

MR. SPEAKER: Brevity is a virtue. I would request you to please take your seat.

THE PRIME MINISTER (DR. MANMOHAN SINGH):

Sir, we are dealing with an issue which is of great importance to the future of our country. I had promised the hon. House that we will come before Parliament, to share with Parliament and through Parliament, with the public opinion at large, the pros and cons of this nuclear and other related issues which figure in the joint statement issued after the visit of President Bush.

Sir, on three occasions, I have made statements in this House as well as in the other House. They were on 29th July last year, 27th February this year and on the 7th March this year. That is a measure of our commitment to proper accountability and transparency in dealing with a very sensitive and important issue in our country. I have listened carefully to the views of the hon. Members of this august House on discussions with the US on civilian nuclear energy in the larger context of Indo-US relations. I thank the hon. Members for their views on this very important subject.

Sir, one important comment made by Shri C.K. Chandrappan and Shri Rupchand Pal was an expression of fear. Their fear was that, by entering into this arrangement with the United States of America, are we losing a sense of focus and direction in pursuit of an independent foreign policy?

Sir, I have said on more than one occasion that our Foreign Policy which is rooted in our civilisational heritage and also in pursuit of our enlightened national interest is what guides us in dealing with various countries. The United States of America is a global power. Their interests do not all the time converge with India's interests. But there are opportunities, there are occasions when our interests do converge and I believe that it is the duty of any Government of India to take advantage of all those opportunities which widen the development options that become available to us. That is precisely what we have done in dealing with the United States of America.

I wish to assure the hon. House that while we have been working towards strengthening our relations with the United States of America, we have not forgotten our traditional strategic partners. For example, today our relations with Russia are warmer and stronger than ever before; our relations with France today are stronger and warmer; today our relations with China are stronger and

warmer. Even today while the House is meeting, our two Special Representatives are discussing the issues of boundary settlement. We have used the space that is open to us to increase our engagements with the countries of South-East Asia, with Japan and Korea. That is how it should be.

I can assure this hon. House that pursuit of India's enlightened national interest is the dominating concern and it is this concern which has guided us in dealing with the United States.

It is certainly true that although an important component of this Agreement with the United States deals with the civilian nuclear energy, there are also other important initiatives listed in the Joint Statement. There is the knowledge initiative in the field of agriculture. What does it involve? It involves the use of technical knowledge, experience and expertise available in the United States of America to upgrade the quality of agricultural research and extension services in our country, particularly through the medium of various agricultural universities and agricultural research institutes. I do not know why there should be any objection to that.

It is a fact that when the first Green Revolution came to our country, it was the work essentially of great American scientists, like Norman Borlaug, which helped us. The United States, particularly the Land Grant Colleges of the United States of America played a major role in helping us to set up major agricultural universities and that is how the Green Revolution came about in our country. For the last many years our agricultural productivity has reached a plateau. We need a second Green Revolution and we need new technologies to upgrade and enhance our agricultural productivity. If there is, in the United States, knowledge which can help us in that process. I do not see any harm in making use of that. Cooperation in science and technology in globalised world is becoming increasingly a necessary tool of widening our development options. If we are serious about dealing with the productivity stagnation in Indian agriculture, then, I am certainly prepared to look at wherever facilities or technologies exist which can upgrade our technology skills. I do not see we are doing anything which hurts the interests of our country.

One a reference has been made about the CEOs meeting. It is certainly true that when I met President Bush in July, we had a discussion about increased

requirements of India for capital from abroad. He said to me: "Well, we are not in the business of giving aid. But there is a lot of private capital." I would like the US influence to be so exercised that they do recognise the importance of India as a major recipient of these capital flows. He said: "Maybe, we should set up a small group of five people from the United States, five people from India. Let them work out a strategy which will ensure that the private sector in both the countries would become more aware of the possibilities of mutually beneficial cooperation."

Out of that came a report. That report is now a public document. I have no hesitation, in due course of time, in placing it on the Table of the House. There are various suggestions. We will examine them. If there is any action which is required to implement any of those suggestions, that action will be taken taking full advantage of the laws, procedures that we have in this country. But I have no hesitation in making that report available to the House and I will do that. Some of those suggestions are like this. For example, there is a suggestion about Mumbai becoming a major international financial centre. I think, I myself, when I was the Governor of the Reserve Bank of India, floated this idea way back in the early 1980s. It has not become a reality. I do believe that there is a lot of merit in that proposal now, particularly when we have removed most of the exchange controls while our requirements of capital are increasing day by day. This is one of the suggestions coming from the CEOs' group. We will examine them in accordance with our rules, in accordance with our procedure and in accordance with our laws. Therefore, there should be no reason for anyone to doubt that anything will be done at the back of Parliament or that we will do anything which would hurt the interests of the country as a whole.

