated a nuclear explosive device? If so, under what circumstances?”

Here is the reply: “As outlined in Article 14 of the 123 Agreement, should India detonate a nuclear explosive device, the United States has the right to cease all nuclear cooperation with India immediately, including the supply of fuel, as well as request the return of any items transferred from the United States, including fresh fuel.” Please note: This ultimatum already exists in the 123 Agreement, which Delhi continues to sell as sacrosanct. Manmohan Singh has a dubious formulation on testing: India has the right to act, America has the right to react. But while India has
nowhere included a clause claiming the right to act, America has specified what its reaction would be — extensive and expensive. Nor can India respond by ending invasive inspections. We have agreed to them in perpetuity.

A second public-relations ploy, to make this concession seem like a mere extension of the unilateral moratorium announced after our test in 1998, is disingenuous. A voluntary moratorium has become a multilateral commitment; the difference is critical. In 1998 America and the world could do very little, apart from cursory noises and sanctions that quickly withered on the bedrock of reality, precisely because our nuclear program was totally indigenous, and there was no agreement through which punitive measures could be taken against India. A serious danger is the potential for misunderstanding with America, and the consequent damage to Indo-US relations. Pacts are always vulnerable to unforeseen circumstances. Bush has just frozen the 123 Agreement he signed with Russia because of differences over Georgia, a core Russian strategic interest. It is folly to sign an agreement vulnerable to circumstances that can easily be foreseen.

INDO-US NUCLEAR DEAL AND ITS IMPLICATIONS

On August 1, 2008, the IAEA approved the safeguards agreement with India, after which the United States approached the Nuclear Suppliers Group (NSG) to grant a waiver to India to commence civilian nuclear trade. The 45-nation NSG granted the waiver to India on September 6, 2008 allowing it to access civilian nuclear technology and fuel from other countries. The implementation of this waiver makes India the only known country with nuclear weapons which is not a party to the Non Proliferation Treaty (NPT) but is still allowed to carry out nuclear commerce with the rest of the world.

The US House of Representatives passed the bill on 28 September 2008. Two days later, India and France inked a similar nuclear pact making France the first country to have such an agreement with India. On October 1, 2008 the US Senate also approved the civilian nuclear agreement allowing India to purchase nuclear fuel and technology from the United States. US President, George W. Bush, signed the legislation on the Indo-US nuclear deal, approved by the U.S. Congress, into law,
now called the United States-India Nuclear Cooperation Approval and Non-proliferation Enhancement Act, on October 8, 2008.

The agreement was signed after three years of negotiations, the deal which provides India with nuclear fuel and technology without signing the Nuclear Non-Proliferation treaty is finally done. After eight disastrous years abroad, is this finally a foreign-policy coup for the Bush administration? That is how it is being sold in Washington, but as a ‘neutral’ observer one would have serious doubts about its wisdom and what it means for the stability of the region.

From the American point of view, they get to sell stuff to India (not just nuclear reactors but, with luck, 126 fighter jets and lots of other materials too) and cement strategic relations with India at a time when China’s aggressive diplomacy in the region with Pakistan, Sri Lanka and Burma is unnerving both India and the US. However, as the torrid negotiations showed, America will never find it straightforward to deal with India, since large parts of the India political establishment deeply distrusts America and, notwithstanding China’s regional ascendancy, do not want to give the US any more leverage over Indian foreign policy than necessary. The basis for a wider strategic Indo-US pact is not as strong as it might seem and as India’s politics continues to regionalise and factionalise, the Indo-US relationship may get harder to manage still.

For India, the deal looks like an unalloyed good, crowning the South Asian leader as the world’s de-facto sixth nuclear power, opening the floodgates to fuel and technology while freeing up capacity to enhance their own bomb-making programmes — and all this without signing the NPT. The deal does, however, put obligations on India. Whatever is being said to soothe the anti-deal factions in India, the Indo-US deal effectively prohibits India from testing a nuclear weapon since fuel supplies and technology transfers would effectively stop if that happened. By 2050, when 25pc of India’s electricity could be nuclear, testing a bomb would effectively put the lights out in Bombay. India’s senior diplomats accept this in private but continue to deny it in public for the sake of the deal, just as they deny in public that
the deal is the outward expression of India’s incredibly rapid rapprochement and growing strategic alliance with the US.

