

Fourteenth Loksabha

Session : 7

Date : 27-02-2006

Participants : Singh Dr. Manmohan

>

Title : Statement regarding civil nuclear energy cooperation with the USA.

*THE PRIME MINISTER (DR. MANMOHAN SINGH): Mr. Deputy-Speaker, Sir, I rise to inform this august House of the status of discussions with the United States on Civil Nuclear Energy Cooperation. Substantive aspects of this are reflected in the Joint Statement of July 18, 2005 that President Bush and I agreed upon during my visit to Washington DC last year. I would like to use this occasion to outline the context and core elements of the Joint Statement, before detailing the status of the ongoing negotiations.

Hon. Members are aware that our effort to reach an understanding with the United States to enable Civil Nuclear Energy Cooperation was based on our need to overcome the growing energy deficit that confronts us. As India strives to raise its annual GDP growth rate from the present seven to eight per cent to over 10 per cent, the energy deficit will only worsen. This may not only retard growth, it could also impose an additional burden in terms of the increased cost of importing oil and natural gas, in a scenario of sharply rising hydrocarbon prices. While we have substantial reserves of coal, excessive dependence on coal-based energy has its own implications for our environment. Nuclear technology provides a plentiful and non-polluting source of power to meet our energy needs. However, to increase the share of nuclear power in our energy mix, we need to break out of the confines imposed by inadequate reserves of natural uranium, and by international embargos that have constrained our nuclear programme for over three decades.

18.□ (Placed in Library, See No. LT 3711/06)

Established through the vision of Pandit Jawarhal Nehru and sustained by the commitment of scientists like Dr. Homi Bhabha, our nuclear programme is truly

unique. Its uniqueness lies in the breadth of its overarching vision of India mastering a three-stage nuclear programme using our vast thorium resources, and mastering more complex processes of the full nuclear fuel cycle. Consequently, our civilian and strategic programmes are deeply intertwined across the expanse of the nuclear fuel cycle. There are hardly any other countries in a similar situation. Over the years, the maturation of our nuclear programme, including the development of world-class thermal power reactors, has made it possible to contemplate some changes. These are worth considering if benefits include gaining unhindered access to nuclear material, equipment, technology and fuel from international sources.

However, international trade in nuclear material, equipment and technologies is largely determined by the Nuclear Suppliers Group -- an informal group of 45 countries. Members include the United States, Russia, France and the United Kingdom. India has been kept out of this informal arrangement and, therefore, denied access to trade in nuclear materials, equipment and various kinds of technologies.

It was with this perspective that we approached negotiations with the United States on enabling full civilian nuclear energy cooperation with India. The essence of what was agreed in Washington last July was a shared understanding of our growing energy needs. In recognition of our improved ties, the United States committed itself to a series of steps to enable bilateral and international cooperation in nuclear energy. These include adjusting domestic policies, and working with allies to adjust relevant international regimes. There was also a positive mention of possible fuel supply to the first two nuclear power reactors at Tarapur. US support was also indicated for India's inclusion as a full partner in the International Thermonuclear Experimental Research Project and the Generation IV International Forum[\[KD72\]](#).

But more importantly, in the Joint Statement, the United States implicitly acknowledged the existence of our nuclear weapons programme. There was also public recognition that as a responsible State with advanced nuclear technologies, India should acquire the same benefits and advantages as other States which have advanced nuclear technology, such as the United States. The Joint Statement offered the possibility of decades-old restrictions being set aside to create space for India's emergence as a full member of a new nuclear world order.

On our part, as the hon. Members may recall from my *suo motu* statement on July 29 last year, we committed ourselves to separating the civilian and strategic programme. However, this was to be conditional upon and reciprocal to, the United States fulfilling its side of the understanding. I had stressed that reciprocity was the key and we expected that the steps to be taken by India would be conditional upon and contingent on action taken by the United States. I had emphasised then – and I reiterate today – that no part of this process would affect or compromise our strategic programme.

I now come to the negotiations that have taken place in the past few months. While these have been principally with the US, there have been discussions with other countries like Russia, UK and France as well. At the political level, I have maintained contact with President Chirac of France, President Putin of Russia, Prime Minister Blair of the UK. I have also raised this subject with the Heads of State or Government of Norway, Republic of Korea, Netherlands, Czech Republic and Ireland – all members of the Nuclear Supplier Group. I also met President Bush in New York last September and discussed implementation of the July 18 statement. In the same period, several American Congressional leaders and policy-makers have visited India in the past few months, many of whom met me. We have amply clarified our objective in pursuing full civil nuclear energy cooperation for our energy security and to reassure them of India's impeccable non-proliferation credentials.

