

**THE CLINTON ADMINISTRATION'S NON-
PROLIFERATION POLICY TOWARDS
SOUTH ASIA**

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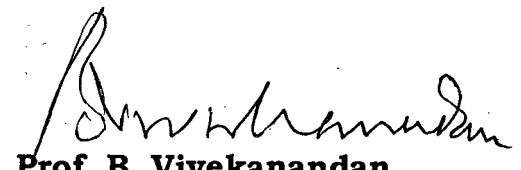
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CERTIFICATE

This dissertation entitled, 'The CLINTON ADMINISTRATION'S NON-PROLIFERATION POLICY TOWARDS SOUTH ASIA' by Mr. Nar Singh for the Degree of Master of Philosophy is an original work and has not been previously submitted for any other Degree of any University before.

We recommend this dissertation to be placed before the examiners for evaluation.


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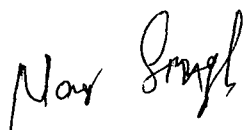
In bringing out this dissertation, I owe my debt to so many people.

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New Delhi


Nar Singh

Dedicated with love to

*Rocky & Monika
Sumeet & Manish
Dharma
Mummy & Papa
Maan & Kakajee*

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Preface

Nuclear proliferation has become one of the principal concern of the World, ever since the end of the Second World War and more so the end of the Cold War. Nuclear arms proliferation which has been hitherto, confined to superpowers has become a permanent feature in many parts of the globe with more states acquiring it: Nuclear proliferation in south Asia has been proclaimed a great danger to global peace by the superpowers and NPT signatories. US nuclear policy in south Asia is at its crossroads. US has been challenged by the two South Asia states in its upholding nuclear non-proliferation objectives. It is an irony that much of the course of event relegating nuclear proliferation in South Asia specially in Pakistan had been selectively promoted by U.S. The close Sino-Pakistan nuclear cooperation for weapon programme was never interrupted by U.S. and thereby, contributing to selective proliferation and undermining the non proliferation objectives – thus presently both India and Pakistan are nuclear weapon states. They are challenging the entire nuclear non proliferation regime of the United States of America.

Nuclear non proliferation has clearly emerged as the top agenda of president Clinton's foreign policy. The formulated policy includes the achieving of the twin Objectives of disarming America nuclear adversaries and discouraging its potential nuclear enemies from acquiring such capabilities. The Clinton Administration has outlined a policy of "seeking to cap, reduce and ultimately eliminate the nuclear and missile capabilities of India and Pakistan. To address the problem of nuclear proliferation, the Clinton Administration has pursued a comprehensive, incremental and long term approach. It has followed a 'preventive diplomacy' in dealing with nuclear proliferation in South Asia. It has given some incentives such as. Supply of F-16 fighter aircraft to Pakistan and the Brown Amendment on the ground that these incentives would enhance the US influence in Pakistan and would strengthen its hand to achieve its non proliferation objectives. When in December 1995,

Indian government prepared to conduct nuclear test, the Clinton Administration on January, 16 threatened to cut economic aid. The Clinton Administration has sent several high official to India and Pakistan persuading them to sign the NPT and CTBT but 'quiet diplomacy', could not succeed.

In May 1998 both India and Pakistan tested their nuclear weapons U.S. President, Bill Clinton found the nuclear tests by India an affront to the U.S. efforts to prevent nuclear proliferation and added "this action by India not only threatens the stability of the region, it directly challenges the firm international consensus to stop the proliferation of weapon of mass destruction."

Available reports and records indicate that primary objective of US since Pokhran II and Chagai in May 1998 has been to engage both India and Pakistan in already formulated nuclear non -proliferation frameworks-building up pressure bilateral and multilateral on both India and Pakistan to concede signing NPT and CTBT. Simultaneously, U.S. is also promoting multilateral engagement for containing the nuclear proliferation objectives of India and Pakistan.

The U.S. response to nuclear tests has centred on the imposition of mandatory sanctions under the Arms Export Control Act, the Export Import Bank Act of 1945, The Nuclear Proliferation Prevention Act and the Atomic Energy Act of 1954. Specific sanctions include termination of U.S. development assistance termination of U.S. government sales of defence articles, and services, termination of foreign military financing, denial of credit, credit guarantees, or other financial assistance by international financial institution, prohibition on US banks loans or credit to India and Pakistan and prohibition on export of specific good and technology. The Clinton Administration has been creating multilateral pressure on India and Pakistan through G-8, and U.N. Security Council to prevent further nuclear tests; to sign CTBT immediately and unconditionally; refrain from deploying nuclear weapons; halt the production of fissile material for nuclear weapons; and

formalize policies against the export of weapons of Mass destruction, Missile technology or equipment to other states.

The twelve round dialogues between, US Deputy Secretary of State, Strobe Talbott and India External Affairs Minister Jaswant Singh and the nine round dialogues between Strobe Talbott and Pak Foreign Secretary Shamsad Ahmad have taken place.

The Clinton Administration states that India and Pakistan must understand in no uncertain terms, that their tests and subsequent declarations do not make them Nuclear weapon states. US President Clinton has declared that the Kashmir conflict is the most dangerous, because of nuclear tests by India and Pakistan. The Clinton Administration has lifted most of the sanctions under the India-Pakistan Relief Act and the Brown back Amendment. US President, Bill Clinton came on an official visit to South Asia between March 20-25, 2000. The vision statement that was jointly signed by US President Clinton and Indian Prime Minister Atal Behari Vajpayee, on March 21, 2000 sets out a charter for future political engagement between two countries. The Vision Statement inscribes into on an agreed text the substance of the disagreements between the two countries. Clinton's address to Indian parliament was an effort, at persuasion to bring India around to the view that accession to the CTBT and the forswearing of the nuclear weapons option would have no adverse security implications.

The first chapter traces out the historical evolution of US non-proliferation policy. The Second chapter analyses the nature of the Clinton Administration's non-proliferation initiative in South Asia. The third chapter depicts Indo-Pak Nuclear Tests and Clinton Administration's response and sanctions. The Chapter fourth discusses the Clinton Administration's efforts for signing the CTBT by India and Pakistan. In concluding chapter some observations have been made.

CHAPTER – ONE

EVOLUTION OF US NON-PROLIFERATION POLICY

The pursuit of nuclear non-proliferation is indeed a laudable objective and one that should be on the agenda of every nation. However among the countries where the issue has attracted maximum attention and where often hype has been generated over efforts to control nuclear proliferation stands the United States of America. Every American Administration since the days of President Truman has professed a special commitment towards the attainment of non-proliferation. Each Presidency has attempted to leave its own unique imprint on American nuclear non-proliferation policy either by facilitating the conclusion of treaties to that effect, persuading a maximum number of countries to endorse these treaties or through some other unilateral, bilateral or multilateral initiatives.

Policy of Total Denial and Secrecy – 1946 - 1953

The idea of nuclear non-proliferation germinated soon after the realization of the destructive potential of atom itself. Research on harnessing the power in the atom which was progressing as a multinational enterprise at the turn of the 20th century, soon got rigidified into secret national projects once scientists began to highlight the possibility of developing an atomic bomb. The race then began to be the first to reach the nuclear weapon goalpost. A justification for accelerating efforts in this direction was then provided by the unfolding

political circumstances that were pushing nations inexorably into a Worldwar. The scramble to be the first to possess the weapon with USA developing the atomic bomb and deciding to use it one Hiroshima and Nagasaki, ostensibly put an end to World War II. However even before the bombs had been dropped, the scientists and some government officials had become aware of the political ramifications of the new weapon. They were cognisant of the fact that it would bring about a widespread transformation in international relations of the future. The US Secretary of War at that time, Henry L. Stimson, assembled a committee in May 1945 to discuss post war atomic energy planing in which he spoke of the atomic bomb as having brought about a “revolutionary change in the relations of man to the universe”¹¹ Therefore he cautioned President Truman that the weapon “has placed a certain moral responsibility upon US which we can not shirk without very serious responsibility for any disaster to civilization”¹².

President Truman too echoed similar sentiments, as he saw it, “the bomb was the most terrible thing ever discovered but can be made the most useful”. To ensure its usefulness and to hinder that it should instead become a destroyer of mankind”¹³ it was first of all necessary to prevent the secrets of the new weapon from falling into the wrong hands.

¹¹Lawrence S. Witter, One World Or None : A History of The World Nuclear Disarmament Movement Through 1953 (Stanford, Calif: Stanford University Press> 1993 p.7.)

¹² Ibid p.7

³ Robert H. Ferrell, ed., Off the Record: The Private Papers of Harry S. Truman (New York: Penguin 1982) p.45.

In his radio address of August 1945, he proclaimed, "We must constitute ourselves trustees of this new force"⁴. However, how the US was going to fulfill the responsibility was not very clear then. The American Administration was divided mainly along two lines of thought. Some were in favour of the USA retaining the monopoly of the weapon by following a policy of strict secrecy or in other words, by practising a policy of non proliferation. In fact these efforts can be traced right back to the days of the Manhattan Project itself. While the Project was a three-nation joint endeavour, its overall charge rested with an American General, Leslie R. Groves. He has himself admitted to having made conscious attempts to narrowly compartmentalise the British and efforts so as to deprive them of the total knowledge of the making of the bomb. He was confident that America's exclusive possession of the bomb would last up to twenty years.

The other strain of opinion, however had the support of people such as Vannevar Bush, Stimson and Dean Acheson who advocated accommodation with the soviet Union on the bomb. They were of opinions that America's nuclear advantage was going to be only temporary and that it could be put to the best use by initiating negotiation on some sort of international controls either by directly approaching the soviets or by initiating UN action. It was their contention that the US Government should take the lead in proposing a plan to spare the world of a nuclear arms race or a nuclear war.

This responsibility did seem to weigh heavily upon the American shoulders, especially in the years immediately after 1945 and the basic trend then appeared to be to strive for some sort of an international

⁴. Lawrence S. Witter, n.1, p.249

arrangement that could eventually lead to the renunciation of the use and development of the bomb. This was the idea projected in the Truman-Attlee-King declaration of November 1945. The Declaration called for the establishment of a UN commission to prepare recommendations for the "elimination from national armaments of atomic weapon and of all the other major weapons adaptable to mass destruction."⁵

An ingenious formula for international control of atomic energy was first put forward by the Acheson - Lilienthal Committee in 1946. It provided for the creation of an international body the Atomic Development Authority, that would maintain a monopoly of fissionable material and distribute it only in 'denatured' form for peaceful purposes. Meanwhile the existing nuclear weapons were to be destroyed and a system of international inspection put in place to alert nations to any violations of the agreement. Unfortunately, nothing came out of this well meaning endeavour. It was succeeded by the Baruch plan presented to the UN General Assembly 'On June 14, 1946,. This differed from its predecessor in the sense that in order to maintain their nuclear monopoly and prevent the monolithic Soviet Union from attaining nuclear weapon capability it sought the creation of UN control body that would make an initial survey of nuclear raw materials and facilities and punish offending nations. Because the US, then enjoyed a large built in majority in the United Nations and was going to retain control over its nuclear weapons until the final stage of international control this did not appeal to the Soviets. They proposed instead that the US should destroy its nuclear stockpile as a first step, when negotiations on this proposal foundered because certain aspects were unacceptable to the Soviet

⁵ Hewlett and Anderson, The New World, 1939-1949 (University Park: Pennsylvania State University Press 1969) pp.461-66.

Union. The United States turned to a policy of secrecy in the hope that this would prevent other nations from developing nuclear arms. Even before the launching of the plan, the US Congress had passed the McMohan Act of 1946, designed to build an impenetrable wall around U.S. nuclear technology plant and material and thus to maintain the US nuclear monopoly. The US even rejected a Norwegian request for medical radioisotopes.

When Moscow turned down the US scheme for an international control regime. Truman and his advisers came to see US nuclear superiority and monopoly as the best guarantee against Soviet expansionism and other assaults against the international status quo. For instance US Secretary of Defense, James Forrestal reported to President Truman during the Berlin Crisis in 1948 that he had become "increasingly impressed by the fact that the only balance we have against the overwhelming manpower of the Russians, and therefore the chief deterrent to war is the threat of.... Immediate retaliation with atomic bombs"⁶ Unfortunately The Baruch Plan was truly an opportunity lost because to attain nuclear disarmament at that time would logically have been the easiest, considering that the US itself did not have more than two atomic bombs in its arsenal then and the Russian had none.⁷ However, instead of utilising this opportunity, Baruch and his aides, towards the end of 1946 had begin to advocate that until a treaty for international control was signed, the US should continue to produce more bombs in order to enhance its bargaining capability vis-à-vis other possible nuclear powers. Consequently between November 1946 and

⁶ Harken Gregg, The Winning Weapon: The Atomic Bomb in The Cold War, 1945-1950 (N.J.: Princeton University Press 1988) p.178

⁷ Manpreet Sethi, "US Pursuit of Nuclear Non Proliferation: Check and Checkmate" Strategic Analysis. Vol xxiii, no.6, p.912, September 1996, New Delhi

June 1947, the US nuclear arsenal grew at the rate of two weapons per month and by late 1949 it had reached a figure of nearly 200. In July 1949, the month prior to the first Soviet nuclear weapons test, Truman told a group of national political and military leaders that "Since we can't obtain international control, we must be strongest in atomic weapons"⁸

By the early 1950s it was obvious that the McMahon Act had failed. In 1949 the USSR carried out its first nuclear explosion, thus breaking down the nuclear monopoly of America. Britain exploded in 1952 and it became increasingly clear that secrecy alone would not halt proliferation and France and eventually China would do the same. Outside the U.S.A., the civilian application of nuclear energy were also getting off to a good start in Britain, France and Canada and in two countries that had had no part in the Manhattan Project, the Netherlands and Norway. Unless the US President and Congress pulled down the wall the Senator McMahon had built, it would bar the nascent US nuclear industry from entering lucrative markets across the oceans.

The Second Phase: 'Atoms For Peace' – a relative free for all and selective non proliferation 1954-77

Imposing obstacles to proliferation and threatening to punish potential proliferants are essentially coercive strategies. Another strategy is consensual; offering benefits in exchange for self-restraint linking technical or financial assistance to non proliferation began with President Eisenhower's "Atoms For Peace" plan in 1953. President Eisenhower's speech to the UN General Assembly December 8, 1953 marked a complete rupture with previous policy. The key stone of 'Atoms

⁸ Robert J. Donovan, Tumultuous Years: The Presidency of Harry S. Truman, 1949-1953. (New York: Morton 1982), P.45.

For Peace' had been creation of an international atomic agency. One of its main role had been to provide fissile material under safeguard to serve the peaceful pursuits of mankind and to apply atomic energy to the needs of agriculture medicine and other peaceful activities; especially to ensure abundant electricity in the power starved areas of the world. Without waiting for the completion of the IAEA's statute, the USA began to conclude a series of bilateral agreements with friendly countries for the export of US research reactors. Under these agreements the USA applied its own safeguard to the exported plant and fuel and material produced from that fuel or by that plant. But US did not require safeguards on nuclear plants imported from other countries or developed without help from abroad.⁹ The few countries that could market nuclear hardware at that time did not at first follow the US example and require adequate safeguards or any safeguards at all. Thus in 1955 Canada supplied India, with the 40 MW (th) CIRUS research reactor. Canadian safeguards were to be applied as long as the reactor used Canadian fuel. India merely pledged that after it had replaced the Canadian fuel with its own Uranium, the reactor and its products would be used for peaceful purpose. France supplied the unsafeguarded Dimona plutonium production reactor to Israel and apparently also provided reprocessing technology.

Under 'Atoms For Peace, US also helped to train thousand of nuclear scientists and engineers, including some 1100 from India. This programme provided some training in reprocessing and plutonium handling. Several of the scientists trained by USA went on to become head of the leading figures in nuclear energy establishment in the

⁹ David Fisher, "The Historical Evolution of Nuclear Export Controls: 1945-1993" in Jorn Gjelstad and Olav Njolstad, (éd) Nuclear Rivalry and International Order" (International Peace Research Institute Oslo 1996, p.136)

so-called threshold countries for example. Munir Khan in Pakistan and Ampic Roux in South Africa. There was however also a Cold War-induced competition for the favours of importing countries in the third World. This was particularly evident in the period 1954-64 when USA and USSR competed in offering reactors accompanied by a cheque for US \$ 35,0000 in the case of US plant.

In 1957 US was instrumental in establishing the international Atomic Energy Agency a UN affiliated organization. The IAEA's dual role is to promote the peaceful uses of nuclear energy and to implement a system of audits, physical inventories and inspections known collectively as safeguards to nuclear installations around the world to verify area being used exclusively for peaceful purposes.

France went for her own nuclear weapon in 1960 when she was a full fledged member of NATO. This was because of French apprehension that USA (France's ally in the NATO) might not risk Soviet nuclear strikes against American cities because of Soviet strike against Paris. Hence, France decided in favour of her own autonomous nuclear force, the so called *force be frappe*. During the 1950s the superpowers conducted a large number of nuclear and thermonuclear tests in the atmosphere and found that the resulting levels of radioactivity not only far surpassed their calculations but also caused unacceptably high political fallouts.¹⁰ As a result U.K. Japan and India called for suspension of testing and Nehru also spoke for a "standstill agreement."¹¹

Though formal negotiations on Comprehensive Test Ban treaty

10 David Fisher, Towards 1995:- The Prospects for Ending The Proliferation of Nuclear Weapons (Aldershot, England, Dartmouth, 1993) p.149.

11 Ibid. p.150

began in 1958, it was not possible. Infact to the superpowers it was not desirable. But in 1963 they readily agreed on partial test ban, that is, a treaty purported to ban a nuclear tests in the atmosphere, outer space and in the sea. This treaty of 1963, Officially known as the Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and under Water (commonly known as Partial Test Ban Treaty or PTBT), by implication permitted underground tests.¹² U.S.A. U.K. and USSR as nuclear powers and parties to the PTBT did not intend to stop nuclear testing. US President Kennedy while recommending the PTBT to the US Senate for ratification assured that under ground test would continue “to add to our knowledge and improve our weapons in all areas of significance to our military posture for the future.”¹³ Infact during the height of the cold War the superpowers did not desist from collaborating with each, other when their interests converged.¹⁴ Within the Western camp, USA did not like independent French nuclear posture. Likewise Chinese nuclear ambitions, independent of the Soviets were equally undesirable. At the same time China and France were not in position to conduct underground tests, for they were technologically more difficult and economically far more costly than open air tests. In fact, the PTBT was intended by its sponsors to thwart Chinese and French nuclear programmes, thereby maintaining their nuclear preeminence. This they ultimately could not do, for France and China refused to join the PTBT and China itself went nuclear in 1964. By providing for this clean air bill in the form of the PTBT US sought to show the world that it strived to ensure a treaty for comprehensive test ban regime, but in the process

12 Every one's United Nations (New York: U.N. Publication) 9th ed. 1977 p.42.

13 Young Elizabeth, A Farewell to Arms Control? (London: Pelican 1972) p.52

14 Shekhar Ghosh, “Superpower Cooperation and Transit Passage through Straits.” (Economic and Political Weekly, vol.xx, no. 18, May 4. 1985) p.807.

gained, in addition to keeping own weapons development programmes unhindered, its enormous propaganda mileage, especially against France. And all this was done in the name of nuclear non proliferation.¹⁵

After the nuclear explosion by China in October 1964 US and USSR became more concerned about horizontal proliferation of nuclear weapons. They had already agreed upon a Partial Test Ban Treaty in 1963, prohibiting nuclear test in the atmosphere, under the sea and in space. They decided to go further and negotiated Nuclear Non Proliferation Treaty (NPT). The negotiations to sign the treaty ended on June 12, 1968, and was signed at London, Moscow and Washington. It came into effect from March 3, 1970. The NPT defined a nuclear weapon state as the one which had exploded a nuclear device before January 1, 1967. Which meant only five countries US. USSR. UK. France and China qualified for the title. The article 1 of the NPT states that "Each nuclear weapon state party to the treaty undertakes not to transfer to any recipient whatsoever nuclear weapons, or other nuclear explosive devices or control over such weapons or explosive devices or control over such weapons or explosive devices or control, over such weapons or explosive devices directly or indirectly and not in any way to otherwise acquire nuclear weapons or other nuclear explosive devices or control over such weapons or explosive devices." Article II of the NPT mentions that " Each non nuclear weapon states party to the treaty undertakes not to receive the transfer from any transfer or whatsoever of nuclear weapons or other explosive devices or of control over such weapons or explosive devices directly or indirectly, not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices and not to seek or receive

15 Shekhar Ghosh, "Dynamics of Nuclear Arms Control: Case of the CTBT", India Quarterly, vol III, no.:4, New Delhi December 1996

any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.” The NPT parties agreed to foster peaceful applications of nuclear energy for peaceful purposes. Especially in the territories of non nuclear weapon states party to the treaty with due consideration for the needs of the developing areas of the world they also undertake to ensure that the benefits of peaceful nuclear explosions are available to non nuclear weapon states.

The entry into force of the NPT in 1970 put on end to all unsafeguarded exports at least by NPT parties and by states that like France announced that they would abide by NPT rules. The treaty required that all exports of nuclear and other material equipment and plant especially designed or prepared for the processing use or production of fissile material should trigger safeguards, but only if the exports were to a non nuclear weapon state. This made it necessary to establish a group of NPT states (the Zangger Committee) to ensure a uniform interpretation of this clause in the treaty, in other words, to draw up an agreed list of items that would trigger safeguards.

