A Deal Too Far?

Stephen Philip Cohen[1]

February 28, 2006

On the eve of President George W. Bush's visit to India and Pakistan, both sides are racing to complete the nuclear agreement announced in the July, 18, 2005 communiqué between Bush and Indian Prime Minister Manmohan Singh the time he reaches New Delhi on March 1, and there is a good chance that, as Stephen Hadley, Bush's National Security Advisor noted in a press briefing, negotiations will continue. Informed observers on both sides claim that agreement can be reached before the end of 2006, and implemented over the next few years.

The history and fate of this agreement will preoccupy journalists and scholars for months, if not years, to come. This note examines three of its aspects:

- How did the two countries reach this point, and what are the politics of "the deal" in both countries?
- What consequences might flow from its consummation or collapse?
- Finally, "how much is enough?" Even though this is purportedly an agreement to allow India to acquire civilian nuclear technology, most attention has been focused upon its military and strategic implications.

Origins

The idea of a nuclear bargain, or "half-way house," involving India's civil and nuclear weapons programs is at least twenty years old. It was for many years dismissed out of hand by policymakers and strategists in both the US and India. For India's nuclear establishment, such an arrangement was characterized as the thin edge of a wedge allowing the Americans to first cap, then roll back, and finally eliminate the Indian weapons program. On the American side such a compromise was seen as unacceptable in terms of larger American non-proliferation goals, as it would "reward**"** India for its covert weapons program and serve as a bad example for other states. Here, too, there was a wedge: in this case, the Indians would be undercutting the entire non-proliferation regime, centered on the 1978 Nuclear Non-Proliferation Treaty (NPT).

President Bill Clinton had admired India, but he could never overcome the opposition of his arms control and policy advisors to such a grand nuclear bargain; they never even considered it, but focused on the indefinite extension of the NPT and getting India to sign the Comprehensive Test Ban Treaty (CTBT)—two policies that actually strengthened the hand of the pro-bomb factions in India. While India was widely

[1] This note was first drafted when Dr. Cohen, Senior Fellow, Brookings Institution, was a Visiting Scholar, at The Observer Research Foundation, New Delhi, in 2005-06

recognized by Clinton officials as an important country, few could imagine that it was so important that traditional and cherished arms control policies might be bent to accommodate New Delhi. Yet, in two ways, the Clinton administration laid the groundwork for what followed. First, it's effort to be balanced during the Kargil crisis of 1999 led it come down hard against Pakistan. Second, through its extended post-Indian nuclear test dialogue with its Indian counterparts, it developed a somewhat greater appreciation of Indian strategic plans and perspectives. The 1998 tests were deeply resented as an act of political betrayal, and seen as damaging the international non-proliferation regime, but Clinton and key advisors recognized that behind the tests was a country with which America had to forge a new relationship.

As is now widely known, George W. Bush came to office with the perspective that India was more an opportunity than a problem, and he set about creating a comprehensive economic, political, and even military-strategic relationship with New Delhi. His motives were complex: India was a potential balancer of a rising and potentially threatening China. India was also, as he learned while he was governor of Texas, a rising technological power, and it was undoubtedly a democracy in a region where one of the world's great problems was establishing order in chaotic states.

The attacks of September 11, 2001 deferred, but did not deflect**,** implementation of the Bush vision of India. While some strategic accommodation with Pakistan was necessary, Bush, through his ambassador, Robert Blackwill, made it clear that he envisioned a long-term relationship with New Delhi.

On the Indian side the Bharatiya Janata Party, led by Atal Behari Vajpayee, also came to see the value of a close relationship; the détente was carried forward by the Congress party. Prime Minister Manmohan brought a special economic concern to the issue of nuclear energy and weapons; when he was Finance Minister in the early 1990s he came to more fully understand the need for *all* forms of energy and how an affordable, reliable supply of it was necessary for sustained economic growth; he also came to appreciate how wasteful the civil nuclear program had been over the previous four decades, contributing little as a source for India's energy needs. Shrouded in secrecy, never subjected to rigorous checks or informed criticism, it staggered on, consuming vast amounts of money and producing tiny amounts of electricity. Even today, India's installed capacity of wind power (4% of the total) exceeds that of the nuclear program (3%), although the actual energy production of civilian reactors is more than that of wind turbines, because the wind does not blow continuously.

