

# Nuclear Supplier Group gives India unique “waiver,” but only after row between Delhi and Beijing

## China’s opposition

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In the face of immense political pressure from the United States and a frantic Indian lobbying campaign, the 45-nation Nuclear Supplier Group (NSG) agreed on September 6 to grant India a unique “waiver” exempting the South Asian country from the NSG’s rules governing civilian nuclear trade.

Chinese opposition to the decision was only overcome after US President George W. Bush telephoned Chinese President Hu Jintao and a major diplomatic row had erupted between Beijing and New Delhi.

The NSG waiver lifts an over three-decade, US-led world embargo on civilian nuclear trade with India that was imposed after the country first exploded a nuclear device in 1974.

The waiver means India now has the legal right, under the world nuclear regulatory regime, to trade for civilian nuclear fuel and technology.

India is desperate to import advanced technology and nuclear fuel. Its 22 existing nuclear power plants are reportedly operating at 40 percent or less capacity and its own uranium reserves are very limited.

Even more importantly, the Indian elite have desperately sought the NSG waiver because they view it as an important stepping stone to achieving “great” or “world” power status and a privileged relationship with Washington.

The lifting of the NSG embargo, and a similar agreement with the UN’s International Atomic Energy Agency (IAEA) finalized last month, go a long way toward legally recognizing India as a “Nuclear Weapons State,” a designation that the US, Russia, Britain, France and China have long reserved for themselves.

Hitherto, only states (other than the five recognized nuclear weapons states) that placed all their nuclear facilities under IAEA inspection and were signatories to the Nuclear Non-Proliferation Treaty (NPT) have been allowed, under NSG rules, to import civilian nuclear fuel and technology.

This NSG canon no longer applies to India—a state that developed nuclear weapons in defiance of the NPT and continues to refuse to sign the treaty.

The US, which has led the drive to create for India a “special status” within the world nuclear regulatory regime, claims that what has been at issue is merely civilian nuclear trade. This is trebly false.

First, a key Indian motivation in seeking access to foreign civilian nuclear technology and fuel is so that it can focus the resources of its indigenous nuclear program on developing its “strategic deterrent,” i.e., nuclear weapons.

Secondly, a key reason both Washington and New Delhi have joined forces to change the rules of nuclear trade in India’s favor is because the lifting of the NSG embargo and related US trade prohibitions will permit

the development of a massive Indo-US trade in advanced armaments and military technology.

Last but not least, if the Bush administration has worked so assiduously, as US Secretary of State Condoleezza Rice has put it, to “help India become a world power,” it is with the hope and expectation that it will be able to harness India to Washington’s predatory ambitions in the Middle East and Asia.

### Incendiary implications

The action the NSG has been goaded into taking by the US has immense and incendiary strategic implications for South Asia, as it tilts the balance of power between India and its historic rival Pakistan sharply in India’s favor. It also rubbishes the basic principle of the nuclear regulatory regime the US championed in an earlier period—that states which pursue nuclear weapons will be “punished” by an embargo on all nuclear trade and those that adhere to the NPT will, in return, be assisted in developing civilian nuclear energy.

And, as was foreshadowed in the events at the NSG meeting itself, it will intensify and complicate the ongoing and ever more explosive rivalry amongst the big powers for markets, raw materials, and geo-strategic advantage.

In addition to the US, Russia and France played a major role in helping to India to obtain the NSG waiver. Both these countries hope to garner a large share of the estimated \$100 billion in nuclear fuel and technology purchases India is planning to make over the next decade.

This is not their only motivation however. Russia, dating back to the Cold War, has a close military and geo-political relationship with India and is anxious to prevent India from being pulled too far into the US orbit. France is also looking to India as a possible ally in a “multi-polar world.”

According to press reports, the US had to use every weapon in its diplomatic arsenal to persuade the NSG to give India the extraordinary waiver. US Ambassador David Mulford, who played an important part in negotiating the agreements that underpinned the US’s stance at the NSG (the Indo-US nuclear accord and then the Indo-US nuclear Treaty) said, “It was the biggest diplomatic effort I have witnessed in my experience since the 1980s.”

In addition to deploying an army of lower level diplomats, the Bush administration sent Condoleezza Rice to lobby the NSG meeting in Vienna, in an attempt to overcome objections and concerns that has been raised by a host of NSG members at an earlier meeting in the third week of August.

While the US had lined up the other members of the G-8 behind the

accord at the annual G-8 summit in early July, a half-dozen smaller advanced capitalist countries—New Zealand, Austria, Ireland, Switzerland, Norway, and the Netherlands—argued that the waiver would undermine the nuclear non-regulatory regime, by effectively demonstrating that the rules could be rewritten for the big and the powerful.

These countries are all closely tied economically and geo-politically with the US and/or the dominant powers within the European Union and are themselves only minor players in nuclear commerce. Thus it is not surprising that they all ultimately capitulated to pressure from the US.

