

Frictions over trade at US-India Strategic Dialogue

Deepal Jayasekera
6 August 2014

At last week's annual meeting of the US-India Strategic Dialogue, disagreements emerged between the two countries over a proposed World Trade Organisation (WTO) agreement. US Secretary of State John Kerry co-chaired the summit in New Delhi on July 31 with India's External Affairs Minister Sushma Swaraj.

The WTO pact under discussion in Geneva had a deadline on July 31 and collapsed because of India's refusal to sign it without concessions on the issue of food stockpiling. During their talks, India's Commerce Minister Nirmala Sitharaman told his American counterpart Penny Pritzker that India would not change its position.

In a television interview before talks with Swaraj, Kerry issued a clear threat: "If India doesn't sign the agreement, it will risk standing in violation of WTO rules." He also used his meeting with Prime Minister Narendra Modi the following day to raise US concerns about India's refusal to sign, warning that it could undermine Modi's message that India was open for business.

The US government had been hoping that the WTO agreement would provide greater access to Indian markets through the simplification of customs procedures and a reduction in India's grain stockpiles that provide subsidised food to the poor. While Modi claimed India's stance stemmed from "concerns about small Indian farmers," his main objection was that the WTO treaty would open the floodgates for cheap imports and undermine Indian businesses.

Despite trade disagreements, both sides are determined to develop military and strategic ties. Their joint statement after the Strategic Dialogue noted the visit by US Defence Secretary Chuck Hagel, due in India tomorrow, "to deepen discussions on military

exercises, defence, trade, co-production and co-development, and research on new technologies for defence."

The statement declared that "Minister Swaraj and Secretary Kerry recognised that a truly strategic India-US partnership was a significant contributor to regional peace, stability and prosperity in the South Asian region, Asia, and globally." The two officials "reaffirmed their commitment to jointly support other partner countries," including Afghanistan and African countries such as Kenya, Liberia, Malawi, Rwanda and Ghana.

The US-India strategic partnership has nothing to do with peace and prosperity. It is part of the US "pivot to Asia"—a comprehensive and aggressive strategy aimed at undermining China diplomatically and economically, and encircling it militarily. Washington regards India as a crucial component of the "pivot," while New Delhi is seeking to boost its position in Asia and globally against its regional rival, China.

In their statement, Kerry and Swaraj "emphasised the need for India, the United States and Japan to work together to build transport and trade connectivity between South Asia and ASEAN, via Myanmar, including by developing economic corridors." This indicates India's further integration into the US-led trilateral alliance targeting China in the Asian-Pacific region. Just a week before Kerry's visit, India joined trilateral naval exercises with US and Japan in the Malabar Straits for the first time in five years.

The joint statement also indicated that India is shifting further into the US camp on issues such as the murderous Israeli invasion of the Gaza Strip. It expressed "concern at the steep escalation of violence in Gaza and Israel" and "called upon both sides to exercise maximum restraint." While the US has been in

the forefront of defending Israel and its crimes for decades, India has traditionally postured as a defender of the Palestinian people. By joining the US in speaking of violence on both sides, the Modi government avoids denouncing Israel's one-sided slaughter of Palestinian civilians and opens the door for India to further strengthen ties with Israel.

India and the US used similarly cynical language on Syria, expressing "deep concern at the continuing violence and deteriorating humanitarian situation in Syria," and urging all parties to seek "common ground in accommodating their differences." On the face of it, the comments are absurd—there can no common ground between the regime of President Bashar al-Assad and the US-backed Islamist militias that are seeking to oust him. India is providing indirect support for the US regime-change operation in Syria.

Kerry is clearly looking for greater Indian backing for US provocations, interventions and wars in the future. "The words are easy. It is the actions we need to take that will really define the relationship in the days ahead," he declared. "I said to [India's] foreign minister that we all have a lot of homework to do coming out of this meeting."

Swaraj responded with diplomatic platitudes, declaring that "the regional and global aspect of our strategic partnership has great value for both sides, especially in the current situation of global and regional flux." She added: "We also recognised that the maturing of our strategic relationship has given both sides the capacity to treat issues where we diverge as an opportunity for further conversation and dialogue."

In reality, it will be India that will be called to make further concessions as the price for securing Washington's support in the region.

The actual relationship between the two countries was indicated by Edward Snowden's revelations of US spying on senior leaders of Modi's Bharatiya Janatha Party (BJP). Swaraj declared that she had conveyed to Kerry that "since our two countries consider each other as friendly nations this act on the part of US authorities is completely unacceptable to us."

Kerry simply dodged the issue, saying that the US government did not discuss intelligence matters in public, then praising the close collaboration between American and Indian intelligence agencies. Washington has no intention of giving a commitment that it will not

spy on Indian leaders in the future. In other words, the US will act as it sees fit and expect India, like other allies and partners, to follow suit.

The visits by Kerry and US Defence Secretary Hagel will pave the way for Modi's trip to Washington next month for talks with President Obama.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact