

TRANSCRIPT
18 October 2007

US – India Nuclear Deal
FAS Headquarters
Washington, DC

CONGRESSMAN MARKEY:

Thank you Henry so much and thank you all for coming here this morning in these beautiful new quarters of the Federation of American Scientists. It is a real privilege for me to be here with you today.

I've been going through that book that was recently republished, *One World or None*, and what Oppenheimer and Einstein was saying back then as Henry said still applies today. The issues are even more dramatic in terms of what the implications could be for the planet.

So over the last couple of years I've been leading the opposition to the U.S. – India nuclear deal because of the disastrous implications for the nuclear non-proliferation regime which has been protecting the world for a couple of generations. And in some India papers they describe me as the arch critic of the U.S. - India deal. But I really don't see myself that way. I see myself as the arch defender of the nuclear non-proliferation regime.

And keeping it there to protect the planet rather than allowing selective deals by short-term presidents and secretaries of state to undermine the long range objectives which should be at the highest priorities for our country. So the legislation which I introduced in 2005, which outlined the serious non-proliferation problems in the nuclear deal served as an organizing vehicle for members of Congress who were opposed to the bill.

But by the time the administration got more deeply into their effort it became clear there was almost nothing that they would not do. So here is what is made possible by the India deal (points to chart). Right now they make approximately - they have nuclear material that makes it possible for them to build seven bombs a year but if this deal ever went through it would increase to 40 to 50 bombs per year... the capacity of the Indian government to construct new nuclear weapons.

Now why is that important?

Well it's important because we should look at another chart. And that chart is the new bomb material reactor which is being built in Pakistan. And that new reactor gives them the ability to increase their nuclear bombs capacity from two to three new bombs per year to 40 to 50 bombs per year.

And even as we were debating this last year on the House floor, that is the India deal, the Bush administration forgot to tell Congress about the information which they already had about this program that was well under way inside of Pakistan.

So from my perspective, what the Bush administration should have been working on is how to slow down this nuclear bombs arms race between the US and Pakistan rather than trying to pretend that they were cutting some civilian nuclear energy deal with India that had no implications for the nuclear nonproliferation regime.

When clearly this is the central story line and to make it even more clear -- still under house arrest but living in a very nice home right in the middle of Pakistan is A.Q. Khan, the Johnny Appleseed of nuclear materials across the world. And you can see the day that the story ran, July 24, 2006, "Pakistan Expanding Nuclear Program," that ran the day after we had the debate on the India nuclear deal. The administration didn't think that would be relevant information for the members of Congress to have as were deliberating on the issue.

So this is a central issue for the planet. The United States should be the leader rather than the laggard. Instead for the short term diplomatic agenda of a particular secretary of state or president they are willing to jeopardize it.

Now with regard for our using China as a – to have India be an offset against China and showing how we can have a dramatic increase in trade with India, you can see right here with the (shows new chart) what the path of our total trade with India has been absent an agreement to sell nuclear materials that are outside the traditional nuclear nonproliferation regime. It has been spiking straight upwards. There's no reason to believe that that is going to head in any other direction. It is the single most important recent characteristic of our relationship – this expanding much more capitalistic orientation of India.

And if you want to know something else, the number two chart would be the trade relationship between India and China. They're their second leading trading partner and that is a straight arrow going up in the air as well.

And so this kind of sense that if we did this it might make it more possible for us to sell some additional products to India in the totality of this exploding trade relationship that we have with India, it would still represent a relatively small fraction of any trade relationship that we would have with that country.

So the reality however has been that even after Congress voted to allow nuclear trade with India in principle, the Bush administration negotiated a deal with India which is universally recognized as blowing an enormous hole in the nuclear nonproliferation regime by granting unprecedented concessions to India, a country that has never signed the Nuclear Nonproliferation Treaty.

And these new concessions from the Bush administration to India after the Congress voted have created even more critics of the deal up on Capitol Hill. And that's what is most heartening to me. The number of members who have come over to me who have just been shaking their head as they learn about what the new conditions were that the Bush administration was willing to accept.

So the unfortunate thing however is that the Bush administration went so far as to promise that no behavior from India could ever be bad enough to halt nuclear transfers in the future. Resulted in Bush telling India even if you break your agreement with us, even if you set off another bomb and we have to cut off your nuclear supply, we will find someone else -- Russia or France or someone else -- and guarantee that there will be nuclear material there to fill in behind us.

So if India tests a nuclear program, the United States may not be able to trade with India but we are going to help them find another source of nuclear material. Now that's crazy.

You know. This is like saying. Well, if you do this bad I will punish you but you can go to your father and I'll have them make sure you get the reward which I promised you regardless of your behavior. Which just doesn't work from a behavioral medicine perspective.

My wife used to be the head of behavioral medicine for the National Institutes of Health and you either have two choices in life – one is reenactment and the other is reconciliation. Reenactment is very bad because that same behavioral pattern continues unless there is an intervention. Reconciliation is very good if you can hear the legitimate concerns of both sides. That hasn't happened yet.

