

# URANIUM SALES TO INDIA: TESTING AUSTRALIA'S COMMITMENT TO THE NPT

The Federal Government is under pressure to overturn policy banning the export of uranium to India. This is controversial because India is a nuclear weapons state and has not signed the Nuclear Non-Proliferation Treaty (NPT). The debate has important implications regarding Australia's professed leadership on nuclear weapons non-proliferation and disarmament.

The Coalition Government reversed its previous policy of prohibiting uranium sales to India in August 2007, but lost office three months later. The Labor Government has upheld binding Labor Party platform policy of prohibiting uranium exports to countries outside the NPT (India, Pakistan, Israel, North Korea).

However the Labor Government supported international negotiations which have opened up nuclear trade between India and a number of other countries. Some argue that this is a contradiction that can only be resolved by a change in uranium policy. However the events set in train by the opening up of nuclear trade with India have been disastrous from a non-proliferation standpoint. These events include an escalating nuclear arms race between India and Pakistan, and a weakening of the global non-proliferation and disarmament regime.



*'The events set in train by the opening up of nuclear trade with India have been disastrous from a non-proliferation standpoint.'*

Australia should commit to strengthening rather than weakening the fracturing nuclear non-proliferation and disarmament regime. To

that end, Australia needs to maintain the ban on uranium sales to non-NPT states, to work internationally to re-establish that norm, and to be more pro-active in other areas such as policy on uranium supply to 'declared' nuclear weapons states flouting their disarmament obligations under the NPT.

Claims made about the benefits of allowing uranium sales to India do not stand up to scrutiny:

- Export revenue would be negligible.
- Claims made about the environmental benefits of nuclear power ignore the enormous potential to pursue clean energy options in India through renewable energy and energy conservation.
- The claim that Australia should sell uranium to India because of India's 'strategic importance' ignore the strategic importance of Pakistan (which resents the preferential treatment given to India), the strategic importance of regional stability in South Asia, and the strategic importance of the global nuclear non-proliferation and disarmament regime.

Australia can stand with the vast majority of nations in upholding and attempting to strengthen the fragile nuclear non-proliferation and disarmament regime, or we can stand with those who continue to undermine it.

A detailed, referenced version of  
this paper is posted at  
[www.choosenuclearfree.net](http://www.choosenuclearfree.net)



**The Nuclear Awareness Project is an initiative of the Medical Association for Prevention of War, the International Campaign to Abolish Nuclear Weapons and Friends of the Earth, Australia.**  
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# THE US-INDIA NUCLEAR AGREEMENT

The US-India nuclear agreement was first announced in 2005 and it was concluded in 2008. The agreement permits nuclear trade between the US and India. Related agreements in the 46-nation Nuclear Suppliers Group and the International Atomic Energy Agency have made it possible for other countries to follow the lead of the US. Several countries have since taken steps to initiate nuclear trade with India, including France, Russia, Japan, Canada, and the UK.

**India made no commitments.** The US promoted the US-India agreement with claims that India would agree to various non-proliferation and disarmament commitments. However no concessions were achieved. India has not committed to nuclear disarmament; still refuses to sign the Comprehensive Test Ban Treaty (CTBT – the international treaty banning nuclear tests); continues to produce fissile (explosive) material for weapons and to expand its nuclear weapons and missile programs more generally; and has not committed to comprehensive safeguards.



US President George W. Bush and India's Prime Minister Manmohan Singh, New Delhi, 2 March 2006.

**Supporters of the US-India agreement have resorted to dishonest arguments.** These include the claim that India's 'moratorium' on nuclear tests is a victory although it was in place before the US-India negotiations and is clearly no substitute for signing and ratifying the CTBT. India's willingness to separate its peaceful and military programs is portrayed as a successful outcome, but it does not constrain India's nuclear weapons program in any way

and is part of a process which legitimises India's weapons program and facilitates its expansion.

**The US-India agreement has made it less likely that other non-NPT weapons states (Israel, Pakistan, North Korea) will disarm and sign the NPT.** Pakistan resents the selective support for India's nuclear program and is well aware of the potential for civil nuclear trade to facilitate an expansion of India's arsenal of nuclear weapons. Increased nuclear cooperation between Pakistan and China is a likely outcome of nuclear trade between the US, Australia and India – indeed a dispute is unfolding over China's plans to supply Pakistan with nuclear reactors.

**The nuclear arms race between India and Pakistan is escalating as a direct result of the US-India agreement.** Both countries are continuing to produce fissile material (possibly at an increased rate), both countries are increasing their capacity to produce fissile material, and both countries are expanding their nuclear weapons and missile programs more generally.

**Nuclear trade with India undermines a fundamental principle of the global non-proliferation and disarmament regime.** This is the principle that only signatories to the NPT can engage in international nuclear trade for their civil nuclear programs. The precedent set by nuclear trade with India increases the risk of other countries pulling out of the NPT, and building nuclear weapons with the expectation that civil nuclear trade would continue.

*"[The US-India agreement] has the dangerous potential of triggering a nuclear arms race among India, Pakistan and China, with disastrous consequences for Asian peace and stability and Asia's emerging economic boom."*

Former U.N. Under-Secretary-General for Disarmament Affairs, Jayantha Dhanapala, July 2007.

# NEGLIGIBLE BENEFITS OF URANIUM SALES TO INDIA

## Windfall profits?

Some simple calculations give the lie to claims that permitting uranium sales to India would generate windfall profits:

- If Australia supplied 20% of India's current uranium demand, uranium exports would increase by just 1.8% above the 2008/09 figure.
- If all reactors under construction or planned in India proceed to operation, Australia's uranium exports would increase by 10% above the 2008/09 export figure.
- Even if we make the unlikely assumption that all 'proposed' reactors in India are built, Australia's uranium exports would increase by 10% above the Australian Uranium Association's estimate of total exports in 2030.