Interestingly India was one of the consponsors of a resolution which led to coming into existence of the NPT, however, it criticised the US-Soviet draft treaty on three grounds: imbalance of obligation between the nuclear weapon states and the non nuclear weapon states; inadequate security guarantees and discrimination in the development of peaceful nuclear explosives.¹⁶ India demanded a halt to vertical proliferation as *quid pro quo* for for stop horizontal proliferation. India advocated a comprehensive test ban, a cut off of fissile Material for

¹⁶ Statement by Indian representative to the First Committee of the UN General Assembly, May 14, 1968, UN Document A/C Pr 1567 (ACDA Documents on Disarmament, 1968) p.325.

weapon purposes. Besides it opposed the discriminatory safeguards system which it thought “would hinder technological development and increase the gap between advanced and developing countries.¹⁷ India it was stated, would only accept the control applied on a universal basis. India also opposed the discrimination in the peaceful nuclear explosions – privilege of a few states and denial to others.¹⁸

Indian carried out its first underground nuclear test at Pokhran on May 18, 1974. It was presented to the World as a ‘peaceful nuclear explosion’. Strident reaction were voiced against India’s nuclear explosion. If Kissinger Secretary of State described the detonation” as a catastrophe and an ‘incentive’ to many countries emulating India, a US Congressman used the epithet of “Crime” Committed by India. This was an unwarranted reaction.¹⁹

Policy of Tighter Safeguards and Selective Constraints 1978-1992

The Indian test of 1974 tolled the bell for ‘Atoms For Peace. It inflamed US fears of imminent proliferation, fears that were compounded by the quadrupling of the cost of oil of after the Yom Kippur War of 1973. It was concluded (Wrongly) that nuclear, now able to compete with oil even small ‘generating plants, would now spread rapidly among the developing countries. US was also alarmed by reports that Germany and France were about to sell sensitive technologies to non NPT developing countries. The French sales of reprocessing plants to Pakistan and South Korea were subsequently cancelled, but the German sale of both

17 ACDA Documents on Disarmament 1965 (Washington D.C. 1965) p.p.339-40.

18 Memorandum received from the Indian Ambassador, Stockholm, June 7, 1971, cited in SIPRI yearbook 1972: World Armament and Disarmament (Alquist and Wiksell, 1972)p.303.

19 Baldev Raj Nayer, American Geopolitics and India, Manohar Publisher New Delhi. 1976 p. 158.

enrichment and reprocessing technology to Brazil went ahead, at least on paper. It seemed clearly necessary to agree on considerably tighter control than those embodied in the NPT.

During the second half of the 1970s US Congress passed legislation designed to deter nuclear proliferation. The central features of these legislative instruments were explicit prohibitions on various forms of US assistance to countries found to have crossed certain proliferation thresholds, e.g. the acquisition of sensitive technologies for the enrichment or reprocessing of nuclear material. For the legislative approach, the Symington Amendment Act 1976 and the Glenn Amendment Act 1977 were passed to restrict the spread of nuclear weapons to non nuclear weapon states. For instance, the Carter Administration had curbed economic and military assistance to Pakistan in 1978; When the latter was active in importing reprocessing technology from France. In 1979 US assistance was cut off when Pakistan was acquiring enrichment technology from Western Europe. India needed enriched fuel only for its light water reactors at Tarapur. US as the primary supplier of enriched fuel might be able to exploit these dependencies slightly, using assurance of supply to compel accommodation with non-proliferation policy. Pressure could be best used by with holding fuel or by continuing to make supply conditional on agreement not to separate Plutonium from the fuel once it was spent. Senators Abraham. A. Rebicoff and John H. Glenn favoured the withholding strategy and this pressure was effectively embodied in the Nuclear Non Proliferation Act 1978 that prohibits sales of nuclear reactors and fuel to nations that have not placed all their nuclear installation under IAEA safeguard.

The Carter Administration faced a serious dilemma on the question of supply of nuclear fuel for India's Tarapur atomic power station under section 197 of the NNPA that governed the nuclear exports by the United States. Though American was under the legal obligation to supply enriched Uranium to the Tarapur plant until 1993, enactment of 1978 Act sought to unilaterally modify its obligation.²⁰ On the other hand, President Carter was sympathetic to India's fuel requirement but on the other his hands were tied to the Act which made international safeguards obligatory on nuclear facilities of those states which were receiving nuclear technology or fuel from the united states. U.S. fuel supply has been most at issue with India. In 1976 Nuclear Regulatory Commission hearing Deputy Assistant Secretary of Statem Myron B. Kratzer, argued against cutting off supplies to retaliate for the 1974 explosion, because such a move would weaken U.S. credibility as a reliable supplier. As a compromise, he accepted the idea of threatening a stoppage after another explosion if there "was a clear affirmation that this was the only reason for which fuel would be cut off."²¹

The Carter Administration decided "an explicitly punitive approach to India". President Carter told Indian Morarji Desai that on the nuclear issue, his administration would like to extend dialogue with Indian government The US ambassador to India, Robert Goheen called on Morarji Desai on May 27, 1977 and "indicated that US would like to enter into negotiations on issues related to non proliferation"²². The State Department said that it would recommend licensing fuel exports if India agreed to talks on nuclear policy in general.²³ One Problem was U.S.

20 R.K. Jain (ed.) US-South Asian Relation, 1974-1982 Vol-1 (New Delhi. Radiant Publishers 1983)p.p.471-95.

21 Nucleonics Week vol 17, July 22, 1976, pp.5-6.

22 R.K. Jain (ed) N-20, pp.471-95.

23 Nucleonics Week vol 18 June 2, 1977 p.5.

insistence that India not reprocess the fuel it receives for Tarapur.²⁴ Yet despite President Carter's discomfort at Desai's unwillingness to accept full scope safeguards, he announced that not only would the United States ship fuel to Tarapur but it would also supply American heavy water to make up for India its losses from an accident in its Baroda heavy water production plant.²⁵ The Tarapur resupply issue heated up again. The Nuclear Regulatory Commission split on the application and President Carter decided to approve the shipment on the ground that India was engaged in good faith negotiation & over the cooperation agreement and that rejection of the export would undermine them. Joseph Nye, Deputy to the Under Secretary of State for Security Assistance, Science and Technology, testified that securing Indian acceptance of all-scope safeguard was 'a significant possibility.'²⁶ The U.S. government maintains that the cooperation agreement leaves open the right to change the terms for export since it specifies contracts must confirm to US laws and that American refusal to export fuel because of India's unwillingness to accede to the requirements of the NNPA does not relieve New Delhi of its responsibilities under the agreement.²⁷ India has not accepted this interpretation Prime Minister Desai argued that the U.S. Indian cooperation agreement could not unilaterally be violated by United States and noted that "it provides that nothing contained in the relevant article [requiring consultation on modification of the agreement if American laws change] shall affect the obligation of the U.S. government to sell of our requirement of enrich uranium.... Refused to

24 Nucleonics Week vol 18, June 23, 1977, p.6

25 "Text of Address by President Carter before the Indian Parliament in New Delhi" New York Times, January 3, 1978.

26 Nuclear fuel Export to India, Hearing before, the Senate Committee on Foreign Relations. 95 Cong. 2 sess. Government Printing Office 1978 p.344.

27 Victor Gilinsky, "U.S. India Nuclear Relations," transcript of remarks before the India Council of Washington. D.C. February 5, 1980.

supply such, requirements would be a breach of the agreement".²⁸ Prime Minister Desai's visit to Washington to July 1978 was significant one in convincing the Administration and Congress that India would neither build up nuclear weapons nor would it go in for another nuclear-explosion. His viewpoint carried weight with Americans and later the Executive Branch and House Committee decided to resume the fuel shipment through a three year's grace period as stipulated under the NNPA. Thus in the 1950s. When restricting the diffusion of nuclear technology was more feasible, American policy encouraged it (Atoms For Peace), but in the 1970s When U.S. Policy encouraged restriction, this became less feasible.²⁹

President Reagan, in his statement of July 1981 further set forth basic of elements his Administration's policy on nuclear non proliferation and peaceful nuclear co-cooperation. These included preventing the spread of nuclear explosives to additional countries. The administration's emphasis was on:

- The need to improve regional and global stability and reduce motivations that can move countries toward nuclear explosions.
- International cooperation as an essential part of strengthening the non proliferation regime.
- The need to restore the US as a reliable nuclear supplier under an effective regime of safeguards and non proliferation controls.³⁰ In an effort to 'reduce the motivation for acquiring nuclear weapon capabilities, the Reagan Administration at least in theory, sought to

28 Quoted in Government of India, Foreign Affairs Record vol. 24, April 1978, p.169.

29 Richard K. Betts, "India, Pakistan and Iran" In Yager A. Joseph (ed). Non proliferation and U.S. Foreign Policy, The Brookings Institution, Washington D.C. 1980. P.345.

30. "White House Fact Sheet on Non-proliferation", Official Text, USIS, New Delhi. P.1-2, July 17, 1981.

include a wide range of diplomatic economic, strategic security and psychological instruments to achieve the non proliferation goals. In fact the administration claimed a "shift in emphasis" from the previous administration by an increased recognition to the fact that "Proliferation is an international political and security problem and not just a matter of controls on the civil nuclear fuel cycle".³¹

The Reagan Administration took a realistic view of India's nuclear fuel problem. After the expiry of the grace period India was not entitled to get the supply of nuclear fuel. President Reagan approached France urging it to continue with the supply of fuel to India. The French government agreed to do so under the Indo-French agreement 1983. This tactful policy basically served a two fold purpose of the administration. Firstly Indo-US relations did not get ruptured but were further improved Secondly America could morally persuade India not to embark on a nuclear weapon programme. However, Indo-US difference on the NPT and NWFZ for South Asia persisted. Prime Minister Indira Gandhi during her visit to America in 1982 made it emphatically clear to President Reagan that India would not sign the NPT under any pressure.

The Symington Amendment had been imposed on Pakistan in 1978-1979. However, the Soviet military occupation of Afghanistan in December 1979 altered US strategic perception and consequently, it abandoned its non proliferation goals. The Glenn and Solarz Amendments were not applied to Pakistan. In 1981 the Symington Amendment was waived off in favour of Islamabad by President Reagan on the ground that US national security interests were

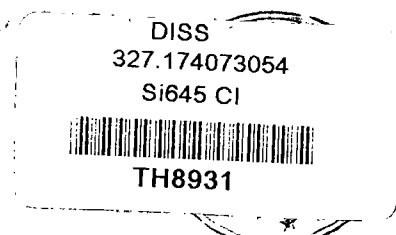
31 Ibid p.3

jeopardized in the wake of Soviet military presence in Afghanistan.

This was a simple act of pragmatism. But by doing so, America compromised its lofty principles and also indirectly encouraged Pakistan to build up nuclear weapons and missiles by adopting nonchalant attitude towards the latter's fast advancing nuclear programme. According to the CIA's latest disclosure, since 1980 Pakistan has received about \$ 19 billion in assistance from other countries and from lending institutions like IMF. Indeed loans and grants from both bilateral and multilateral agencies provide money for Pakistan to spend on its nuclear programme.³² The CIA said that, of the \$ 19 billion in aid, about \$2.7 billion was given in loans and grants that were not earmarked for any specific purpose.³³ Thus the bilateral and multilateral foreign assistance encouraged Pakistan to build its nuclear weapon capability as a deterrent against India.

In 1985 in a step specifically designed to restrict waiver Congress passed the so-called Pressler amendment, which stated that no assistance, military equipment, or technology would be furnished, sold, or transferred unless the president certified annually that Pakistan did not possess a nuclear explosive device. Such certifications were made and US arms sales continued, including agreement On 9, 1987 Pakistani order for dozens of F-16s. It was only after the USSR withdrawal from Afghanistan the Bush Administration had suspended military and economic aid to Pakistan in October 1990, because bush failed to furnish a certification that Pakistan did not possess a nuclear explosive device.

³² The Times of India, New Delhi, October 14, 1993
³³ Ibid



The Bush Administration's priorities had shifted from the super power confrontation to a more active and assertive role in curbing the nuclear arms race. Instruments convened and adopted by the administration ranged from persuasive diplomacy to bullying and punitive tactics. America's attention was focussed on potential nuclear states including India, Pakistan and Israel. In cases of India and Pakistan, America has a different set of goals when compared to Israel. Israel is far much more advanced in nuclear and missile technology. It already possesses advanced weapons, some of which may have yields as high as 100 kilotons (the equivalent of 1000 000 tons of TNT) Such yields are comparable to those of Individual warheads on US strategic missiles.³⁴ America's displeasure with India stems from the latter's breakthrough in missile technology. The first test flight of intermediate range missile Agni in 1989 proved India's scientific outstanding capability as well as political determination to go ahead with the missile programme. The Bush Administration had imposed a two years' ban on trade and technology transfer to the Indian Space Research Organization. In American perception, the Cryogenic engine deal with Russia was tantamount to a violation of the MTCR guidelines According to the MTCR guidelines, the decision to transfer remains the sole and sovereign judgement of the exporting government. On the basis of this criterion Russia had not violated MTCR guidelines. And moreover Russia is no more a party to the MTCR, and the Indian government maintains that Russia's rocket engines were meant exclusively for space vehicles capable of launching geostationary satellites and not for military use.³⁵ What is worth mentioning here is that no violation of MTCR was involved because before striking a deal with Russia in 1990 at a much cheaper

³⁴ Leonard, Spectator, Nuclear Ambitions (Colorado, San Francisco Oxford: Westview Press 1990) p-10.

³⁵ The Times of India, May 13, 1992.

international rate (the \$250 million deal) France and USA were prepared to offer same engines. Indian critics argue that the real motive lying behind the American action was “Commercial consideration” rather than military one. The ISRO chairman U.R. Rao, after his visit to Russia, revealed that US option was “Prohibitively expensive”³⁶ The harsh American action has reinforced third world fears that America may go to any extent if its economic and commercial interests are at stake or hurt by the other party. What induced America invoke the MTCR guidelines was a tactical move against India so that it could be deterred from developing more sophisticated, more precise and accurate missile technology.

The US Senat’s “new initiative” for the South Asian non proliferation regime or the Consensus Amendment by the Senate on July 29, 1991 upon the US president to pursue a ‘regional negotiated’ solution to nuclear non proliferation issue, covering India, Pakistan and China. This was a ‘rare gesture’ demonstrated by the Senate while endorsing the Indian position that there can be no regional arrangement nuclear non proliferation without China being included.³⁷ The Consensus Amendment of the Senate dealt a severe blow to the decision of the House of Representative equating India with Pakistan under the Pressler Amendment. However, the Bush Administration was not against the commercial military sales to Pakistan, which, in the administration’s perception, did not amount to a violation of the Pressler Amendment. The Bush Administration granted licenses to Pakistan to buy US arms worth \$ 120 million in 1991 despite its October 1990 decision terminating the economic and military assistance to Islamabad.³⁸ The Bush Administration continued, *de facto* arms supply to Pakistan by exploiting the inherent ‘Loopholes’ of the Pressler Amendment.

36 The Hindustan Times, New Delhi, May 19, 1992.

37 The Times of India, July 30, 1991.

38 The Economic Times, New Delhi, April 15, 1992.

CHAPTER -TWO

The Nature of Clinton Administration's Non-Proliferation Initiative in South Asia

Nuclear non proliferation has clearly emerged as the top agenda of President Clinton's foreign policy. The formulated policy includes the achieving of the twin objectives of disarming America's nuclear adversaries and discouraging its potential nuclear enemies from acquiring such capabilities.¹ While addressing the UN General Assembly on September 27, 1993, President Clinton reemphasized that the end of the Cold War did not bring us to the millenium of peace. He elaborated that to create peace structures, it was essential to pursue "New steps to control the materials for nuclear weapons". He said, "One of our most urgent priorities must be attacking the proliferation of weapons of mass destruction, whether they are nuclear, chemical or biological, and the ballistic missals that can rain them down on populations hundreds of miles away.... If we do not stem the proliferation of the world's deadliest weapons, no democracy can feel secure".² Responding to the President and outlining a new US approach to non-proliferation of weapons of mass destruction, December, 7, Defense secretary Aspin said the post Cold War threat of nuclear, chemical, biological and ballistic missile systems posed by irresponsible states or terrorist groups necessitates a five point counter-proliferation drive. Aspin told the National Academy of Science that the five points are:

¹ Defense News, April 5-11, 1993 p.6. Quoting US Secretary of Defenceles Aspin from his press confrence of 27 March, 1993, realising the Pentagon's budget proposals for FY-1993-94.

² Aspin Outlines New U.S. "Counter-Proliferation "Policy", Official Text USIS, New Delhi, p.4, December 8, 1993.

- Recognizing that this is a new mission, not the old Cold War mission;
- Tailoring new U.S. weapons to destroy weapons of mass destruction; re-examine the strategies used against the new kind of threats;
- Focusing intelligence efforts on detecting weapons of mass destruction; and
- Ensuring international cooperation in curtailing the threat of such weapons.³ Aspin pointed out, “We are adding the task of protection to the task of prevention. In past administrations, the emphasis was on prevention. The policy of non proliferation combined global diplomacy and regional security efforts with the denial of material and know how to would be proliferators. Prevention remains our preeminent goal. ... The defense counter proliferation initiative in no way means we will lessen our non proliferation efforts. In fact, DOD’s work will strengthen prevention. What the defense counter proliferation Initiative recognizes, however, is that proliferation may still occur, thus we are adding protection as a Major policy goal.”⁴

U.S. INTERESTS IN SOUTH ASIA

“Task Force Report entitled- A New US Policy Toward India and Pakistan”-by Richard N Haas, describes seven US interest in South Asia.

³ Ibid, p.1.

⁴ Ibid,p.4 -5.

Preventing Major War:- The United States has an important interest in working with India and Pakistan to help prevent war and resolve their major differences. India and Pakistan have, respectively the world's fourth and Seventh or eighth largest armies. They have gone to war three times and have an unresolved border dispute as well as an ongoing low-intensity conflict in Kashmir. The addition of nuclear weapon and ballistic missile technology to this situation creates the potential for their rivalry to escalate into devastating hostilities. An Indo-Pakistani war involving the use of nuclear weapons would be a humanitarian catastrophe, as well as a shattering blow to the post-World War-II global taboo against nuclear use.

Cooperating to restrict strategic exports. The United States has a major interest in the firm and responsible centralized control of Indian and Pakistani nuclear material, nuclear weapon technology and missile technology. The diffusion of nuclear material, nuclear weapon technology, or ballistic missile technology, particularly to terrorist groups or states of proliferation concern, would have major consequences for U.S. national security interests. Such diffusion could occur through a government's deliberate decision to sell or pass on technology, expertise or material or through a government's loss of control over its own affairs.

Restraining the regional nuclear arms race. The United States has a related interest in the capping of both countries nuclear weapons programmes and in discouraging the acquisition development and/or deployment of destabilizing weapons system by either side. Major step forward in either country's nuclear weapons or missile programmes would raise the danger of nuclear use in the region (whether by conscious decision, inadvertence, or accident) and

constitute a serious challenge to the norm opposing nuclear weapons development testing and deployment.

Expanding economic growth trade and investment. The United States has a growing interest in promoting further economic liberalization and increased regional economic cooperation. If economic liberalization and other necessary conditions persist, India and Pakistan may be capable over the next generation of emulating East Asia's high growth and rapid industrialization. Along with India and Pakistan, the United States and other countries stand to benefit from such progress through increased trade and investment as well as increased regional stability.

Promoting internal stability and democracy. The United States has a clear interest in supporting robust democratic institutions and political pluralism in both India and Pakistan. It also has an interest in India and Pakistan maintaining their political unity and stability. Not least because of their nuclear capabilities should either country fall victim to anarchy or ideological extremism, the consequences for the region would be dire.

Expanding political and military cooperation with the United States in Post-Cold War international environment. The United States has an evolving interest in impressing its bilateral relationship with both India and Pakistan and in working towards strengthened and expanded political and military cooperation with them. A strong and friendly India could become a valuable partner for the United States in the years ahead, One that could help maintain stability and prosperity throughout Asia. Similarly moderate and democratic Pakistan could help promote stability in the Islamic World. South Asia's military power represents an

important element to be weighed in calculating military balances across and the Middle East.

Cooperating on a broad array of global issues and problems, including drug trafficking and terrorism. The United States has an ongoing interest in gaining cooperation from both. India and Pakistan on a wide range of global issues cooperation is necessary to help curb the flow of illegal drugs from South Asia (including the expansion of joint efforts to stop drug trafficking from Afghanistan), control terrorism, support family planning, increase energy production, protect the environment, halt the spread of infectious disease and search for remedies to illegal international migration.⁵

Principal Deputy Assistant Secretary of state for South Asian Affairs, John R. Malott, at the India International Center, New Delhi, on May 19, 1993, speaking on US interests in India and Pakistan said, "Our key post Cold War concerns all come to play in South-Asia encouraging regional stability and non-proliferation, promoting democracy and respect for Human Rights encouraging economic reform and obtaining greater access for US trade and investment, countering terrorism and narcotics preserving unhampered maritime and naval transit right and addressing global issues, such as population growth, AIDS, refugees and the environment. Particularly in Indo-Pakistani relations and in Afghanistan, we see the opportunity for 'preventive diplomacy, that Secretary of State Christopher has said must mark our foreign policy."⁶ John R. Mallot further said, "Our primary interest in South Asia is to reduce tension and prevent war between India and Pakistan as it could lead

⁵ A New US policy Toward India and Pakistan Report of an Independent Task Force, Sponsored By The Council on Foreign Relations, under the chairmanship of Richard N. Haass and Project Directorship of Gideon Rose. Washington D.C. 1997. pp. 23-25.