At the official level, we have constituted two groups comprising key functionaries concerned with strategic and nuclear matters. They included the Department of Atomic Energy, the Ministry of External Affairs, the Armed Forces and my Office. These two groups were respectively mandated to draw up an acceptable separation plan, and to negotiate on this basis. The directive given to both groups was to ensure that our strategic nuclear programme is not compromised in any way, while striving to enlarge avenues for full civil nuclear energy cooperation with the international community. The negotiations by our officials have been extensive and prolonged. These have focussed on four critical elements: the broad contours of a Separation Plan; the list of facilities being classified as civilian; ... (*Interruptions*) the nature of safeguards applied to facilities listed in the civilian domain; ...

(*Interruptions*) and the nature and scope of changes expected in US domestic laws and NSG guidelines to enable full civilian nuclear energy cooperation with India[R73].

Hon. Members may be assured that in deciding the contours of a separation plan, we have taken into account our current and future strategic needs and programmes after careful deliberation of all relevant factors consistent with our Nuclear doctrine. We are among very few countries to adhere to the doctrine of 'No first Use'. Our doctrine envisions a credible minimum nuclear deterrent to inflict unacceptable damage on an adversary indulging in a nuclear first strike. The facilities for this, and the required level of comfort in terms of our strategic resilience have thus been our criterion in drawing up a separation plan. Ours is a sacred trust to protect succeeding generations from a nuclear threat and we shall uphold this trust. Hon. Members may therefore be assured that in preparing a Separation Plan, there has been no erosion of the integrity of our Nuclear Doctrine, either in terms of current or future capabilities.

The Separation Plan that is being outlined is not only consistent with the imperatives of national security, it also protects our vital research and development interests. We have ensured that our three-stage nuclear programme will not be undermined or hindered by external interference. In fact, our three-stage nuclear programme may continue to receive the full support of our Government, including through the construction of new facilities. We will offer to place under safeguards only those facilities that can be identified as civilian without damaging our deterrence potential or restricting our R&D effort, or in any way compromising our autonomy of developing our three stage nuclear programme. In this process, the Department of Atomic Energy has been involved at every stage, and the separation plan has been drawn up with their inputs.

Therefore our proposed Separation Plan entails identifying in phases, a number of our thermal nuclear reactors as civilian facilities to be placed under the International Atomic Energy Agency safeguards, amounting to roughly 65 per cent of the total installed thermal nuclear power capacity by the end of the separation plan period. A list of some other DAE facilities may be added to the list of facilities within the civilian domain. The Separation Plan will create a clearly defined civilian domain where IAEA

safeguards apply. On our part, we are committed not to divert any nuclear material intended for the civilian domain from designated civilian use or for export to third countries without safeguards.

Mr. Deputy Speaker, Sir, negotiations are currently at a delicate stage. In our dialogue with our interlocutors, we have judged every proposal made by the US side on merits but we remain firm in that the decision of what facilities may be identified as civilian will be made by India alone and not by anyone else.

At the same time, we are not underestimating the difficulties that exist in these negotiations. There are complex issues involved. Several aspects of the nuclear programme lend themselves in the public discussions to differing interpretations, such as the Fast Breeder Programme or our fuel-cycle capabilities such as re-processing and enrichment requirements. The nature and range of strategic facilities that we consider necessarily outside safeguards constitute yet another example. We have however conveyed to our interlocutors that while discussing the Separation Plan, there are details of the nature and content of our strategic requirements that we cannot share. We will not permit information of national security significance to be compromised in the process of negotiation [\[R74\]](#).

18.00 hrs.

It is essential to recall that the July 18 Statement was not about our strategic programme. It was intended to be the means to expand our civilian nuclear energy capacities and thereby to help pave the way for faster economic progress. In seeking to achieve this objective, we appreciate the need for patience to remove misperceptions that abound. I reiterate that India has an exemplary record on non-proliferation and this will continue to be so. All in all, one major achievement so far is that a change is now discernible in the international system. We believe that when implemented, the understandings reflected in the Joint Statement will give India its due place in the global nuclear order. The existence of our strategic programme is being acknowledged even while we are being invited to become a full partner in international civil nuclear energy cooperation.