Mr. Speaker, Sir, I now come to the civilian nuclear energy cooperation. What is the background of what we have done? Our economy is now growing at the rate of 7 to 8 per cent *per annum*. It is our ambition to ensure that we grow at the rate of 8 to 10 per cent. I do believe that the savings and the investment profile of our country point to 10 per cent growth rate becoming a feasible proposition. ...(*Interruptions*) But it is one thing to have savings; it is another to have energy security. I have calculated—and this is corroborated by expert advice—that if our economy grows by one per cent, we need the additional supply of commercial energy of one per cent. If our economy has to grow at the rate of 10

per cent *per annum*, we need the supply of commercial energy also to increase at 10 per cent per annum.

We are today excessively dependent on import of hydrocarbons from the Middle-East, from West Asia to meet our requirements of commercial energy. We consume normally about 110 million tonnes of oil and we produce no more than 30 million tonnes. This dependence on the outside world is going to increase. There are obvious uncertainties both with regard to supply as well as with regard to prices of hydrocarbons in the world market to which I do not have to go right now.

We have, of course, plentiful reserves of coal but our coal has high ash content and excessive use of coal also runs into the problems of environmental hazards with the growing concerns about CO₂ emissions and the global warming concerns that are now on the horizon. In this background, I think it is to our advantage that we should have additional options with regard to meeting our needs of commercial energy. Nuclear energy offers one such option. It increases our elbow room to manage our quest for our energy security. There are problems with regard to increasing energy consumption via the nuclear route. When I was Secretary in the Ministry of Finance some thirty years ago, I was a member of the Atomic Energy Commission. It was at that time the Atomic Energy Commission had set before the country a target of 10,000 megawatts production capacity. We are today in the year 2006. Our installed capacity is probably 3,000 megawatts. This is not because our scientists are not capable. They are exceedingly well-motivated. They operate on the frontiers of knowledge. They have given a very good account of themselves under very difficult conditions of nuclear apartheid and we all feel very proud of their attainment. But, there are certain harsh facts. We have run into problems with regard to the availability of raw materials. We have run into problems because since 1974 the world community, the dominant countries have erected a regime, which restricts our options in meeting the requirements of our atomic energy, whether in reactors or fuels or by way of inputs. This has hurt our energy programme and that is why in spite of the ambitions that we have had to add to nuclear capacity, we have not been able to do so.

I am not saying that imports are the only route. But, the availability of import, the removal of restrictive international trading regimes which restrict our options with regard to trade in nuclear materials and nuclear

[Dr. Manmohan Singh]

technologies, will certainly increase the maneuverability of our country in meeting the challenge of energy security. That is why when President Bush and I discussed this matter, he told me that this is one area where he recognised India needs a reversal of the attitude of the United States. But, he also said to me that the United States and other members of the Nuclear Suppliers Group are not going to help us build nuclear bombs. I said that is perfectly reasonable, I do not expect the world to do so. So, that is how this idea of separation of the civilian sector and the strategic sector was evolved. What we have done with the United States is not an agenda for dealing with strategic cooperation. It is basically a quest to promote cooperation between India and the members of the Nuclear Suppliers Group in meeting India's requirements of commercial energy.

16.00 hrs.

What I do claim as a plus point for our Government is that while doing this deal to increase our options with regard to meeting all the commercial energy requirements of our country, we have not compromised our autonomy with regard to our strategic programme. This has not been discussed with the United States. We have not agreed to any formula or any proposal which would amount to a cap on our nuclear programme. I have taken full care about it. I had the advice of our atomic scientists and I had the advice of our Armed Forces in working out India's requirement of what would constitute a critical minimum deterrent. We have made sure that we have taken care of India's present requirements and future requirements, as far as possible humanly. Therefore, the country should have the assurance that we have not compromised in any way, when it comes to India's strategic nuclear programme. We have not accepted a cap on that nuclear programme. That decision will have to be made by the Government of India, taking into account the security concerns of our nation and we are alone competent to judge what is desirable and what is not desirable. This is the essence of the arrangement that we have made with the United States of America.

Sir, several issues have been raised with regard to the nuclear agreement. Shri Kharabela Swain mentioned that we have accepted a cap on our strategic nuclear capabilities. I have already mentioned that that is not the case. We have been asked if we have ensured availability of sufficient fissile material and other inputs for our

strategic programme. Let me reassure this House that the Separation Plan has been drawn up in such a manner that it will not adversely affect our strategic programme. There is no question of India accepting a cap on our deterrent potential. Based on assessment of threat scenario, Government have ensured that there would be adequate availability of fissile material and other inputs to meet both current and future requirements of our strategic programme.

