

# US-INDIA

# NUCLEAR COOPERATION AGREEMENT

*Status report from a USINPAC  
Fact Finding Mission to India*



US-India Political Action Committee

**USINPAC**

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USINPAC recently concluded a fact-finding delegation to India that sought answers to why the US-India agreement on civilian nuclear energy cooperation is stalled. The Henry J. Hyde US-India Peaceful Atomic Energy Cooperation Act of 2006 was ratified by both houses of Congress and signed into law by President Bush in December 2006. Thus, from the US side, it is considered a done deal.

However, the deal has not been ratified by India because some sections of the Indian polity and civil society seem vehemently opposed to it. USINPAC and other representatives of the Indian American community therefore visited New Delhi to understand the reasons for this resistance. Many among us had campaigned tirelessly within the Indian American community and on the Hill to move forward this piece of legislation that we regarded as beneficial to both the US and India. From our perspective there were many reasons why the deal made sense for India: The Hyde Act recognized and respected the rights of a proud, responsible, and mature democracy – one-sixth of humanity – to chart its own destiny. It sought to give India the means to power a rapid pace of economic development with relatively clean nuclear technology and reduced dependence on coal and oil. And it signified a major shift in US-India relations that could herald a strategic realignment and many such future deals.

### **Gridlock in India**

Although the nuclear agreement had successfully navigated the law-making process in the US, it needs informal majority political support in the Indian legislative system as well in order to be effective. The 123 Agreement, as it has come to be called (after Section 123 of the US Atomic Energy Act, under which it falls), would have to be signed by both governments before it became operational. However, in October this year, the Left parties (CPM, CPI, and some other smaller parties), supporters of the ruling United Progressive Alliance (UPA) government in India, as well as the main opposition Bharatiya Janata Party (BJP), took a strong stand against signing the deal, and thus have opened up a debate on whether the deal is in India's interest.

USINPAC leadership from the US and India met with senior leaders of the ruling UPA govern-

*Hon Kapil Sibal with USINPAC delegates.*



ment, opposition party leaders, and the US ambassador to India. Our sole intention was to understand differing perspectives, so that we could come back and report to our constituencies in the community and on the Hill, and while in New Delhi be sensitive to India's internal democratic processes. We recognized that there may be legitimate disagreements based on perceptions of what was good for India.

## Summary of Discussions

The delegation first met with senior leadership in the Congress party, which has a majority in the Lok Sabha (the House of Commons, roughly equivalent to the US House of Representatives). The Congress party has been responsible for structuring this deal from the Indian side. The delegation held talks with Prithvi Raj Chavan, Minister of State in the Prime Minister's Office (PMO), Rajiv Shukla, a Rajya Sabha MP (Member of Parliament, Congress Party), Kapil Sibal, Minister for Science and Technology, and Prime Minister Dr. Manmohan Singh. We also met Mr. T.K. Nair, Principal Secretary to the PM, to gauge the bureaucracy's opinions about the situation. At the other end of spectrum, the delegation met with Mr. Rajnath Singh, president of the BJP, Mr. Arun Shourie, chief spokesperson of the BJP on the nuclear deal; and Mr. D. Raja, a voice of the Left combine.

**View of the Congress Party:** There was complete agreement among all individuals we met from the ruling Congress party. They agreed the deal was a watershed agreement and would benefit both nations. It would not only give more energy to meet India's growing power needs but also bring India recognition as a legitimate nuclear state with all the rights and responsibilities attached to it. There would also be more incentives for overseas businesses to deal with India. The Congress party saw no compromise in signing this deal and retaining India's nuclear sovereignty. The leadership was perplexed by BJP's opposition to the deal as that party had initiated discussions on a Next Steps in Strategic Partnership (NSSP) with the U.S. when they were in power.

Congress leaders expressed frustration with opposition from the Left parties, who support the government but are not part of it. The Congress believes that they have answered the concerns of the Left, which may be opposing the deal for ideological reasons. The deal, according to the Congress



*Mr. Arun Shourie with USINPAC delegates.*

leadership, is not dead but in a state of abeyance.

