

# Uranium sales to India:

## What should Australia's price be?

Ron Huisken

In 2005, the United States made the sweeping proposal to assist India join the ranks of the major powers in the 21<sup>st</sup> century. To give this proposal concrete form, the two sides agreed to make the most difficult and evocative issue – co-operation in nuclear technology – the centerpiece of their new strategic partnership. President Bush and Prime Minister Singh cemented this development during the former's visit to India in March 2006.

To make this deal work, President Bush has to persuade the US Congress to amend US legislation governing trade in nuclear materials and technology. He also has to persuade the Nuclear Suppliers Group – a voluntary group of over 40 advanced countries that sets and monitors guidelines for nuclear transactions to minimise the risk that they will contribute to the proliferation of nuclear weapons – to adapt its guidelines to permit trade with India. In short, the US has said not only that it will bring India into the nuclear mainstream but that it will also take the lead in persuading other key states to do the same. The Indian government wasted no time. When Prime Minister Howard visited India a week after President Bush he was told of Indian interest in importing uranium from Australia.

The eventual complete elimination of nuclear weapons and, in the meantime, the prevention of their spread to additional countries, has been a global aspiration since the earliest days of the nuclear era. This international norm was eventually codified in the Treaty on the Non-Proliferation of Nuclear Weapons (usually called the NPT), completed in 1968 and which entered into force in 1970. The NPT went on to become the most widely supported arms control and disarmament agreement in existence. It is a treaty that can fairly be described as embodying an international norm or a standard of behaviour that the 'international community' demands of all its members.

Given this status, the NPT has become a benchmark in the policies of many states governing nuclear trade. This includes Australia, which requires, in the first instance, that recipients of uranium be parties to the NPT and have the safeguards (or inspections) agreement with the International Atomic Energy Agency (IAEA) that the NPT requires to verify the exclusively peaceful nature of their nuclear activities.

Just as the NPT is not a nuclear disarmament treaty – it recognises that five states already had nuclear weapons when it was concluded but declares that there should be no more than five – adherence to the treaty has never quite been universal. A very small group of states, including India, made clear that they were not prepared to consider joining the treaty, that is, they rejected the international norm on the proliferation of nuclear weapons. While most of these holdouts – Israel, Pakistan and, most recently, North

Korea – have linked their position to their 'unique' security circumstances, it would be fair to say that India's focus has always been the five acknowledged nuclear-weapon states and the status they seemed to derive from the possession of these weapons.

This relatively elevated or principled objection to the NPT has been confirmed or reinforced by India's behaviour during its prolonged march to nuclear weapon status. Relatively speaking, India has not been deceitful about its attitude toward nuclear weapons. It has been rigorous about developing its capabilities indigenously and not accessing clandestine or black market sources of these technologies; and it has never been suspected of assisting other states to act outside international non-proliferation norms.

In the absence of this 'good' record it is doubtful that President Bush could have contemplated the deal with India concluded in March 2006. This record also means that the Bush administration is likely to secure Congressional approval for the deal, and to confirm the dilemma for countries like Australia. India has rejected the norm on non-proliferation and to reward it for doing so is likely to weaken that norm. On the other hand, India is indisputably a significant slice of reality on the contemporary international scene and, in key respects, has been a responsible actor in the nuclear arena (more responsible, in fact, than some of those already 'inside the tent'). In other words, it could plausibly be argued that India will, in practice, be accepted as a legitimate special case and not give rise to unmanageable claims by others for equal treatment.

What is Australia to do? We have a considerable reputation as a champion of non-proliferation and, indeed, the abolition of weapons of mass destruction that we should be loathe to compromise. Do we insist that, on balance, the cause of non-proliferation and eventual nuclear disarmament leads us to maintain the policy of not supplying uranium to countries outside the NPT, bearing in mind that the *only* way India can join the treaty is to unilaterally and verifiably dismantle its nuclear weapon capability and join as non-nuclear weapon state. That is not going to happen and it would be silly of us to present such a position as offering India a realistic path to access Australian uranium. If the deal with the US gets through Congress, we can expect India to be patient but to eventually resent our unwillingness to export uranium, not least if we simultaneously begin exports to China.

We might, however, be able to transform this dilemma into an opportunity. The nuclear non-proliferation regime is under siege, and showing signs of stress. The cumulative experiences of the past 15 years – Iraq, North Korea, India and Pakistan, Iran, and the nuclear black market orchestrated by Pakistan's Dr A.Q. Khan – have taken their toll.

The non-proliferation regime urgently needs a transfusion, a persuasive reaffirmation that the letter and spirit of the NPT is indeed where the community of states still desires to go. Australia can aspire to make such a persuasive reaffirmation part of the price of endorsing the US-India deal and of entertaining the prospect of exporting uranium to India. With 40 per cent of the world's proven uranium reserves and three of the world's most influential states – the US, China and India – for various reasons eager to see us embrace more realistic (ie. liberal) policies on the export of uranium, Australia has some genuine leverage.