The Separation Plan does not, in any way, undermine the integrity of our Nuclear Doctrine. This Doctrine stipulates a credible minimum deterrent based on a policy of 'no-first-use' and the assured capability of inflicting unacceptable damage on an adversary indulging in a nuclear first strike. The Separation Plan will not limit our options, either now or in the future to address evolving threat scenarios with appropriate responses consistent with our nuclear policy of restraint and responsibility.

Sir, questions have also been raised regarding safeguards in perpetuity. I believe Shri Swain referred to it and he also said that assurances for supply have been given by the United States bilaterally while safeguards will be with the International Atomic Energy Agency multilaterally. So, he asked as to how we reconcile and ensure that India's interests are effectively protected. Under the last year's July Statement, India agreed to identify and separate civilian and military facilities and put civilian nuclear facilities under safeguards. The Separation Plan provides for an India-specific safeguards agreement to be negotiated with the International Atomic Energy Agency.

People ask, why is it India specific safeguard? Because it is certainly true that we are not a member of the NPT nuclear powers so we are not in those P5. But we are also not in this other category, that is, non-Nuclear Weapon States. We have a nuclear weapon programme of our own and there is today an implicit recognition of that reality on the part of the rest of the world. Therefore, it is certainly true when we go to sign safeguard agreements with the International Atomic Energy Agency, our safeguards agreement cannot be a carbon copy of either Model I or Model II. It has to be a unique safeguards agreement, which we will work to negotiate with the International Atomic Energy Agency.

I wish to assure the House that India will not accept the safeguard agreements signed by non-Nuclear Weapon

States under the NPT, otherwise called Comprehensive Safeguards. This is precisely because our military facilities will remain outside the purview of safeguards like those of other Nuclear Weapon States. Each of the Nuclear Weapon States has concluded separate safeguard agreements with the International Atomic Energy Agency, listing specific facilities offered for safeguards. Similarly, we too will include in an India Specific Safeguards Agreement a list of facilities offered for International Atomic Energy Agency safeguards.

Sir, such an India specific safeguard agreement is yet to be negotiated. It will be difficult to predict the contents and details. However, it will contain protection against withdrawal of safeguarded nuclear material for a civilian use at any time. It will be negotiated so that India will be permitted to take corrective measures to ensure uninterrupted operation of our civilian nuclear reactors in the event of disruption of foreign fuel supplies.

Sir, on the subject of fuel supplies, I must underline that the United States has provided a number of assurances of uninterrupted supplies of fuel. These must be read with the assurance of India's right to take corrective measures in the event fuel supplies are interrupted. Even after these assurances, if all measures fail and supplies to our safeguarded reactors are disrupted, India retains the sovereign right to take all appropriate measures to fully safeguard its interests. Thus safeguards in perpetuity must be seen in this overall context of being backed up by credible assurances about uninterrupted supply.

The third issue relates to measures announced by the Government with regard to CIRUS and Apsara Research Reactors, both of which are located at BARC. As I explained in my last *suo motu* statement, we have decided to permanently shut down the CIRUS Reactor in 2010 and to shift the foreign-sourced fuel core of the Apsara Reactor outside BARC. Questions are being asked, why are we doing it? The fuel core will then be available for safeguards in 2010. Let me clarify that only the fuel core will be shifted and not the Reactor. We have decided to take these two steps because the BARC complex is of high national security importance and we will not allow any international inspection in this area. Now, while the CIRUS Reactor was refurbished recently, the associated cost will be more than recovered by the isotopes produced and the research that we will be conducting before it is closed. Both CIRUS and Apsara

are not related to our strategic programme and therefore, our scientists have assured me that these steps announced in the separation plan will have no impact on our strategic programme.

Some Members also expressed concern whether these steps will hinder ongoing research and development. Through this august House, I assure the nation and, in particular, the scientific community that we will take all possible steps to ensure that there is no adverse fallout on research and development. Our scientists will have state-of-the-art facilities to expand the frontiers of knowledge. One of the main criteria motivating us in drawing up the separation plan has been our determination to safeguard the autonomy of our research and development programme. This will be ensured in full measure.

Finally, some Members have also expressed concern whether the confidentiality of the strategic programme was fully preserved during the negotiations with the United States. I can assure hon. Members that our discussions with the United States pertained only to those facilities that are being offered for safeguards between 2006 and 2014. The discussion did not cover our strategic programme. Confidential information on our national security and the strategic programme has been and will remain fully protected.