The idea for a grand bargain became politically feasible after the two countries had engaged in extensive military and strategic cooperation. Some of this took place during the 2001-02 India-Pakistan crisis when American and Indian forces carried out joint exercises even as New Delhi was threatening war with Islamabad; a Next Step in Strategic Partnership (NSSP) agreement was also announced on 12/13 January 2004.[2]

[2] NSSP envisioned expanded cooperation in the areas of civilian nuclear activities, civilian space programs, and high technology trade. The first phase of the NSSP led to the removal of ISRO headquarters from the Department of Commerce Entity List and easing of licensing requirements for low-level dual use items

Additionally, the lack of American interest in the Kashmir imbroglio reassured Indian leaders that Washington had virtually abandoned any efforts to serve as a peacemaker between India and Pakistan. India continued to accommodate important American (and Israeli) interests in its relations with various Islamic and Gulf states, although it declined an invitation to send troops to Iraq.

Negotiating the Deal

One participant in the July 2005 talks has suggested that the idea of taking on the nuclear issue was raised by America after the successful completion of an India-US defense agreement in early 2005; another view maintains that this was an Indian initiative around the same time. In either case, the evident successful negotiations over defense and other issues (notably expanded cooperation on high-technology, a CEO forum, and the revival of American agricultural technology assistance) gave both sides the confidence that they could attempt to deal with the nuclear issue, which for decades had been a major symbolic and technical obstacle to improved relations. No matter who took the first step—or perhaps it was a simultaneous realization that the two sides could take this very large step forward—the negotiations were protracted and difficult, only concluded at the final moment by the two principals during the Prime Minister's July visit to Washington.

Whichever version is correct, it is clear that President Bush and Prime Minister Singh were consistently ahead of most of their observers, let alone the communities of experts in both Washington and New Delhi. While there had been pockets of support for greater US-India cooperation in both states, many of the bureaucrats were unenthusiastic, and, if asked, might have replied that further study was necessary, confirming the axiom that government bureaucrats are a group of people who individually can do nothing, and who collectively decide that nothing can be done. The two exceptions seem to be the Indian Foreign secretary, Shyam Saran, and some in the Ministry of External affairs, and Nicholas Burns, Undersecretary of State for Political Affairs.

Finally, this was from the start, a top-down exercise. As negotiations dragged on, both sides were aware that a comprehensive nuclear agreement would come as a surprise—unpleasant in some cases—in both countries.[3] There was some consideration of an incremental agreement, which might have allowed time to build political consensus, but in the end the two principals concluded that they could win over, or neutralize, the recalcitrant on both sides. They took a calculated risk by bundling the nuclear deal with several other major agreements, the judgment being that any opposition would be reluctant to challenge one part of what was on the whole a very favorable and welcome package.

---

exported to ISRO subordinate entities. It granted a presumption of approval to all dual use items not controlled by the NSG for use in nuclear facilities subject to IAEA safeguards.

[3] The American side, at least, launched a campaign designed to gain support from the Washington policy community, contacting key scholars and former officials the moment the agreement was reached, soliciting their support.

Responses

In both the US and India, support and opposition to the deal are bipartisan, but the structure of opinion is not symmetrical.

The View from America

There were doubts from both Indians and Americans about the deal as soon as it was announced. At first these came from key American Congressmen and Senators, who complained that they had not been consulted, and would carefully examine it before passing the legislation required to implement it. This concern did not dissipate over the next several months, in part because there was only a feeble effort by the Bush administration to persuade key figures in Congress of the deal's political, strategic and economic virtues.

Besides denting the egos of some Congressmen, the agreement was a direct challenge to much of Washington's non-proliferation community. These included many former officials who had dealt with India over the years.