Experts will differ on the priority components of a persuasive reaffirmation of non-proliferation and nuclear disarmament objectives. Three strong candidates, in my view, are as follows:

- To seek of the United States that it take the lead in reaffirming the letter and spirit of article VI of the NPT, the article that enjoins the nuclear-weapon states to negotiate effective measures relating to nuclear disarmament. In a burst of what academics label 'offensive realism', the Bush administration has implicitly depicted this obligation as a piece of idealistic if not fundamentally misguided nonsense. It has elevated the importance of nuclear weapons to the advancement of US interests; characterised a strategic nuclear force about as large as the force it possessed in 1969, after more than two decades of intense nuclear arms racing with the Soviet Union, as its minimal requirement into the indefinite future; and it has banned any official statement suggesting that it subscribes to the literal intent of article VI. All that Washington has been prepared to say is that it is taking steps 'consistent' with article VI. The US is reducing its nuclear arsenal but this will stop at 2000 operational strategic warheads and more than twice that number in a ready reserve. This posture is corrosive of the non-proliferation regime.
- The second step concerns the all but forgotten Fissile Material Cut-Off Treaty (FMCT). All five recognised nuclear-weapon states have voluntarily suspended the production of new fissile material for nuclear weapons but negotiations to make this a formal treaty obligation have been paralysed for a decade by pre-conditions (mostly related to developments with missile defences and to the military uses of space), and latent concerns that available quantities of fissile material relative to other powers may not be adequate in the future. Australia could signal that it expects to see these preconditions and latent concerns set aside in favour of a renewed determination to conclude the FMCT. The signature responsibility of the recognised nuclear-weapon states is to devalue these weapons, to confirm Ronald Reagan's dictum that 'a nuclear war cannot be won and must never be fought', and to convey the sense that they are also looking for a way to get along without them. If this cannot be done, it is futile to be optimistic about the non-proliferation of these weapons over the longer term.
- Finally, on the back of this renewed determination to conclude the FMCT, we could seek an orchestrated effort to build a global consensus to construct one or more internationally-owned and operated facilities for the production of fissile material for peaceful purposes, and a corresponding amendment to the NPT to take away the present right (which Iran is insisting on) to have nationally-owned facilities of this kind.

This only looks like blackmail. Actually, it does little more than require of those who want us to export uranium to live up to vows they have made on countless occasions in the past. Power-generating nuclear reactors have an effective life measured in decades making security of fuel supplies especially important. Australia should aspire to project the impression that our reliability as a supplier of uranium is contingent on all our customers pulling their full weight in strengthening the integrity of the non-proliferation regime. Punching above our weight in this crucial arena will take courage. But we can be pretty confident that 50 years from now we will regret not having tried. ♦

*Dr Ron Huisken is a Senior Fellow with the Strategic and Defence Studies Centre at the Australian National University in Canberra.*

## Conference Calendar

**ADA members and other Defender readers may be interested in the following public conferences and activities:**

- **Australian War Memorial Special Exhibition**  
*Sport and War*  
24 March – 25 June 2006  
(10:00am to 5:00pm daily)  
Australian War Memorial, Canberra  
Enquiries: (02) 6243-4211 or [www.awm.gov.au](http://www.awm.gov.au)
- **Anzac International Military Tattoo 2006**  
*A Salute to the Anzacs*  
22 April 2006 (1:30pm-7:30pm and 25 April 2006 (4pm)  
Sydney SuperDome, Sydney Olympic Park  
Enquiries: (02) 9699-5199 or [www.ticketek.com](http://www.ticketek.com)
- **International Police Tattoo 2006**  
05-07 May 2006  
Adelaide Entertainment Centre  
Enquiries: [www.policetattoo.com](http://www.policetattoo.com)
- **Protective Security Co-ordination Centre Security in Government Conference 2006**  
*Security and the Australian Community*  
09-11 May 2006  
National Convention Centre, Canberra  
Enquiries: (02) 6250-5547,  
[sig2006@ag.giv.au](mailto:sig2006@ag.giv.au) or [www.ag.au/sig](http://www.ag.au/sig)
- **Defence Materiel Organisation Defence and Industry Conference 2006**  
*Improving Industry Capacity and Performance – In the National Interest*  
19-21 June 2006  
National Convention Centre, Canberra  
Enquiries: (02) 6266-0247
- **Defence Reserves Association Annual Conference 2006**  
*Defence Capability: Maximising and Balancing the ADF's Regular and Reserve Resources*  
26 August 2006  
Randwick Barracks, Sydney  
Enquiries: [gjsharkey@hotmail.com](mailto:gjsharkey@hotmail.com)