But apparently the Indian government views even the shockingly insignificant fig leaf nonproliferation conditions in the deal as being too onerous. If the deal collapses now it would be the best outcome for global nuclear nonproliferation regime possible while the current administration is still in office.

A failure for the Bush administration on the nuclear deal would be a big win for nuclear sanity. Around the globe people concerned with stopping the spread of nuclear weapons will breathe a sigh of relief. There isn't likely to be a eureka moment though. Even if the deal is for all purposes dead, the Indian government and the Bush administration will surely claim that it's not dead. It's just that the timing is wrong.

The possibility exists that given how much the Bush administration has invested in this deal as an example of their successful foreign policy they may reopen negotiations and concede even more to India.

But even if somehow the Bush administration and Indian government try to bring this deal back to life, enormous hurdles remain. The problems facing the nuclear deal have in fact only grown.

Three major steps remain. First India needs to negotiate an International Atomic Energy Agency safeguards agreement. Two, the nuclear suppliers group must change the international rules of nuclear supply. And three, the United States Congress must again vote and give its final approval.

None of these are guaranteed and they may even be getting less likely.

First – the IAEA safeguards agreement. India has said it wants an India-specific safeguards agreement with the International Atomic Energy Agency. But any non-standard agreement would take potentially a great deal of time to negotiate.

Second, the NSG. Many countries in the 45 nation nuclear suppliers group have voiced deep concerns about the deal and it has become clear that the NSG will not simply rubber stamp its approval. Instead the NSG is likely to demand that significant nonproliferation conditions be attached to the deal. If India can't accept the fig leaf nonproliferation conditions of the Bush administration, how will it swallow serious nonproliferation conditions from the Nuclear Suppliers Group?

And third, the Congress. Even if those big hurdles are cleared, the Bush administration has to convince the Congress to approve the deal. And many members of Congress are growing increasingly skeptical of what the Bush administration is selling. Especially after the formal bilateral negotiations with India resulted in an agreement that many in Congress view as not in compliance with the Hyde Act.

In fact, the ranking republican on the House Foreign Affairs Committee, Representative Ileana Ros-Lehtinen, just introduced a bill which says that the president has not yet shown that the deal is compliant with the congressional conditions as laid down in the Hyde Act. If that's what the most senior republican thinks then the Bush administration is really in trouble.

And let's not forget the lurking issue of India's economic and military ties to Iran. Many members of Congress are deeply troubled by India's refusal to get serious about the threat from Iran's nuclear program. And this issue really could break the nuclear deal if it reached the Congress and a vote on the floor of the House and the Senate.

So clearly even if the Bush administration and the Indian government tried to breathe life into the dying nuclear deal, it faces a deeply uncertain future.

The Bush administration has argued that this deal will exponentially boost commerce again with India. So let's look at that again.

Since 2000, Indian exports to the United States have doubled and U.S. exports to India have almost tripled. In the last 30 years, total bilateral trade has grown by almost eight-fold – an enormous increase. In 2006, our total bilateral trade topped \$31.9 billion growing at a whopping 18.5 percent over the previous year. Even during the worst

moments of the U.S. - India relationship, for instance after the 1974 and 1998 Indian nuclear tests, trade continued to grow at rapid rates.

The bottom line is that trade between the United States and India will continue to grow no matter what happens on this India deal.

So the U.S. – India deal was always a bad deal for the United States and for the international nuclear nonproliferation regime. If it fails now we should all breathe a sigh of relief for having escaped from truly terrible damage to the Nuclear Nonproliferation Treaty.

But in any event, we cannot allow there to be any kind of an undermining - because of this deal if it does collapse - of our U.S. - India relationship. I think that we can have a moment here that is a slight but temporary, as a bump in the road in our relationship with India. But we can't allow our relationship with them to lead to a wholesale destruction of the Nuclear Nonproliferation Treaty.

I believe that the bilateral relationship will continue to flourish and the citizens of both countries will be living in a safer world because of the collapse of the U.S. – India nuclear deal. But again, I am quite confident that even if the Bush administration can revive this deal, even if the Indian government can find a way of moving forward, that there are still substantial obstacles ahead beginning with the decision that the Nuclear Suppliers Group would have to make which would be to vote themselves out of existence if they acceded to the deal as it is presently framed between the United States and India.

So thank you Henry so much. And thank you for your great work and your organization's work over the last 60 years. I hate to say it, I've read everything that the Federation of American Scientists has sent me in my 31 years in Congress and I've agreed with. I can't tell you what it means. It's like having an extra staff to present me with the documents I can use as the basis for my work. So I thank you.

Question and Answer:

QUESTION: Reuters -- If this deal collapses, where can India then go, where are they likely to go if they want to develop this technology and build bombs?

MARKEY: I don't know where they're likely to go. I have no idea where they will go.

QUESTION: Christian Science Monitor -- One of the arguments is that we'd rather tie India into working with us than have them go work with China or even Iran.

