

This Business of a US-India Nuclear Deal

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In his farewell address on January 17, 1961, President Dwight D. Eisenhower delivered the prophetic warning: "In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex." He was talking of the influence of the complex (for which his epithet was to prove enduring) in Washington's corridors of power.

We in India had to wait until the second term of a distant successor with very different views on the subject to discover the relevance of the warning to us. The US military-industrial complex (along with its strategic-business partners elsewhere) has just given us proof of its influence in the councils of government in New Delhi as well. The influence has, in fact, been as important a factor behind the dramatic advance towards the finalization of the US-India nuclear deal as the diplomatic skills said to have been displayed on both sides.

Conspicuous has been the omission of the role of the complex in official versions of the advance. By these accounts, it was the brilliant negotiators on both sides who brought about the advance. On July 18, 2005 President George W. Bush and Prime Minister Manmohan Singh sprang a nasty surprise on the peace-loving world with the announcement of a nuclear deal to be worked out in detail. On the same date last month, high-ranking Indian officials started fresh talks with their US counterparts in Washington to give a final shape to the deal in the form of a bilateral agreement, as required under American law.

Days later, the two sides proclaimed to a dead world that the deal had been clinched at last. The text of the agreement was ready, with well-advertised differences vanishing as if at the touch of a magic wand. Nuclear scientists and others, who had made so much noise about "the

national sovereignty" involved, suddenly fell silent, with some of them even turning into eulogists of the deal.

There is no doubt, of course, that India's "strategic concerns" over the deal seem to have been addressed, to the satisfaction of nuclear hawks here. The discretionary powers of the US president, it has been delicately hinted, will take due care of the letter of American law, which had seemed to prohibit further nuclear testing in India, for example. But there was more to the advance than met the eye in mere official statements.

Less than due publicity was given to the fact that the military complex was conducting its own parallel negotiation process. Buried in reports on the advance was a semiofficial acknowledgement of this accompanying exercise.

The former chairman of India's Atomic Energy Commission, M. R. Srinivasan, a late addition to the pro-deal lobby, let the cat out of the bag. A newspaper story reported him as saying that, once the 123 Agreement was legislatively approved in both countries, "French and American nuclear businesses, holding talks with Nuclear Power Corporation of India Limited (NPCIL) could go ahead with the selection of sites for power plants and other modalities." He added: "All these things will begin rolling once the agreement ... gets final approval from the Union Cabinet." The Cabinet, it may be noted, has already approved the agreement, though the text is going to be placed before Parliament only on or after August 10.

On July 21, Ron Somers, president of the US-India Business Council, articulated the main concern of the military-industrial complex in the matter. While hailing US civilian nuclear cooperation with the "world's largest free-market democracy," he said the agreement "will present a major opportunity for US and Indian companies ..."

He took the opportunity to plead for adoption by the US Congress and India's Parliament of a "multilateral Convention of Supplementary Compensation (CSC), so US and Indian private-sector companies can engage in India's nuclear power build-out." The convention will

provide a compensation mechanism against unforeseen liabilities. "Without this mechanism," Somers said, "Americans would be put at a disadvantage in competition with public-sector companies from France and Russia."

The US-India Business Council, a division of the three-million-member US Chamber of Commerce, has been spearheading advocacy of the deal through the Coalition for Partnership with India.

We have noted before in these columns the expectations of corporations and experts from the deal, and these bear repetition. Expert projections made in December 2006 envisage an increase in India's nuclear arsenal by 40 to 50 weapons a year as a result of the deal. The country is also expected to acquire 40 nuclear reactors over the next two decades or so.

According to more recent reports, India has announced plans to expand its current installed nuclear-energy capacity from 3,500 megawatts to 60,000 megawatts by 2040. The expansion is valued at \$150 billion.

Last year, Somers said the deal would create 27,000 "high-quality" jobs a year over the next decade in the US nuclear industry, "which has been losing orders in a world increasingly wary of nuclear power."

Corporations on both sides spent large fortunes on hard-selling the deal to an initially reluctant Congress. New Delhi has spent about \$1.3 million dollars in this regard on two lobbying firms, one of which (Barbour, Griffith and Rogers) is headed by US Ambassador to India Robert Blackwill. The US-India Business Council has not revealed the amount it paid Patton Boggs, a lobbying firm known for its larger fees.

The Confederation of Indian Industries, for its part, has helped to fund numerous business trips to India by US congressmen and their staff over the past few years. Modest estimates place the cost of nuclear tourism at \$550,000.

The US military-industrial complex does not conceal its excitement at the mega-sized defense agreements with India and the proposed Indian cooperation with Bush's missile-defense program.

Last year, talk in the complex was about a \$9 million contract for Lockheed Martin to supply 126 fighter planes. There is talk now of more profits ahead for the arms merchants from the \$40 billion budget for India's defense purchases by 2020.

When the nuclear warship USS Nimitz came calling at the port of Chennai on India's southern shore last month, US Ambassador David Mulford used the occasion to talk of a "new era of defense cooperation." He recalled that last year India had purchased the troop carrier USS Trenton and hoped for the possible sale to this country of C-130 aircraft, "the celebrated workhorse of multi-role lift airplanes with the longest continuous production run of any military aircraft."

The cost of all the commerce the agreement will make possible, for the poor people of India and for peace in South Asia, of course, does not enter at all into the calculations of the military-industrial complex.

P.S.

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