Some opposed the deal on the grounds that it did not extract enough from India in forcing more transparency regarding India's nuclear assets and in slowing down the Indian weapons program. The argument is not against helping India acquire a better civilian nuclear power program, but in giving a blank cheque to its weapons program. These concerns were heightened by Bush's statements that the United States seeks to make India a great power. At the minimum, this school would like to see India place limits on its own nuclear program, and declare itself more pro-active in terms of cooperating with the US in halting the nuclear weapons programs of other states.

A second view goes further and opposes any nuclear cooperation with India. Some who hold this view do not trust India, and many are veterans of numerous battles with the implacable Indian bureaucracy over India's (lack of) adherence to the NPT, the CTBT, and other nuclear regimes. When Indian officials boast of India's impeccable record on non-proliferation the doubters point out that India lied about its professedly peaceful nuclear program, showing the world—especially Iran—how to hide a military program within a civilian nuclear one.

A third and very widely-held view is that the agreement will damage the global NPT regime. Those who hold this view may have sympathy for India's quest for nuclear power and even a modest nuclear arsenal but they are worried that making an exception for India will crack open the international non-proliferation regime, the rules and norms that until now have kept the world from widespread proliferation.

These doubts are shared by some conservatives.[4] Defying their own president, they dismissed the argument that India might be a natural strategic ally, or a reliable partner in containing China (one of the implicit strategic underpinnings of the agreement,

[4] One reason that John Bolton, the former Undersecretary of State for Arms Control was moved to the UN by Condoleezza Rice is that had blocked such an agreement in Bush's first term

at least as seen by American officials). They also found it hard to get along with Indian officialdom; some felt that supporting India strategically could lead to a betrayal of Pakistan, a long-standing American ally. Even that rare creature, a Republican arms control expert (Henry Sokolsky), criticized the deal on the grounds that it weakened the barriers against proliferation, defying the Bush argument that on balance the agreement strengthened global non-proliferation.

American supporters of this agreement have not been as vocal as the opponents, but represent a formidable cross-section of American political and corporate life. Privately, many American businesses favor the agreement, as it is seen as promoting a more favorable atmosphere for US investment in India. It is possible that American companies might play some role in an expanded Indian civilian nuclear enterprise, and if strategic-military cooperation between the two states increases, then the prospects for major military sales to India become stronger. Indeed, the US-India Business Council (USIBC) took the unusual step of hiring a lobbying firm to assure passage of the necessary legislation. Many members of various Washington think tanks also support the agreement, politely disagreeing with their colleagues who have opposed it.

The Indian Perspectives

On the Indian side the agreement has been endorsed by Prime Minister Singh's Congress party. Ronen Sen, a close advisor to the Congress party President, Mrs. Sonia Gandhi, serves as India's ambassador to Washington, and was a critical player in the negotiations that led to the July agreement, and subsequent lobbying after that. Significantly, Sen had years earlier been secretary in the Ministry of Atomic Energy, and was familiar with the assets and liabilities of India's nuclear programs. Generally, this is an esoteric issue in an India that is nearly totally consumed by domestic political calculations.

The major opposition party, the BJP, was initially divided on the July agreement, with its leaders grumbling that India could have done better—or that more time was necessary so that a better agreement could be worked out. However, since the agreement brings retroactive legitimacy to the nuclear tests of 1998 that the BJP boldly ordered, the party has come around in support of the agreement.

Indian opposition to the nuclear agreement has flowed partly from traditional anti-Americanism, but the more serious opposition has stemmed from India's small but influential nuclear weapons establishment, the core of what Itty Abraham and others have referred to as India's "strategic enclave." Using leaks to favored journalists, article after article appeared in the Indian press condemning the deal, or stating conditions for the separation which were likely to be unacceptable to the United States government and certainly unacceptable to the US Congress and the Nuclear Suppliers Group (NSG). These culminated in an interview in the *Indian Express* (the newspaper that was on record as being most supportive of the agreement) by the Chairman of the Indian Atomic Energy Commission, Dr. Anil Kadokar, stating the terms under which he would agree to the deal. Even more surprising was that he was not disciplined immediately, indicating either PM Singh's weakness in dealing with his own bureaucracy, or perhaps another,

more subtle, strategy to neutralize Kadokar. Certainly, any Indian general who had spoken up in direct opposition to his own government's policy would have been relieved of his position.