**View of the Left:** The Left parties, a term that encompasses the Communist Party of India (CPI), CPI - Marxist (CPM), and some smaller parties, have a significant presence in the states of Kerala and West Bengal. They are on the periphery in other Indian states. However they hold enough Lok Sabha seats to bring down the ruling coalition if they withdrew their support.

The Left very clearly articulated its opposition to the deal - they do not approve of many provisions of the Hyde Act and the 123 Agreement. They feel India is being brought into a strategic alliance with the US. Additionally, according to the Left's analysis, nuclear energy obtained through the deal would be too little and too expensive. The Left has made it clear that it is ideologically opposed to the deal - the leader of the CPI did not contradict this when he met us. The whole issue of Capitalism, as represented by U.S. policies, versus Socialism is constantly being debated by the Left parties in India.

It appeared to members of the delegation that the Left was unlikely to change its stance, unless the Congress party or the government manages to address their concerns. Since the Left has been a partner of sorts with the government, the best chances may still lie in the government convincing the Left that that deal does not impinge on Indian foreign policy by overly exposing its foreign policy to US influence.

**View of the Bharatiya Janata Party (BJP):** The BJP headed the NDA coalition that ruled India from 1999-2004. They had initiated talks with the US about getting acceptance as a legitimate nuclear state. They had also held a series of meetings with the US administration and had declared a unilateral moratorium on future nuclear tests.

BJP leadership told the delegates that they were not opposed to having a deal with the US. They stressed that they were the ones to have initiated talks with the US when they were in power. They opposed specific provisions of the deal that they felt compromised India's minimum nuclear deterrence, affected India's foreign policy decisions, imposed perpetuity in safeguards without offering it in supply of fuel,



and subjected India to the domestic US Hyde Act. They believed that the deal was intended to cap and roll back India's nuclear program.

With so many objections, the BJP seemed unlikely to come around to accepting the deal. Although they appear more open to discussion and debate than the Left, their objections are very clear. Yet, from a long term perspective, they do are ideologically well disposed to free markets, and capitalism.

View of the US Embassy: Like many political leaders in India and in the US, Ambassador Mulford is unhappy about the situation. He and his staff had put a lot of effort into shepherding the deal this far and had been optimistic about bringing the process to fruition. His disappointment flows also from his belief that the deal is good for India and will go far in giving it its rightful place in the world. Conversely, refusing to go the distance may cause India to lose credibility when it deals with other countries on strategic issues – although observers like Henry Kissinger have said that the failure of the deal will not necessarily handicap long-term US-India relations or India's place on the world stage.

## Conclusion

Although Congress feels that it has informed and consulted with all parties in making this deal, both the Left and the BJP contend they were not consulted from the outset. Congress Party, the major player, hopes that the deal can be rescued as it is currently 'paused.' The situation in India, already a difficult one, has been made more difficult because the various stakeholders do not seem to be engaging one another in a detailed dialogue.

Every party recognized USINPAC as an organization that is working in an unbiased fashion. All parties who met the delegation conveyed their readiness for a dialogue with the others. Each party requested the delegation to initiate and proceed with a series of communication with all the parties if the opportunity arose.

USINPAC feels that the way ahead is for an open parliamentary debate on the issue that would help air everyone's views and lead to a workable solution.

## Meeting Summaries

Our discussions with party leaders are summarized here.

### **Manmohan Singh, Prime Minister of India (Congress Party)**

Prime Minister Manmohan Singh warmly greeted the US India Political Action Committee (USINPAC) delegation, and thanked us for making the trip to New Delhi at this critical moment in Indo-US relations. Prime Minister Singh went on to praise the work done by USINPAC on behalf of the Indian-American community and US-Indian relations for the past five years, calling it their "labor of love".

The Prime Minister seems determined to take the US-India Civilian Nuclear Agreement forward despite some opposition, typical of India's vibrant democracy. He voiced his strong belief that this agreement was the best way forward for India, the United States, and the world.

On the well-publicized opposition in India to this deal, the Prime Minister remarked that "those who fear that our foreign policy would be influenced by signing this deal should know that India is a big country and cannot be arm-twisted by anyone." He felt that he has fully delivered on his promise to the people of India regarding the deal, which he made in his speech to the Indian parliament on August 17th 2006, and that objections from both the Left parties and the BJP have been completely addressed in structuring the deal.