I must emphasize that the nation is justly proud of the tremendous work of our nuclear scientists and the Department of Atomic Energy in mastering all the key

aspects of the full nuclear fuel cycle, often under very difficult circumstances. The tremendous achievements of our scientists in mastering the complete nuclear fuel cycle – the product of their genius and perseverance – will not be frittered away. We will ensure that no impediments are put in the way of our research and development activities. We have made it clear that we cannot accept safeguards on our indigenous Fast Breeder Programme. Our scientists are confident that this technology will mature and that the programme will stabilize and become more robust through the creation of additional capacity. This will create greater opportunities for international cooperation in this area as well. An important reason why the US and other countries with advanced nuclear technologies are now engaging with India as a valued partner is precisely because of the high respect and admiration our scientists enjoy internationally, and the range and quality of the sophisticated nuclear programme they have managed to create under the most difficult odds. This gives us confidence to engage in these negotiations as an equal partner.

As I said, many aspects of the proposed separation plan are currently under negotiation. It is true that certain assurances in the July 18 Statement remain to be fulfilled – the supply of imported fuel for Tarapur I and II, for one. Some elements, such as US support for India's participation in the ITER programme, have been utilized. The issue of the nature of safeguards to be applied to facilities designated civilian also remains pending resolution. I seek the indulgence of this House not to divulge every single detail of the negotiations at this time. However, this august House can be assured that the limits are determined by our overarching commitment to national security and the related issue of the autonomy of our nuclear programme. Our Government will take no step that could circumscribe or cast a shadow over either.

I am aware that concerns have been raised over information being shared with outsiders, but not with our own citizens. Members may be assured that nothing that could compromise our nuclear deterrent has been shared with anyone. On this aspect, there is no reason for concern or doubt.

As I said at the outset, our approach is defined by the need to utilize the window of opportunity before us, to find a solution to our energy deficit. We have also been guided by the need to dismantle international restrictions, which, when achieved, could

unleash our scientific talent and increase commercial potential in the nuclear and related sectors. The nation will be kept informed, through this august House.

उपाध्यक्ष महोदय : अगर हाउस के माननीय सदस्य चाहें तो सदन का समय बढ़ा दिया जाए।

संसदीय कार्य मंत्री तथा सूचना और प्रसारण मंत्री (श्री प्रिय रंजन दासमुंशी) : उपाध्यक्ष महोदय, खादी और ग्रामोद्योग आयोग विधेयक बहुत महत्वपूर्ण है, इसलिए सदन का समय बढ़ा दिया जाए।(व्यवधान)

उपाध्यक्ष महोदय : ठीक है।

SHRI BASU DEB ACHARIA (BANKURA): Sir, when will the discussion on this take place?... *(Interruptions)*

SHRI PRIYA RANJAN DASMUNSI : Sir, it was decided in the meeting of the leaders in the morning that response to the Iran debate shall be made by the hon. Prime Minister and that too before six o'clock... *(Interruptions)*

SHRI BASU DEB ACHARIA : When will the discussion on this statement take place?... *(Interruptions)*

SHRI PRIYA RANJAN DASMUNSI: You may give proper notice under the rules for a discussion on this. It is not my duty to decide about that... *(Interruptions)* First you will have to give a notice for a discussion on this ... *(Interruptions)*

SHRI GURUDAS DASGUPTA (PANSKURA): Sir, the hon. Prime Minister has commented upon very important points. We would like to have the opportunity of sharing our views with the hon. Prime Minister and the Government... *(Interruptions)*

SHRI PRIYA RANJAN DASMUNSI: Mr. Deputy-Speaker, Sir, if they give any notice for having a discussion on this, we have no hesitation for a discussion... *(Interruptions)*

उपाध्यक्ष महोदय : वह बीएसी डिसाइड करेगी।

SHRI GURUDAS DASGUPTA : Sir, but we wish that this discussion takes place as early as possible and not be linked to the visit of any dignitary... (*Interruptions*)

MR. DEPUTY-SPEAKER: Please give notice to the office of the hon. Speaker.

The discussion under rule 193 will continue and now the House will take up Khadi and Village Industries Commission (Amendment) Bill. If the House agrees, we may extend the time of the House by one hour.