To secure these countries' support, Indian External Affairs Minister Pranab Mukherjee pledged, while in Vienna on September 5, to maintain India's decade-old nuclear-weapons testing moratorium. The "waiver" takes note of Mukherjee's pledge and stipulates that the NSG will meet in emergency session should New Delhi carry out a nuclear test in the future. But there is no binding commitment to suspend nuclear trade with India and the stipulation for a meeting in the event of a nuclear test was already part of the NSG guidelines.

The Hindu supremacist Bharatiya Janata Party, which in 1998 proclaimed India a nuclear weapons state, has denounced this "limitation" on India's military might. But the Indian media and elite are by and large ecstatic over the outcome of the NSG meeting, just as they applauded the Congress Party-led United Progressive Alliance government's willingness to break with the Stalinist-led Left Front which had been sustaining it in power for four years, so to implement the nuclear treaty with the US. (See Indian parliament gives green light to Indo-US nuclear treaty.)

### China's opposition

China's opposition to the "waiver" was much more formidable. After all, India is a longtime strategic rival and the US geo-political establishment, including figures in and around the Bush administration, has trumpeted a strategic partnership with India as a pivotal element of Washington's efforts to contain, and if necessary, confront China.

China had repeatedly voiced reservations about the US's call for India to be given special status within the nuclear regulatory regime. But, presumably hoping the Indo-US scheme would unravel due to either domestic opposition in India or the US or because of opposition from other states concerned about non-proliferation, China did not categorically come out against the lifting of the nuclear embargo on India.

That apparently changed in the run-up to the NSG meeting. On September 1, the Chinese Communist Party's *People's Daily* published an opinion piece that denounced the Indo-US nuclear treaty. "Whether it is motivated by geopolitical considerations or commercial interests," declared the article, "the US-India nuclear agreement has constituted a major blow to the international non-proliferation regime."

The Indian media, reflecting the sentiments of Indian government and officials, has accused China of encouraging the smaller powers in their opposition to the waiver. What is known is that late on the evening of September 5, after the opposition from the smaller countries had crumbled, the Chinese delegation withdrew from the NSG deliberations. As decisions at the NSG are by consensus, the Chinese withdrawal threatened to prevent adoption of the waiver.

It was at this point that Bush telephoned his Chinese counterpart Hu and India reportedly sent Beijing a demarche protesting the Chinese stance.

Ultimately the Chinese negotiators returned to the NSG negotiations and, when the waiver came to a vote, abstained, thereby allowing it to be considered carried by consensus.

According to a report in the September 12 *Times of India*, "It required considerable effort by both New Delhi and Washington to get Beijing to change its position. What perhaps forced China to withdraw the hand it had so impetuously shown was that it did not want to be seen as the only NSG member styming (sic) the waiver which would allow India to

re-engage in nuclear cooperation with the rest of the world."

China's opposition unnerved the Indian elite to such an extent that the Indian government lashed out at China even after obtaining the waiver. Indian National Security Advisor M. K. Narayanan told a television channel Sept. 6, "The (Chinese) Foreign Minister will come here and we will of course express some kind of disappointment. We will say we did not expect this from China."

India's "disappointment" was reportedly one of the main subjects of discussion when

Pranab Mukerjee and his Chinese counterpart, Foreign Minister Yang Jiechi, who began an official visit to India September 7, met up.

Sino-Indian relations have been strained since they fought a border war in 1962. Not long thereafter China emerged as a pivotal ally of Pakistan; indeed, the Pakistani elite routinely refer to China as their "all weather friend."

In recent years there has been a thaw in Sino-Indian relations. Sino-Indian trade now surpasses that between Indian and the US. But the two countries are competing for foreign investment, oil and other natural resources, and influence in South, Central and South-East Asia.

China's overriding concern, however, is not with India per se, but rather with the emerging Indo-US partnership and Washington's obtrusive drive to harness India to its strategic ambitions in the Middle East and Central Asia and use a rising India as a "counterweight" to China.

It will not have passed unnoticed in Beijing that the US has repeatedly used the prospect of the Indo-US nuclear deal to pressure India to follow its lead in IAEA deliberations about Iran. Nor that one of the major goals of the US is to develop military inter-operability with India.

Republican presidential candidate John McCain has called for Russia to be expelled from the G-8 and replaced by India.

Obtaining the NSG waiver was the last hurdle that had to be overcome by India and the US before the 2007 Indo-US Nuclear Treaty could be submitted to the US Congress for ratification.

There have been some voices within the US elite who have criticized the nuclear deal with India, particularly from the standpoint that the US's advocacy of a special status for nuclear-armed India so flagrantly contradicts the US position vis-a-vis Iran, which as signatory of the NPT has the full legal right to develop all aspects of a civilian nuclear program.

But these voices have become increasingly muted. There is a strong bipartisan consensus that the Indo-US nuclear treaty and a strategic partnership with India are of pivotal importance to US imperialism's strategy in the first decades of the 21st century.

Both presidential candidates, Democrat Barack Obama and Republican John McCain, have strongly supported the nuclear treaty. Obama's running mate Senator Joe Biden is not only strongly in favor of the deal, but as Chairman of the Senate Foreign Relations he has promised to start the formal hearings on the treaty this week so as to expedite its approval by the US Senate. The Bush administration is pushing for the treaty to be ratified before the current Senate session ends September 26.

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