Mr. Speaker, Sir, I believe that it is the sentiment of the House that the decisions we have taken lead to welcome resumption of international cooperation. Our understanding will open the doors for cooperation and the development of our civilian nuclear energy sector not only with the United States but also with other key international partners like Russia, United Kingdom and France. At the same time, we will also be able to internationally share our recognised capabilities in the field of civilian nuclear technologies. In this context some Members spoke of the global nuclear energy partnership which is a separate issue from our bilateral discussions with the United States on civil nuclear cooperation. Our comprehensive capabilities across the spectrum and mastery over all aspects of the nuclear fuel cycle are well established and widely recognised. Our possible association with any such international initiative, therefore, can be only on the basis of participation of India as an equal partner with other founding members and as a supplier nation. I would like to emphasise this point. We will not forgo the three-stage Programme which will enable us to utilise our vast thorium reserves in future.

[Dr. Manmohan Singh]

Mr. Speaker, Sir, I believe I have covered most of the points that have been made in this debate. And I repeat what we have done is to widen our development options with regard to ensuring adequate energy security for our country. We have, at the same time, taken full care that our strategic programme is protected. We have, at the same time, taken care that the research and development opportunities in this vital area of national endeavour are not in any way adversely affected by this Agreement. So what we have done, I believe, is a step forward in taking our country on to a higher growth and development trajectory.

[English]

MR. SPEAKER: There are three matters which had not been disposed of during earlier period. Shri Sita Ram Singh.

[Translation]

SHRI SITA RAM SINGH (Sheohar): Mr. Speaker, Sir, there is Riga Sugar Mill in a Sitamarhi district of Bihar. There is a distillery factory in this Mill which emanates effluent. This causes contamination of water resulting in spreading of disease due to which a lot of people are falling sick and several people and cattle have died. Children are also suffering from various diseases. The mill owners have not installed effluent treatment plants which they should install. The Government of Bihar was asked to conduct an enquiry and take necessary action in this direction, but no plant has been installed so far. Owing to this reason a lot of people are facing difficulties.

I would request the Union Government to issue directions to the mill owners to this effect so that emission of waste could be checked and clean water could be obtained after purifying the dirty water through setting up of the plant.

SHRI BACHI SINGH RAWAT 'BACHDA' (Almroa): Mr. Speaker, Sir, the border of Dharchula tehsil of Pithoragarh district of Uttaranchal adjoins Tibet and Nepal. A police beat and inner line was set up at Jauljivi in view of its internal security and its international border. This was removed from Jauljivi transferred 150 kilometre up in higher altitude near Goonji towards Lipulek in the wake of improving relations with China and Nepal in the year 1980. In the present scenario international terrorism is totally spread in the country and Nepal is completely adjoining that area. There is a spurt of Maoist activities

so S.S.B. has been deployed there. The inner line shifted 150 kilometre away of higher altitude should be shifted back to Jauljivi, which is the junction of white Ganga river and black Ganga river so that the frequent entry of people could be checked.

MR. SPEAKER: Shri Bhanwar Singh Dangawas to speak. Although, I received your notice very late but since your issue is important. I am giving you a chance to speak.

SHRI BHANWAR SINGH DANGAWAS (Nagaur): Mr. Speaker, Sir, the hailstorm, storms and untimely rainfall in Madhya Pradesh has caused huge losses to crops in addition to causing losses to lives.

Although no loss of lives has been reported in Rajasthan so far. Yet hailstorm, storm and untimely rainfall has destroyed all the agriculture crops particularly cumin, mustard and wheat crops. The storm has made the crops fall flat on the ground. The hailstorm has uprooted the cumin crop and the mustard crop that had almost ripened. The rainwater has destroyed the crops that were harvested and lying in the field.

Although the Members from Rajasthan have made their submissions making special reference to Kota Division. However, I would request in regard to my Nagaur constituency by riveting the attention of the Government through you that the farmers of Rajasthan have already lost of Kharif crop owing to famine in Rajasthan and it is an unbearable blow the farmers. If support will not be extended to the farmer than each farmer who is under the burden of debt will have no other recourse than committing suicide.

Through you, I would request the Government to immediately send a team for making an assessment. Full assistance should be provided to the affected farmers. The insurance company should arrange to provide the price of all the crops by at least treating village or village Panchayat as a unit under the Crop Insurance Scheme.

KUNWAR MANVENDRA SINGH (Mathura): The Rajasthan Devsthan Department was set up by the Government of Rajasthan for the protection and management of Devsthan built by the former Rajas and Maharajas of Rajasthan across the country. The Government of Rajasthan is hatching a spiteful conspiracy to hand over these unique, historic and ancient national heritage to private institutions against the constitutional rules to fulfil their vested interests in arbitrary manner.