⁶ UA interests in India and Pakistan Text of the speech by Principal Deputy Assistant Secretary of State For South Asian Affairs; John R. 'Malott, at India International Center, Affairs; New Delhi on May 19, 1993, Strategic Digest. (IDSA, New Delhi) July 1993. pp. 10557-58.

to the employment of nuclear weapons. To address this problem we will pursue a comprehensive, incremental and long term approach that seeks (1) to cap, then reduce over time and finally eliminate weapons of delivery from the region (2) to deal with the underlying security concerns that drive the weapons programmes in each country and to help create a climate in which each country's sense of security is enhanced through tension reduction, confidence – building measures and a process of arms control and (3) To encourage direct high level Indo-Pakistan discussions on regional security and non-proliferation, to supplement that with our own bilatered discussion with both countries; to encourage other countries to do likewise; and to work toward broader regional discussions and engagements”.⁷ Explaining the Clinton administration comprehensive approach, John R. Malott. said, “by comprehensive, I mean an approach that encompasses non-proliferation, tension reduction, confidence – building, arms control (including conventional arms.) and there solution of outstanding issues between India and its neighbours: We continue to advocate Indian and Pakistans adherence to the non proliferation treaty but our efforts now focus also on trying to achieve more immediate more goals. Our goals of reducing tensions, increasing regional stability, and promoting non proliferation are closely intertwined – Our ability to achieve these goals with India and Pakistan requires that we pursue an even-handed approach. Yet we recognize that our concerns with each country sometimes are different, the actions they take are different, and our laws can affect each country differently. But, as a starting point, there will be no tilt in our policy toward any country.”⁸

⁷ Ibid, p.1058.

⁸ Ibid,p1058.

The Clinton Administration appears to hold the view that the continuing regional tensions between India and Pakistan combined with the ongoing programme in the two countries to acquire nuclear capability and ballistic missile delivery system mean that the outbreak of armed conflict has the potential to escalate to a nuclear exchange with devastating consequences for the region and global efforts to combat the spread and use of such weapons. The Director of the CIA, James Woolsey, in a testimony before the Senate government Affairs Committee on 24 February, 1993, affirmed this apprehension when he said, "the arms race between India and Pakistan poses perhaps the most probable prospect for future use of weapons of mass destruction, including nuclear weapons. Both nations have nuclear weapons development porgramms and could on short notice, assemble nuclear weapons".⁹ The Clinton Administration is moreover worried that in the event of the use of nuclear weapons in a regional conflict there would remain a probability of the crisis spreading beyond the boundaries of the region. The US fear of a nuclear exchange in South Asia is infact outcome of nuclear theology of the Western strategies which clearly states that nuclear weapons in the hands of non nuclear and developing nations has greater possibility of their use. As Joseph Nye of Harvard University, who is now an influential member of the Clinton Administration once put it, "Paradoxically, under any circumstances the introduction of a single bomb in some non-nuclear state may be more likely to lead to nuclear use than the addition of a thousand more warheads to the US nuclear stockpiles". The Clinton Administration seeks to inhibit the export of nuclear related equipment and technology from other countries to India and Pakistan. The US Under Secretary of State for International Security

⁹ US senate, 103rd Congress. 1st session, Committee on Governmental Affairs Hearings. Testimony of James Woolsey, Director. CIA, February 24, 1993. (Washington, D.C., GPO, 1993) p.14

Affairs, Lynn Davis, While testifying before a Congressional Committee in November 1993 stated the United States was pursuing a policy of 'Preventive Diplomacy' in South Asia that seeks to persuade India and Pakistan to forgo a ballistic missile arms race that combined with the regional nuclear weapons capability could destabilize an already fragile situation.¹⁰ In pursuit of the above objectives, the Clinton Administration has followed a step by step regional based approach which complements its broader global efforts. As US Assistant Secretary of State for South Asia, Robin Rophel, said: "Our approach to halting proliferation and reducing tensions in South Asia..... is fully consistent with our global approach to stopping proliferation and is comprehensive, incremental and long-term"¹¹

Why does the Clinton Administration takes interests in Indo Pak non proliferation? This is not much difficult to answer, India - Pakistan nuclear proliferation dynamics directly impinge on the US. Middle East concerns and interests which have normally been deemed vital to their connection with access to Persian Gulf oil. Consequently the proliferation of nuclear weapon in South Asia would have profound implications for the US national security interests According to Prof. Stephen P. Cohen, a renowned American expert on South Asia, the US non proliferation interests fall into or touch upon three different areas. Firstly, there are purely nuclear related concerns. These include slowing down or controlling regional military nuclear programmes by stemming or stopping the glow of nuclear materials technology to India and Pakistan ensuring that they do not aid other states with their nuclear military programmes,

¹⁰ Testimony before a Congressional Committee by Lynn David, US under Secretary of State for International Security Affairs, November 10, 1993, cited in *The Statesman*, November 12, 1993, p.5.

¹¹ Robin Raphel. "America and South Asia: A two-way street," *Span* vol. xxxiv, no. 11, November 1993, p. 27.

seeing to it that the South Asian example of creeping proliferation is not emulated or admired elsewhere. Secondly, to contain Russian and Chinese influence in South Asia. Finally, there are a number of a regional American interests at stake. An US policy since 1947 favoured the emergence of stable and cooperative South Asia Regional system based upon Indian and Pakistani cooperation so that all regional states might better solve their pressing economic and development problems. US has a parallel interest with a moderated Islamic Pakistan in the Persian Gulf and Middle East. This connection will be endangered if Pakistan acquires an overt nuclear weapon capability.

The NWFZ AND MTCR

Given the highly volatile situation in South Asia, the Clinton Administration impressed upon the Congress that US was concerned about the security risk stemming from nuclear weapon capabilities of India and Pakistan. The Clinton Administration in its report to the Congress on the progress of non proliferation in South Asia, of May 1993, reiterated that American role would be that of a "catalyst" to promote a serious dialogue between India and Pakistan. To counter the Pressler Amendment, Pakistan started its move, the idea of a nuclear free zone in South Asia. On June 6, 1991, Prime Minister Nawaz Sharif proposed a five nation-conference - India, Pakistan, US, Russia and China - for the purpose of banning nuclear weapons from South Asian region. The basic objective of these moves was to gain the resumption of US economic and military aid, The idea of the establishment of a Nuclear Weapon Free Zone (NWFZ), supported by the Clinton Administration has been opposed by India which hold that nuclear disarmament is a global issue and cannot be resolved by establishing an NWFZ, because it envisages the creation of a protectorate by nuclear weapon powers. Further, an NWFZ would legitimize nuclear weapons in the hands of nuclear weapon states and their use in areas outside the zone. Moreover, India considers the MWFZ concept as a discriminatory and partial measure that does not adequately address its security concerns.

In 1987, seven Western nations announced the existence of Missile Technology Control Regime (MTCR) to check the exports of missiles and their components. The United States pressured India not to test the Agni through 1988 and continued to do so even after the first test in May 1989. A successful attempt was made to scuttle India's missile programme under the MTCR. In 1993, The US succeeded in pressurising Russia to abrogate its agreement to sell cryogenic technology to India on the ground that it violated the MTCR. This was done by imposing limited sanctions against the Indian Space Research Organisation (ISRO) and the Russian space agency, Glavkosmos, for violating the MTCR. Russia was offered economic aid. India also openly advised by the US to give up 'its medium range missile Agni' and short range missile Prithvi. It was also suggested that the Indian missile programme a security threat to US military installation on Diego Garcia in the Indian Ocean. US Department of state spokeswoman Margaret Tutweiler added, "The United States believes that the proliferation of missile systems, particularly in areas of political tension, undermines regional stability and peace."¹² The launching of the above mentioned missiles by India was followed by imposition of the Missile Technology Control Regime sanctions by the United States which provides for tightened controls on the people and materials that could be useful to India in building missiles or launching vehicles for peaceful purposes. The Clinton Administration made no distinction between a satellite launch vehicle and vehicles for launching nuclear weapon because the technology is for dual purpose. President Clinton in his first speech in the United Nations General Assembly on 27 September 1993 *inter alia*, stated: "We will not encourage new space launch vehicle programmes which raise questions on both non proliferation and economic viability grounds."¹³ US officials

¹² "US response to Agni" USIS Press Release (New Delhi) May 23, 1993. P.1-2.

¹³ The Bulletin of the Verification Technology Information Centre (VERTIC) (London), vol. 41 October, 1993 p.2.

explained that this step was part of the international effort to prevent the further spread of weapons of a mass destruction.

In 1994, with the Prithvi moving towards full deployment, US Pressure was stepped up. Visiting US Deputy Secretary of State Strobe Talbott reportedly urged the government of India not to deploy the system. Infact, officials accompanying Talbott said that their mission was in part occassioned by the imminent deployment of the Prithvi. Later in the month of April, Lee Hamilton, Chairman of the powerful US House Foreign Affairs committee speaking to the Asia Society on Indo-US relations argued that deployment of Prithvi could "mark a watershed in the South Asian strategic environment."¹⁴

Central to the Clinton Administration's critique is the belief, at times depending on deliberately fast information that the Agni and the Prithvi are to be used for nuclear weapon delivery. US ambassador to India, Frank Wisner, cautioned India against deploying the Prithvi and said that it was "exactly the kind of thing you would build, if you had a primitive nuclear weapon to deploy."¹⁵

As the third report by the Clinton Administration to congress puts it. "We are convinced that retention of a nuclear weapons option and the acquisition of ballistic missile delivery systems, undermine, not strengthen, the ability of India and Pakistan to meet their security requirements. The perception of a short run military advantage of such weapon should not blind India and Pakistan to the cost in long term security.... The combination of missiles and nuclear weapons will open up the risk of both strategic instability and an expensive Indo Pakistani competition to manage it."¹⁶

¹⁴ The Text of the Speech delivered on April 30, 1994 USIS, Wireless File, New Delhi 1994, p.4.

¹⁵ Manoj Joshi , "Prithvi May have been deployed" Times of India, New Delhi June 22, 1994.

¹⁶ The Third Report to Congress, "updated on progress toward regional non-praliferation in South Asia. Washington D.C. 1994, P.10.

The American case is not surprisingly, somewhat tendentious. They argue, without any rigorous argued basis, that such missiles are inaccurate and, therefore can best be uses for nuclear delivery. The second leg of the argument is that the short warning times provided by ballistic missiles are destabilising. There is no clear answer to at the ranges being spoken about 100-300 kms, warning times of missiles and fourth generation fighters like F 16s would be significantly different from the military point of view.

Another aspect of the critique offered by Leonard Spector is that acquisition of deterrent capability against China will destabilize Sino-Indian relations. That is, that, while the ability to strike at Indian cities by the Chinese is all right, equivalent Indian capabilities are destabilising. The Clinton Administration seems to argue that missiles in its own hands promote peace and those in the hands of the others do the opposite.¹⁷

Bilateral Approach

A 1993 report of the Carnegie Endowment Study Group entitled, "India and America After the Cold War, made noteworthy recommendations.

"While acknowledging the dangers of continued nuclear development in the subcontinent the study Group distinguish between US efforts to force India to give up its nuclear option, which would prove both ineffective and counter productive to American interests and efforts to discourage and other Indian programmes to produce and deploy nuclear weapons"¹⁸.

On India's nuclear option the Report recommends. That US should pursue a policy of designed nuclear restraints. The report

¹⁷ "Dousing the fire 22: Indian Missile Programme and the United States' Non-Proliferation Policy" Strategic Analysis August 1994. New Delhi.

¹⁸ Selig S. Harrison, and Geoffrey Kemp, India and America After the Cold War, Report of Carnegie Endowment Study Group on US-India Relations in Changing International Environment (Washington, D.C., 1993.)

States "No Government in New Delhi could survive if it abandoned the nuclear option for India in a regional and global environment in which nuclear weapons continue to be the ultimate coin of power, Notwith standing the significant steps taken by Washington and Moscow to reduce their nuclear stockpiles, the existing nuclear powers show no readiness to phase out nuclear weapons. Instead of seeking to induce India to give up its nuclear option, the United States should shift from a focus on non proliferation in South Asia to a policy designed to maintain nuclear restraints. Such a policy would seek to freeze the stockpiling of fissile material for weapons purposes; and the development production and deployment of nuclear weapons by both India and Pakistan."¹⁹

The Report further states that the productiveness of five-power meeting would depend on China's willingness to accept restraint on its nuclear posture. As the Report says "For the proposed five-power meeting to be productive all participants would have to be prepared to accept restraints on their nuclear posture as it affects South Asia. China's. Willingness to accept such restraints would be of special importance in encouraging India to participate. Similarly American readiness to participate in a global test ban treaty would enhance efforts to induce India and Pakistan to adopt a regional test ban agreement pending conclusion of a global test ban."²⁰

The Report further suggests that The Clinton Administration should persuade India not to transfer its missile technology to others. As it puts "The United States should continue to deny licenses for the sale of US technology that would contribute to any Indian efforts to develop missiles capable of delivering nuclear weapons. At the same time, the study Group recognizes that Agni and Prithvi missile programmes are far advance. They enjoy overwhelming domestic support and are not likely to be reversel by external political and

19 Ibid.

20 Ibid.

economic pressures. The focus of US efforts, therefore, should be to persuade India not to transfer its Missiles technology to others.”²¹

The Executive Report to the US Congress, released a few months after the Carnegie Report, makes an example of the changing US perception of the security concerns of India. It points out: “India’s latent security concerns about China are a major obstacle to gaining New Delhi’s support for any regional discussion in view of India’s belief that the Chinese nuclear and missile programme also must be taken into consideration. Consequently, dealing successfully, with nuclear and missile proliferation in South Asia will require that US and others take into account regional security threat perceptions, including those extending beyond these two countries themselves.”²²

In the wake of the scheduled trip to South Asia by Assistant Secretary of State, Robin Raphel and Deputy Secretary of state strobe Talbott, nuclear and missile proliferation issues in South Asia, prominently figured in the media. policy analysis in the news papers and the statements of the US government officials. There were views about offer of 38F-16 fighter aircraft to Pakistan in exchange for its agreeing to freeze its nuclear programme and for allowing international inspection of its nuclear facilities. Around the same time, views were also expressed that India would get ‘incentives’ in return for capping its fissile material programme. John D. Holum, Director of US Arms Control and Disarmament Agency (ACDA). When, asked about this issue, replied, “As I understand this process, those issues are still being addressed, but I think there are Incentives; (there) would be incentives for India to take a similar step”²³ India, however, On more than one occasion had conveyed its rejection of such proposals in no certain terms.

²¹ Ibid

²² The Executive Report to the US Congress on Progress Toward Regional Non-proliferation in South Asia, 1993 “Washington D.C.

²³ India Express, New Dehi, March 25, 1994.

The F-16 is a highly sophisticated aircraft, capable of delivering nuclear weapons. During the hearing of the Senate Foreign Relation committee on March 13, 1994. Sen. Larry Pressler, quoting US intelligence sources, argued that "F-16s would be the delivery vehicle for a bomb if Pakistan were to use its bomb".²⁴ Irrespective of what safeguard are extracted. The US move is indubitably destined to augment Pakistan's nuclear capabilities. Raphel's contention that the aircraft would not be used as part of Pakistan's ongoing nuclear Programme and the supply would be only "a one time exception" does not cut much ice. This is a tendentious justification that direct attention from the real motive behind the deal contrary to what Talbott testified before the Senate Foreign Relations committee. A country which has openly acknowledged that it has nuclear devices is being bestowed with strike capability on the specious plea that move will spur it to abandon them altogether and "bring about a verifiable and comprehensive non proliferation regime on the subcontinent."²⁵ Some right thinking Americans, too see it as outlandish. Pressler says. "I cannot follow the logic of how delivering a nuclear weapons delivery vehicle to a country that has a bomb is going to some how slow the arms race down there".²⁶

Equally pernicious is the argument that the *quid pro quo* On supply of F-16s and capping of nuclear capabilities is a bilateral matter between the US and Pakistan and that India is not concerned. How did supply of cryogenic technology, which too was a bilateral transaction, become a concern of the US, One may ask?

The Joint statement issued at the conclusion of Talbott's visit to Pakistan is indictive of greater convergence in Pak-US views than that witnessed between India and the US at the end of Rao's visit to Washington. The statement is an expression of political will to resolving differences and searching for commonality of objectives,

²⁴ India Today, New Delhi, April 15, 1994.

²⁵ Talbott testimony before the Senate Foreign Relation Committee, March 22, 1994, transcript ID: 1052645 Washington D.C.

²⁶ Ibid

e.g., “the pursuit of capping, then reducing and finally eliminating the weapons of mass destruction and ballistic missiles in South Asia”.²⁷ During Talbott’s visit, capping was the start point for discussions, which matured into putting, the existing stockpile under international controls and bringing the facility for enrichment of uranium of weapon grade under safeguards. Pakistan has been emphatic in suggesting that it continues to be the strategic ally of the US the change in global security environment notwithstanding. Both the countries have agreed to “proceed with further consideration of the US initiative, which is designed to place a verifiable cap on the production of fissile materials.”²⁸ Where as Americans view the “verifiable cap as a *quid pro quo*, for the US offer of “enhanced cooperation with Pakistan in various field which includes evoking the “waiver,” Pakistan looks at the capping issue as a support for the objectives underlying the proposal, i.e., the promotion of regional non proliferation. It is an all-consuming passion with Pakistan to be equated with India; the Pakistan stand is explicit. i.e. Pakistan would be willing to cap, or freeze its nuclear programme if India were to do likewise²⁹

In the joint statement, the two countries have supported early convening of multilateral talks on arms control, non proliferation and security in south Asia. Both countries had decided to “consult one another and other interested states to develop an appropriate framework for such talks.”³⁰ On a related issue Pakistan and the US have recognised the destabilising consequences of ballistic missile deployments in South Asia and expressed the hope that “all parties would forego such deployment”.³¹ The indirect reference to India is

27 Joint Statement issued at the end of Talbott’s visit to Pakistan Wireless file USIS, New Delhi, April 12, 1994. P.1-2.

28 Ibid.

29 P.S. Suryanarayanan, “Pak, US to continue talks on n-issue” The Hindu, Madras, April 11, 1994, New Delhi.

30 Joint Statement, n-27.

31 Joint Statement, n-27.

too transparent to be missed. This is indicative of the fact that Pakistan has, during Talbott's visit, sought to project itself as US's potential strategic ally and US still considered Pakistan useful in promoting its overall strategic interests.

The Clinton Administration has somewhat modified the earlier policy in favour of Pakistan. Unlike President George Bush, who in 1990 made restoration of aid to Islamabad conditional on "rolling back" of the nuclear programme, Clinton has shifted the benchmark. His *quid pro quo* for repealing the Pressler Amendment has been merely capping of nuclear capability, which *Ipsa facto* amounts to letting Pakistan keep its declared arsenal. Talbott kept the record straight "We are not asking for a roll back, we are suggesting a verifiable cap on the programme".³² The Clinton Administration has mooted a suggestion to convene a multilateral conference in the region to discuss the nuclear potential of India and Pakistan. It is proposed to invite the five permanent member of the UN Security council Japan and Germany, besides India and Pakistan to participate in the conference. Talbott made it clear during his visit that the US objectives would be achieved through all means – bilateral, regional, multilateral or international. The US has indicated various routes, but the destination remains the same.³³

A series of strategic symposiums, jointly conducted by the Indian Institute of Defense Studies and Analyses and Washington's National Defense University plus Indo US dialogue at other official and non official levels at various levels contributed a great deal towards removal of some stereotype images longheld mutual misunderstandings in both the capitals. By November, 1993, three rounds of bilateral Indo-US dialogue by the officials and the security issues had already taken place. In an address at a conference,

³² The Hindustan Times, New Delhi, April 14, 1994.

³³ K.K. Katyal, "New challenges" The Hindu April 11, 1994. P.11

organised by the Asia Foundation in Washington on September 17, 1993 Robin Rophel said that during three rounds of bilateral talks between India and the US, the following points were discussed, “specific approach to disarmament both global and regional, particular ideas for measures to build confidence and reduce tension in the region, the Tarapur nuclear power reactor and export controls on weapons of mass destruction.³⁴ In January 1994, the outcome of a Conference on Technology Transfer and Weapons Proliferations, in Bangalore, hosted by India’s National Institute of Advanced studies the Rockefeller, Foundtion and the Carneige Mellon University, suggested greater US appreciation of India’s commitment to non-proliferations goals.³⁵

In the back drop of these developments. When Prime Minister Narasimha Rao landed in Washington in May 1994, there was little doubt that his agenda was dominated by economic issues. But he did appear to cover the nuclear issues, in his discussion with President Bill Clinton if we go by what is reflected in the Joint statement issued on May 19, 1994. It says, “President Clinton and Prime Minister Rao offered their strong support for efforts towards the non-proliferation of weapons of mass destruction, with the goals of elimination of such weapons, which are among the most pressing challenges to the security of states in the post-Cold War era..... They pledged that their two governments would intensify their cooperative efforts to achieve a comprehensive test ban treaty and a verifiable ban on the production of fissile material for nuclear weapons”.³⁶

34 Robin Rophel, “Address to the Joint Indo-US Seminar On Non-Proliferation and Technology Transfer. Span, vol.xxxiv. no. 11, November 1993, p.6-7.