MARKEY: I think that it's much more likely if we maintain a strong IAEA and Nuclear Suppliers Group that they won't easily find someone else, some other country that is willing to trade with them in this nuclear material absent a safeguards regime which meets IAEA standards. So I think that as long as the international regime stays in place that any country that decides that they want for short term economic or diplomatic

purposes to have this kind of a deal with India will come under withering international criticism.

I think the unfortunate situation is that many countries in the world they look at President Bush or they look at the United States and they're afraid to say a word about what they're doing but in the end they're hoping they don't have to exercise their responsibilities at the Nuclear Suppliers Group but at the end of the day we know that common sense will prevail there. But I think once the United States is out of the picture it will be very difficult for India to find a substitute.

And if they move towards Iran it would only, it would be a huge setback for India given the fact that the world community including -- you know -- all those they would be dependent upon for supply would I think cast a, not be... It would not be well received if India turned towards Iran to find the capacity to increase their nuclear weapons program.

QUESTION: Greenwire -- You mentioned many members are coming to you, I was wondering who they are?

MARKEY: I can't do that but I have a lot of people telling me I was right. But again you can be... The problem with being a liberal is that a lot of times you're right but too soon. A lot of these members, if there is a vote, they clearly are much more prepared now to reject the deal if this would be the deal that the President would present to the Congress, but it increasingly looks like that won't be the case.

I think this deal would have a very difficult time getting the votes. Yes I do.

QUESTION: Christian Science Monitor -- So what do you see, do you see the administration as sort of dropping this?

MARKEY: Again, it's being driven now by the internal Indian government politics. So the administration might not have an option as to where they go from here. But if it is revived then there is still a gauntlet that this agreement would have to run -- through the IAEA and Nuclear Suppliers Group before it even reaches the floor of the House and the Senate. And I think at each stage it would be even weaker.

So if for example there was a new agreement in India and it came back to the United States with even more concessions made to the left in India perhaps the Bush administration would even accept those concessions as well but it would not enhance it. It would further undermine the likelihood of success on the floor of the House and the Senate.

QUESTION: Bloomberg News – Why do you think the tide has turned gradually recently in the Congress? This has been on the back burner for a while until recently?

MARKEY: I think that the members who were involved in the drafting of the Hyde Act were well aware of the concessions that were made in order to gain its passage. And now the Bush administration feels free outside of that congressional action to continue to make additional concessions that would then come back to the House and the Senate for approval. And I don't think that's being well received by the members who already made concessions in order to put the Hyde Act together.

QUESTION: Bloomberg News – And what would Representative Ileana Ros-Lehtinen's legislation do?

MARKEY: Well again, it puts a stake in the ground like the Hyde Act. Going beyond that is a whole new political world and it doesn't ... I think what it says is that Mr. President you're in dangerous ground here. You're agreeing to concessions that neither the House nor the Senate agreed to. And we went as far as politically possible, you know, in the earlier stages. And so they're putting the red flags out there that ... I think get only more exaggerated as we read about the internal political disputes that are going on in India.

But you'd have to talk to her. I would recommend that you call her.

QUESTION: Is there any chance of you signing on to that legislation and teaming up with her?

MARKEY: You know what, that's a good question. What do you think Will? It's a good bill, so yes. There is an excellent chance I would team up with her. I would team up with her on that. If necessary. It might not be necessary.

I have not talked to her about that. I have been talking to her about the India nuclear deal over the last two or three weeks. But not about that legislation honestly. I've been waiting to see if it can survive internal Indian politics.

QUESTION: Christian Science Monitor -- We've heard with climate change concerns there's interest in nuclear power. Do you have an alternative idea? Or do you think the safeguards through the suppliers group is already sufficient?

MARKEY: After 50 years the total amount of installed nuclear electrical generating capacity in the United States is 100,000 megawatts. Experts now expect for there to be 100,000 megawatts of wind power to be installed in the United States in the next ten

years. That is it takes ten to twelve years to build a nuclear power plant. So before the first one was even built wind would have already, with installed capacity already ramped up.

So there's a new wind blowing and it's wind, it's solar, it's biomass and all these other alternative energy sources.

In the United States, for example, the nuclear industry is saying that if the federal government does not provide unlimited federal taxpayer loan guarantees that they will not build another nuclear power plant. Unlimited federal loan guarantees from the taxpayer for an industry which is 50 years old.

So that's what you get.

Here domestically it's died in the free marketplace. Wall Street doesn't invest. They invest in natural gas. They invest in wind and solar and alternatives.

And why would we, as a result, be sending these issues overseas where you also pick up the nuclear proliferation and nuclear waste issues. And I guess what I would prefer is for the President to announce that he is going to negotiate a massive multi-billion dollar clean coal technology exchange program with India. That's how they create most of their electricity. Why don't we find a way for transferring the cleanest coal burning technology? And that would have an immediate impact not something that is ten to twelve years delayed in terms of the emissions into the atmosphere. That would be a smarter way to go

My staff is killing me. I have to be on the hill at 10:00. We're going on session at 10.

QUESTION: What chance does this deal have with a democratic administration?

MARKEY: Under a democratic president? Which can... There is no way that a democratic president will support this deal. That

They're calling me. Henry, thank you.