

Clinton pressures India to support sanctions on Iran

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US Secretary of State Hillary Clinton used her three-day visit to India last week to pressure India to fall into line with US sanctions against Iran. She met Indian Prime Minister Manmohan Singh, ruling Congress party leader Sonia Gandhi, and External Affairs Minister S.M. Krishna. She also visited West Bengal and met the state's Chief Minister Mamata Banerjee.

Clinton acknowledged that Indian imports of Iranian oil had dropped. "We are aware that refineries have cut their orders and the actual purchases have been reduced, so we're encouraged by what India has done," she said. At the same time, she called for further cuts, saying: "If the international community eases the pressure or wavers in our resolve, Iran will have less incentive to negotiate in good faith to abandon its nuclear ambitions."

Like their counterparts internationally, Indian corporations and banks are facing the prospect of tough US penalties from the end of June for doing business with Iranian banks. In conjunction with a European embargo, the American legislation is aimed at choking off Iran's oil exports and crippling the Iranian economy.

As well as tough economic sanctions, the US, along with its ally Israel, is threatening military action. Washington's aggressive actions are not primarily directed against Iran's nuclear programs, but rather at establishing a regime in Tehran more conducive to US economic and strategic ambitions in the Middle East and Central Asia.

India is engaged in an increasingly difficult balancing act. On the one hand, New Delhi is seeking to avoid US penalties and to strengthen its strategic partnership with Washington. On the other, it wants to avoid a complete rupture with Iran, which has been a major source of oil and a potential supplier of gas as well as being an important regional partner.

India has already reduced its share of oil imports from Iran from 12 percent last year to around 9 percent. The Indian government is also adapting its foreign policy to the US. In February, after months of hesitation, India voted for a Western-backed resolution in the UN Security Council against the Syrian regime of President Bashar al Assad, Iran's regional ally.

India is nevertheless maintaining relations with Tehran. An Iranian trade delegation was visiting India at the same time as Clinton was in the country. It signed agreements to buy rice, sugar and soybeans from India. Iran had previously agreed to accept payment in Indian rupees for 45 percent of its oil sales to India as a means of circumventing US sanctions.

At a joint press conference with Clinton, Indian External Affairs Minister Krishna declared that Iran was "a key country" for India's energy needs. Washington has suggested that New Delhi should seek alternative supplies from Saudi Arabia and Iraq, but these countries already account for almost half of India's oil imports. New Delhi is concerned to avoid a too heavy reliance on Saudi Arabia, as it is a supporter of India's regional rival, Pakistan.

Given hostile relations with Pakistan, India regards Iran as a vital link to Afghanistan and Central Asia.

India has begun to use Chabahar Port in eastern Iran and Indian companies have offered to assist in building a railway from the port to western Afghanistan. Under the US occupation, India has established a significant presence in Afghanistan as the leading aid donor. As a result, India hopes to gain greater access to Central Asia and also to restrict Pakistani influence after the US pulls out combat troops in 2014.

During her visit to the West Bengal capital of Kolkata, Clinton sought the support of Chief Minister Banerjee for a proposed water-sharing agreement between India and Bangladesh over the Teesta River. The Bangladeshi government has insisted on a water-sharing deal before granting India a land route through its territory, providing Indian exporters with a more direct and less expensive route to Burma and South East Asia. Banerjee, however, has opposed the water-sharing deal on the basis that the Singh government has agreed to give Bangladesh too much water.

The US is encouraging closer ties between Bangladesh and India as a means of countering Chinese influence in the region. Clinton promoted the advantages of enhanced Indian trade with South East Asia, declaring that Kolkata would become a hub for a new Silk Road strategy connecting countries in East, South and Central Asia.

Clinton also attempted to overcome Banerjee's opposition to opening up India's retail sector to foreign direct investment. US-based retailers like Wal-Mart are keen to invest in the market, which is projected to expand from \$US26 billion to \$314 billion over the next 25 years. The Singh government's efforts last year to allow foreign investment were blocked by Banerjee's Trinamool Congress (TMC) and other parties in the ruling coalition.

Overall, Clinton's visit only exacerbated tensions in the Indian ruling elite over the value of the US strategic partnership and its potential dangers.

Washington's backing strengthens Indian influence in the region against its rivals—China and Pakistan. During her press conference with Krishna, Clinton offered some support to India, pointedly using the

opportunity to call on the Pakistani government to do more to “curb terrorism”, including by Kashmir separatists based in Pakistan who are fighting the Indian military.

At the same time, concerns were expressed that India's interests were being damaged by lining up with the Obama administration's confrontation with Iran. An editorial in the *Hindu* bluntly declared: “Put simply, New Delhi is being asked to undermine its own economic and strategic interests by cutting back on oil imports and other commercial transactions with Tehran in order to comply with extra-territorial sanctions that have no basis in international law.” It declared that the Indian government “must not take the American pressure lying down.”

The Obama administration is ramping up pressure on Iran on all fronts, demanding that it make major concessions at talks next week in Baghdad while threatening sanctions and military action. As Clinton's visit to India makes clear, US aggression is sharply increasing tensions not only in the Middle East but also in South Asia.



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