35 The Hindu, January 20, 1994.

36 “Joint Statement by President Bill Clinton of the United States and Prime Minister Narasimha Rao of India on May 19, 1994. Strategic Digest, (IDSA, New Delhi). July 1994.

That India and United States had similarly of views on at least some aspects of non-proliferation goals was a novel development. India has been the votary of a comprehensive ban of nuclear tests since 1954. The Clinton- Rao Joint Statement has made it evident that the United States has finally come around to the Indian position on the issue by, for the first time, accepting in principle that the world should get rid of nuclear weapons, About two months after Rao's departure from Washnigton, A National Security Strategy of Engagement and Enlargement was released, while stating that the United States "seeks to cap reduce and ultimately eliminate the nuclear and missile capabilities of India and Pakistan,"³⁷ The report emphasises in a different section, "Given its growing economic potential and already sizable military force it is essential that China not become a security threat to the region. To that end, we are strongly promoting China's participation in regional security mechanisms to reassure its neighbours and assuage its own security concerns. And we are seeking to gain further cooperation from China in controlling the proliferation of weapons of mass destruction."³⁸

But what kind of cooperation did the Clinton Administration intend to seek from Beijing in matters of non proliferation? Visiting China in October 1994 about two months after the strategy paper was released, Secretary of Defense William Perry, said "... The second challenge to regional security threat that I want to focus lies in South Asia. We seem to be on the brink of a nuclear weapons race on the subcontinent, where relations between India and Pakistn have been tense for years. India and Pakistan have the right to strong defense, but the combination of nuclear weapons and enduring tension could prove catastrophic to both countries, indeed the region. As in the case of Korea, China has huge stake in this

37 Bill Clinton, A National Security Strategy of Engagement and Enlargement July 1994, Washington D.C., 1994.

38 Ibid.

issue since it is essential that countries with influence in South Asia, should stop the potential arms race before it gathers momentum. The recent progress between the United States and China on missile technology and fissile material is a positive step in that direction. But we must do more if we are to prevent a South Asian nuclear arms race.³⁹ Was Perry indicating Sino-US tie-ups in preventing the suspected nuclear arms race in South Asia? Would it involve military cooperation as well as in so-called counter proliferation initiative? Or did the Clinton Administration seek Chinese cooperation in the sense that it should stop transferring nuclear weapons related materials and other such items to its ally, Pakistan? The Secretary of Defense did not, in fact, spell out all these but his statement created resentment in India. According to the now well known Indian position, the Chinese nuclear, weapons and missiles are part of problem of proliferation in the region. How could then Perry make such a proposal?

Fortunately, Perry clarified the US position without undue delay. Weeks after his remark in Beijing, he reportedly conceded on November 11, 1994, during a press conference at the Freedom House in Washington that India could not be expected to consider the issue of proliferation only in the Pakistani context and that non-proliferation in the region must also include China.⁴⁰ If one has to believe what Perry said, a major change in the Pentagon's approach to the proliferation issue in South Asia has occurred.

Two months after the Press conference at the Freedom House, William Perry came to India on an official visit. On the very first day of his arrival in New Delhi an "Agreed Minute on Defense Relations between the United States and India" was signed. The agreement said, "The Government of the United States of America and India recognize the importance of enhancing our defense cooperation as

³⁹ The Asian Age, Calcutta, November 24, 1994.

⁴⁰ The Times of India, November 12, 1994.

an important part of our overall bilateral relationship.” It is an indication that such cooperation is necessary before embarking upon a bilateral “commercial allinace”. The document further stated that “the growth of bilateral defense relations in new areas will be evolutionary and related to converge on global and regional issues. The enhanced defense cooperation between two countries is designed to make a positive contribution to the security of Asia. These measures will also promote the maintenance of international peace and security in the post. Cold War World.”⁴¹

1995 NPT Review Conference

India has all along maintained that NPT is a discriminatory document and that it perpetuates not only nuclear asymmetry but also legitimizes the possession of nuclear weapons by only five countries in the World. The United States, on the other hand, has been incessantly backing the NPT as a good step toward halting nuclear. Proliferation. The Clinton Administration has sought to give the NPT indefinite duration, as the defense planners and strategic thinkers in the US began to articulate nuclear proliferation as one of the most serious dangers in the post-Cold War environment. The Bottom – UP Review, undertaken by the US Department of Defense in 1993, argued for a three pronged approach to deal with the Nuclear danger–non-proliferation efforts, cooperative threat reduction and counter proliferation.

As part of this first approach, the Clinton Administration went on a diplomatic offensive to back the indefinite extension of the NPT at the 1995, Review and extension Conference in New York, on May 11, 1995, the NPT, initially signed in 1968 and effective from 1970, was accorded unconditional and indefinite extension. The US

⁴¹ Agreed Minute on Defence relation between the United States and India Official Text, USIS, New Delhi, January 12, 1995, p.1-2.

believes that the NPT is fundamentally important to non-proliferation for at least two reasons: its normative value, and its anchoring role for international safeguards.⁴²

The indefinite extension of the NPT had significant implication for India and for Indo-US relations. Before the extension, the Clinton Administration had began to some understanding of the Indian position on the nuclear issues and was floating proposals for regional arrangement to tackle the nuclear issue in this region. Particularly significant was growing understanding of the Indian concern about the Chinese nuclear capabilities in certain section of the policy making community in the United States. The State Department, the Pentagon and analysts in several think-tanks made no secret of their understanding that China's participation in regional non proliferation measures only could bring about a lasting solution to the problem.

However, the legitimisation of the Chinese nuclear weapons, along with those of other nuclear powers, through an indefinite extension of the NPT would make it very difficult to bring the Chinese to the negotiating table, unless other nuclear powers also take similar steps in their respective regions. China, infact, conducted a nuclear test just days after the NPT extension. Not that earlier it had been easy to bring, China to the negotiating table to resolve the nuclear tangle in South Asia. But the Chinese membership in the NPT and indefinite extension of the treaty have bestowed a different status on China. As a result, the US would now more forcefully seek to make the nuclear issue in the region an issue between India and Pakistan.⁴³

It would indirectly strengthen the Pakistani position, particularly in the sense of making it more acceptable to

42 Lawrence Scheinman, "The Non-Proliferation Treaty: on the road to 1995," IAEA Bulletin (Quarterly Journal of the International Atomic Energy Agency) vol.34,no.1, 1992, p.34.

43 Chintamani Mahapatra, "Indo US Relations into The 21st Century" (Knowledge World, New Delhi, 1998), p.122-123.

Washington. Pakistan care little about international disarmament efforts, refuses to sign the NPT on the ground that India has not done so and occasionally comes out with narrow bilateral or sub-regional arms control proposals.

Pressler law and Brown Amendment

As long as the Cold War was on, Administration after Administration in Washington could turn a blind eye to a series of reports by the US intelligence community about Islamabad's clandestine nuclear weapon programme. The reason was simple. Pakistan's role in America's Cold War strategy against the former Soviet Union was crucial. When the Soviet troops withdrew from Afghanistan in 1989, the Bush Administration found it difficult to provide the US Congress with a certificate of Pakistan's nuclear innocence under the Pressler Amendment.

Several analysts and commentators in the United states as well as in Pakistan had begun to argue that the Pressler Amendment was a discriminatory measure against Pakistan. In an answer to those who alleged that the Pressler Amendment was a discriminatory legislation aimed at Pakistan, one American legislator, John Glenn, went on record pointing out that for several years the US Administration actually discriminated in favour of Pakistan by waiving measures stipulated in the non proliferation legislation in the face of intelligence and other reports suggesting Pakistan's clandestine efforts to acquire nuclear weapon capabilities.⁴⁴

Ironically, while blowing the trumpet about its success in the Nuclear Non-Proliferation Treaty review conference, the Clinton Administration incessantly continued to lobby in Congress to obtain

⁴⁴ Chintamani Mahapatra, "US Approach to Nuclear Proliferation in South Asia", in Jasjit Singh, (ed.) Asian Strategic Review, 1992-93, (IDSA New Delhi, 1993).

relaxation of the Pressler Amendment on Pakistan, arguably to increase its leeway in dealing with Pakistan and to enable the latter to receive US military and economic aid. Senator Hank Brown coordinated his proposal with the Clinton Administration to bring about the required change in the Pressler Amendment. The Clinton Administration sought to justify the supply of \$ 368 million worth of weapons and military equipment to Pakistan on the ground that it would enhance the US influence in Pakistan and would strengthen its hand to achieve its non proliferation objectives. The Brown Amendment was a very controversial issue and in face of Congressional opposition, President Bill Clinton asked Secretary of Defence, Perry and Under Secretary of State for Political Affairs, Peter Tarnoff to write to the legislators explaining that arms transfer would not imbalance the military equation in the subcontinent.⁴⁵ The Clinton Administration justified its stand by putting forward three arguments. Briefly stated, first, Pakistan has been a loyal friend and it is illogical for the US to accept the money for the spares but later place embargo on the delivery. Second, in view of the ever growing menace of Islamic fundamentalism, Pakistan needs to be supported as a moderate Islamic state. Lastly Pakistan is a link to the Central Asian states which have a huge reserve of hydrocarbon energy resources which could be a field for American exploitation. This would also help the US to keep Russians out from what the latter claim as their 'near abroad.'⁴⁶ The Brown Amendment permitted American assistance (the arms package includes P3 Orions, Harpoon Missiles, spare and other Military equipment's worth \$ 368 million) to go forward to Pakistan which was disallowed under the 1985 Pressler law.

When the US House, Senate Conference finally endorsed the Brown Amendment in October 1995, Political reaction in India was

45 Indian Express, New Delhi, August 10, 1995.

46 P.M. Kamath, "Indo-US Relations During the Clinton Administration: Upward Trends and uphill

Tasks Ahead", Strategic Analysis, (IDSA, New Delhi February 1998), p.1608.

very strong. There was a consensus in the country covering the entire spectrum of public and political opinion that the supply of American weapons and other military equipment was not the right way of dealing with the so-called proliferation concerns and that such incidents contribute to an arms race that would work against regional stability.⁴⁷

How far the Clinton Administration's claim that the Brown Amendment would enhance the US non-proliferation goal soon came for a test when the US intelligence reports on the Chinese supply of 5,000 ring magnets to Pakistan were made public. The State Department official were questioned by the Congress men as to why they had kept Congress in the dark about the Central Intelligence Agency [CIA] report on the ring magnets issue when the Brown Amendment was under discussion. According to the published reports, the officials including those in the South Asian Bureau of the State Department, had known about the Chinese transfer of ring magnets, but the State Department had exerted so much effort for the passage of the Brown Amendment that it had decided against volunteering the CIA report to Congress for the fear of jeopardizing its own efforts.⁴⁸

With the renewal of the Congressional demands for repeating the Brown Amendment and Senator Larry Pressler commenting, "when faced with a serious violation of the non-proliferation law, This Administration blinked at this law and winked at Pakistan." Clinton's Deputy National Security Advisor, Sandy Berger and Deputy Secretary of State Strobe Talbott went to Capitol Hill to brief the senators on the matter at a closed door session. The Clinton Administration's argument was that Pakistan paid for the weapons many years ago while it purchased the ring magnets only in 1995.⁴⁹

47 Pioneer, New Delhi, October 22, 1995.

48 The Statesman, March 1, 1996.

49 Telegraph, March 21, 1996.

Sino-Pak Collaboration

Two issues may be briefly discussed to understand the Clinton Administration approach toward Sino-Pakistan cooperation for nuclear and missiles capabilities.

Ring Magnets

Days after President Bill Clinton signed the Brown Amendment, the US media reported citing US intelligence sources that China had supplied 5000 ring magnets to Pakistan. It was on February 4, 1996, that reports appeared that China sold the ring magnet to the A. Q. Khan Research Laboratory in Kahuta in 1995. The American intelligence reportedly believed that the magnets would be used in special suspension bearings at the top of a spinning chamber in the centrifuges. The ring magnets could enable Pakistan, according to *the Nucleonic News*, to double its capacity to enrich uranium for weapons purposes.⁵⁰ Was it not a deliberate policy of the Clinton Administration to make the intelligence leak about the Sino-Pakistan ring magnets deal only after the passage of the Brown Amendment and not earlier when the Bill was under discussion in the US Congress? Sino-Pakistan cooperation in the field of nuclear technology had been going on for quite sometime. However, such cooperation had a different meaning and connotation when China remained outside the NPT. But after China became a party to the NPT in 1992, the legal implication of its nuclear cooperation with Pakistan no longer remained the same. The transfer of ring magnets constituted a clear violation of the NPT.

The US State Department initially believed that the ring magnets deal violated, the US Arms Export Control Act which required the President to impose sanctions on any country that “transfers to a non nuclear weapon state any design information or component “used in building nuclear arms.”⁵¹ Senator Larry Pressler

⁵⁰ *Arms Control Reporter*, 1996.

⁵¹ *Ibid.*

was furious when he came to know about this deal. He remarked, "I am very disturbed that this illegal sale of nuclear technology was taking place at the same time..... the government of Pakistan and the Clinton Administration actively were lobbying the Congress to pass the Brown Amendment."⁵² Senator Hank Brown the author of the Brown Amendment, however, contended that the arms shipment issue should be kept separate from the technology issue.⁵³ What did the Clinton Administration do? It publicly asked the Export. Import (Exim) Bank to defer until at least March 23, 1996, any finance for US companies wishing to export to China. Privately the US officer told China that economic sanctions under consideration could be waived in return for China agreeing to limit future shipments of nuclear related technology to Pakistan, since the Clinton Administration officials were worried about the cost of such a step to the American companies in the words of a Clinton Administration official, " we are looking for information that would help us to let (China) off the hook," including a promise that no such transfers would take place in the future.⁵⁴

Knowing the Clinton Administration's weakness on this issue, China rebuffed Washington's demand that China should refrain from future shipment of sensitive nuclear related technologies to Pakistan. A few days later an important official of the Clinton Administration held a meeting at the White House to discuss the Sino- Pak-ring magnet deal. Some of the points made by the official clearly indicate the steps the US would subsequently take on this issue. It was argued by some that the low financial value (\$ 50000 to \$ 100000) along with the fact that international experts had not specially listed the magnets as banned export items might have left Chinese leaders in aware that the deal was taking place.⁵⁵

⁵² Washington Post, February 8, 1996.

⁵³ Ibid.

⁵⁴ Washington Post, February 28, 1996.

⁵⁵ Washington Post, March 27, 1996.

In the cost-benefit analysis, it was already decided the goal was to avoid imposing sanctions against China and Pakistan. As a result the arguments were made and facts were ignored accordingly. Two important facts may be mentioned in this regard. The *Washington Times* reported on April 3, 1996, that CIA had evidence that China was supplying technicians and equipment for a plutonium reprocessing plant in Pakistan. On April 15, 1996, the *Wall Street Journal* reported that some Chinese officials privately admitted selling 5000 ring magnets to Pakistan. The Chinese officials, who included a Vice President of the National Nuclear Corporation of China, argued that the magnets were not magnetized and thus did not violate the Nuclear Suppliers Group's trigger list. A US State Department official reacted sharply against the Chinese argument and said that it was not difficult to magnetise the magnets and that it was like "selling a fighter jet to someone and saying we did not fill up the fuel tank".⁵⁶

On the same day, ironically, an Ex-im Bank loan was approved for China. Why did the Clinton Administration not punish China? It was asserted that the Chinese government was unaware of the transfer of ring magnets to Pakistan! And that the Chinese officials had promised not to make such transfers in the future and had agreed to consult the US on export control policies in future. The US official statement of May 10, 1996, said, "..... the Chinese assured us that China will not provide assistance to unsafeguarded nuclear facilities and the Chinese will now confirm this in a public statement..... The Secretary of State has concluded that there is not a sufficient basis to warrant a determination that sanctionable activity occurs under section 825 of the Nuclear proliferation Act of 1994".⁵⁷ The Chinese official statement was released several hours later. It did not make any specific reference to future sales of ring

⁵⁶ *Arms Control Reporter*, 1996.

⁵⁷ *Ibid*

magnets and it did not make any commitment that sales of similar, nuclear – related equipment would not be made.⁵⁸

The US officials interpreted the Chinese statement as an indication of agreement with the US position. The State Department spokesman, Nicholas Burns, said, “what we got is what would have sought from the Chinese to remove sanctions had they been imposed” However the US legislators reacted differently. The House of Representatives responded by passing a “sense of Congress” resolution that China should have been sanctioned.⁵⁹ It may be mentioned here that this political drama was unfolding at the time that the US, China, and others were negotiating for a CTBT at Geneva.

M-11 Missiles

In the midst of the controversy over the ring magnets and the debate on whether to impose sanctions, Washington made new allegations that Chinese M-11 missile parts were sold to Pakistan after US sanctions were lifted in 1994. Director, John Holum of the US ACDA indicated that sanctions against China could be imposed under the Missile Technology Control Regime if sales were confirmed.⁶⁰ Close on the heels of the US decision not to impose sanctions against China over the ring magnets deal, a report approved on June 12, 1996 report in the *Washington Times* about Pakistan for the first time deploying a nuclear-capable Chinese-supplied M-11 Missile once again created a sensation in the United States as well as South Asia. The M-11 missiles, supplied by China to Pakistan, pose absolutely no security threat to the United States. Nor does Pakistan's claimed nuclear capability. But Pakistan's efforts to acquire nuclear and missile capabilities have always been debated, discussed and

⁵⁸ *Washington Post*, May 14, 1996.

⁵⁹ *Washington Post*, May 16, 1996.

⁶⁰ *Reuters*, March 7, 1996.

criticized in the United States which at least in principle champion the cause of non-proliferation of weapons of mass destruction's.

There was little cause to believe that the US would halt the implementation of the Brown Amendment as a punishment against the deployment of M-11 Missiles by Pakistan. In fact the political battle to water down intelligence findings on the M-11 deployment started almost immediately in Washington. While the responsible Congressmen and Senators deplored the Pakistan of indulging in 'illegal activity' making the region more unstable, the State Department, which is in charge of implementation of US foreign Policy, seemed determined to downplay the significance of the development.

The State Department's Bureau of Intelligence and Research did not think that the M-11 Missiles in Pakistan were "operational", since there was not adequate information about that country's "training practices." Significantly, this line of argument was given despite the fact that the MTCR principles are not concerned with the "operational" part of the missiles and have more to do with the transfer of missiles. The US State Department's position, on the other hand, confirmed the actual Chinese sale of the M-11 Missiles or their components to Pakistan, of which the Clinton Administration officials were self-admittedly not sure for quite some time. The US intelligence community, however, had little doubt. After a close CIA briefing on this issue, Representative Curt Weldon said; "In fact, the missiles are there - our intelligence community has affirmed this beyond a reasonable doubt - and for the purposes of the US law it is irrelevant whether the missiles have become operational."⁶¹ In fact during this briefing, the US intelligence

⁶¹ Washington Times, June 21, 1996.

analysts reportedly indicted that a unit of the Pakistan Army had been assigned to the Missiles and had been trained by the Chinese exports.⁶²

The US government's reluctance to take action against the Sino-Pakistan M-11 Missile deal was in sharp contrast to the imposition of US sanctions against the Indian Space Research Organisation. (ISRO) and the Russian Glavcosmos over the Indo-Russian Cryogenic rocket engine deal under which the transfer of the engine for India's civilian space programme was to take place after five years. It is also in sharp contrast to the US Position on India's indigenous missile programme, such as the Prithvi missile.

The US inaction or rather tacit support to Pakistan's quest for a missile capabilities was further indicated by its silence when it was reported in August 1996 that Pakistan was building a secret plant to produce medium rang missiles with Chinese assistance. While the construction of the plant started in 1995 and the US intelligence agencies were aware of this development, they did not make it public earlier. Although an unnamed US Official said that there is no question there is an involvement by China," the US officials did not raise this issue with their Chinese counterparts in July 1996, during their discussion on nuclear-related exports. The Vice President, reportedly states "We are monitoring it very carefully and we have an active ongoing dialogue with China on this very point".⁶³ But the senior officials of the Clinton Administration preferred to avoid a confrontation with china. One of them remarked, "This has been in the category of too hot to touch unless it jumps to bite you".⁶⁴ It was a very significant remark, since the Sino-Pakistan nuclear cooperation did not bite the American interests, there was no reason why the US government should have been unduly worried about it. In November 1996, the US State

⁶² Ibid.

⁶³ New York Times, August 26, 1996.

⁶⁴ Ibid

Department more candidly explained the US position on China's arms transfer policy. The spokesman said, "We cannot allow single issues to torpedo the relationship and cannot allow disagreements on single issues to cancel diplomatic contracts! While emphasizing "we do treat very seriously allegations that China has engaged in improper trade with Iran and Pakistan," he further said, "We have not determined that China has violated the current commitments it has made to the United States or other members of international community".⁶⁵ What is significant here is characterization of the US intelligence assessments estimates and finding by the State Department spokesman as "allegations".

