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India-US nuclear agreement: a bad deal



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The limited nature of the non-proliferation benefit and the many disadvantages make this a bad deal. What might change the situation is a vote against the deal by the US Congress or the Nuclear Suppliers Group. But it is too early to predict the final outcome with any confidence

P rime Minister Manmohan Singh seems to be on a roll. After his recent speech at Oxford University where he painted British colonialism in bright colours, Singh now seems to be cosying up to US imperialism. Indeed, as laid out in the Joint Statement, he would like India to “assume the same responsibilities and practices... as other leading countries with advanced nuclear technology, such as the United States” Considering the rather sordid record of the United States on nuclear issues, the outlook seems rather bleak. The deal is yet another example of President George Bush’s unilateralist policies. His rejection of thirty years of US and international agreements about nuclear exports to non-NPT states constitutes a blow to the non-proliferation regime.



Prime Minister Manmohan Singh and President Bush: the new partners?

Before looking at the context or the implications of the deal, let us consider some of the ironies in the text of the agreement itself. To start with, the US and India are described as “nations committed to the values of human freedom, democracy and rule of law” In the aftermath of the invasion of Iraq, and the atrocities committed in Guantanamo and Abu Ghraib, the term hypocrisy no longer suffices as description for such assertions. Then in the section on energy and environment, the US, which under President Bush has done its best to scuttle attempts to combat climate change, and India, where environmental considerations have played practically

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no role in determining its energy policy, “agree on the need to promote the imperatives of... safeguarding the environment [and] commit to developing and deploying cleaner... energy technologies.”

cannot purchase uranium on the international market. If the new deal goes through, it could do that



What are the motivations for this agreement? The Indian motivations are fairly clear (and will become clearer later on when it becomes apparent that the “compromises” made by India do not really constrain Indian plans.) On the US side, one answer comes from economist Paul Krugman’s analysis of the energy policy of President Bush and Vice-president Dick Cheney. As Krugman pointed out, they “don’t believe in free markets: what they’re really into is heavy metal. Refineries! Pipelines! Nuclear power plants! That’s the stuff!” That is one important motivation for this agreement: the Bush administration’s love for nuclear power. However, within the US, this enthusiasm has not yet translated into any new orders for nuclear reactors. Despite the US Department of Energy (DOE) offering large grants and subsidies to promote nuclear energy, the date when the last nuclear reactor was ordered by a US utility (and not cancelled) remains 1974. And so India becomes attractive as a customer, and also a guinea pig, for reactors built by US companies. Notwithstanding his advanced degree in economics, Prime Minister Singh seems not to appreciate the expensive and uncompetitive nature of nuclear power.

Another US motivation for the deal is to prop up India as a counter to China. This is an old dream (one that prompted some in the US State Department to consider helping India conduct a nuclear weapons test before China conducted its first test in 1964) but it was never fulfilled due to India’s non-alignment policy. One hint of the anti-China bias, though it could also be interpreted as reflecting on Pakistan, is the emphasis on the credentials of the US and India as democracies. The recent defence framework signed by Pranab Mukherjee and Donald Rumsfeld also included a commitment to collaborate on missile defence, a programme widely seen as aimed at neutralising the Chinese arsenal.

What this means for India, apart from increased wasteful expenditure on nuclear energy, would depend on how exactly the deal is implemented. However, in the debate that has ensued, some positions seem fairly clear. First, there are unambiguous indications that the nuclear lobby will seek to keep the entire current plutonium stockpile, both weapons grade and reactor grade, outside of safeguards. Every attempt will also be made to obscure any estimate of the size of the current stockpile. Thus, operating records of Indian reprocessing plants are unlikely to be showed to IAEA inspectors, though without such transparency, the possibilities for cheating and moving some fissile material from the “civilian” to the military stockpile would be higher.

Second, the agreement gives the Indian nuclear industry a new boost of life. Even after fifty years of generous government funding, nuclear power constitutes barely 3% of the country’s installed electricity capacity. But over the next few years, when construction of two 1000 MW reactors from Russia is completed, nuclear capacity will go up by nearly 50%. Import of similar large capacity reactors from Russia or the US, or countries like France – which are also likely to join the game – would boost nuclear generation capacity even further. Increased nuclear capacity is not to be considered a benefit. It is expensive, and comes with safety concerns, environmental and public health consequences, and the burden of dealing with long-lived

radioactive waste.

Increased nuclear capacity would also mean that the Department of Atomic Energy (DAE) would gain institutional clout, further boosting its ability to shape India's nuclear policy. Many in the DAE are quite aware that their clout comes more from the ability to produce nuclear weapons rather than nuclear energy. So nuclear disarmament, despite routine lip service to the ideal of global abolition, is not in their vested interests.

Finally, the deal offers a way for the DAE to overcome what is currently the most significant constraint on expanding nuclear power in India – availability of uranium. India's uranium reserves are quite limited and the ore is of poor quality (low grade). With an expanding nuclear power capacity, the uranium production rate has not been able to keep up with the demand. Because India has not signed the Nuclear Non Proliferation Treaty, it has been prohibited from purchasing uranium on the international market. If the new deal goes through, India can purchase uranium from the international market.

With uranium available from the international market being used in its safeguarded power reactors, India's own uranium reserves may then be dedicated to the weapons programme. This would likely translate into an increased uranium enrichment programme for nuclear submarines and the construction of a new large dedicated plutonium production reactor. Limited uranium availability is quite likely to have restricted such plans in the past. Since military nuclear activities do not fall into the purview of the deal, all of these are perfectly legitimate.

The only benefit, as it were, to global and regional security from this agreement is that it would bring in all of India's "civil" nuclear facilities under international safeguards. This would allow the International Atomic Energy Agency (IAEA) to try to ensure that these facilities are not involved in producing raw materials for nuclear weapons, at least in the future. How much of a benefit this is depends on how much one is concerned about the possibility that the power reactors that are to come under safeguards are used to produce fissile material for India's nuclear weapons arsenal. If the current plutonium stockpile is not put under safeguards and can potentially be used to make nuclear weapons, then the benefit of restricting future production is fairly slim.

The limited nature of the non-proliferation benefit and the many disadvantages listed above make this a bad deal. What might change the situation is a vote against the deal by the US Congress or the Nuclear Suppliers Group. With the UK announcing that its current policy of not trading with India remains in place, there is a slim possibility of the latter. But it is too early to predict the final outcome with any confidence.

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