

India: Delay In New World Economic Order Fatal To Gandhi

The electoral defeat suffered by Prime Minister Indira Gandhi of India last week and the return of every pro-U.S. politician in the country to form India's new government has strategically changed the international balance of power. The Non-Aligned movement, where Mrs. Gandhi played a key role in molding its call for a new world economic order, and the Soviet Union, India's close ally, have for the time being lost a foothold on the Indian subcontinent, while the U.S. and in particular the World Bank have placed their allies in power. Gandhi's resignation on March 21, removed from power the sole national figure who represents a secular, socialist, and unified India; it also removed from power the Congress Party, the institution which has governed India for the last 30 years, plunging the country into a period of uncertainty and impending chaos and violence.

Internationally, the change in government in India has had an electric effect. For the Non-Aligned movement, it has been demonstrated beyond any doubt that the Gandhi government 'fell' for the very same reason that pro-growth governments in Peru and Mexico have had to give way to pro-IMF governments during the past year: the Non-Aligned, at their meeting in Colombo, Sri Lanka last August expressed an intent to bring down the debt-strapped Wall Street banks and the International Monetary Fund through a new monetary institution, but as yet they have not done so. In the meantime, governments committed to pro-growth policies have been caught in the crossfire — implementing World Bank "low-growth" policies that eroded their own mandate to govern based on industrialization and growth programs. India was one of the most powerful members of this group and contributed a forceful voice for a pro-Soviet policy. Ironically the Soviet Union's hesitation and vacillation in holding back critical international support for a new monetary institution by making the Comecon transfer ruble available as an alternate international trading currency, also contributed to Gandhi's fall.

These factors were hammered home by Morarji Desai, the ardent anti-Soviet leader of the victorious Janata Party on the eve of his selection as the new Prime Minister. In his first international statement, on West German radio, Desai stated that a rollback of India's pro-socialist policies is inevitable. "India has been too one-sided. That will change," Desai mused, adding, "The Indo-Soviet treaty will not be scrapped, but if there are one-sided interpretations, India would have to 'reevaluate' it." Since India has been up to now a centerpiece not only of Soviet foreign policy, but of Leonid Brezhnev's personal foreign policy successes, Desai's intention to reverse this relationship must lead to a Soviet reassessment of their entire foreign policy. Similarly,

the Non-Aligned Coordinating Committee foreign ministers meeting, scheduled for New Delhi, April 5, will be hardpressed to explain how India, the most economically and politically stable member for the last 20 months fell victim to the World Bank in what seems a mere six weeks of election campaigning.

What Happened

The Indian situation can be explained only by looking back over the past 21 months. Gandhi forcefully declared a nationwide state of emergency in June 1975, charging the U.S. CIA with plotting for India the very fate they successfully bestowed on the government of assassinated Chilean leader Salvador Allende. Gandhi then proceeded to build one of the strongest Third World economies through support from the Soviet Union, as an alternative to threats and blackmail from the World Bank. The peasantry and the working class backed her, giving the nation a degree of domestic stability which in turn allowed Gandhi to play a critical role in the Non-Aligned struggle for a new world economic order.

However, domestically Gandhi hesitated on the implications of that international struggle, and looked the other way when Ford Foundation and World Bank-written programs were being implemented by agent forces in all cabinet ministries, and by her own son, Sanjay Gandhi. The major such campaign was the compulsory sterilization drive implemented against Gandhi's own political base — the peasantry and the working class. This blunder by a government she led but through a policy she publicly did not support, cost the Congress Party the election, as the largely illiterate electorate voted for any candidate other than the Congress in last week's election in protest.

These newly elected leaders now threaten to make India ungovernable in the next few months. The Janata Party is forming the government on the principle of democratic distribution of cabinet positions among its four-party coalition members: the pro-landlord Bharatiya Lok Dal (BLD), the pro-decentralization Socialist Parties of India, whose leader Jayaprakash Narayan is the main proponent of ruralization; Desai's landlord based Congress-O; and the Hindu chauvinistic Jan Sangh. At least three other independent parties with completely opposing ideologies give the Janata government a two-thirds Parliamentary majority, leaving aside the Communist Party of India-Marxist (CPM) which made the exception of supporting the "bourgeoisie" for the first time in its history this election. This is a majority that can disintegrate on the weight of its own widely diverging ideologies when faced with a country where at least 25 major languages exist along side five major religions.