THE CTBT

One of the major issues that would keep India and the US on opposite sides was to be the efforts towards concluding a CTBT. As history has recorded, India happened to be the first country in the World to propose a "standstill Agreement on nuclear testing way back in 1954. Although India's appeal for banning nuclear tests fell on deaf ears at that time, piecemeal efforts were made subsequently to limit nuclear test explosion. It was the US Congress which took the initial steps in 1992 by enacting the Energy and Water Development Appropriating Act containing a provision that "no underground test of nuclear weapons may be conducted by the USA after September 30, 1996 unless a foreign state conducts a nuclear test after this date".⁶⁶

The CTBT debate was going on even when the NPT extension negotiation were taking place. Although India had little influence in the NPT extension negotiations, as if was not a member country, it took an active role in the CTBT negotiations. Meanwhile on December 15, 1995. The *New York Times* reported that American

⁶⁵ *New York Times*, November 21, 1996.

⁶⁶ Savita Pande, *India and the Nuclear Test Ban* (IDSA, New Delhi, 1996).

spy satellites had recorded scientific and technical activity at Rajsathan's Pokhran test site in India. While intelligence experts were reportedly unable to tell whether Indian scientists were preparing for the country second nuclear test and Gary Milhollin, Director of the Wisconsin Project on Nuclear Arms Control, commented; "Once the test ban treaty comes in, they (India) will be data poor. Atleast now would supply them data, it would be a tremendous plus for the Congress party. It would give them a big boost in the election."⁶⁷ In the backdrop of all these developments, the Clinton Administration on January 16, 1996, threatened to cut economic aid to India if it conducted a nuclear test on the basis of the Glenn Amendment which required the US to cut off all economic aid, military aid, credits back loans and export licenses to any country, other than the five declared nuclear power, that tested a nuclear weapon. However, three days later on January 19, Washington accepted India's denial of any preparation of a nuclear test.⁶⁸

Yet on August 19, 1996 India vetoed the draft of the CTBT, India has argued against the CTBT on four counts. First, India sought a commitment from, the Nuclear Weapon States to negotiate nuclear disarmament within a time bound framework as a condition of its support for a CTBT. According to Warren Christopher, the US Secretary of State, "The one country that is presenting a problem is India a threshold state."⁶⁹ For the USA India's insistence on any time frame work for nuclear disarmament was "impractical and that, for the US policy makers CTBT and Nuclear Disarmament were two

67 New York Times, December 15, 1995.

68 Chronology, Arms Control Reporter, 1996.

69. The Asian Age, Calcutta, August 2, 1996.

separate issue. According to the Clinton Administration, achieving the ultimate elimination of nuclear weapons depends on many factors. Chief among these are step to strengthen international security and create conditions allowing states with nuclear weapons to reduce their reliance on them overtime. Such steps can be taken at all levels – unilaterally bilaterally, regionally and globally. However, it is simply unrealistic to think 40 years of a nuclear arms race can be canceled out overnight.⁷⁰ Second, India argued the CTBT would not contribute to nuclear disarmament, because it banned nuclear explosive testing but not other activities related to nuclear weapons, such as subcritical (non-nuclear explosive) experiments or computer simulations. India suspects that American scientists have devised ways of testing nuclear bombs without an actual explosion and intend to carryout such experiments – even after a complete test ban. Therefore India argued that the treaty as visualised by the Americans, is not a step towards disarmament but a means of perpetuating nuclear apartheid. The official possition of the Clinton Administration is that only Hydro Nuclear Experiments (HNEs) with yield below 1.8 kg equivalent of TNT should be exempt from the ban. Such small HNEs are not very useful for designing weapons but they are widely accepted as useful for testing the safety of stored weapons. What distinguishes HNEs from Full-Blown nuclear tests is that the chain reaction is stopped before a full yield explosion occurs. Third India asserted it would not sign the CTBT because it wanted to maintain its strategic flexibility. During the CTBT debate

70 John D. Holum, "The CTBT and Nuclear Disarmament – The US View" Journal of International affairs, Colombia, Summer 1997. p.265.

Ambassadors Prakesh Shah, India's permanent representative to the United Nations, stated that "India cannot permit our option to be constrained as long as countries around us continue their weapon programmes either openly or in a clandestine manner" and as long as, Nuclear Weapon States remain unwilling to accept the obligation to eliminate their nuclear arsenals.⁷¹ Finally, India objected to the CTBT's provision for entry into Force. This provision, which requires the signature and ratification of 44 states (those listed by the International Atomic Energy Agency as having research or power reactors and that were also CD members as of June 18, 1996) was crafted to ensure that all states with the relevant nuclear capacities would be committed before Entry into Force. If the Treaty still has not entered into force three years after being opened for signature, a special conference of states that have ratified the treaty can be convened on an annual basis to consider measures to expediate Entry into Force. New Delhi argued that the Entry into Force provision was a breach of Indian sovereignty, as it enforced on India without its consent.

Any way, India stuck to her guns and refused to endorse the CD text. And as a novel way to circumvent India's veto, the CD text was hijacked by Australia and placed before the UN General Assembly as a joint proposal, essentially the same draft treaty placed before the CD by its Chairman Jaap Ramakar of The Netherlands on June 28, 1996 by a vote of 158 to 3, with 5 abstentions. India, Bhutan and Libya voted against while, Lebanon, Syria, Mauritius, Tanzania and Cuba abstained. Pakistan voted in

⁷¹ Ibid, p.270-71.

favour but made it clear that it would sign the CTBT only if it is “universal” meaning if India also becomes a party to it.⁷² In Article 1 each party to the CTBT undertakes not to carry out any nuclear weapon test explosion or any other nuclear explosion anywhere and for all time. In his address to the United Nations General Assembly on 24 September 1996, US President Bill Clinton noted that “the CTBT will help to prevent the nuclear weapons from developing more advanced and more dangerous weapons..... It point us toward a century in which the roles and risks of nuclear weapons can be further reduced and ultimately eliminated”.⁷³

The 1996 white House Report entitled, “A National Security Strategy of Engagement and Enlargement”, says that “countries weapons programs and their levels of cooperation with our non-proliferation efforts, will be among our most important Criteria in judging the nature of our bilateral relationship.”⁷⁴ In 1996-97 the Clinton Administration has shown more interest in encouraging direct high level Indo-Pakistan bilateral negotiations on regional security and non proliferation to defuse the nuclear crisis situation in the subcontinent. For this it has urged both India and Pakistan to resolve the Kashmir problem through bilateral negotiations as envisaged, in the Simla Agreement. The United State has also warned Pakistan not to link the Kashmir issue with the nuclear problems.. The Clinton Administration has sent its high officials to India and Pakistan so that they could take diplomatic initiative to help ease tension between two countries. Madeleine Albright’s brief visit to New Delhi in the third week of November 1997 was the first

⁷² The Statesman, Calcutta, September 11, 1996.

⁷³ John D. Holum, no.70, p.272.

⁷⁴ Bill Clinton, A National Security Strategy of Engagement and Enlargement (The White House, Washington D.C., February 1996.)

to India by a US Secretary of State in more than 14 years. During her visit to India, Albright brought up CTBT and other nuclear and missile related issues and offered that the bait of civilian nuclear cooperation between the two countries. The U.S. and China in June 1997 agreed to cooperate in the civilian nuclear sector after China agreed to stop supplying nuclear and missile related technology to countries such as Iran and Pakistan.⁷⁵ Washington expected concessions from India on the CTBT and NPT before it gave the green signal for the U.S. companies to enter the Indian market. Neither India nor Pakistan has been lulled into the 'Clinton Administration's 'Quiet diplomacy'.

⁷⁵ Frontline Madras, December 12, 1997, p.50-51.

Chapter-Three

Indo-Pak Nuclear Tests and the Clinton Administration's Response and Sanctions

In May 1998, both India and Pakistan conducted unannounced nuclear tests, setting off a global storm of protest and criticism and negating more than two decades of effort by the United States to prevent nuclear proliferation in South Asia. India's five tests – on May 11 and 13 broke off its self imposed 24 years moratorium on nuclear testing and set the stage for Pakistan tests. The original impetus for New Delhi's development of its nuclear option appears to have been its sense of strategic rivalry with China dramatized by India's 1962 defeat in a short border war, followed by China's first nuclear explosion in 1964. Three decades of chilly relations across a disputed border and China's expanding nuclear and missile capability reportedly served to confirm India's perception of a Chinese threat. Yet until the mid 1990 India showed no urgency of intent to follow up on its 1974 explosion of a plutonium device underground. India's concerns about China have been further fueled by China's longtime support for Pakistan, including the supply of arms and nuclear and missile technology. India and Pakistan have fought three wars in the half century since their independence.

On May 12, 1998 in a letter, to US President Clinton Indian Prime Minister Atal Behari Vajpayee listed concerns about the “deteriorating security and nuclear environment” – with oblique references to China and Pakistan – as the impetus for India’s conducting the May 1998 nuclear tests.¹ Since 1993, India-China relations had been improving as a result of an agreement that called for a reduction of troops along their common border, talks on border demarcation and on expansion of economic and cultural ties. In late April 1998 however, Indian Defence Minister George Fernandes made several statements in which he referred to China as ‘India greatest threat’. Fernandes alleged, among other things that China had supplied Pakistan with technology for a medium-range missile tested by Pakistan in early April and that China had extended its military airfields in Tibet and established a “massive electronic surveillance system” in Burma’s Coco Islands.

India’s emphasis on the Chinese threat as a rationale for its nuclear tests became diluted somewhat after Pakistan blasts. Indian Prime Minister Vajpayee told reporters on May 28, 1998 that rather than India forcing Pakistan’s hand, it was Pakistan that “forced us to take the path of nuclear deterrence.”² In his letter to Clinton, Vajpayee also alleged Pakistan sponsorship of insurgencies in India’s Punjab and

¹ Indian P.M.’s letter to Clinton on the nuclear testing, New York Times, May 13, 1998.

² Hindustan Times, New Delhi, May 29, 1998.

Jammu & Kashmir states over the past decade, saying “we have been the victim of unremitting terrorism and militancy”. Pakistan claims only to provide moral and political support for the Kashmir rebellion.

Despite the rationale offered by the Indian government official for testing at this time, many analysts point to domestic political factors as a more likely immediate impetus. The BJP has consistently pushed for India to test nuclear weapons and develop its nuclear and ballistic missile capability. The BJP coalition government’s National Agenda for Governance (April 18, 1998), state, “to ensure the security, territorial integrity and unity of India we will take all necessary steps and exercise all available options. Towards that end we will re-evaluate the nuclear policy and exercise the option to induct nuclear weapons.”³ In conducting nuclear tests, the BJP government has clearly played the popular national prestige card – longstanding aspirations for major power status which to many Indian means acceptance into the elite club of nations with recognized nuclear programmes. Former Indian foreign secretary, Muchkund Dubey, stated that Indian case in 1994 “the bomb option is a currency of power that is critical to our survival as a strong nation.”⁴

The Indian government described the first three May tests at the

³ *The Hindu*, April 19, 1998.

⁴ Raj Chengapa, “Nuclear Dilemma”, *India Today* New Delhi, April 30, 1994, p.57.

Pokhran test site in the western desert near the Pakistan border, as heralding India's status as a full scale nuclear weapons power. The government statement proclaimed, "the tests conducted today were with a fission device, a low yield device and a thermonuclear device. These tests have established that India has a proven capability for a weaponised nuclear programme. They also provide a valuable database which is useful in the design of nuclear weapons of different yield for different applications and for different delivery systems"⁵... India announced on May 13 that it had conducted two additional nuclear tests on that day, each with a yield of less than one kiloton and that these were the last tests in its planned series. The twin tests were conducted within 24 hours of an unequivocal warning by US President Bill Clinton that New Delhi should stop further testing and sign the CTBT without any preconditions. The move was a signal to the international community that New Delhi could not be pressured into giving up the option it has chosen in defense of its security interests. In other words the tests entailed a message to the US and other industrialised nations that the answer to the problem lay in negotiations and not in any unilateral diktat.⁶

An Indian statement by the Department of Atomic Energy and Defense Research and Development Organisation, released on May 17, 1998 provided more precise details. According to this statement as

⁵ Hindustan Times, May 12, 1998.

⁶ Chintamani Mahapatra Indo-US relations into the 21st Century (Knowledge World, New Delhi, 1998).

reported by *Dow Jones*, the May 11 tests were of a fission device with yield of about 12 kilotons a thermonuclear device with a yield of about 43 kilotons and a third test with a yield of 0.2 kilotons. The two May 13 tests were said to have yields of 0.5 and 0.2 kilotons. *Dow Jones* reported that "R. Chidambaram, Chairman of the Atomic Energy Commission (AEC)... Classified the [largest] explosion was indeed a thermonuclear one and not a boosted fission device as speculated by experts earlier. He states, "We used a fission trigger and a secondary fusion device. A boosted fusion device does not have a secondary stage." Chidambaram further said "there are questions as to the success of India's tests.⁷ Regarding the alleged thermonuclear test "a US official", commented in May 1998, "Either it was not really a thermonuclear weapon or it was a thermonuclear weapon that did not go off as planned due to some error. The general view is that the Indian tests were not fully successful."⁸

Amid fears by non proliferation experts that India's tests would prompt testing by Pakistan and other countries, President Clinton dispatched a high-level team headed by Deputy Secretary of State Strobe Talbott, to Pakistan to try to dissuade Islamabad from following India's lead. Acknowledging the pressures on the Pakistan government to test, US President Clinton stated that refraining from testing would be a great act of statesmanship and restraint on their part". It was not

⁷ Indian Scientists provide details of nuclear tests, "*Dow Jones*, May 17, 1998.

⁸ R. Jeffrey Smith", Analysts Skeptical of Pakistan's Claims, *Washington Post* May 29, 1998.

clear what incentives the US team might offer Pakistan, but settlement of the longstanding dispute over the non delivery of F-16 fighter planes as a result the cut off of aid to Pakistan in 1990 has been widely cited as one possibility.

Pakistan's motivations were largely self-evident. In announcing the May 28 series of test at Chagai Pakistan's Prime Minister Nawaz Sharif described his decision as "inevitable" and declared "we have settled the account of the nuclear blasts by India". at the same time, the quickness of Pakistan's rejoinder and the claimed number of tests suggest that preparations had long been under way. Pakistan has lived with a demonstrated Indian nuclear capability for more than twenty years, and has been aware since at least late 1995 that India's nuclear establishment was prepared to test within a short time after receiving the political costs of not testing, Pakistan may have been anxious to test in order to reassure itself that its weapons worked and to impress upon India and reality of Pakistan's nuclear capability.

All evidence points to Pakistan's nuclear weapons programme being smaller and less ambitious than that of India-Pakistan reportedly used a simplified weapon design based on enriched uranium which is paid to be a less sophisticated approach than one based on plutonium,⁹ such as India uses. Adbul Qadeer Khan, the head of

⁹ William Broad, "Experts say Pakistan test was either small or a failure", New York Times, May 31, 1998.

Pakistan's nuclear programme and the 'father of its atomic bomb', said, "None of these explosions [of May 28 and 30] were thermonuclear... we are doing research and can do a fusion programme and the blast if asked"¹⁰ there are a few, if any, other references to a Pakistan fusion, or hydrogen, bomb programme and the implication that Pakistan could detonate a hydrogen bomb soon seems doubtful. Pakistan had obtained the plans from the Chinese government in the early 1980s. The bomb was simple and efficient, based on highly enriched uranium and it had been tested by the Chinese in 1966. US government physicists built a model of the bomb and reported that it was a virtually foolproof design.¹¹ On May 28, 1998 Pakistan announced that it had conducted five underground nuclear tests; it announced a sixth test on May 30, yield estimates of tests of May 28 had a yield of 30 to 35 kilotons, about twice of Hiroshima bomb.¹² US officials reportedly estimated the cumulative force of the Pakistan blast or blast of May 28 at between 2 kilotons and 12 kilotons and most likely 6 kilotons.....¹³ For the May 30 test some reports placed the yield between 12 and 18 kilotons, but the CIA was said to have estimated the yield at between one and five kilotons.¹⁴

There are indications that the tests were of actual weapons, as distinct from test devices. A.Q. Khan "described the devices tested as

¹⁰ John Kibner, 'Pakistan sets off atom tests again, but urges peace' New York Times, May 31, 1998.

¹¹ Tim Weiner, "US and China helped Pakistan build its bomb", New York Times, June 1, 1998.

¹² John Kifner, Pakistan sets off atom test again, but urges peace, New York Times, May 31, 1998.

¹³ R. Jeffery Smith, n.8.

¹⁴ John Kifner, n. 12.

ready to fire warheads that had been miniaturized so they could fit onto Ghauri missiles.”¹⁵ He also indicated that four of the five test of May 28 were of low-yield tactical nuclear weapons.¹⁶

There would be good reason for testing missile warheads and tactical nuclear warheads. The Ghauri, a missile with a range of 900 miles, is expected, once deployed, to be Pakistan’s main deterrent of India, as its range would enable it to strike almost all of that country. Testing a warhead for that missile would seem to be Pakistan’s highest nuclear priority. Similarly, short range, low-yield tactical nuclear weapons would arguably help Pakistan deter a conventional attack by India, which has much stronger conventional forces. Apparently to capitalize on its conventional superiority, India offered not to be the first to use nuclear weapons, most unlikely that Pakistan would offer a similar pledge; apparently to help offset its conventional inferiority. Indeed Pakistan had been reluctant to make such a promise.¹⁷ Moreover Prime Minister Nawaz Sharif implied that its nuclear weapons could be used to counter conventional attack; these weapons are to deter aggression, be it nuclear or conventional. This implicit threat to use nuclear weapons to counter a stronger conventional force parallels NATO’s rejection of a policy of no first use of nuclear weapons during the Cold War, when NATO’s tactical nuclear weapons and the implicit

¹⁵ John Burns, “Leaders in India and Pakistan Tone Down Crisis” New York Times, May 30, 1998.

¹⁶ John Kifner, n.12.

¹⁷ John Burns, n.15.

link to strategic nuclear weapons were seen as a counter to the Warsaw Pact which had numerical superiority in conventional forces.

The Republican Chairman of the Senate Select Committee on Intelligence alleged that US intelligence gathering suffered a “colossal failure’ in not detecting India’s intention to set off three nuclear blasts. The reason why the US was apparently upset about the intelligence failure is indicated in representative Lee Hamilton’s statement that “If we have had notice of preparation, we could talk to the Indians and persuade them not to do it. Have we did not have notice and we lost the chance”.¹⁸ If this was to be the outcome of US intelligence success India was perhaps right in maintaining utmost secrecy.

The failure of US intelligence to detect India’s test preparations despite many Indian statements prior to May about testing and despite knowing the location of India’s test site may make US ability to deter nations’ test preparation less credible. This could weaken US ability to forestall tests; timely detection of preparations permits diplomatic efforts that try to thwart testing, as occurred in late 1995 when the United States detected Indian test preparations and apparently forestalled them with a strong diplomatic initiative. The intelligence failure also makes the threat of clandestine tests more serious, as part of the ability to deter such tests would arise from ability to detect preparations for them. Moreover on official review of the intelligence

¹⁸ Hamilton’s statement was reported by CNN. See the CNN Website in the internet.

failure provided a number of lessons that may help avert such failures in the future.¹⁹

The Clinton Administration's Response and Sanctions.

US President Bill Clinton found the nuclear tests by India an affront to the US efforts to prevent nuclear proliferation. He stated that he was "deeply disturbed by the nuclear tests" that he did not believe that such tests contributed to "building safer 21st century" and added that "this action by India not only threatens the stability of the region it directly challenges the firm international consensus to stop the proliferation of weapons of mass destructions."²⁰ He remarked that India's surprise nuclear testing "recalls the very worst events of 20th century". Noting that 149 nations have clearly signed the Comprehensive Test Ban Treaty (CTBT), the President called on India to define its greatness "in 21st century, not in terms that everybody else has already decided to reject."²¹ On May 13, 1998 the US Senate Subcommittee on Near Eastern and South Asian Affairs held hearings on India that had been originally intended to focus on growing tie and economic cooperation between the United States and India but instead become a forum for bipartisan condemnation of India's nuclear tests. The US Deputy Secretary of State, Strobe Talbott characterized the tests by India and subsequently by Pakistan as a path leading to a

¹⁹ Tim Weiner, "CIA study details failed spy system" New York Times.

²⁰ Hindustan Times, May 12, 1998.

²¹ Ibid.

“dead end” and advised others not to follow down that path.²² Senator John Glenn, Ohio Democrat and former astronaut whose own Glenn Amendment is a legislative weapon against proliferation, described India’s tests as ‘the triumph of fear over prudence, a monumental setback for efforts to halt the global spread of nuclear weapons.’²³

There is little doubt, however that Americans were not united in condemning the Indian nuclear tests. There were voices which refrained from criticising India unduly and showed understanding of the regional realities of Southern Asia. No less a person than the Speaker of the US House of Representative, Newt Gingrich wrote, “In recent weeks it has been reported that the Clinton administration has knowingly allowed the transfer of America nuclear missile technology to China..... That technology may soon improve Indian missiles as well..... In stark contrast to the Clinton policy of accommodation toward communist China the Administration roared with outrage when a democratic Indian government chose to test its nuclear capability. India is a country facing potential threat from China.... The double standard in administration actions....is appalling.”²⁴

Several expert of the American strategic community were critical of the Indian nuclear tests. Bruce Blair of the Brookings Institution said that the nuclear tests in South Asia were an ‘eye opener’ for people

²² Cable News Network (CNN) Internet Website June 18, 1998.