Claims that uranium sales to India would generate windfall profits also ignore India's plans to shift away from conventional uranium-fuelled reactors in favour of thorium- and plutonium-fuelled reactors.

## Environmental benefits?

Australian uranium sales to India have been promoted on the grounds that an expansion of nuclear power would reduce reliance on coal fired plants and thus reduce greenhouse emissions. But India's planned nuclear expansion could easily be replaced with a bigger renewable and efficient energy rollout.

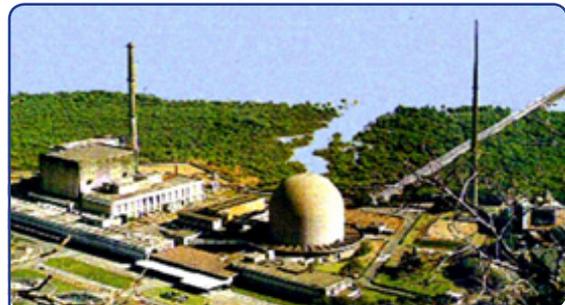
Leonard Weiss, former staff director of the US Senate Subcommittee on Energy and Nuclear Proliferation, states: "India's Bureau of Energy Efficiency reports that, in the industrial sector alone, more efficient use of energy could conserve 15 GWe of electricity a year. Further improvements in end-use efficiency of household appliances could save another 3-5 GWe. That means an aggressive program of improved energy efficiency could substitute for all the future power output from nuclear

reactors currently being planned in India between now and 2020."

Environmental assessments also need to consider impacts from routine operations of nuclear plants – including unresolved nuclear waste management problems – and the potential impacts of accidents and attacks on nuclear plants.

### INDIA'S TRACK RECORD

Then Prime Minister John Howard said in 2006 that India had a "very good record in relation to non-proliferation". However, India is a non-NPT nuclear weapons state, refuses to sign and ratify the CTBT, violated its pledge to use the Canadian-supplied CIRUS research reactor for peaceful purposes only, tested nuclear weapons in 1974 and 1998, has a history of illicit nuclear procurement and inadequate nuclear export controls, and continues to expand its nuclear weapons and missile capabilities.



The CIRUS research reactor (centre of photo) was used to produce plutonium for India's first nuclear weapon test in 1974. The reactor was supplied by Canada with US support on the agreement – broken by India – that it would only be used for peaceful purposes. The Dhruva research reactor (left of photo) has also been used to produce plutonium for weapons. India's refusal to allow safeguards inspections to apply to eight power reactors strongly suggests that they are also used in support of the nuclear weapons program.

## AUSTRALIA'S CHOICES

The economic benefits of uranium trade with India would be very small, the arguments concerning climate change do not stand up to scrutiny, so the decision on Australian uranium exports turns primarily on whether Australia takes seriously its professed commitment to be a leader in the nuclear non-proliferation and disarmament field.

**The most important consideration is whether uranium sales to India would strengthen or weaken the non-proliferation and disarmament regime.** On the Labor Party's ban on uranium sales to non-NPT states, Kevin Rudd said in August 2007: "We respect the Nuclear Non-Proliferation Treaty ... because we've got to prevent nuclear weapons proliferation in our own region, in our own neighbourhood and our own backyard. No one in Australia wants a nuclear arms race aided by us in the Indian sub-continent or between India and China because we've failed to properly ensure the upholding of the NPT and the IAEA safeguards regime under it."

**There is no realistic possibility of meaningful concessions from India.** There would be no advantage in reversing Australia's principled opposition to uranium exports to non-NPT states in the absence of concessions from India (such as India signing the CTBT and permanently stopping the production of fissile material for weapons). Yet there is no possibility of concessions. That can be said categorically given that no meaningful concessions were given by India during the US-India negotiations.

India has negotiated several uranium supply agreements in the wake of the US-India agreement and has no need for Australian uranium. India continues to press the Australian Government to reverse its policy because a uranium supply agreement which imposed no meaningful disarmament conditions on India would further legitimise and entrench India's nuclear weapons program.

**Safeguards would be tokenistic.** Inspections will be infrequent and safeguards will apply only to that part of the nuclear program that India considers surplus to its military 'requirements'. A 2009 IAEA document states: "The frequency and intensity of IAEA inspections shall be kept to the minimum consistent with the aim of improving safeguards." That is standard diplomatic jargon – it means that safeguards will be non-existent except in circumstances where the IAEA wants to test novel safeguards technologies or procedures and India agrees to take part.

**India wants to free up its own uranium reserves for weapons production.** K. Subrahmanyam, former head of the India's National Security Advisory Board, has said: "Given India's uranium ore crunch and the need to build up our minimum credible nuclear deterrent arsenal as fast as possible, it is to India's advantage to categorize as many power reactors as possible as civilian ones to be refueled by imported uranium and conserve our native uranium fuel for weapons grade plutonium production."

**If the Government wants to do its part to reverse the fracturing of the nuclear non-proliferation regime, maintaining its ban on uranium sales to non-NPT countries is a necessary starting point.** The Government also ought to work internationally to re-establish the norm that countries outside the NPT – as well as those NPT signatories that are flouting their disarmament obligations – are not eligible for nuclear trade.

**Most countries support the principle that countries refusing to sign the NPT should be excluded from civil nuclear trade.** During the 2010 NPT Review Conference, the 118 nations of the Nonaligned Movement complained that the US-India agreement had given a non-NPT state more benefits than NPT parties and argued that full-scope safeguards ought to be a requirement for nuclear supply.



**Australia can stand with the vast majority of nations in upholding and attempting to strengthen the fragile nuclear non-proliferation and disarmament regime, or we can stand with those who continue to undermine it.**