Key elements of the strategic enclave remain bitterly opposed to concessions to a country that they have regarded with deep suspicion. As many American non-proliferationists tried to undercut, weaken, and terminate India's military nuclear program, those who worked in that program viewed themselves as secret national heroes, sacrificing their normal lives, at very little pay, in the service of the nation. Many were barred from America, their laboratories were forced to scrape and scrimp in secret, but they succeeded in producing a nuclear weapon *despite* the Americans. These American-led restrictions on the Indian nuclear program also crippled its civilian side, and its defenders argue that it was only due to the courage and brilliance of India's nuclear scientists that the present modest nuclear energy program exists today. Some of these scientists are as fearful of American intrusions into the holy nuclear space as some Americans are of Indian cheating and deception.[5] The scientists and technicians, who labored for decades under the handicap of American sanctions are especially distrustful, and some even deny that the Indian civilian nuclear program needs outside assistance. This group is the force behind India's long-standing insistence that "technology transfer" should be the touchstone of US-Indian relations, and they recount, with bitterness, the sanctions imposed upon various Indian entities, and even individuals, for what were claimed to be benign activities.

This nuclear-scientific enclave is formidable, and may try to sabotage the process of separating the military and civilian components of India's nuclear program by just delaying enough so that the US loses its patience. Much of the program remains secret, there are few outside the expert community who can judge whether there has been a good faith effort, and they will resist sharing information with the very Americans who had tried to end their program for the last thirty years.

Beyond this, there is a small component of the strategic community that makes the case for an open-ended Indian nuclear program, one in which neither limits nor technical restraints are imposed. For them, more is enough. Recent American actions in Iraq Iran reinforce the belief of some Indians that the US is dead set against any competing power in Asia, and that New Delhi will once again be the target for those Americans who want to strip it of its nuclear assets if India does not toe the American line. Some who hold this view are willing to forego the benefits of civilian nuclear cooperation in order to protect what they envision as a large-scale, fully-deployed nuclear deterrent; this, of course, would have to involve more testing. This group believes that strategic autonomy can be achieved in the short run, and that American technical assistance in the civilian field is not worth the price, Indeed, the argument is that strategic autonomy will give India even greater leverage over the US than it now has, and will, even more importantly, force Pakistan to bend and require China to deal with India as a strategic equal. This group *wants* to break up the international non-proliferation regime,

[5] Of course, the United States is not alone in its concern, France recently insisted, over Indian opposition, that the IAEA be the inspecting authority in any new nuclear agreement.

both to wreak their revenge upon the United States and other non-proliferation zealots, but also to move the world toward a system of many nuclear powers. This school holds that nuclear weapons serve no military purpose, that India's program is essential for the promotion of peace and Indian national interests, and they see no reason to compromise on this policy because of a mere shortage of electrical power, which could be made up by better conservation, burning more coal, or developing other energy sources. In any case, they argue, what use is energy if national sovereignty is compromised?

Finally, there is the well-articulated anti-Americanism of the Indian Left, although different left groups operate from different premises. The Indian Left's anti-Americanism has no counterpart now in the United States, where even the harshest critics of India have mellowed. Some on the Left are of an earlier, anti-American generation, when the US was portrayed by the Indian government itself as fundamentally hostile to Indian interests and values. Others, the Marxists, now find themselves struggling to manage the economies of several important Indian states, and seek American investment in industry, infrastructure, and even agriculture. Finally, an important element of the left bases its opposition to the United States, and this nuclear agreement, on its opposition to America as a force for globalization. Epitomized by the writer Arundhati Roy, this perspective, although opposed to nuclear weapons, ironically finds itself on the same side as India's weapons scientists in opposition to perceived American hegemonism.

The End Game

While officials on both sides have indicated that "the ball is in their court," meaning the other side, it seems that opposition is stronger, and deeper on the Indian side, even though New Delhi has more to gain than the United States. It is curious that some elements of India's small but feisty strategic community cannot accept "yes" for an answer, and still do not comprehend the historic shift in American policy, nor understand that this agreement is part of a larger adjustment in America's vision of India, one that conforms closely to historical Indian views.