²³ Hindustan Times, May 13, 1998.

²⁴ Letter, Newt Gringrich, office of Speaker, United State House of Representatives, May 14, 1998. Internet edition on Indian nuclear tests.

who believed the Cold War had ended and that the nuclear era was finally winding down”²⁵. Joe Cirincione of the Carnegie Endowment for International Peace said that the world may be witnessing “the next great wave of proliferation”²⁶. Gary Milhollion of the Wisconsin project on Nuclear Arms Control stressed the importance of sanctions and said that any other course would send a message to the rest of the world that we don’t care.²⁷ Report of an Independent Task Force entitled “After the tests – US policy toward India and Pakistan” viewed that “the Indian and Pakistani nuclear tests has made South Asia and the world a more dangerous place. The presence of nuclear forces in the arsenals of two adjacent and often quarreling countries increases the likelihood that nuclear weapons could be used in a conflict and dramatically raises the human and financial cost of any armed confrontation should deterrence fail”.²⁸

The Clinton Administration’s response to India and Pakistan’s nuclear tests centred on the imposition of wide ranging largely economic sanctions under the Arms Export Control Act (AECA), the Export-Import Bank Act of 1945, the Nuclear Nonproliferation Prevention Act of 1994, the International Financial Institutions Act and the Atomic Energy Act of 1954. Major aspects of sanctions included

²⁵ Private Experts stress importance of India-Pakistan sanctions Wireless File. USIS, New Delhi, June 18, 1998.

²⁶ Ibid.

²⁷ Ibid.

²⁸ After The Tests: US policy toward India and Pakistan Report of an Independent Task Force, cosponsored by the brooking institution and the council on Foreign Relations, under the Co. chairmanship of Richard N. Haass and Motron H. Halperin. Washington D.C. 1999, p. 2-3.

termination of some categories of US foreign assistance; termination of US Government sales of defense articles and service; termination of foreign military financing; denial of credits, credit guarantees, or other financial assistance by US government agencies; US opposition to loans or assistance by any international financial institution; prohibition on US commercial bank loans or credits; and prohibition on exports of “specific goods and technology”, particularly dual use items.

The United States imposed sanctions on India and Pakistan as a result of their nuclear tests in May 1998. Imposing these sanctions the Clinton administration sought:

- To send a strong message to would be nuclear testers;
- To have maximum influence on Indian and Pakistani behavior;
- To target the governments, rather than the people; and
- To minimize the damage to other US interests.²⁹ According to Deputy Secretary of State, Strobe Talbott, who has become the chief US interlocutor with the South Asian neighbours since their respective tests, “(The sanctions imposed on India and Pakistan) were necessary for several reasons. First, it is the law, second, sanctions create a

²⁹ Fact Sheet India and Pakistan Sanctions released by the Bureau of Economic and Agricultural Affairs, United States Department of State, USIS, New Delhi, June 18, 1998.

disincentives for other states to exercise the nuclear option if they are contemplating it. And third, sanctions are part of our effort to keep faith with the much larger number of nations that have renounced nuclear weapons despite their capacity to develop them”.³⁰

The Arm's Export Control Act

Section 102 (b) of the Arms Export Control Act (AECA) prohibits a variety of assistance and commercial transaction between the United States and any country if the President determines that country – if it is a non-nuclear-weapon state-has among other things, detonated a nuclear explosive device. President Clinton denounced India's conducting of several nuclear explosive device tests over May 11-13, 1998 and on May 13 issued a written determination to Congress. The President likewise determined on May 30, 1998, that Pakistan was a non nuclear weapon state that had detonated nuclear explosive devices on May 28 and 30. Issuance of these determinations triggered mandatory imposition of the following sanctions, pursuant to section 102 (b) (2).

³⁰ Strobe Talbott “US Diplomacy in South Asia: A progress report” Remarks given at the Brookings Institution, Washington D.C. November 12, 1998, Strategic Digest (IDSA, New Delhi) January 1999, p. 9.

Termination of US assistance under the Foreign Assistance Act of 1961, except for humanitarian assistance, food or other agricultural commodities.

In fiscal year 1998, India was scheduled to receive an estimated \$54.3 million in US development assistance. Of this total, \$36.3 million was obligated to a variety of projects that are exempt from the sanction. Child survival projects (estimated \$13.97 million); polio prevention (\$4 million); HIV and AIDS programmes; family planning; women's support; and some projects addressing environmental issues. Some \$12 million in obligations for financial sector reform and agribusiness was terminated and \$9 million in authorized housing loan guarantees was terminated. Some \$6 million in funds obligated for greenhouse gas pollution prevention was currently suspended. Further aid for India approved in prior years that has not yet been expended was required to be similarly scrutinized. The Administration's \$41 million FY 1999 development aid budget request for India (excluding \$14.5 million for child survival and AIDS programmes) could be blocked. India also would have received \$475,000 in FY 1998 through the International Military Education and Training (IMET) programme. India was also stated to receive \$91.88 million in food assistance in FY 1998 and \$91.75 million in FY 1999 through P.L. 480 title II, which would not be cut off.³¹

³¹ CRS report for Congress, India-Pakistan Nuclear Tests and US Response, updated September 9, 1998, by Richard P. Cronin and others, Washington, D.C., p. 20-21.

Pakistan has not been eligible to receive US foreign assistance since FY 1991, when President Bush declined to certify that Pakistan did not have a nuclear explosive device and that US assistance "would reduce significantly the risk that Pakistan will possess a nuclear explosive device". This restriction was eased in 1995 to prohibit only military assistance. In FY 1998 Pakistan received \$1.5 million in international narcotics control funds and \$5.22 million P.L. 480 title 11 food assistance both exempt from the sanctions. In FY 1999 the Administration had requested \$2.5 million in narcotics control funding for Pakistan which would be also not subject to sanctions. The Administration has also requested \$350,000 in IMET funding for Pakistan for FY 1999; this funding would be prohibited.³²

Termination of US Government sales of defense articles, defense service, design and construction service and licenses for exportation of US munitions list items.

The Department of Defense estimates that for each of FY 1998 and FY 1999, India would have received \$230,000 in foreign military sales (FMS) orders. For FY 1997, \$29.9 million commercial export licenses were approved for US sales of munitions list items to India. Completion of these orders could be affected by the President's determination. The State Department estimates that in FY 1998, \$6.85

³² Ibid, p. 21.

million and in FY 1999 to India \$14.95 million of such items would be delivered in 1999.³³

Termination of foreign military financing under the Arms Export Control Act.

India has not received foreign military financing more than 30 years. Pakistan is not eligible for foreign military financing pursuant to restrictions in section 620E(e) of the Foreign Assistance Act of 1961, the so called Pressler Amendment. While the Pressler Amendment may be waived pursuant to the India-Pakistan Relief Act, Pakistan would remain ineligible for foreign military financing because this section of the Arms Export Control Act was not made waivable by that amendment.³⁴

Denial of any credit, credit guarantee, or other financial assistance by any department, agency or instrumentality of the US government, excluding those related to humanitarian assistance or congressional oversight of intelligence activities.

This applied, at a minimum, to Export-Import Bank Programmes, Overseas Private Investment Corporation (OPIC), Trade and Development Agency (TDA), Commodity Credit Corporation (CCC) and US Department of Agriculture (USDA) funding. In hearing on May 13,

³³ Ibid.

³⁴ CRS Report for Congress: India-Pakistan Nuclear Tests and US Response, updated November 24, 1998 by Barbara Leitch Lepoer and others, Washington D.C., p. 24.

1998 before the Near Eastern and South Asian Affairs Subcommittee of the Senate Committee on Foreign Relations, Assistant Secretary of State for South Asian Affairs, Karl Inderfurth, speculated that the prohibition on government financing agencies and US commercial banks could cost hundreds of millions of dollars, affect projects already approved or in the pipeline and could cause major US companies and financial institutions to rethink entirely their presence and operations in India.³⁵ For FY 1998, India was cut off from a potential \$300 million in OPIC guarantees, covering \$10.2 billion in investment, projects; \$20 million in agricultural export credits through the CCC; and \$500 million in current Exim Bank projects. The Exim Bank, in announcing the closing of new business with India on May 13, projected that another \$3.5 billion in US exports could be prohibited in the longer term. The Exim Bank and OPIC sanctions affected several major projects in India. Enron Corporation, in a joint venture with GE Capital and Bechtel Enterprises, had started work on a \$2.5 billion power plant south of Bombay with partial funding from the both and Exim Bank and OPIC. Following the imposition of sanctions, this project was delayed indefinitely. In the southern city of Bangalore, withdrawal of \$350 million in funding from the Exim Bank stalled the San Francisco-based Cogentrix Energy Company's plan for a 1000-MW power plant.³⁶

³⁵ Statement by Karl Inderfurth, Assistant Secretary of State for South Asian Affairs, Senate Foreign Relations Committee, Subcommittee on Near Eastern and South Asian Affairs, May 13 1998, Official Text, USIS, New Delhi, p. 4.

³⁶ Mark Fineman, "India's Nuclear Test Left cloud over economy", Los Angeles Times, July 12, 1998.

The Exim Bank in announcing the closing of new business with Pakistan on June 1, 1998, stated that the Bank's current exposure in Pakistan was \$429.1 million and another potential project was valued at approximately \$1.1 million. According to a sanctions fact sheet prepared by the State Department OPIC had just resumed activities in Pakistan prior to the nuclear detonation tests. While the fact sheet provides no numbers relating to OPIC in Pakistan it is understood the OPIC's exposure there was negligible at the time of the imposition of sanctions.³⁷ Pakistan is also the leading foreign purchaser of the US harvest of white wheat and third largest purchaser of US wheat overall; in 1997 Pakistan purchased 81 million bushels of US wheat, almost entirely financed with export guarantees. The imposition of sanctions would have barred Pakistan from using the remaining \$88 million USDA credits for FY 1998 wheat purchase and would prohibit the availability of \$350 million credit for FY 1999.

Opposition to the extension of any loan or financial or technical assistance by any International Financial Institution (IFI), in accordance with section 701 of the International Financial Institution Act.

The United States by itself, cannot block loans, financial or technical assistance to any country from the World Bank, International Monetary Fund, Asian Development Bank or Asian Development

³⁷ Fact Sheet, n. 29.

Funds. Such efforts would require “no” votes from a consortium of countries with voting membership in the various banks. Foreign Ministers of the G-8 (Britain, Canada, France, Germany, Italy, Japan, Russia and the United States), however announced on June 12, 1998, that their respective nations would deny loans other than those intended for humanitarian purposes – to India and Pakistan. This is presumed to apply to both bilateral assistance from these countries and to their participation in votes before international financial institutions.

Assistant Secretary for South Asian Affairs; Karl F. Inderfurth in the May 13th hearing states that the “requirement to oppose loans and assistance in the international financial institutions could potentially cost India billions of dollars in desperately needed financing for infrastructure and other projects.”³⁸ India was stated to be considered for around \$3.8 billion in World Bank loans in the near terms. In the week following India’s tests the World Bank postponed votes on \$800 million for that country for energy projects and road improvement, and Japan announced it would withdraw its offer to host a meeting scheduled for June 30th to discuss longer term funding for India’s projects. In subsequent days, the World Bank postponed two more loans for agricultural and health care projects, valued at \$206 million.

³⁸ Statement by Karl Inderfurth, no. 35, p.4.

In early 1998, Pakistan was currently in the middle of receiving a \$1.56 billion loan from the International Monetary Fund (IMF) for debt restructuring, of which \$1.1 billion is undisbursed but will be allowed to go through. The world bank also stated it would not disrupt funds to its 41 projects in Pakistan to which it was already committed. The Asian Development Bank, Pakistan's largest donor, suspended consideration on \$450 million in new aid the week after Pakistan's tests and stated that all new loans to both India and Pakistan would be suspended for the time being.

On July 21 1998, the State Department hosted a background briefing, with Treasury Department officials participating, to discuss the United States' position vis-a-vis IMF loans to Pakistan. Speakers summarized Pakistan's long standing economic woes and noted it was never the intention of American sanctions programme that resulted from Pakistan's nuclear tests to punish Pakistan citizens or to precipitate economic collapse. Official announced that the United States, while required by law to oppose loans when brought to a final vote, would not oppose the negotiation of those loans. IMF negotiations with Pakistan to restructure that country's foreign debt, which were cancelled at the end of June 1998 because of the nuclear detonation, would now proceed. A Treasury Department official stated "that there is a green light from our standpoint for resumption of negotiations on such programs in the IMF. However the United State will do what is legally required to do by the Glenn Amendment, that is, oppose these

loans with its vote in the IMF. We do not have veto power in the IMF. Other stockholders are able to support these loans and get them through".³⁹ Official further stated at that time that there was no change in US policy with regards to the other international financial institutions and transactions with either India or Pakistan.

Prohibition on any US bank from making loans or providing credit to the government of India or Pakistan, excluding loans or credit to purchase food or other agricultural commodities.

This provision was intended to prevent loans not just to the government but also to Indian banks, many of which are government owned, public sector industries, and trading companies. Press reports at the time of the testing projected that US banks were considering about \$1.9 billion in loans to the Government of India or its entities, all of which would have been terminated.

The Government of Pakistan borrows, on average, \$1.5 billion to \$2 billion annually from the commercial banking sector, of which \$700 million to \$1 billion is derived from US commercial lenders. In the latter half of 1997, Pakistan commercially borrowed \$580 million, not necessarily solely from US lenders to finance oil imports done. A further loans would be terminated.

³⁹ CRS Report for Congress: n 34, p.27.

- Prohibition on exports of specific goods, and technology, excluding food, agricultural commodities, or items related to congressional oversight of intelligence activities, in accordance with section 6 of the Export Administration Act of 1979, relating to foreign policy controls.

The Department of Commerce put 1997 US exports to India at \$3.8 billion and 1996 US exports to Pakistan at 1.4 billion. The Department of Commerce estimated that only \$7 million of that \$5.2 billion would have been automatically denied export license in the wake of sanctions and another \$94.7 million in export licenses would be received with a presumption of denial.⁴⁰

The Department of Commerce's Bureau of Export Administration (BA) issued guidelines for export licensing policy to India and Pakistan in June 1998 and in November 1998 posted on their internet website new rules along with lists of Indian and Pakistani entities that if listed as recipients or end users for exports, US business could presume that export licenses would be denied. The lists include more than 200 Indian and nearly 100 Pakistani entities or subsidiaries found to be involved in nuclear or missile projects.

It was widely assumed in the United States that as has been the case with many other economic sanctions, the United States was alone

⁴⁰ Barbara Opall Rome, "India, Pakistan Sanctions stop Little US commerce" Defense News, June 29 – July 5, 1998.

in this effort to punish the nuclear offenders. This was not the case. Fourteen countries, including Japan, Germany, Australia, Canada, Denmark and Sweden suspended bilateral aid programmes as a sanction against India and Pakistan. Among these, however only the Japanese sanctions involved significant amounts. Japan cancelled development loans worth \$1.2 billion to India, as well as \$30 million grant aid. They also suspended all loans to Pakistan which totaled \$231 million 1997-98 and cancelled grant aid of approximately \$ 55 million.⁴¹

EFFECTS OF THE SANCTIONS ON INDIA'S CAPITAL FLOWS

Among the types of capital flows the sanction could potentially have impacts through three distinct channels:

- Change in financial flows from bilateral creditors and agencies.
- Changes in flows from the International Financial Institutions (IFIs), especially the IMF and the World Bank and,
- Change in private capital flows as a direct or indirect response to the presence of the official sanctions.

There was infact a sharp decline in capital flows to India during the months following the nuclear tests in may 1998. For April – June

⁴¹ Evon Thomas, John Barry and Melinda Liu, "Ground Zero", News Week, May 25, 1998.

1998 the net inflow was about \$4.2 billion less than in the same quarter in 1997. The drop however, did not induce any panic in the financial or foreign exchange markets, because India's initial reserve position was very strong. At the end of April 1998, the foreign exchange reserves of \$26 billion equaled about six months worth of imports, which is considered very healthy. Furthermore India was able to compensate for this initial loss of capital inflows through the sale of the so-called Resurgent India Bonds to non-resident Indians. This bond issue brought in over \$4 billion and by October 1998 total reserves exceeded the April level.

Examining the composition of capital flows, we find that flows of official foreign aid changed very little according to the balance of payments data of the Reserve Bank of India, gross disbursements of external assistance for the period April 1998 through September 1998 were \$991 million, compared to \$1.066 billion for the same period in the previous year. For the Indian fiscal year of April 1998 through March 1999 gross disbursements of \$2.726 billion were five percent below of the year before. World Bank disbursements to India during the six-month period of July – December 1998 were \$539 million about the same pace as previous year. By contrast, there were notable declines in almost all categories of private flows.

Just after the United States announced the details of its sanctions on June 18 the Indian market fell almost 10 percent relative

to the rest of Asia. On July 10, 1998, following the US Senate vote of 98-0 to weaken the sanctions by permitting agricultural export credits the Indian market rose about 12 percent relative to the international market.⁴²

Another interesting barometer measures specifically foreign investor sentiment toward Indian stocks, this is the market for Global Depository Receipts – called GDRs which are traded in London. On May 8, 1998 just three days before India's first test, the GDR premium stood at 10.49 percent and in the two weeks following the tests, the GDR premium fell about to zero – reflecting a loss of foreign investors in Indian stocks. In mid June 1998 when the United States clarified the sanction the premium fell sharply again about minus 10 percent but recovered quickly to zero after the senate voted to allow agricultural export credits. After the sanctions were relaxed, the GDR premium returned to above five percent.

On June 19, 1998 Moody's announced its downgrade of the Indian credit rating. While Moody's made it clear that their decision based primarily on India's long term lack of economic reform, they did state that the presence of sanctions played a role in their judgement. *The Economic Times*, *The Times of India*, *The Economist Intelligence Unit* and *The Asia week* all reported that the sanctions had played a

⁴² Rosemary Arackparambil, "Shares Sparkle on Sanctions Waiver Hopes" Time of India, New Delhi July 17, 1998.

significant role in the Moody's decision. Business today wrote that "the international credit rating agency. Moody's investor services, responded to the sanctions and downgraded India."⁴³

Therefore, the bottom line in the case of India the sanctions had a marginal but not negligible effect on the nation's economy. The indirect effects via private capital flow were far more important than direct effects of changes in official aid flows. The sanctions would had greater effect if they had remained in place for several years and thereby affected significantly not just the commitments but also the disbursements of official creditors such as the World Bank.

The impact on Pakistan

When the Glenn Amendment sanctions were imposed, the Pakistan economy was extremely vulnerable to the loss of support from the IMF and other IFIs. Following the nuclear tests, the United States and other shareholders in the IMF formed a coalition to block disbursement of the IMF credit and the parallel adjustment loan from the World Bank. The expectation that the sanction would block this ongoing IMF support caused a collapse of market confidence, which affected the capital flows, the exchange rate, and aggregate GDP growth in Pakistan. New private inflows virtually stopped. Foreign exchange reserves fell to extremely low levels. In early November just before

⁴³ Udayan Mazumdar, "Fretting and fuming in the fiftieth," Business Today, August 22, 1998.

President Clinton waived number of sanctions on Pakistan and India. Pakistan's foreign exchange reserves stood at \$458 million, a dangerously small amount.⁴⁴ The open market rate for Pakistani Rupee depreciated from Rs 45 to the dollar in early May to Rs. 63 in mid July a 28 percent depreciation. By the end of 1998 when most of the sanction has been lifted, it remained 16 percent below its pretest value.

Furthermore, the Pakistani government, which before the sanctions had predicted a GDP growth rate of six percent for the 1998-99 financial year (July-June) had to revise this forecast to 3.1 percent. The delay on an IMF support package also thwarted Pakistan's hope for receiving financial support from the Arab World. A \$1.5 billion rescue package, consisting of funds from Arab private banks and financial institutions arranged by the Islamic Development Bank (IDB) was continuously delayed throughout the summer and fall of 1998 as the IDB tied these to Pakistan's need to strengthen out its relationship with the United States and the IMF. By September 10, 1998 of all the IDB was able to offer was \$200 million of its own funds.

In summary, because of its prior vulnerability the Pakistani economy was severely affected by the withdrawal of IMF financing by the US led coalition among IMF shareholder governments and by the indirect effects of this withdrawal on other capital flows to Pakistan.

⁴⁴ Forex reserves fall to \$458 m. Dawn, Karachi, November 6, 1998.

CHAPTER - IV

The Clinton Administration's Efforts to Sign CTBT by India and Pakistan

The Indian and Pakistani nuclear weapon tests, along with the intensification of charged rhetoric over the Kashmir dispute and other indicators of strained relations between New Delhi and Islamabad, seriously threaten to undercut US. Non-proliferation and regional security interests. In the first instance the open display of nuclear weapon capabilities by each country raises the risks of a miscalculation that could bring about a nuclear exchange. The tests could also create wider reverberations, such a fueling, intensified efforts by Iran to acquire nuclear weapons and delivery systems and causing other regional state that have decided to fargo developing a nuclear weapons and capability to rethink their position.