When asked by Mr. Sanjay Puri, chairman of USINPAC, what message the Prime Minister wanted USINPAC to take back to the US, the Prime Minister said his government is working hard to take this deal forward. He appreciated that the American side had done a lot to get this deal through their own political opposition and in supporting India in the process.

### **Rajnath Singh, President, Bharatiya Janata Party (BJP)**

The delegation asked the BJP president about his party's stand on the US-India civil nuclear deal.

Mr. Rajnath Singh stated unequivocally that the BJP is fully committed to a strong US-India relationship and that while it is not against the US-India Civil Nuclear Agreement, it had clear concerns that needed resolution. BJP's concerns about national security, in particular, needed to be addressed. He said there needed to be assurances that India's minimum deterrence is not compromised. Nor should the independence of India's foreign policy be sacrificed.

Mr. Singh suggested that a way forward for the deal would be for the PM to make a Joint Parliamentary Committee, consisting of members of UPA, Left, BJP and other parties, to discuss the deal in detail. The opinion of the members should then be brought to Parliament for discussion. This demand of the BJP had held up parliament proceedings for most of the previous session.

Mr. Singh said, in response to a question from Mr. Robinder Sachdev of USINPAC, that the most important message that the delegation could take back to the US Congress and the Indian American community is that the BJP does not oppose the deal in principle as they had started it in the first place.

### **D.Raja, National Secretary, Communist Party of India (CPI)**

Surabhi Garg of USINPAC asked Mr. Raja to explain his party's position on the US India Civil Nuclear Agreement. She said the general perception among Indian Americans was that a deal so

manifestly in India's national interest was being held hostage by the Left because of their ideological opposition to the US.

Mr. Raja gave his reasons why the CPI and other Left parties, who have always worked in unison, have opposed the deal and come into conflict with other parties. He said the specifics of the deal had been scrutinized by senior scientists, intellectuals and by the party leadership before it had been decided to oppose the deal.

This deal, said Mr. Raja, is not acceptable to CPI for a few reasons.

- It subjects India to the Hyde Act, which is a domestic US law. CPI does not want India to be covered by US laws. He pointed out that China's 123 agreement is not governed by domestic U.S. law, and is rather in purview of international regime.
- While the safeguards are for perpetuity the fuel supply is not.
- The US is compelling India to be a military partner and share the unpleasant consequences of its misadventures.
- The Left's objection to the 'sovereignty' issue, unlike that of the BJP, is not about safeguarding India's freedom to test nuclear weapons, but because they want India to push for universal nuclear disarmament.
- Their analyses led to the conclusion that nuclear energy was

going to be more expensive than that obtained from other sources.

The bottom line, he said, was that the Indian government has not been able to convince them on why the US would not end up acting like a big brother to India on foreign policy. In the Left's view, India would end up yielding to arm-twisting by the US.

Mr. Raja questioned US government pronouncements on clean energy for India when the US itself had not signed the Kyoto Accord. He dismissed concerns that India's image would be sullied if it does not go ahead with the deal. The US, he pointed out, had signed the CTBT without sanction from its legislature, and world history was replete with examples of international treaties that were not ratified by the home legislature. This deal may be another example.

Mr. Raja also noted that India has been achieving 9.2 percent growth without any nuclear deal. He said he wondered how long the NSG could remain an elite club when the NSG countries and IAEA were facing a meltdown. In this view, the NSG and the entire regime of Atoms for Peace as enunciated by Eisenhower is redundant half a century later.

USINPAC's fact finding delegation received extensive media coverage in India. Dozens of outlets, including the Times of India, The Hindu, the Statesman, The Indian Express, Business Standard, The Tribune, NDTV, and other major English and Indian language media, closely followed USINPAC meetings with Indian leadership.

USINPAC is encouraged by the level of healthy public debate in India over the US-India nuclear deal. No one disputes that India badly needs reliable energy sources to sustain its strong pace of economic growth. However, any solution has to have strong public backing.

The Indian polity is highly fragmented, reflecting the heteroge-

neity of the population in terms of ideology, religion, language, etc. The press helps transcend those differences and plays a very important role as agenda setter and public forum. Over the years,

USINPAC has assiduously cultivated the Indian press by keeping them informed about our activities in the US, arranging annual delegations to India with press participation, and otherwise engaging with the media in many ways.