India will, however, not only seek to reduce its obligations to the US but also try to be as free as possible of any dependence upon the US. Hence dealing with France and Russia, as it is allowed, while at the same time her internal difficulties in dealings with the US are not going to go away. If this deal is about a strategic marriage to counterbalance China, it got off to a rocky start, with both sides having very different perceptions of what it meant for the other. These differences persist, which is dangerous in itself. So what about the neutrals, how should they view this deal? With considerable trepidation, one would suggest, as a neutral, the criteria for judging the deal should be whether it will make the region more or less stable; more or less polarized. On that basis, one may not like what one is likely to see.

Firstly, China is unhappy with this deal, as it made plain with its foot-dragging at the Nuclear Supplier’s Group negotiations. China may quite be ready to do a similar deal with its ally Pakistan, just to not let this piece of US strategic manoeuvring go unanswered.

Secondly, the deal cuts an exception for India from the international non-proliferation regime, (which however flawed, was the framework in existence) in time will be used against the West. Iran, Pakistan, North Korea, Egypt...take your pick! India has always refused to sign the NPT because it is an ‘unequal treaty’, cooked up, says its detractors, by the world’s self-appointed nuclear guardians. And yet ironically, this deal reinforces the West’s notion that it can make exceptions to its own rules. This is dangerous.

Thirdly, following on from the above, the deal threatens to fuel the Asian arms race. Whatever India’s intentions Pakistan and others will apprehend, and justifiably too, that the deal frees up capacity for India to increase its warhead numbers. And since the deal keeps India’s military nuclear program outside international inspection, there will be no way of knowing either way. Historically speaking, Pakistan will not give India the benefit of the doubt.

Fourthly, the deal is nakedly political. That might be stating the obvious, but it is too often denied. This is
not just about nuclear technology. It is a big net with far-reaching implications that is being thrown over India, by the US, for being ‘democratic’ and ‘friendly’. George Bush said as much when he signed the bill into the law. “This agreement sends a signal to the world: Nations that follow the path to democracy and responsible behaviour will find a friend in the United States of America.” So, neo-conservatism is not dead yet. That is the kind of divisive, “with-us-or-against-us” language that daily replenishes the global well of anti-US resentment. And of course, it is just this kind of language which so riles the parts of the Indian political establishment that opposed the deal. India just cannot afford to be subservient to any other nation. Therefore, having signed a treaty with France, India is again set to sign yet another one with Russia. Not only that, the stage is also set for entering into an agreement for the production of the Russian sophisticated state-of-the-art weaponry and weapon systems in India as currently more than 70 percent of such weaponry used by India is of Russian origin. Such close collaboration between the two, one, in the nuclear field and the second, in the joint manufacture of advanced defence materials, should be a matter of legitimate concern for the US. It was the US who was keen and more or less openly wooed India into signing the nuclear deal with a view to bringing it into its (US) fold. For that, the US legislation amended Section 123 of the Atomic Energy Act of 1954. It let the US make a one-time exception for India to keep its nuclear weapons without signing the Nuclear Non-Proliferation Treaty (NPT). The amendment overturns a 30-year-old US ban on supplying India with nuclear fuel and technology, implemented after India’s first nuclear test in 1974. But the Indians seem to have outsmarted the Americans on all counts.

The deal also undermines the NPT, which holds that only countries which renounce nuclear weapons qualify for civilian nuclear assistance. The accord also sends the wrong message: it could undercut a US-led campaign to curtail Iran’s nuclear programme, and open the way for a potential arms race in South Asia.

Under the amendment, India must separate its civilian and military nuclear facilities, and submit civilian facilities to inspections by the International Atomic Energy Agency (IAEA). India says 14 of its 22 nuclear facilities are civilian. It is
feared that the pact could make bomb making at the other eight easier as India could divert her all nuclear resources and fuel towards them as the civilian nuclear fuel needs will be met by the US. Not only that, how would US ensure that the nuclear technology and information shared by it with India will not be passed on to the Russians, who will soon have a similar nuclear technology sharing agreement with India? As the vogue phrase has it, we are living in a new, ‘multi-polar’ world, in which Western and US pre-eminence is being challenged rapidly by a resurgent Asia and a newly bellicose Russian Federation. The question is, Will this deal bring those poles together or set them against each other? The answer seems to be the latter. Pakistan had sought a similar civilian technology deal with the US but was refused last in March. It is the only other confirmed nuclear power not to have signed the NPT, saying it will join after India does. A school of thought is of serious views that Pakistan’s own expanding nuclear programme could fan rivalry between India and Pakistan. What option does it have except to look towards East for similar nuclear collaboration? China has supported Pakistan’s nuclear weapons programme since the 1980s. Could the Indo-US deal spur a similar deal between Pakistan and China in the very near future?