On the American side one unforeseen complication has been the steady weakening of President Bush's domestic political position. Not only have there been new scandals in his administration (over spying on American citizens and lobbying), his potential successors are already out raising funds and support, and the nation's attention is diverted to the forthcoming Congressional campaign and the 2008 presidential campaign. However, this is unlikely to be a major factor when legislation is finally brought to Congress. Bush's critics are not likely to oppose an amendment to legislation which strengthens American ties to a rising (and politically popular) India. The India lobby, notably the almost two million Indian-Americans will support such legislation, as will the lobbying arms of several major American corporations who see India as a business and trade partner, as well as a customer. Yet, the president did not strengthen the chances that this agreement will get through Congress by failing to include significant Congressional leaders on this trip (or business leaders, for that matter, although he will address a meeting of the CEO Forum when in New Delhi).

Politics has also intruded in India. Manmohan Singh's leftist supporters have repeatedly threatened dire consequences if India continues what they regard as knuckling under American pressure on Iran and other issues. A press comment by Ambassador David Mulford, critical of opponents of the nuclear deal (and urging Indian support for America's attempt to isolate Iran because of the latter's violations of its NPT obligations), encouraged histrionics: one newspaper, the *Hindu*, mixing its metaphors, termed Mulford's remarks as both a *diktat* and a *fatwa*.

As a remedial step, Indian and American diplomats have discussed the deal with members of Congress, and a number of Congressional and Senatorial visits to India have resulted in public statement of support by such conservative critics of India as Congressman Dan Burton and liberal senators, such as Senator John Kerry.

Finally, timing is an issue. If both George Bush and Manmohan Singh are persuaded that this is the right deal at the right time, they are also aware that there were certain deadlines that complicate everyone's calculations.

The first was Bush's long-expressed desire to visit to India. He believes that India will be regarded as one of his major foreign policy triumphs. For Prime Minister Singh there is another kind of timing issue. There is no question but that he sees this agreement as a way of transforming the lethargic Indian nuclear sector, disciplining its civilian program, and reaping the benefits of an expanded civilian nuclear power production capability. This cannot be done immediately, but he and others realize that the program is years behind schedule, and must receive international support to play even a nominal role in closing India's growing energy gap.

Looking Ahead

It is my judgment that Congress will, when asked, make appropriate changes in American law if India can bring itself to do more than perpetuate its present mixed civil-military nuclear establishment. At the time of writing, the difference between the two sides seems to be what to do about a few reactors, the time frame for separation, plus the status of the fast-breeder program. In the end President Bush and Prime Minister Singh will have to agree upon a compromise; it will also be up to them to sell it to their respective political constituents, and beyond these, to the Nuclear Suppliers Group.

In the US the most important group that will need to be convinced is in Congress, especially among those who are ordinarily predisposed to supporting better US-Indian relations, but who are also concerned about proliferation. This concern is as widely held among Republicans as Democrats, but the Republican leadership was doubly irritated because it had not been consulted before the joint-communiqué was released. In the end, this group will eventually support some form of the deal, just as in India the opposition parties can be mollified by certain assurances and changes. As one senior Indian scientist, familiar with the politics of the entire affair agreed, this deal will require US and Indian leaders to perform a kind of Kabuki theater, offering ritual reassurance to their audience(s) that core values and interests will be safeguarded. Ambassador Mulford and Dr. Kadokar seem to have misspoken their lines, but as long as the rest of the actors

perform correctly, this is likely to be an agreement that will be reached, if not consummated, before the end of 2006.

Some Scenarios

Looking ahead, there are three broad scenarios: one in which the deals goes through pretty much unscathed, one in which it is delayed, significantly modified or otherwise only half-completed, and one in which the present dialogue ends in a sharp break between India and the US, complete with mutual recrimination and finger pointing. How might these three scenarios affect US-Indian relations and the nuclear issue over the long term?

Nothing Fails Like Success

In some ways a successful agreement on the separation of India's nuclear program into its civilian power and military weapons components will create more problems than if no agreement were reached. The problems fall into two categories: that of exaggerated expectations, and those of institutional support.