Today, the Indian media and, by extension, the Indian public seem to trust USINPAC as an advocate and facilitator of US-India ties. USINPAC is both honored and humbled by the interest and seriousness accorded the Indian American viewpoint by politicians and the public in India.



## Landmark USINPAC Event in January 2008

In January 2008, USINPAC will lead its fifth Annual Delegation to India. Delegations to India are a signature event of USINPAC and one to which many prominent Indian Americans look forward every year. The fifth consecutive delegation is a landmark of sorts, especially because we have grown so much stronger with each successive delegation. Delegates every year have been fortunate to meet and interact with the leaders of government and industry, other political parties and entertainment personalities. This year's delegation will also feature events celebrating our fifth birthday. Contact [info@usinpac.com](mailto:info@usinpac.com) for more details.

## A Small Sampling of Media Coverage Given USINPAC's Fact Finding Mission

Date	Headline	Outlet
10/17/2007	Indo-US biz lobby to keep pressing for N-deal	Hindustan Times, New Delhi, Online
10/17/2007	US-India business lobby to keep pressing for nuclear deal	Hindustan Times
10/18/2007	US desis head home to canvass for N-deal	Pioneer Online
10/19/2007	Indian-American Delegation Travels to India at Critical Moment	Earthtimes
10/22/2007	Indian-Americans to meet left leaders	NDTV India - Online
10/22/2007	Nuke deal USINPAC-led delegation to meet political parties	Hindu - Online
10/22/2007	Nuke-deal: Indian-American team to meet left leaders	NDTV.com
10/22/2007	Nuke deal: USINPAC-led delegation to meet political parties	Frontline
10/22/2007	Nuke deal: USINPAC-led delegation to meet political parties	Hindu
10/22/2007	Break-Through for Indian Politics in United States: Indian	Asian Tribune
10/23/2007	PM still hopeful about N-deal	Economic Times - Mumbai Edition Online
10/23/2007	There is still hope on nuclear deal, says Manmohan	Hindustan Times - New Delhi - Online
10/23/2007	Nuclear deal Manmohan hopeful of solution	Hindu - Online
10/23/2007	I'm still hopeful about nuclear deal: PM	Sify
10/23/2007	Indian Prime Minister Committed to the U.S.-India Nuclear Deal	Macro World Investor
10/23/2007	PM still hopeful about N-deal	Economic Times
10/23/2007	Burns urges India to act on N-deal	NDTV.com
10/23/2007	There is still hope on n-deal: PM	Khabrein.info
10/23/2007	There is still hope on Indo-US nuclear deal: PM	Hindustan Times
10/23/2007	Team meets PM on Indo-US N-deal	Hindu Business Line
10/23/2007	Left-UPA tensions resurface	Business Standard
10/23/2007	Indian Prime Minister Committed to the US-India Nuclear Deal	Earthtimes
10/24/2007	PM raises fresh hope over U.S. nuclear deal	Yahoo! India
10/24/2007	'PM will not give up, determined to push N-deal'	Yahoo! India
10/24/2007	PM Manmohan Singh talks strongly about completing the nuke deal	India Daily
10/24/2007	'PM will not give up, determined to push N-deal'	Financial Express - Online
10/24/2007	N-deal Indo-US lobbyists meet Left	Economic Times Mumbai Edition Online
10/24/2007	PM raises fresh hope over US nuclear deal	Reuters India
10/24/2007	Indian PM raises fresh hope over US nuclear deal	Reuters UK
10/24/2007	The Nuke Deal Is Dead	CounterCurrents.org
10/24/2007	Advani calls Manmohan - Will they make up on Nuclear Deal ?	Blogger News Network
10/24/2007	PM Manmohan Singh talks strongly about completing the nuke deal	India Daily
10/24/2007	Indo-US lobbyists meet Left, BJP on N-deal	Economic Times
10/24/2007	PM's nuclear-normal message to military	Calcutta Telegraph
10/25/2007	Singh raises new hope over nuclear deal	Dawn - Online
10/25/2007	India's Prime Minister Singh raises fresh hopes over US nuclear deal	China Post
10/28/2007	Indian Americans become conduit between PM, BJP	Hindustan Times