

Australian PM visit to India bolsters new “strategic partnership”

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Australian Prime Minister Julia Gillard’s three-day trip to India this week was aimed at deepening military, diplomatic, and economic ties between the two countries. Washington has encouraged the closer relations as part of its aggressive drive to undermine the influence of China in the Indo-Pacific region.

Gillard met with Prime Minister Manmohan Singh on Wednesday. High on the agenda was progress towards Australian uranium sales to India, and the two leaders agreed to commence negotiations on a bilateral Civil Nuclear Cooperation Agreement. Exports from Australia, which holds 40 percent of the world’s available reserves of high grade uranium, will be used in India’s burgeoning power reactors, allowing the Singh government to keep the limited domestic uranium supplies for India’s nuclear arsenal.

Gillard is helping to destabilise the sub-continent by fuelling a dangerous arms race involving India’s rivals, China and Pakistan.

Former Prime Minister Kevin Rudd had previously antagonised the Indian government, and diverged from the US line, by overturning moves by the previous Liberal-National government to end the ban on uranium exports to India. Australia and India formally declared a “strategic partnership” in 2009, but the relationship has become closer since Gillard became prime minister in 2010 and immediately reoriented Australian foreign policy in line with the Obama administration’s drive to strategically encircle China.

The Labor government’s about face on uranium sales to India under Gillard was carried out on Washington’s orders. In November 2011, the US ambassador to

Australia, Jeffrey Bleich, publicly called on Canberra to “sort out” its issues with India, as the US had done when it resolved the “thorny point” of uranium sales through the 2008 nuclear deal that exempted India from the Nuclear Non-Proliferation Treaty (NPT). Gillard immediately responded. On the day before President Barack Obama visited Australia, the prime minister announced that Labor Party policy on the uranium export issue would be reversed.

The announcement was made on the eve of Obama’s highly provocative speech to the Australian parliament directed against Beijing, and as plans for a US Marine base in Darwin were unveiled. The timing made clear that the Gillard government’s overtures towards India formed part of Washington’s broader efforts to strengthen alliances and strategic partnerships throughout Asia directed against China.

Gillard and Singh this week announced that there will be annual prime ministerial meetings, either bilaterally or during international summits, to deepen Australia and India’s diplomatic relationship. Gillard declared that there was a “growing convergence of our economic and strategic interests”.

Gillard and Singh announced new bilateral military and security initiatives on Wednesday. The prime ministers’ joint statement “committed to enhance maritime cooperation further, including through continued joint naval exercises”. Gillard declared: “Currently our defence relationship is under-developed... Naval exercising is an obvious way of taking the relationship forward, given our shared interest in the Indian Ocean. But we would be open to other forms of military cooperation, including

exchanges and training.”

Many of the joint naval exercises are likely to be conducted near India’s Andaman and Nicobar Islands, close to the western end of the Straits of Malacca. The straits are a major trade route for China to access energy and raw materials from the Middle East and Africa over which the US is determined to maintain control.

Encouraging India and Australia to collaborate more closely in patrolling the Indian Ocean is a key element of Washington’s strategy. In a speech to the Indian Business Chambers, Gillard pointed to these aims, declaring. “We see common security interests in what is increasingly described as the Indo-Pacific region. We both want security of maritime routes.”

Like the uranium decision, Gillard’s move to develop closer military ties with India is in contrast to the approach of Rudd. When he was prime minister, the Labor government withdrew from a US-proposed “Quadrilateral” security arrangement, involving the US, India, Japan and Australia. China denounced the grouping as “Asia’s NATO”. Rudd’s foreign minister, Stephen Smith, announced that Australia would not participate in the Quadrilateral as he stood alongside his Chinese counterpart, Yang Jiechi. Leaked cables published by WikiLeaks later revealed that furious US diplomats, who had not been consulted beforehand, denounced this as a major “blunder” by Rudd.

In one of her press conferences, Gillard was asked if it was time to return to the idea of the Quadrilateral. She avoided the question, simply saying that her government was focused on “working in a very close partnership with India”. Sections of the Indian political establishment remain wary about establishing too close ties with the US and its allies. Citing official sources, the *Hindu* stated that “India is not yet ready to respond to feelers from the Canberra-Washington axis to resume the quadrilateral security architecture”.

Whatever the precise form of the proposed diplomatic and military formations under discussion behind closed doors, there is no doubt that Washington is continuing its campaign for a closer alliance of the so-called

democracies in the Asia-Pacific, as part of the drive against Beijing.

Gillard’s trip to India was also aimed at bolstering Australian corporate interests in the sub-continent. Upon arriving in New Delhi she told assembled journalists: “My message about Australia will be number one, we are a nation open for business... We understand that the nature of change in our region in this century is going to reshape the Australian economy. And if we play our cards out cleverly, then it can be an era of huge opportunity for us.”

Gillard and Singh signed several memoranda on economic relations, including one encouraging more Indian students to go to Australia, despite continued concerns in India over a spate of assaults in 2009. Indian students are the second largest foreign contingent in Australian universities, behind Chinese youth, and like other international students are ruthlessly exploited within the for-profit education system.

The Australian and Indian prime ministers also pledged to develop a “Comprehensive Economic Cooperation Agreement”, promoting investment and a targeted doubling of bilateral trade to \$40 billion a year by 2015. The mining companies stand to reap substantial profits once uranium exports to India begin flowing, while there are also high hopes for other mineral and energy exports. A high-level trade delegation accompanied Gillard to India, including Lindsay Fox, chairman of logistics company Linfox, Rio Tinto chief executive Sam Walsh, and Mike Smith of ANZ Bank.

Australian big business hopes that India will emerge as a potential export market and source of vast cheap labour rivalling China, and at least partially offsetting the Australian economy’s dependence on China’s continued rapid industrial expansion.



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