Following a successful agreement the Indian nuclear establishment will do everything it can to test the limits actually imposed by IAEA inspection. There will also be the possibility of cheating—India might try to bend the rules, or work around them, violating the spirit if not the letter of the agreement. Any such violation will immediately echo through Congress, and within the Nuclear Suppliers Group, and both countries should be prepared for such inadvertent (or deliberate) cheating. On the other hand, India's scientific and nuclear establishment may demand more technology and better technology than the US and other supplier states are prepared to offer, or that they think that India can absorb.

On the American side a successful agreement may lead to the over-selling of India as a "strategic partner," and the line between a partner that comes and goes as it wishes, and an ally, which implies some formal and lasting commitment, may be forgotten. If American officials believe that this deal will usher in a new era of US-Indian cooperation they will be sadly disappointed; indeed, any Indian government will want to demonstrate that having signed this agreement it is not in thrall to American policies in those regions and on those issues where India has its own strategic compulsions; there will also be a demand that sales of civilian nuclear technology, including fuel for India's reactors, be suspended. Conversely, America might be greeted with a demand from India for greater action regarding India's own strategic challenges. First and foremost of these is Pakistan, and should there be another India-Pakistan crisis, the US should be prepared for a demand from New Delhi that it tilt even more pronouncedly towards its new "natural ally," the vague term often used by both sides to describe the relationship.

The second major difficulty a successful agreement will encounter is the weakness of institutional linkages between America and India. If expectations on both sides are going to rise, and if the range of issues that Washington and New Delhi want to cooperate on is expanded, then it is evident that neither side has real expertise regarding the other. Despite their shared but abstract commitment to democracy (which in practice is compromised regularly by both), and despite a growing economic relationship and the

presence of nearly two million Indian-Americans, genuine dialogue and engagement is still limited. There may be 80,000 Indian students studying in America, but there are no serious American studies programs in all of India, and only a few hundred Americans study in India. This is a relationship that will require cultivation and nurturing lest the two sides again come up with the kind of misunderstandings that characterized their past.

If at First You Don't Succeed . . .

There is some chance that this agreement will not be consummated soon, and that negotiations will drag on for months. If that happens, then both sides will start looking at political timetables—Bush's departure and Manmohan Singh's prospects as Prime Minister after the next Indian election, probably in 2008. Will another US president be as interested in India as Bush? Will the technocrats in India and the non-proliferation lobby in Washington continue to delay an agreement? If they do then both India and the US will have to prepare the ground for a gentle disengagement, with the hope that another effort to achieve a "grand bargain" might be attempted by another American administration.

Meanwhile, there are many other areas where they can move forward, and do so decisively. It may be possible to patch together an agreement by which India can meet its uranium fuel requirements on a temporary basis, especially if it were to begin the process of disentangling its civil and military facilities. Furthermore, the US can do much under the rubric of "nuclear safety" to provide India with critically-needed parts and technology, especially for the US-supplied Tarapur reactor. Military cooperation and joint training need not be curtailed, nor should diplomatic and political consultations on issues of joint concern be cut back—indeed, it would be important to maintain a positive atmosphere so that a fresh attempt at negotiating a nuclear agreement will rest upon still greater cooperation in other fields. Also important would be continued Indian moves to open up its economy to American and international investment.

A Not-So-Final Break

Finally, it is possible, but very unlikely, that there will be a major break between the United States and India over this agreement, and that the negotiations will end badly, with mutual recrimination and finger-pointing. Each side will try to blame the other, if only to protect themselves from the charge of political ineptness. Such an outcome could lead to Manmohan Singh's resignation or to the Left parties pulling their support from his government, leading to political chaos in India, and the US being blamed. The failure of the agreement would also damage President Bush, who is already under attack from many directions. This was supposed to be his crowning foreign policy achievement**;** if the deal falls through he will be blamed for bad judgment, bad strategizing, and bad politics.

