

CHINA-AUSTRALIA NUCLEAR DEAL *Andrew Diamond*

# Buying energy, not bombs

Now that the long-sSpeculated deal to export Australian uranium to China has been finalised, many are left wondering what it means for global nuclear non-proliferation efforts. China is known to have nuclear weapons and to have engaged in proliferation activities in decades past. So there are concerns that the uranium – a key ingredient in both nuclear power and nuclear weapons – could end up bolstering Beijing's nuclear arsenal.

A recent poll in Australia showed that only 49 per cent of respondents supported uranium exports to China even "with very strict conditions", while 44 per cent opposed such a deal outright. Political opponents have pounced on such ambivalence in their criticism of the Australia-China agreement.

Such arguments, though politically convenient, ignore the current strategic realities of China's nuclear arsenal. They also gloss over the opportunity for Canberra to promote its own non-proliferation objectives by requiring Beijing's acceptance of strict safeguards as a precondition of uranium supply. Unlike the recently announced US-India nuclear co-operation agreement, the uranium deal between Beijing and Canberra is consistent with – and poses no threat to – the nuclear Non-Proliferation Treaty.

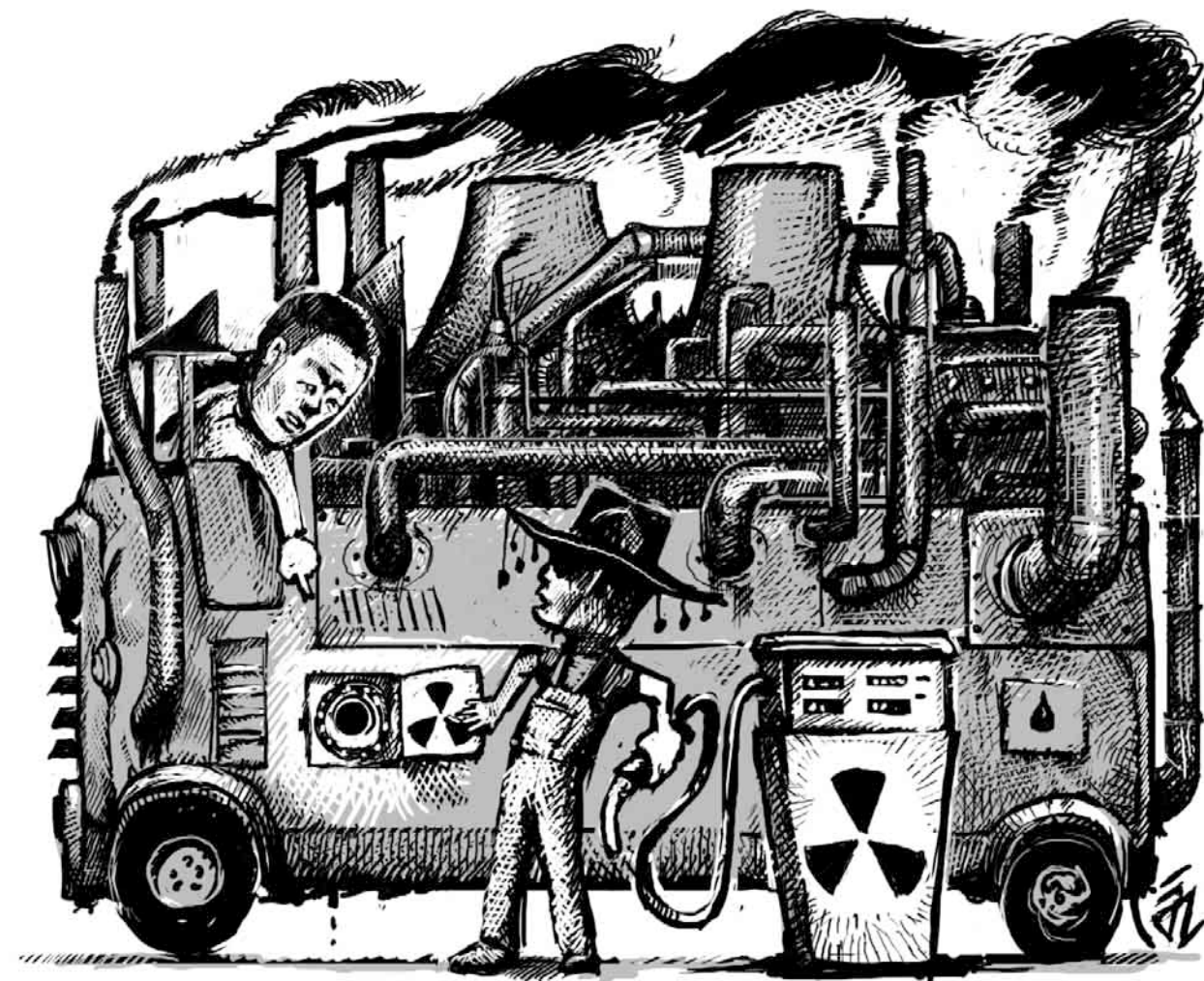
It is important to note that China has a large stockpile of the two fissile materials that can be used to make nuclear bombs – highly enriched uranium and plutonium. China stopped producing fissile material by 1991, but analysts estimate that it has stockpiled approximately 20 tonnes of weapons-grade uranium – enough to produce between 650 and 1,000 nuclear warheads. Its estimated stockpile of four tonnes of bomb-grade plutonium would be enough for 1,000 more.

