

Ahead of Bush's visit, Chirac pushes French interests in India

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A three-day visit by French President Jacques Chirac to India last week highlighted the growing competition of the major powers for influence in New Delhi. Chirac's trip is to be followed by this week's visit to South Asia by US President George Bush, who, like his French counterpart, is seeking to cement economic and strategic ties, particularly with India.

Underlining the significance of the trip, Chirac was accompanied by a high-profile delegation that included the French ministers for foreign affairs, defence, finance and industry, foreign trade and tourism. Around 30 CEOs from top French corporations came along to seek out business opportunities in India, which is second only to China as the world's largest cheap labour platform.

On the eve of his trip, Chirac recalled the decommissioned French aircraft carrier *Clemenceau* to French waters. The warship, which was to be broken up in an Indian shipyard, has been at the centre of a long-running legal and political battle over health and environmental dangers. Its rapid recall, following an adverse decision in France's highest court, served to remove a potential source of embarrassment during Chirac's trip.

Chirac's visit always ran the risk of being overshadowed by that of Bush. But he was keen to boost economic ties and to strengthen relations with New Delhi. He no doubt emphasised France's record in not condemning India after its 1998 nuclear tests and, unlike the US, supporting New Delhi's ambition to obtain a permanent seat on the UN Security Council.

Following the trip, France's ambassador Dominique Girard played up the outcome, declaring: "Our two nations now more than ever before have a major responsibility in relation to the rest of the international community and the promotion of peace and development. The strategic partnership that they have forged with one another must be based on sound and coordinated defence systems".

In contrast, the Indian reception was somewhat cooler. Francois Gautier, a columnist for the Indian web site *rediff.com*, noted: "An official of the French embassy, who

prefers to remain anonymous, has told me that they have literally had to run after the external affairs ministry for Chirac's program." New Delhi, it seems, did not want to send the wrong signal to the Bush administration by courting France, one of Washington's main European rivals, too closely.

Nevertheless, nine agreements were signed in the course of Chirac's visit, including on defence and a declaration on the peaceful use of nuclear energy. The defence agreement expanded existing arrangements in military industries, research, joint exercises, professional exchanges and training. Nuclear cooperation was, however, a high priority for both sides.

India is not a signatory to the Nuclear Non-Proliferation Treaty (NPT) and is forbidden ready access to nuclear technology by the 45-member Nuclear Supply Group (NSG). Moreover, India and Pakistan were subjected to further international sanctions after both tested nuclear weapons in 1998. These barriers have been substantially diluted as Washington has sought to establish closer ties with New Delhi.

India was seeking French support for the removal of remaining restraints on the Indian nuclear industry. France is not, however, in a position to unilaterally supply nuclear fuel or technology to India without coming into conflict with the US. Paris has repeatedly declared that it will act only through the NSG, where a unanimous vote—that is including Washington's—is required for any decision.

With Bush due to sign a nuclear agreement with India during his visit, Chirac was certainly keen to position France to become a major provider of nuclear technology to India. A representative of the French Atomic Energy Commission, who accompanied Chirac, estimated that India requires 30 nuclear power plants. Paris wants a major share for the French corporation Areva, the world's biggest maker of nuclear reactors, in what promises to be a multi-billion dollar market.

Chirac enthusiastically declared that India needed nuclear power technology "in order to drive and fuel India's

economic development” and to prevent the country from becoming “an enormous polluting chimney” for greenhouse gases. He emphasised France’s advantages, stating: “Our American friends are not competitive... French technology is a lot more advanced”. Chirac asserted that France would be more reliable, saying: “The French solution is without risk because it is not subject to the hazards of the American Congress”.

Unlike the proposed US-India agreement, which is still a matter of debate in Indian ruling circles, the France-India package places minimal restrictions on India’s nuclear industry. Washington is insisting on the separation of India’s civilian and military nuclear facilities, while the French agreement commits New Delhi only to “appropriate safeguards”. Significantly, Indian Atomic Energy chairman Anil Kakodkar, who has opposed the India-US nuclear agreement, signed the deal with France.

At a joint press conference, Indian Prime Minister Manmohan Singh declared: “We appreciate France’s support for the ongoing effort to enable full civilian nuclear energy co-operation between India and the international community”. India is the world’s fifth largest energy consumer and its demand is expanding. Currently only 1.7 percent of its energy requirements come from nuclear power.

While New Delhi is anxious to expand its nuclear power industry, its domestic supplies of uranium are inadequate to provide for an expanded civilian requirement as well as its military weapons program. By gaining access to international supplies of nuclear fuel, India is seeking to release its own uranium ore for military purposes as well as to gain access to more advanced nuclear technology to augment both military and civilian programs.

The American and French nuclear agreements with India highlight the utter hypocrisy of all three countries in the current controversy over Iran’s nuclear programs. Unlike India, which refused to sign the NPT and has built and tested nuclear weapons, Iran is an NPT signatory and insists only on its right under the treaty to engage in uranium enrichment. While giving the green light to Indian nuclear programs, the US with the backing of France and India is preparing punitive measures against Iran.

A major aspect of Chirac’s visit was closer economic relations. New Delhi and Paris agreed to double bilateral trade, which currently stand at \$US4.2 billion, over the next five years and to boost the inflow of French direct investment to \$1 billion in the next three years. The French delegation expressed interest in investing in diverse areas, including infrastructure, IT, pharmaceuticals, environment, advanced and new technologies, food processing, automobiles and aeronautics.

The most important commercial deal was with Airbus. The

European aircraft manufacturer, which faces fierce competition from Boeing, secured an agreement to sell 43 passenger planes worth \$US2.5 billion to India. Noel Forgeard, chief executive of the EADS European defence group, which owns 80 percent of Airbus, described the deal as “a great achievement”.

Chirac also finalised a \$270 million deal with India’s Kingfisher Airlines and the French company ATR for 15 aircraft. India ordered six attack submarines from France last year and France is trying to sell its multi-role fighter to the Indian military.

Relations between France and India are not without tension. One source of conflict is a take-over bid by Indian-born Lakshmi Mittal for the major European steel producer Arcelor, which has provoked sharp opposition in France. If the bid were successful, Mittal Steel would control 10 percent of world steel output. Indian commerce minister Kamal Nath has protested to EU trade commissioner Peter Mandelson over the obstacles to the deal.

While Chirac was in France, six Sikh leaders published an appeal calling on him to revoke the French “headscarf” law. The 2004 legislation, which was aimed at whipping up anti-Muslim sentiment in France, also discriminates against others, including Sikh men who are obliged to wear a turban. Several Sikh students have been expelled from French public schools for doing so.

Following Chirac’s visit, one thing is clear: for all the fine words on both sides, no firm partnership has been reached. Significant sections of the Congress-led government and the Indian ruling elite are pushing for a close strategic and economic alliance with the US, rather than France and other major powers. Their critics, however, are concerned about the danger to Indian interests of Washington’s reckless militarism and want to keep other options open—including with China and Russia as well as the European powers.



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