The popular enthusiasm in Pakistan over what is seen as the realisation of "Islamic bomb" has also renewed fears that Pakistan might transfer its nuclear technology or put its weapons at the disposal of radical states, such as Iran or Iraq or even conservative Saudi Arabia, a traditional major financial benefactor. At present, Pakistan appears likely to find it more advantageous to maintain a nuclear monopoly in the Islamic World than to dissipate its one clear claim on the support and purses of its friends and neighbours in West Asia. In the event that US and other international sanctions

lead to extreme economic distress and the emergence of a major populist – nationalist government, however, these calculations could change. In addition, the actual collapse of the Pakistani state, either as a result of economic and political crisis, or a military defeat, could lead to an exodus of Pakistani nuclear scientists and technicians to neighbouring Islamic countries.

At this point the goals of rolling back the nuclear programmes of India and Pakistan appear highly visionary given India's stance towards the NPT and Pakistan's refusal to sign unless India does. The Clinton Administration is pushing for a strategic restraint regime in South Asia, which essentially amounts to capping the nuclear weaponisation and Missile programmes of India and Pakistan at their present levels. Available reports and records indicate that primary objective of the Clinton Administration since Pokhran II and Chagai in May 1998 has been to engage both India and Pakistan in bilateral dialogue. The focus of this dialogue has been to integrate both India and Pakistan in already formulated nuclear non-proliferation framework-building up pressure bilateral and multilateral on both India and Pakistan to concede signing NPT and CTBT. Simultaneously the Clinton Administration is also promoting multilateral engagement for containing the nuclear proliferation objectives of India and Pakistan.

In the aftermath of the nuclear test, Deputy Secretary of State Strobe Talbott, began a series of meetings with high-level Indian and

Pakistani officials – Indian PM's envoy and Foreign Minister Jaswant Singh and Foreign Secretary Shamshad Ahmad between July 1998 and July 2000. The closely-held and ongoing discussion reportedly cover nuclear proliferation, the Comprehensive Test Ban Treaty (CTBT), the Fissile Material Cut off Treaty (FMCT), confidence building measures, Kashmir and sanctions resulting from the Indian and Pakistani nuclear tests.

Sanctions imposed on both India and Pakistan have been a major issue in the U.S. talks with both countries. On June 18, 1998, the State Department released a fact sheet outlining US sanctions on India and Pakistan as well as the goals of the sanctions, stating: "In imposing these sanctions, we seek: to send a strong message to would-be nuclear testers; to have maximum influence on Indian and Pakistani behavior, to target the governments, rather than the people; and to minimize the damage to other U.S. Interests". Our goals are that India and Pakistan:

- Halt further nuclear testing;
- Sign the Comprehensive Test Ban Treaty immediately and without conditions;
- Not to deploy or test missiles or nuclear weapons;
- Cooperate in Fissile Material Cut off Treaty (FMCT) negotiations in Geneva.

- Maintain and formalize restraints on sharing sensitive goods and technologies with other countries and;
- Reduce bilateral tensions, including Kashmir¹

There have been indications of progress toward realization of some of these goals, including cooperation on the FMCT and the CTBT. Both India and Pakistan agreed in late July 1998 to participate in negotiations on the FMCT. Pakistan's decision reportedly was tied to a Clinton Administration's announcement, on July 21, that it would abstain from blocking aid to Pakistan by the International Monetary Fund (IMF).² On August 11, 1998, the Conference on Disarmament in Geneva announces that it had reached a consensus on establishment of an adhoc committee to negotiate the final form of the treaty to ban production of fissile materials-highly-enriched uranium and plutonium for military purposes. Although Pakistan has agreed to take part in the FMCT negotiations it will be reluctant to sign a treaty that freezes the size of fissile material stockpiles at current levels. Pakistan's stockpile is estimated at about one eighth the size of India. Pakistan has rejected the idea of a unilateral or even multilateral cap on the production of fissile materials. Pakistani Foreign Minister Sartaj Aziz told the National Assembly on December 26, 1998, "Given our genuine security concerns we can not agree to any demand for a moratorium on the production

¹ Fact Sheet: India and Pakistan Sanctions, USIS Washington File, June 18, 1998.

² India's decision to talk on FMCT hailed by U.S, Indian Express July 22, 1998.

of fissile materials; unilaterally or multilaterally, before the conclusion of or separately from a FMCT. We believe that a fissile material treaty should be an instrument promoting both nuclear non proliferation and nuclear disarmament. A fissile material treaty aimed at only preventing further proliferation would be discriminatory and thus ineffective.... Pakistan's other major problem is the unequal stockpile of fissile materials existing at the global, regional and subregional levels... We strongly believe that by cutting off the future production of fissile materials without taking into the account the existing stockpiles at the global and regional levels, we will only freeze the nuclear imbalances".³ U.S. efforts to mobilize international pressure following the South Asian nuclear tests resulted in strong resolutions by the P-5, the U.N. Security Council Resolutions No. 1172 and the Group of Eight (G-8) urging India and Pakistan to sign the CTBT. After condemning the nuclear tests carried out by India and Pakistan, the G-8 Foreign Ministers demanded that the two countries" should immediately take the following steps endorsed by the U.N. Security Council:

- ❖ Stop all further nuclear tests and adhere to the CTBT immediately and unconditionally thereby facilitating its early entry into force.
- ❖ Refrain from weaponisation or deployment of nuclear weapons and from the testing or deployment of missiles capable of

³ Frontline February 12, 1999. Pp. 98-99.

delivering nuclear weapons and enter into firm commitments not to weaponise or deploy nuclear weapons or missiles.

- ❖ Refrain from any further production of fissile material for nuclear weapons or other nuclear explosive devices and participate, in a positive spirit and on basis of the agreed mandate in negotiations with other states at the Conference on Disarmament on the FMCT with a view to reaching early agreement.
- ❖ Confirm their policies not to export equipment materials and technology that would contribute to weapons of mass destruction or missiles capable of delivering them and undertake appropriate commitments in this regard.

In the process the G-8 Foreign Ministers building on the stand taken in the Geneva meeting of the P-5 and in the U.N. Security Council underlined their commitment to the NPT as the corner stone of the non proliferation regime. They also rubbed in the point that the “notwithstanding those tests, India and Pakistan do not have the status of nuclear weapon states in accordance with the NPT”⁴ During his official visit to China, less than two Months after the Indian and Pakistan nuclear tests, U.S. President Bill Clinton issued a joint statement with Chinese President Jiang Zemin. The joint statement condemned the nuclear tests in South Asia and stated” We have agreed to

⁴ Frontline, October 9, 1998. p.22

continue work closely together... to prevent an accelerating nuclear and missile arms race in South Asia..."⁵ Also in a joint statement on July 23, 1998, the Russian and Chinese Foreign Ministers agreed to press India and Pakistan to sign the CTBT and the NPT.⁶ Although Japan announced on August 6, 1998 that it would vote to ease economic sanctions against Pakistan by the IMF-in return for assurances not to transfer nuclear technology or material to any other country-Tokyo reportedly will require Islamabad's signature on the CTBT as a precondition for resuming aid.⁷ Although Pakistani cabinet and defense leaders stated that the country would not sign the CTBT "under coercion, the Pakistan parliament debated the issue in mid-September 1998.

That India's rethinking of its former objections to the CTBT became apparent in a parliamentary debate on foreign policy in early August 1998. Prime Minister stated in the debate: "We can maintain the credibility of our nuclear deterrent in future without testing. India remains committed to this dialogue with a view to arriving at a decision regarding adherence to the CTBT"⁸ Commenting on Vajpayee's speech, the following day. While House Spokesman P.J. Crowley noted, "Well, it is along the lines of what we have both Governments [of India and Pakistan] to do since their nuclear tests back in May, to move towards signing the CTBT and to take concrete

⁵ The Hindu June 28, 1998.

⁶ Dawn, Karachi, July 24, 1998.

⁷ Dawn August 7, 1998.

steps to ease tensions on the subcontinent. If India is serious about moving in that direction, that is certainly encouraging”⁹

In speeches before the September meeting of the UN General Assembly, India and Pakistan announced that they intended to sign the Comprehensive Test Ban Treaty before September 1999. Pakistani Prime Nawaz Sharif stated on September 23, that Pakistan would adhere to the CTBT, but noted that he expected that sanctions and other economic restrictions imposed after the nuclear tests would be removed. Indian Prime Minister Atal Bihari Vajpayee stated in the UN General Assembly on September 24 “India... is now engaged in discussion with key interlocutors on a range of issues, including the CTBT. We are prepared to bring these discussions to a successful conclusion so that the entry into force of the CTBT is not delayed beyond September 1999.”¹⁰ Vajpayee also noted that following India’s nuclear tests, India had announced a voluntary moratorium on testing and that in doing so, “India has already accepted the basic obligation of the CTBT.”¹¹

Most of the sanctions have been temporarily eased through passage and signing into law of two congressional initiatives, the Agricultural Export Relief Act and the India-Pakistan Relief Act of 1998. The former exempts from the application of sanctions various forms of financial support provided by the Department of Agriculture

⁸ The Hindu, August, 5, 1998.

⁹ The Hindu, August 6, 1998.

¹⁰ Washington Post, September 25, 1998.

¹¹ Ibid

for the purchase of food or agricultural commodities from U.S. farmers. The decision was taken nodoubt tailored to suit the Pakistani needs, since Pakistan is the third largest importer of American wheat. But the goal was not just to bail out Pakistan but prevent loss of business by the US farmers. President Clinton signed the Bill on July 15 and said," We need to make sure that our sanctions policy furthers our foreign policy goal without imposing undue burden on our farmers."¹² The latter authorizes the President to waive for a period not to exceed one year upon enactment of this act the application of sanctions relating to foreign assistance, U.S. Government non-military transactions, U.S. position on loans or assistance by international financial institutions and U.S. commercial banks transactions.

On November 7, 1998 the White House announced that President Clinton had decided to ease sanctions against India and Pakistan" in response to positive steps both countries have taken to address our non-proliferation concerns following their nuclear tests in May."¹³ Congress gave the President authority to waive some nuclear sanctions on India and Pakistan under the Brownback

¹² "Clinton Allows US Wheat Sales to India and Pakistan." Reuters, Online, Internet, July 15, 1998.

¹³ Washington Post. November 7, 1998

amendment (sponsored by Senator Sam Brown back), which was signed into law On October 21, 1998, as part of the Omnibus Appropriations Act. The President's action restored the Export-Import Bank, Overseas Private Investment Corporation (OPIC) and Trade and Development Agency (TDA) programme in India and Pakistan, and lifted restrictions on the activities of U.S. bank in India and Pakistan. Also restored were International Military Education and Training (IMET) programmes with both Countries. Taking note of the precarious state of the Pakistani economy the President also decided that the United States would work closely with our allies to permit lending from the multilateral development banks as necessary to support an agreement between Pakistan and the IMF," contingent on Pakistan reaching agreement on a credible reform programme¹⁴ Pakistani Prime Minister Nawaz Sharif has been invited to the White House in early December 1998 for further bilateral discussions.

¹⁴ "Text: President Clinton eases sanctions on India and Pakistan," USIS Washington File, November 10, 1998.

Ongoing U.S. – India-Pakistan Talks.

In a speech at the Brookings Institution on November 12, 1998, Deputy Secretary of State Strobe Talbott gave a progress report on the half-dozen rounds of talks he has held since July 1998 both with India's Deputy Chairman of the planning Commission Jaswant Singh and with Pakistan's Foreign Secretary Shamshad Ahmad. Talbott stated that three goals of these talks were: "(1) preventing an escalation of nuclear and missile competition in the region; (2) strengthening the global non proliferation regime; and (3) promoting a dialogue between India and Pakistan on the longterm improvement of their relation, including on the subject of Kashmir"¹⁵

Talbott further noted the continuing U.S. commitment to the long term goal of universal adherence to the Nuclear Non Proliferation Treaty, stating; "We do-not and will not concede, even by implication, that India and Pakistan have established themselves as nuclear weapon states under the MPT." He noted however, the U.S. recognition that progress toward that goal "must be based On India's and Pakistan's conception of their own national interests". Talbott outlined five steps the United States is urging India and Pakistan to take to avoid "a destabilizing nuclear and missile competition" and reduce tensions in South Asia:

¹⁵ Strobe Talbott, "US Diplomacy in South Asia – A Progress Report, "Strategic Digest (IDSA, New Delhi) January 1999. P.10

- Sign and ratify the CTBT.
- Halt all production of fissile material.
- Adopt a package of constraints on development, flight testing and storage of missile and basing of nuclear – capable aircraft.
- Tighten export control on sensitive material and technologies that could be used in the development of weapons of mass destruction.
- Conduct “direct high level, frequent and above all productive” bilateral dialogue.¹⁶

Talbott stated the strong U.S. interest in returning to the task of “developing the kind of broad-gauge, forward-looking bilateral relationship with these two countries that had been underway prior to the May nuclear tests”.

The eight round of Indo-US dialogue began in New Delhi on January 29, and ended on January 31, 1999. The key issues under discussion were: first, the US insistence on India signing the CTBT; second, India's minimum credible nuclear deterrent; third, India's missile development programme and its future; fourth, fissile material production cut off on which the U.S. wants India to impose a voluntary moratorium and engage in ongoing international

¹⁶ Ibid. pp. 10-12

negotiations at Geneva on the Fissile Material Cut-Off Treaty (FMCT); and fifth, strengthening the Indian export control regime to prevent the export or proliferation of nuclear technology to any other country. As far as the CTBT is concerned, India was of the view that it would like to bring discussion to a successful conclusion that the treaty's entry into force was not delayed beyond the September 1999 deadline. However, the government could not be expected to rush into taking any decisions as it had to first work to develop a national consensus.

On the question of India's insistence on maintaining a minimum credible nuclear deterrent, the Clinton Administration said that it wants India to quantify it in terms of numbers so that U.S. can have concrete description of India's minimum deterrent. However, it is here that the difference between the two countries come into sharp focus. The Indian government has argued that it cannot divulge the number and location of its nuclear forces, which according to it, form its minimum deterrent, as it is part of its defense secret and based on changing security condition. India claims that national security calculations belong to the sovereign function of the state. Indian External Affairs Minister, Mr. Jaswant Singh, asserted in the Lok Sabha that "India will not accept any aspect that attempts to explain what its minimum nuclear deterrent ought to be either through suggestion or intrusive measures or in any other aspect India shall define its own requirements and parameters of nuclear deterrent on basis of our assessment of what

our security requirements and consideration are. This is a sovereign function.”¹⁷ The Americans insist on its quantification as it would help in preventing an uncontrolled nuclear arms race. India instead has countered that its commitment to no first use of nuclear weapons and non use against a non-nuclear nation was enough for purpose of credibility. In sharp contrast, the US had refused to accept the doctrine of no. first use for the NATO, when one of the European power had suggested for it.

As regards the US concern about India's missile programme, the Indian position is that it had reached a crucial stage and despite the sanctions, research and development on it can not be capped. However, regarding the American fears about deployment of missiles, possibly nuclear tipped, the Indian position is that” deployment in the present post Cold War context is different in connotation from the way the American view it.. The US is seeing ‘deployment’ in terms of its post Cold War experience when nuclear missiles were physically seen and deployed along the Cold War borders. However, for India deployment does not mean open physical display of combat readiness as it does not want to be provocative, and far as any testing is concerned, it would not be doing it suddenly as it would have to give at least 15 days notice to international shipping. Lastly, as far as the issue of production of fissile material is concerned, India refuses to give any commitment about any moratorium. Jaswant Singh and Strobe Talbott agreed

¹⁷ The Hindu. February 24, 1999.

that the two countries' delegations in the Conference on Disarmament in Geneva would work with each other in a consultative relationship in order to consolidate their mutual understanding on the FMCT. For the first time, India agreed, during the dialogue, to considering a signature on the CTBT in the future and for the first time in the dialogue a joint statement was issued by both sides in which a work-plan for the future was agreed upon, whereby in March 1999, the expert-level of both sides would meet for follow up talks on export controls begun in November 1998.

India -- Pakistan Talks

The Clinton Administration wants India and Pakistan to reduce tensions through bilateral discussion US Deputy Secretary of State. stated, "We hope that direct contacts between India and Pakistan will not only complement but eventually supersede the efforts of the United States. We hope that for two reasons. First, it would be as it should be two great countries dealing directly, normally and peacefully with each other to their mutual benefit and in pursuit of their many mutual interests. Second, a break through between India and Pakistan would allow us, the United States to get on the task that President Clinton set for us before the tests, developing the kind of broad-gauge forward-looking bilateral relationship with these two countries, each in its own right, that they, and we, want and deserve¹⁸.

¹⁸ Strobe Talbott, no, 15, p. 12

On July 29, 1998 Prime Minister Vajpayee and Prime Minister Sharif meet on the sidelines of the South Asian Association for Regional Cooperation (SAARC) summit in Colombo. Following a meeting between Vajpayee and Sharif at the UN on September 24, the two Prime Ministers announced that India and Pakistan would resume stalled foreign secretary talks in Islamabad from October 15-18-1998. Vajpayee and Sharif also agreed to stop the firing along the line of control (LOC) in Kashmir, begin bus service between New Delhi and Lahore; relax rules governing issuance of visas; and build a new road/rail link between the two countries. In the October talks, the foreign secretaries reportedly discussed the major issues of peace and security, including confidence – building measures, and Jammu and Kashmir. No substantive agreement were reached other than to continue foreign secretary talks in New Delhi in early February 1999.¹⁹

Other key issues were taken up in a series of talks held between senior_level Indian and Pakistani official in New Delhi in early November. The week long discussions covered long standing bilateral issues, including: the Siachin Glacier Military stand off; the Sir Creek maritime boundary dispute; the Wuller barrage/Tulbul Navigation Project, dispute over sharing of the Jhelum River Water; terrorism and drug trafficking; economic and commercial cooperation; and promotion of friendly exchange in various fields.

¹⁹ Dawn, October 19, 1998.

Most of the discussion concluded with a joint statement to the effect that talks had been held in a frank and cordial atmosphere in which the two sides stated their respective positions and that the only agreement reached was to continue discussions during the next round of the dialogue process.

On February 20, 1999, Indian Prime Minister Alal Behari Vajpayee crossed the Wagah border checkpost. The Lahore Declaration, the Joint Statement, and the Memorandum of Understanding are very important for the Clinton Administration's concerns relating to nuclear issues security and disarmament in South Asia. The Memorandum of Understanding states, "The two sides shall engage in bilateral consultations on security concepts and nuclear doctrines. With a view to develop confidence building measures (CBMs) in the nuclear and conventional fields, aimed at avoidance of conflict." Further the two countries agreed to provide each other advance information about flight tests of ballistic missiles and conclude a bilateral agreement on the issue. The memorandum further states "the two sides are fully committed to undertake national measures to reduce the risk of accidental or unauthorized use of nuclear weapons under their respective control. The two sides fully undertake to notify each other immediately, in the event of any accidental, unauthorized or unexplained incident that could create the risk of a fallout with adverse consequences for both sides, or an

outbreak of nuclear war between the two countries, as well as to adopt measures aimed at diminishing the possibility of such actions, or such incidents being misinterpreted by the other. The two sides shall identify /establish the Communication Mechanism for this purpose.”²⁰ The two countries promised that they would continue to adhere to their separate, voluntary moratoriums on nuclear test, except, under exceptional circumstances which threatened to jeopardise either country’s supreme interests. The Memorandum states; “The two sides shall engage in bilateral consultations on security, disarmament and non-proliferation issues within the context of negotiations on these issues in multilateral fora.”²¹ the Lahore Declaration talked in general term with both sides confining themselves to “recognizing that the nuclear dimension of the security environment of the two countries adds to their responsibility for avoidance of conflict.” It also reiterates that both countries were “committed to the objectives of universal nuclear disarmament and non proliferation.”²² The U.S. State department described Vajpayee’s visit as a “very positive development.”²³

²⁰ Frontline March 12, 1999. P.5

²¹ Ibid, p.5

²² Ibid, p.9

²³ The Hindu, February 22, 1999.

Post Kargil Proactive Bilateral Policy

On June 9, 1999 the U.S. Senate had voted to suspend economic sanctions against India and Pakistan for a period of five years. But the sponsors of the amendment have stated that their move did not repeal the prohibition on military sales and missile and nuclear technology. Further, the amendment states that the Entities List required refinement and that Entities should only be on the list if they made direct and material contributions to weapons of mass destruction and missile programmes.²⁴ During the Kargil Crisis between India and Pakistan, the Clinton Administration took wise step by advising Pakistan to give an immediate call to the intruders to withdraw from the Indian territory of Kargil. The American proactive policy on Kargil is a testimony to this fact that the Clinton Administration is keeping a tight vigil over what is happening in the Indian subcontinent, especially in the aftermath of the nuclear tests carried out by India and Pakistan. The Clinton Administration was worried that the Kargil imbroglio might not turn into a major War even fearing the nuclear exchange. On July 4, 1999 Joint Statement was issued by US President Bill Clinton and Pakistan Prime Minister Nawaz Sharif. The joint statement states, "it was agreed between President and the Prime Minister that concrete steps will be taken for the restoration of the line of control in accordance with the

²⁴ The Hindu, June 10, 1999.