I do not foresee this happening, but even if the agreement cannot be consummated that does not mean that the basic transformations in India and the United States that brought us to this point did not happen. Certainly, the American strategic elite has a new respect for India, not because of its nuclear weapons (although these certainly attracted American attention) but because of India's much-improved economic performance, recognition of its great cultural or "soft" power, and a slow realization that India's democratic experiment is directly relevant to many of the world's problems, and not just a curiosity to be dragged out on ceremonial occasions. So, while Rice's formulation of

India as one of the world's five great powers has not attracted much attention in the United States, the reality is that New Delhi is newly important to Washington, and that whether the deal succeeds or collapses, America must (and is likely to) remain engaged with it.

On the Indian side there is a fresh recognition, outside the Left, that the United States can sometimes be a force for good in the world, and, if the cards are played correctly, that it can be a positive, not negative factor in India's own strategic calculations. India learned during the Cold War that non-alignment did not prevent America from providing it some weapons, advanced agricultural technology, and huge amounts of foreign aid. During the 1999 Kargil crisis India learned how to maneuver America against Pakistan, and it has also been able to discourage any American involvement in the Kashmir conflict. Beyond that, as New Delhi begins to expand its own ties with China (now a major trading partner), it will want to retain close times to the United States, to provide strategic reinsurance against a dramatic worsening of the India-China relationship.

Thus, a "failed" agreement will be a temporary setback. Something like it will turn up again, as the dilemmas of India's nuclear programs, both civil and military, will not disappear.

How Much is Enough

How many nuclear weapons does India really need? This question has not been addressed by either government publicly, and they stress that this is an agreement about *civilian* nuclear energy, not India's nuclear weapons. But because India buried its weapons program in its professedly civilian/peaceful nuclear infrastructure, these are two sides of the same coin and this is the issue that commands most attention from Indian and American critics of the agreement (while supporters tend to stress its important energy-related implications). Determining the smallest number of nuclear weapons that will ensure security without generating political and strategic instability is a difficult challenge.

Both American and Indian officials are at pains to stress that the number of nuclear weapons that India will build and perhaps deploy will be a purely Indian decision, based on Indian estimates of its own security needs. This position is politically useful, but strategically inept. It allows the Indian government to boast that its weapons decisions will be based entirely upon considerations of India's "national interest," and that neither America nor other states, let alone the IAEA, will have anything to do with decisions affecting vital Indian interests.

In fact, the history of "how much is enough" is very much part of the politics of the deal. For years, the official American answer to this question was "none," and the Clinton administration proclaimed that its policy was to "cap, roll back, and *eliminate*" the Indian nuclear program. The Bush administration seems to accept a modest and stable Indian force; perhaps some would like to see India acquire a major force that would in some way balance out China's nuclear arsenal.

On the Indian side a few hawks would like a very widely-deployed arsenal of thermonuclear weapons, enough to boost India to the major league of nuclear weapons states. At the other end of the political spectrum, there is a small anti-nuclear constituency in India, which finds itself ironically opposing a nuclear deal that would place constraints on the Indian program—they dislike the US more than they dislike Indian weapons of mass destruction. However, the dominant Indian position has been one that reflects historic Indian concern about nuclear arms races, and is consistent with Indian views that in the end nuclear weapons should serve predominately political purposes, not military ones. This position holds that India's nuclear forces should be enough to deter both Pakistan and China, and that a small but robust (and technically advanced) Indian arsenal would be "sufficient." However, since deterrence is first and foremost a guess about psychology and mind-sets, the Indian nuclear establishment argues that it has to be free to adjust its nuclear arsenal up and down to meet the rise and fall in threats.

This has led them onto soggy strategic ground. First, there is no sense in increasing one's nuclear forces unless the other side is aware of it, or can guess that it has been done, hence there will always be pressure to maintain a large reserve production capacity, to guard against future nuclear threats. Yet this capacity will be seen as a floor, not a ceiling by potential enemies. This is the stuff out of which arms races are born.

