

Inter Press Service
November 20, 2006

BUSINESS LOBBIES PUSH INDO-US NUKE DEAL
by Praful Bidwai

NEW DELHI, Nov 20 (IPS) - The United States and India have begun new manoeuvres to push through their controversial nuclear cooperation deal after the U.S. Senate, in a special "lame duck" session last week, passed an important bill facilitating it.

The legislation was approved 85-12, indicating support for it from many Democrats as well as Republicans, who lost control of both chambers of Congress in recent mid-term elections.

Earlier, in July, the House of Representatives had passed another bill in the deal's favour. The new Congress convenes early next year.

The most important first step the two governments will negotiate during the tenure of the current Congress is reconciliation or harmonisation of the text of the two bills so it is diluted enough to conform to the original terms of the agreements signed between President George W Bush and Prime Minister Manmohan Singh in July last year and this past March.

The Indian government has accorded a cautious welcome to the Senate resolution. It has misgivings about the Congressional bills in their present form because they impose terms that go beyond the original agreements. Backed by U.S. business lobbies, it is pressing hard to have the conditions diluted, especially in the Senate bill.

New Delhi is also making preparations for the future approval of the agreement by the 45-nation Nuclear Suppliers' Group and the International Atomic Energy Agency, which is necessary before the India-U.S. bilateral agreement takes effect.

India has opened a new gambit with China by offering to discuss nuclear civilian cooperation with it just as President Hu Jintao begins a four-day visit to the country Monday.

"The fact that the bill went through in the Senate despite the Democrats' emphatic victory in the elections shows that the ethnic Indian-American and U.S. business lobbies prevailed," says **M. V. Ramana, a physicist and nuclear affairs analyst attached to the Centre for Interdisciplinary Studies in Environment and Development in Bangalore.**

Earlier, it was not clear if the lame duck session of the existing Congress would take up the bill and pass it without amendments. But it did, and all the five amendments moved were defeated.

Ramana attributes the bill's passage to the fact that its promoters succeeded in presenting it as a measure of India-U.S. cooperation, not as a nuclear issue. "It was offered as a litmus test for America's growing relations with an 'emerging superpower', which few American politicians want to be seen to be opposing," he said.

The Kolkata-based 'Telegraph' newspaper reported that the "Coalition for Partnership with India" and the U.S.-India Business Council lobbied individual senators hard to defeat the "killer" amendments.

Council president Ron Somers said the bill "lays the foundation for major trade and investment opportunities in India for U.S. companies. As many as 27,000 high-quality jobs each year each year for the next 10 years will be created in the U.S. nuclear industry alone."

The Bill's passage through the Senate has already spurred moves towards huge Indo-U.S. defence deals, including the purchase of a squadron of C-130 airlift aircraft, and possibly as many as 126 combat planes such as the F-16 Falcon or the F-18 Hornet, besides collaboration in ballistic missile defence development.

Yet, the Congressional bills contain "restrictive" clauses that the Indian government will find it hard to sell to the domestic opposition, indeed to its own Left-wing allies. These were introduced by US lawmakers in keeping with their domestic preoccupations, and with Washington's nuclear non-proliferation agenda.

The deal makes a unique exception for India, which declared itself a nuclear weapons-state (NWS) in 1998 although it is not a signatory to the Nuclear Non-Proliferation Treaty. Under the agreement, the U.S. would "normalise" India as a de facto NWS and resume civilian nuclear commerce with it, suspended since 1974.

Among the Bills' restrictive clauses are: a condition limiting the scope of India-U.S. civilian nuclear transactions to exclude spent-fuel reprocessing, uranium enrichment, and heavy water production; a clause that requires "end-use" monitoring of U.S. exports or re-exports of nuclear materials, equipment and technology; and annual certification by the U.S. president that India is in compliance with its non-proliferation commitments.

Another clause of the Senate Bill also limits future U.S. supplies of nuclear fuel to an imported reactor's actual operating needs, making Indian stockpiling of fuel near-impossible.

India insists that Washington must stick to its original promise of full-scale civilian nuclear commerce, without conditions.

There are, besides, sequencing issues: under the original agreement, India would have the deal endorsed by the IAEA and the NSG after the U.S. enacts all the necessary legislation in its favour. However, the Bills reverse that order.

The Bills mandate the deal's cancellation if India conducts a nuclear weapons test by abrogating its "voluntary" unilateral moratorium on testing. This is seen by many domestic critics as coercing India to abide by a Comprehensive Test Ban Treaty "by the backdoor".

"India can live with most of these conditions," says Lalit Mansingh, India's former Foreign Secretary and ambassador to the U.S. "But the optics of the whole business are determined by the commitments made by Prime Minister Singh in Parliament this past August."

Singh's categorical statements that he will not accept any departure from the original agreement leave India with very little room for manoeuvre or flexibility. There are also some hard-Right elements in the Indian nuclear establishment which want India to conduct another test, especially of a hydrogen bomb. (The May 1998 test of such a device is known to have been a "dud".)

Both the Bush administration and the Singh government hope to dilute or remove these conditions in the Senate-House conference committee under the guise of "reconciling" the Congress Bills and getting them passed by the two chambers in December.

However, even if they fully succeed in doing this, the deal will still have to go through one more legislative process called the "123 agreement", to amend the relevant section of the U.S. nuclear non-proliferation Act. It will also have to clear the IAEA and the NSG.

Some members of the IAEA board of governors are reportedly averse to making an India-specific exception to its safeguards agreement for the 14 civilian power reactors (of a total of 22), which New Delhi has offered to put under the agency's inspections.

Some NSG members too may block the deal's approval, including the

Nordic countries, Ireland, New Zealand, and possibly, China.

India may now try to soften up China by offering it the carrot of purchase of nuclear material, including reactors of the kind Beijing is planning to sell to Pakistan.

China may not be averse to nuclear "cooperation" with India. In the past, China had supplied enriched uranium fuel to India's U.S.-built reactors at Tarapur near Mumbai. It also clandestinely sold a consignment of heavy water to India.

"It would be most unfortunate if India co-opts a number of states including China in its parochial pursuit of an enhanced nuclear weapons capability," argues Achin Vanaik, professor at Delhi University's political science department. "After all, the India-U.S. nuclear deal is only partly civilian. At its core, it's about legitimising India's nuclear weapons and acquiring more material, including nuclear fuel, to expand its nuclear arsenal." (END/2006)