Shimla agreement. The President said he would take a personal interest in encouraging an expeditious resumption and intensification of those bilateral efforts, once the sanctity of the Line of Control has been fully restored. The President reaffirmed his intent to pay an early visit to South Asia.”²⁵ When India declared its draft nuclear doctrine, the Clinton Administration has termed as “unwise” India’s move to develop a declared nuclear deterrence. The US State Department spokesman, Mr. James Rubin stated, “We have taken the position that nuclear weapons do not contribute to greater security in South Asia. The India have been saying for sometime that they would produce a doctrine; they did not share this doctrine with us prior to its release.” Mr. Rubin insisted that “the possession of nuclear weapons and missiles will give India and Pakistan less and not more security. We do not think, it is in the national interest or the security interest of these countries to develop a nuclear weapon capability, to develop an elaborate doctrine and then to engage an arms race by both India and Pakistan. We think at the end of that process, the security of India and Pakistan will be worse off for-both of them, if they move in that direction. That is our view,”²⁶

On September 28, 1999 US, Secretary of State Medeleine Albright urged Pakistan to sign and ratify soon the CTBT as that would serve Pakistan’s own interest. When Pakistani Foreign

²⁵ Front Line, July 30, 1999. P.17

²⁶ The Hindu, August 18, 1999

Minister Sartaj Aziz raised the issue of sanction, Albright pointed out that US had taken several steps to ease them, help Pakistan and create a "coercion - free environment which Pakistan cited as the reason for not signing the CTBT.²⁷ On October 27, 1999 the US President Bill Clinton had waived the economic sanctions imposed on India and has retained all but two against Pakistan relating to commercial lending and agricultural credits. The US National Security Council spokes-man, Mr. Mike Hammer stated, "The different treatment of the two countries reflects, the reality that things have changed for the worse in Pakistan. Basically, we made clear from the start that there be no business, as usual with Pakistan until an elected government is restored. So, the President's decision is a reflection of our determination to see a democratically - elected government restored in Pakistan."²⁸

Being a self-proclaimed champion of nuclear non proliferation and CTBT, the Clinton Administration wants both India and Pakistan to sign and ratify the CTBT in exchange of removal of some economic sanctions. On December 20, 1999, the Clinton Administration maintains that New Delhi has the right to have a minimum nuclear deterrence, even after signing the CTBT.²⁹ But significantly, the Clinton Administration states that India and Pakistan must understand in no uncertain terms that their tests

²⁷ The Times of India, New Delhi, September 29, 1999.

²⁸ The Hindu, October, 28, 1999.

²⁹ The Hindu, December 21, 1999.

and subsequent declaration do not make them nuclear weapon states.

US President Bill Clinton has declared that the Kashmir conflict is the most dangerous. He states, "The Kashmir issue is perhaps the most dangerous one in the world today because you have got two nuclear powers there who are somewhat uncertain about one another and we have to work hard to avoid that"³⁰ Meanwhile, President Clinton's visit to South Asia had been announced. Though agenda of his five day visit was not declared and clear but on February 3, 2000, the US central Intelligence Agency which failed to detect India's nuclear blasts in May 1998 had predicted that more tests by India and Pakistan are imminent and also warned of a full scale conflict between two countries over Kashmir. On February 4, 2000 US President Bill Clinton had stated "The Indian subcontinent has become "The most dangerous place in the world because of the confrontation between two nuclear armed neighbours over Kashmir."³¹ He also called upon India and Pakistan immediately to stop their nuclear weapon development programmes, to refrain from weaponisation or deployment of nuclear weapons, to cease development of ballistic missiles capable of delivering nuclear weapons and any further production of fissile material for nuclear

³⁰ The Times of India, January 4, 2000.

³¹ The Times of India, February 4, 2000

weapons. Providing an indication of the context of President Clinton's visit US Secretary of state, Ms. Madeleine Albright stated, "the limits on our ability to cooperate with India are a matter of U.S. law as well as our international obligations. And our approach to non-proliferation is global. We cannot abandon it simply because we desire an improved relationship."³² She further remarked, "We recognize fully that only the India Government has the sovereign right to make decisions about what is necessary for the defense of India and its interests. The United States does not regard India's missiles or nuclear weapons as a direct threat to US. But we do regard proliferation – any where – as our number one security concern For this reason, we must accept that significant process in this area is necessary before India and the United States can realize fully the vast potential of our relationship."³³

U.S. President Bill Clinton came on an official visit to South Asia between March 20-25, 2000. The Vision Statement that was jointly signed by US President Clinton and Indian Prime Minister Atal Behari Vajpayee on March 21, 2000 sets out a charter for future political engagement between two countries. The nuclear issue was expected to be the dominant theme of the Clinton visit, the Vision Statement inscribes into on an agreed text the substance of the disagreements between the two countries. The Vision Statement states, "India and the United States share a commitment

³² The Hindu, March 15, 2000.

³³ Ibid.

to reducing and ultimately eliminating nuclear weapons, but we have not always agreed on how to reach this common goal. The United States believes India should forgo nuclear weapons. India believes that it needs to maintain a credible minimum nuclear deterrent in keeping with its own assessment of its security needs. Nonetheless, India and the U.S. are prepared to work together to prevent the proliferation of nuclear weapons and their means of delivery. To this end, we will persist with and build upon the productive bilateral dialogue already underway”³⁴.

Both US and India have agreed to strengthen export controls and narrow their differences and increase mutual understanding on non proliferation and security issues. The Vision Statement further states, “We reaffirm our respective voluntary commitments to forgo further nuclear explosive tests. We will work together and with others for an early commencement of negotiations on a treaty to end the production of fissile materials for nuclear weapons. We have both shown strong commitments to export controls, and will continue to strengthen them. We will work together to prevent the spread of dangerous technologies. We are committed to build confidence and reduce to build confidence and reduce the chances of miscalculation. We will pursue our security needs in a restrained and responsible manner, and will not engage in nuclear and missile

³⁴ Vision Statement by US President Clinton and Indian Prime Minister A.B. Vajpayee, Span Vol XII no. 3, May/June 2000, p.10.

arms race. We will seek to narrow our differences and increase mutual understanding on non Proliferation and security issues. This will help us to realize the full potential of Indo-US relations and contribute significantly to regional and global security.”³⁵

In an article published in the media the day he arrived in Delhi, US President Clinton expressed his hope that India and Pakistan would sign the Comprehensive Test ban Treaty [CTBT]. “as they have committed to do”. But on March 22, 2000 addressing Parliament, he choose prudently not to hint at any such commitment. Rather there was an effort at persuasion to bring India around to the view that accession to the CTBT and the forswearing of the nuclear weapons option would have no adverse security implications. US President Clinton addressing the India parliament further states, “Another danger we face is the spread of weapons of Mass destruction to those who might have no reservations about using them. I still believe this is the greatest potential threat to the security, we all face in the 21st century. It is why we must be vigilant in fighting the spread of chemical and biological weapons. And it is why, we must both keep working closely to resolve our remaining differences on nuclear proliferation. I am aware that I speak to you on behalf of a nation that has possessed nuclear weapons for 55 years and more. But since 1988 the United States has dismantled more than 13000 nuclear weapons. We have hoped Russia to

³⁵ Ibid, p.10.

dismantle their nuclear weapons and to safeguard the material that remains. We have agreed to an outline of a treaty with Russia that will reduce our remaining nuclear arsenal by more than half. We are producing no more fissile material, developing no new land – or submarine-based missiles, engaging in no new nuclear testing”³⁶.

President Clinton has emphasized that the whole World has realised, that a nuclear future is not a more secure future and the goal of elimination of nuclear weapons cannot be achieved if any country goes for the nuclear weaponisation.

President Clinton has announced that only India has the sovereign right to determine its own security interests and benefit from expanding its nuclear and missile capabilities. As he states, “I say this with great respect. Only India can determine its own interests. Only India, Only India can know if it truly is safer today than before the tests Only India can determine if it will benefit from expanding its nuclear and missile capabilities, if its neighbors respond by doing the some thing. Only India knows if it can afford a sustained development in both conventional and nuclear forces while meeting its goal for human development. These are questions other may ask, but only you can answer.”³⁷

36 President Bill Clinton’s Address to the joint session of Parliament. Span, vol. xii, no.3, May/June 2000, p.5.

37 Ibid

The Vision Statement makes a clear affirmation in resolving bilateral disputes between India and Pakistan. It states “we acknowledge that tensions in South Asia can only be resolved by the nations of South Asia.”³⁸ The American President’s address in Parliament went beyond this: “I have certainly not come to South Asia to mediate the dispute over Kashmir. Only India and Pakistan can work out the problems between them. And I will say the same thing to General Musharraf in Islamabad. But if outsiders cannot resolve this problem, I hope you will create the opportunity to do it yourselves, calling on the support of others who can help where possible, as American diplomacy did in urging the Pakistanis to go back behind the line of control in the Kargil crisis. In the mean time, I will continue to stress that this should be a time for restraint for respect for the line of control, for renewed line of communication.”³⁹ – When US President visited Pakistan there was no arrival statement, join statement or departure statement. President Clinton through his direct television address to the people of Pakistan, appealed Pakistan to reduce tensions with India and sign the CTBT.

On April 20, the former Chairman of the Joint Chiefs of Staff and currently the Presidential Advisor on the Comprehensive Test Ban Treaty, Gen. John Shalikashvili, has stated that he believed that India and Pakistan live in one of the dangerous parts of the world and that the two countries would be better off becoming

³⁸ Vision Statement, n. 34. P. 10.

³⁹ President bill Clinton n. 36, p.16.

members of the CTBT.⁴⁰ On the same day the US Consul – General, Mr. David Good, stated, “Ninety – five percent of U.S. sanctions against India have been removed. The remaining five percent, pertaining mainly to high-tech nuclear arms and military areas, would also be removed eventually with the growing concurrence of Indo-US policies on nuclear proliferation”⁴¹. The U.S. Under-Secretary of State for Political Affairs, Mr. Thomas Pickering has stated that the multi-dimensional potential in the US-India relationship cannot come about unless the two countries made further progress on the issue of non-proliferation.⁴² On June 8, 2000 *The Times of India* reported that the Clinton Administration reassessed earlier estimates of India and Pakistan’s nuclear capabilities and came up with the conclusion that Islamabad is better off than India in this department. U.S. intelligence officials told a television news channel that Pakistan’s nuclear arsenal is vastly superior to India¹⁵ with up to “five times the nuclear warheads” and far more accurate and effective delivery systems.⁴³ But both India and Pakistan dismissed reports that the latter’s nuclear arsenal was superior to that of India’s⁴⁴

40 *The Hindu*, April 21, 2000.

41 Ibid

42 *The Hindu*, April 28, 2000.

43 *the Times of India*, June 8, 2000.

44 *The Times of India*, June 9, 2000

On June 15, 2000, The united states and Pakistan have concluded their ninth round of talks on nuclear issues in Washington. Indian Prime Minister Atal Behari Vajpayee, on his official visit to Europe on June 27, 2000 reaffirmed Indian commitment to sign the CTBT once a political consensus was achieved. On June 30, 2000, The Pakistani Chief Executive, Gen. Pervez Musharraf stated that “Pakistan will develop a national consensus before signing the CTBT. Whether India signs it (CTBT) or not, we will take a decision according to our national requirements”⁴⁵

⁴⁵ The Hindu, July 1, 2000.

CONCLUSION

Every American Administration, since the days of President Truman, has professed a special commitment toward the attainment of nuclear non proliferation. At the initial stage of Cold War, US had pursued a policy of secrecy to maintain its nuclear monopoly and superiority as the best guarantee against Soviet expansionism and other assaults against the international status quo. USSR atomic explosion in 1949 and its hydrozen bomb in 1953, had compelled US to follow the policy of 'Atoms for peace whereby the developing country would have access to American Assistance in utilising peaceful use of nuclear energy and the US would have access in monitoring the verifiable certain nuclear programme; and selective non proliferation through the creation of PTBT and NPT Regime. In the US nuclear policy of 'Atoms for Peace' programme, through signing and advocacy of the NPT, enactment of the Nuclear Non Proliferation Act (NNPA1978) and various other arms export control legislations, the common theme running through all Administration has been the promotion of nuclear non-proliferation as a central foreign policy goals. But the United States has failed to establish its credibility in regard to its non proliferation commitment in the eyes of non-nuclear states. This happened because the US policy strategists have been single mindedly concentrating their efforts on preventing horizontal nuclear proliferation while in conjunction and cooperation with the former Soviet Union it did little to prevent the vertical proliferation. Not only that, the US even kept its eyes closed on nuclear programme of some countries like Pakistan and Israel, where its national interests were at stake. In fact, nuclear non-proliferation goal has often been conflicted with other U.S. policy objectives in the region and sacrificed its non-proliferation goals to other objectives. During Afghan crisis the United States had been unwilling to exert strong pressure on Pakistan to honour its non-proliferation commitment for fear that Pakistan would retaliate by restricting the assistance pipeline to Afghan Mujahidden. It was only after the withdrawal of soviet troops from Afghanistan in February 1989, the Bush Administration abstained to certify that

Pakistan had no nuclear weapon programme under the Pressler Amendment and invoked the Pressler Amendment suspending military and economic assistance to Pakistan since October 1990. Partially in response to India's peaceful nuclear explosion in May 1974, the Congress passed the Nuclear Non -proliferation Act of 1978. Invoking this act the Carter Administration had to suspend altogether the supply of nuclear fuel for Tarapur Atomic Power Station after the expiry of three years grace period in 1981. By doing so Washington attempted to use its leverage with respect to those fuel supply to compel New Delhi to accept full scope safe guards.

The three salient features that had continued to characterize US nuclear non proliferation policy during the Cold War years and that need to be corrected in this promising scenario of the post-Cold War include: (I) US non-acceptance of the inherent linkage between vertical and horizontal proliferation, (II) ignoring the important linkage between nuclear proliferation and sales of conventional weapons; and (iii) US Proliferation concerns having been compromised for other security concerns. Taking advantage of the compulsive disarmament thus has occurred following the disappearance of threats from the East-West confrontation, President Clinton has virtually established the linkage between vertical and horizontal nuclear proliferation. For sustaining US leadership in this post Cold War World, nuclear non proliferation has clearly emerged as the top agenda for Clinton's foreign policy which has been determined to work towards achieving the twin objectives of disarming America's nuclear adversaries and discouraging its potential nuclear enemies from acquiring such capabilities.

Nuclear proliferation in South Asia has been proclaimed a great danger to global peace and security by the Clinton Administration which appears to hold the view that the continuing regional tensions between India and Pakistan combined with the ongoing programme in the two countries to acquire nuclear capability and ballistic missile delivery system mean that the out break of armed conflict has the potential to escalate to a nuclear

exchange with devastating consequences for the region and global effort to combat the spread and use of such weapons. The Clinton Administration has outlined policy of seeking to cap, reduce and ultimately eliminate the nuclear and missile capabilities of India and Pakistan. It has made nuclear non-proliferation central criteria in judging the nature of its bilateral relationship with India and Pakistan. The Clinton Administration has pursued a policy of 'preventive diplomacy' in South Asia that has sought to persuade India has sought and Pakistan to forgo a ballistic missile arms race. The Clinton Administration seems to argue that missiles in its own hands promote peace and those in the hands of the others do the opposite.

The US non proliferation policy in the subcontinent has been selective and discriminatory. The Clinton Administration has not been sincere in its nuclear non proliferation objective as for as Pakistan is concerned. It is an irony that much of the course of event relating nuclear proliferation in South Asia specially in Pakistan had been selectively promoted by U.S. In 1994, there were views about offer of 38F-16 fighter aircraft to Pakistan in exchange for its agreeing to cap its nuclear programme and for allowing international inspection of its nuclear facilities. The Clinton Administration's logic of delivering a nuclear weapon delivery vehicle to a country that has a bomb was going to some how to slow the arms race down there can not be accepted Equally pernicious is the argument that the *quid pro quo* a supply of F-16s and capping of nuclear capabilities is a bilateral matter between the US and Pakistan and that India is not concerned. How did supply of cryogenic technology which too was a bilateral transaction, became a concern of the US One may ask?

The Clinton Administration has somewhat modified the earlier policy in favour of Pakistan. Unlike President, George Bush, who in 1990 made restoration of aid to Islamabad conditional to 'rolling back' of the nuclear programme, Clinton has shifted the benchmark. His *quid pro quo* for repealing the Pressler Amendment has been merely capping of nuclear capability which *ipso facto* amounts

to letting Pakistan keep its declared arsenal. Ironically, while blowing the trumpet about its success in the NPT review conference, the Clinton Administration incessantly continued to lobby in Congress to obtain relaxation of the Pressler Amendment on Pakistan. The Clinton Administration's justification that the supply of 368 million worth of weapons and military equipment to Pakistan on the ground that it would enhance the US influence in Pakistan and would strengthen its hand to achieve its non-proliferation objectives was not the right way dealing with the so-called proliferation concerns. Such incidents contribute to an arms race that would work against regional stability. The Clinton Administration had been so unsincere that the State Department had kept Congress in the dark about the US Central Intelligence Agency reports on the Chinese supply of 5000 ring magnets to Pakistan when the Brown Amendment was under discussion.

The close Sino-Pak cooperation for nuclear weapon programme has never been interrupted by the Clinton Administration. In February 1996, USCIA reported Chinese supply of 5000 ring magnets to Pakistan. However such cooperation had a different meaning and connotation when China remained outside the NPT. But after China became a party to the NPT in 1992, the legal implication of its nuclear cooperation with Pakistan no longer remained the same. The transfer of ring magnets constituted a clear violation of NPT. In the cost-benefit analysis, it was already decided, the goal was to avoid imposing sanctions against China and Pakistan. As a result, the arguments were made and facts that CIA had evidence that China was supplying technicians and equipment's for a plutonium reprocessing plant in Pakistan were ignored accordingly. The Clinton Administration could not compel China to make any commitment that sales of similar nuclear related equipment would not be made.

US intelligence community had affirmed beyond doubt that China had supplied M-11 missiles to Pakistan. The Clinton Administration's reluctance to take action against the Sino-Pakistan M-11 missile deal was in sharp contrast to the imposition of US sanctions against the Indian Space Research Organisation and the

Russian Glovocosmos over the Indo-Russian cryogenic rocket engine deal. Since, the Sino-Pakistan nuclear cooperation did not bite the American interests, there was no reason why the Clinton Administration should have been unduly worried about it. The Clinton Administration has never interrupted Sino-Pak nuclear cooperation and thereby, contributed to selective nuclear proliferation and abandoned the upholding of nuclear non-proliferation regime. Thus, presently both India and Pakistan are nuclear weapon states. They are challenging the entire nuclear non-proliferation regime of US.

US President Bill Clinton found the Indian nuclear tests an affront to the US efforts to prevent nuclear proliferation and a challenge to international consensus on non-proliferation.

The angry reaction in the US to the Indian nuclear tests was partly the result of the inability of the State Department to discern the hints of the possibility of such tests: the US intelligence failure and the exposed weakness of the Counter -Proliferation Initiative.

The U.S. response to nuclear tests has centred on the imposition of mandatory economic sanctions. The Clinton Administration is pushing for a strategic restraint regime in South Asia which essentially amounts to capping the nuclear weaponisation and missile programme of India and Pakistan at their present levels. The primary objective of the Clinton Administration since Pokhran II and Chagai in May 1998 has been to engage both India and Pakistan in bilateral dialogue. The focus of this dialogue has been to integrate both India and Pakistan in already formulated nuclear non proliferation framework – build up pressure bilateral and multilateral on both India and Pakistan to concede signing NPT and CTBT. Simultaneously, the Clinton Administration is also promoting multilateral engagement for containing the nuclear proliferation objectives of India and Pakistan. The Clinton Administration wants India and Pakistan to prevent further nuclear tests, to sign CTBT immediately and unconditionally; refrain from deploying nuclear weapons; halt the production of fissile material for nuclear weapons; and formalize policies against the export of

weapons of mass destruction, missile technology or equipment to other states.

Both India and Pakistan are not resilient to American pressure. Both States have announced a voluntary moratorium on testing and have taken the position that they have to develop a national consensus and, the decision of accession to CTBT would be taken to their national requirements. Initially after the tests on the question of India's insistence on maintaining a minimum credible nuclear deterrent, the Clinton wanted India to quantify it in terms of numbers. But in December 1999, the Clinton Administration maintains that New Delhi has the right to have minimum nuclear deterrence even after signing the CTBT.

During US President Clinton's visit to South Asia both India and US signed the Vision Statement which states that India and the United States share a commitment to reducing and ultimately eliminate nuclear weapons. Both India and the United States have the disagreement in agreed respect of nuclear non proliferation. While addressing Parliament. US President Clinton has spoken the language of persuasion, not of coercion for getting India to sign the CTBT.

US President Clinton has declared that the Kashmir conflict is the most dangerous. The Clinton Administration has taken the position that nuclear weapons do not contribute to greater security in South Asia and the possession of nuclear weapons and missile will give India and Pakistan 'less and not more security'. On the other hand the Clinton Administration is launching the National Missile Defence (NMD) system against rouge states or states of concern such as North Korea, Iran and Iraq. Official position of the Clinton Administration is that the National Missile Defence system is designed to enhance peace and stability, not to threaten the security of any nation. This is the contradiction of the Clinton Administration Non-Proliferation objectives that the nuclear weapons and missiles in its own hands are for global peace and security and the nuclear weapons and missiles in others hands will endanger the global peace and security.

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