Second, "how much is enough" is hard to answer, because calculations of what the other side might regard as "unacceptable" damage may vary from regime to regime or from time to time. Will a stable, prosperous, and cautious Chinese leadership be deterred by just the threat of a few nuclear warheads on some of its major cities, or does India have to demonstrate the capability to destroy many more urban centers? The same calculation will have to be made in the case of Pakistan, where the leadership is likely to be more unpredictable in the future. Will India have to destroy Lahore four or five times over to persuade the Pakistani leadership that it is serious should Pakistan escalate to nuclear use during another India-Pakistan crisis or war, or will a single weapon, or perhaps two, be sufficient?[6]

Finally, will India have to plan for a contingency where it will be forced to use nuclear weapons against *both* Pakistan and China, and perhaps in the future, against Iran or some other new nuclear weapons state?

The difficulty for the Indian strategic community is that if it errs on the side of caution, as Dr. Kadokar and others in the weapons establishment want, then the risk of a nuclear arms race is somewhat greater, unless the Indian government is more transparent about its nuclear ambitions, and enters into discussions with likely nuclear rivals—China and Pakistan—as to *levels* that deter, but do not provoke. It will take the Indian strategic community some time to come to this position, but if they do not then it can be expected **(**as the American critics of the nuclear agreement say), that there will be an arms race,

[6] Of course, such a massive attack on Pakistan would result in enormous Indian casualties from fallout, even if Pakistan were unable to deliver its own nuclear weapon on India. Would India be self-deterred in that case?

perhaps an arms walk, with steadily escalating numbers, more accurate and reliable delivery systems, and larger and larger warheads, perhaps requiring a fresh round of nuclear testing. India could be one of the nuclear "big boys," a status that some of its strategists crave, but it will not, in these circumstances, be more secure.

Lessons

Three broad lessons can be drawn from this brief survey of the pending nuclear agreement.

First, there are still generational problems regarding perceptions, and these exist as much in India as in the United States. There is no systemic opposition to India in the US, even though the Indian Left and a generation of former Indian officials and intellectuals cannot believe that American hostility has abated, let alone that the US under President Bush actually wants to see a strong and vibrant India play a role in the global balance of influence. Oddly, since some are Marxists, they fail to see that economics has changed the nature of the relationship, perhaps more than India's 1998 nuclear tests or the presence of almost two million Americans of Indian origin. On the American side the non-proliferation community remains profoundly distrustful of the Bush administration's attempts to rewrite the NPT regime, but they are a declining factor in American politics, especially as Bush views the proliferation of weapons of mass destruction as one of the two major threats to American security (the other being radical Islamic terrorism).

Second, there will always be real strategic differences between India and the United States. These have been accentuated in part by the forceful Bush policies in the Middle East, but clearly terrorism is not interpreted in exactly the same way by both sides. "Democracy" is neither a common agenda nor a workable strategic blueprint. Whether the agreement survives intact or is modified, these differences will remain, but a successful agreement, if it is buttressed by stronger institutional and political ties between the two countries, will do much to provide a workaround for cases where there are different interests.

Finally, this agreement does little to address two important issues. The first, discussed above, is the structure and nature of India's weapons program, and whether it will trigger a new nuclear arms race in Asia. The second is the problem of developing a new comprehensive non-proliferation regime, one that would include elements of the existing NPT, and President Bush's new Proliferation Security Initiative. It is unlikely that the deal offered to India could be extended to two states in a similar position, Israel and Pakistan.[7] What the Indian agreement does is to modify the grand bargain of the NPT on a case-by-case basis, with the calculation that non-proliferation goals will be better achieved with India in the non-proliferation tent than outside it. It is too soon to offer a judgment, but there is no doubt that if concluded this agreement will be at best a minor calculation for other states who are contemplating "going nuclear." India went through

[7] If it were offered it is unlikely that they would accept. Israel does not want to admit that it is a nuclear weapons state, and in any case has no civilian nuclear program; in Pakistan's case Islamabad would have to be more honest about its own nuclear transgressions, especially the role of A.Q. Khan, and Pakistan does not have India's strategic weight.

decades of sanctions before this agreement was proposed and it has also moved closer to the US; it is likely that likely proliferators will be more concerned about US military action against their programs, and whether or not there is a threat to their very existence, before they go down the nuclear path.