So China's leaders could increase their nuclear arsenal many times over with or without Australian uranium.

What is stopping Beijing from embarking on just such a nuclear build-up? The answer lies in how it fundamentally views nuclear weapons. Unlike the United States or the former Soviet Union, China has settled on a nuclear doctrine that places a premium on survivability and credibility.

To achieve those two goals, Chinese military planners concluded long ago that far fewer warheads were needed. China has about 400 warheads in its nuclear arsenal, with only some 100 of them actually deployed. While arms-control advocates would argue that such a number is still dangerously high, China's importation of Australian uranium would neither alter Beijing's nuclear doctrine nor the size of its nuclear arsenal.

Where Australia can make a difference is in the application of strict nuclear safeguards on China's use of imported



uranium. Fearing that its unprecedented economic growth will be stunted by soaring energy demand – with little capacity to increase supply – China is currently scouring the globe to secure natural resources to fuel its booming economy. Its leaders have embarked on an ambitious and aggressive plan to more than triple the amount of energy the country generates from atomic power.

*“China could increase its nuclear arsenal many times over with or without Australian uranium”*

Sitting on roughly 40 per cent of the known global reserves – and currently the world's second-largest uranium exporter – Australia is a logical supplier. Through the recently announced deal, Canberra will be ensuring that a large portion of China's future uranium supply will be subject to sensible nuclear safeguards.

Without such a deal, China would have no choice but to get the uranium from other sources – ones that might not require the same high standard of safe-

guards that Australia demands. But the key proliferation concern of this agreement lies not in the deal itself, but in its potential to be misused as a justification for Australia to supply uranium to another rising Asian nuclear power – India. China and India are both populous regional powers that view atomic energy as necessary to fuel their booming economies, but there are significant differ-

ences between their nuclear programmes.

While India currently has limited reserves of uranium, it has enough fissile material stockpiled for between 75 and 110 nuclear warheads, though the exact size of the Indian nuclear arsenal is unknown.

New Delhi is looking for new reserves of uranium for use in its civilian facilities, which would allow it to shift its own limited supply to strictly military purposes. Citing the Chinese deal as a precedent

for future uranium dealings with India would be as ill-conceived as it is illogical, with very real consequences for global nuclear non-proliferation efforts.

Due to similarly short-sighted political posturing, the US Congress last August effectively killed the proposed takeover of an American oil company, Unocal, by the Chinese state-owned oil giant CNOOC. In doing so, the US squandered an opportunity to encourage legitimate business transactions by China with responsible nations. Instead, it only pushed Beijing further into the arms of unsavoury regimes, like Sudan, Iran and Myanmar, with abundant natural resources.

Canberra's current efforts should be supported for not squandering a similar opportunity due to politically convenient – yet factually inaccurate – concerns over China's nuclear weapons programme.

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