In almost coordinated moves, the Carter Administration has stepped up its flow of "human rights" statements against other governments in the region, with the aim of shifting balance of power in the Indian Ocean:

*Pakistani Prime Minister Zulfikar Ali Bhutto has been plagued by "Islamic" riots in all major cities. As the *New York Times* fans these riots by calling Bhutto "(Gandhi's) fellow authoritarian," he has been forced to use the Pakistani military to maintain "peace." The great gainer in this situation has been the Pakistani military establishment, trained by the CIA and known to be very anti-Indian. Reliable source indicate that Bhutto has been captured by the military to push these repressive policies under a threat of a coup.

* In Southeast Asia, following Congressional hearings on "human rights" violations in Indonesia, the March 22 *Washington Post* carried a major feature naming a successor to President Suharto and charging Suharto with corruption and other malpractices in fabricating scandals just before Indonesia's elections this May.

* A Series of "human rights" attacks against Vietnam have appeared as well, on the aftermath of Trilateral Commission member Leonard Woodcock's mission to Vietnam. *The New York Times* led this campaign, designed to tie U.S. reconstruction aid to the war-battered nation to "human rights." In an editorial March 21, the Times warns that "Russian totalitarianism" is being implemented in Vietnam!

How The World Reacted

Il Giorno, Italy, March 23: "Gandhi decided to resign before the whole results were known to create a political vacuum...to throw the country into chaos with an obvious calculated plan...The Opposition leaders are only held together by their common hatred for Mrs. Gandhi. This cannot last very long...She will be invited again on the scene to save India from total chaos...and this will be an indefinite coup d'etat..."

London Times, March 23: Mrs. Gandhi said to the people: Choose. Doubtless she expected them to choose her. Yet the choice offered was genuine...But what of India's daunting and intractable problems, of which we hear so much? He knows India little who knows not how many of these problems have been, if not created by bad and meddlesome government (then made worse by it)...The incoming ragtag may not agree on much."

West Germany, high-level confidential source: "Through electoral means or other means, there is no choice. She must be returned to power."

Le Monde, March 22: Gandhi lost because reality was hidden from her by "courtesans...The Soviet Union must be the first concerned, as they have lost a powerful ally."

Le Figaro, March 24, Alain Vernay, "The Meaning of a Defeat": "The first (lesson-ed) is that the behavior of Mrs. Gandhi exonerates her of all the calumnies and insults. By deciding to hold elections, something she could postpone into the future, and insuring freedom in the electoral campaign, she has proved that she had used the 'state of emergency' not to 'institute her dictatorship or impose her dynasty' but for the triumph of her conception of greatness and national independence through the struggle against the profiteers, through forcing the bureaucracy to work, and the relaunching of productivity, alas accompanied by numerous excesses in the execution. The choice she made of calling upon the Indian people is not the outcome of an error but of an option, comparable to that of General De Gaulle taking his distances before the last referendum which he lost. When I met Mrs. Gandhi two weeks ago she was ready for her destiny. Second given, India is weakened in her unity.

For a long time the only national movement, the Congress, threatens to become, at best, a Southern party. India now needs a leader whom it could follow. This is no doubt beyond the scope of either Mr. Ram or Mr. Desai. This void in the country constitutes a grave threat."

Joseph Kraft, *Washington Post* columnist, March 23:

"The setback suffered by Mrs. Gandhi and the Congress Party in India tilts the world balance of power. It offers fresh opportunities to this country and — even more — its quasi-ally China to advance their positions at the expense of the Soviet Union...In international affairs the forward foreign policy favored by Mrs. Gandhi will come in for review — if only because it has strained Indian resources so greatly and tended to isolate the country internationally. The outlook is for a deeper understanding with China, and even a settlement of the border dispute. Together China and India will probably work to limit Soviet influence in Indochina...Similarly with the traditional rival Pakistan. There is at least a chance now for a new effort at settlement of the Kashmir problem, which has bedeviled relations...and destabilized the whole region from Iran to Burma...All these possibilities represent something of a windfall for Washington. There is reason now, as there was not in the recent past, for this country to pay attention to India — which means, first of all, appointing an ambassador to New Delhi who can command Washington's attention."

New York Times, "India Reclaims Its Freedom":

"The news from India is an inspiration to all democracies. A people repressed by Prime Minister Indira Gandhi through 18 months of 'emergency' seized a moment of freedom to turn on her government and party, even though they were subject to the threat of further suppression. An impoverished people rejected the siren song of authoritarians everywhere that bread must be bought at the price of freedom. This historic election will reverberate through many lands. Even some Americans had begun to despair of the fate of democracy before the seemingly inevitable march of tyranny..."

It is apparent now that the Prime Minister was herself