

# Obama to Press India for Economic and Strategic Concessions

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*US President Barack Obama is to arrive in India late today for a three-day visit. In a gesture meant to underline that Washington and New Delhi have taken their “global strategic partnership” to a new, higher level, Obama will be Prime Minister Narendra Modi’s “Chief Guest” at Monday’s Republic Day celebrations.*

This will be the first time a US president will be the principal guest on Republic Day, an honor India has long used as a means to promote its foreign policy goals. Last year, then Congress Party Prime Minister Manmohan Singh hosted his Japanese counterpart, Shinzo Abe.

Obama is also the first sitting US president to visit India more than once.

The Obama administration has been aggressively working to integrate India into its “Pivot to Asia”—that is its drive to militarily-strategically isolate and encircle China. These efforts have intensified since the Hindu supremacist Bharatiya Janatha Party (BJP), traditionally India’s most pro-US party, came to power last May.

Washington is intent on making India the southwest pillar of a US-led anti-China Indo-Pacific alliance also anchored by Japan and Australia. Under George W. Bush and now Obama, the US has encouraged India to build a blue-water navy and play a major “policing role” in the Indian Ocean, whose sea routes convey oil and other resources critical to fuelling China’s economy as well as much of its export trade. With the aim of countering China’s strategic influence and involving India in the South China Sea territorial disputes between Washington’s local allies and Beijing, the US has also offered to help New Delhi strengthen its economic and strategic ties with the ASEAN countries.

A self-styled Hindu strongman, Modi was propelled to office by an Indian bourgeoisie rattled by the halving of economic growth after 2011 and a near-collapse of the rupee in 2013. It is counting on his government to pursue a more aggressive policy against the working class at home and more boldly assert Indian interests on the world stage.

Since late August, Modi has been engaged in a whirlwind of diplomatic activity. This has included summits with the heads of government of the US (he met Obama in Washington in late September), Japan, Australia, Russia and China. While claiming to adhere to New Delhi’s traditional policy of “strategic autonomy,” Modi has made a pronounced shift in India’s strategic posture, moving it still more closely and firmly into the orbit of US imperialism and its allies.

Particularly significant has been India’s newfound readiness to engage in trilateral and

quadrilateral diplomacy and military exercises with the US, Japan, and Australia. New Delhi has also further strengthened ties with Israel, long an important arms supplier, including signalling a willingness to drop its traditional diplomatic support for the Palestinian Authority.

Obama is visiting South Asia in the immediate aftermath of Washington's successful intervention in Sri Lanka to bring about "regime change"—a result the western media is trumpeting as a major blow to China and one that shores up US strategic dominance over the Indian Ocean. Assisted by former Sri Lankan president Chandrika Kumaratunga, the US engineered a split in the ruling party and the coalescing of the opposition behind a "common" candidate, Mathripala Sirisena, for the January 8 presidential election. In recent days important information has come to light that shows New Delhi assisted the US campaign to terminate the presidency of Mahinda Rajapakse, who was deemed too close to Beijing. (See: [Evidence of India's involvement in regime change in Sri Lanka](#) ) India, which views Sri Lanka to be part of "its backyard," strongly protested last September when a Chinese submarine docked at the island.

Obama comes to India with a long list of economic and military-strategic agreements that he wants to finalize.

According to press reports, he and Modi will sign a new ten-year Indo-US Defence Framework Agreement. Under the existing agreement, which expires later this year, the Pentagon already conducts more joint military exercises with India than any other country in the world and US's arms dealers have captured a major share of the Indian market. Last year, US sales to India of weapons and weapons systems exceeded those of Russia.

With a view to promoting interoperability between the US and Indian militaries and even more importantly rendering India ever-more dependent on the Pentagon and the US military-industrial complex, Washington is also eager to sign India up to a slew of military co-development and co-production deals. Under a Defence Technology Trade Initiative (DTI) it concluded with the previous Congress government, the Obama administration has reportedly presented New Delhi with a list of 17 possible co-production projects. These are said to include joint production of an aircraft carrier for the India navy. At present India has just one, Russian-built, aircraft carrier.

Obama will also press Modi to gut India's civil nuclear liability law. US energy giants are eager to sell nuclear power plants to India but have thus far balked at doing so, because they fear that in the event of a catastrophic accident caused by faulty equipment they might be liable for a significant portion of the damages.

The US is also pushing hard for the completion of a long-discussed Bilateral Investment Treaty that would provide greater rights and guarantees for US investors in India. US Secretary of State John Kerry again raised this issue with Indian officials when he attended the "Vibrant Gujarat" economic summit earlier this month. More generally, Obama will be lobbying on behalf of US big business for India to rapidly remove the remaining restrictions on foreign investment, including in the finance, military, and energy- and transport-infrastructure sectors, and to reduce, if not entirely scrap, protection for its pharmaceutical industry, which has captured a significant share of the market in developing countries.

After Modi's election, foreign capital, much of it from the US, flowed into India, but in recent

months this surge has abated as investors increase the pressure on him to make good on his promises to push through sweeping neo-liberal reforms.

On Monday Obama and Modi will appear together before the US-India CEO Forum, which is comprised of Indian business leaders, and then its US counterpart, the India-U.S. Business Council

India has drawn ever close to the US since the turn of the century, only to be rewarded with fresh demands from Washington to more fully fall in line with US strategic objectives and economic policy.

The US campaign to harness India to its strategic agenda has been driven by its determination to thwart China's rise. But Washington's recent thrust against Russia has brought into focus for US imperialist strategists the importance of disrupting and ultimately shattering India's military strategic partnership with Russia.

While India has a border dispute with China, it resents Beijing's close ties to Pakistan, and has long-viewed China as a competitor for investment and resources, it has traditionally viewed Russia as its "all-weather friend." New Delhi's ties with Moscow did wane after the end of the Cold War, but it remains a vital supplier of nuclear technology and advanced weaponry.

Last month Washington publicly voiced its displeasure, when Modi welcomed Putin to New Delhi and reaffirmed the importance of India's relations with Moscow. Subsequently, the US somewhat moderated its tone, but the failure of this foray will only cause it to invest greater time and effort into forcing India to bend.

India, for its part, is miffed by the recent reinvigoration of the US-Pakistan alliance, as a result of Islamabad's launching a massive offensive in North Waziristan against the Afghan Taliban and its Pakistani allies and the assistance it otherwise provided Washington in the recent reconstituting of the US puppet government in Kabul.

This warming of US-Pakistani ties has taken place at the very time that Modi has been seeking to rewrite the rules of Indo-Pakistani relations.

So as to press Obama to loosen the US embrace of Islamabad, New Delhi has been trying to whip up a Pakistan "terror scare" in the run-up to the US President's visit. Without presenting a shred of evidence, unnamed Home Ministry and intelligence officials have repeatedly charged Pakistan is trying to mount a terrorist attack to disrupt Obama's visit.

Islamabad has responded by accusing New Delhi of instigating cross-border firing so as to hamper the "anti-terrorist" offensive it is conducting in Pakistan's north-west at Washington's behest.

Obama's visit, especially his Republic Day appearance, will be the occasion for a massive military-security operation, involving the mobilization of 50,000 security personnel and the installation of 15,000 CCTV cameras. An effective no-fly zone is to be imposed during the Republic Day parade over a wide swathe of north India from Jaipur to Lucknow and Amritsar. Moreover, India, according to the *Deccan Herald*, has ceded to US demands that during Obama's visit its air defenses in the area around the capital be jointly manned by Indian and US personnel.

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