

absolutely clear that the IMF should dictate terms, especially to the developing countries. As Gwin and Camps put it:

“Some people argue that the path to fairer and more productive bargaining lies through stronger organizations in North and South and better preparation on both sides of their bargaining positions. We doubt it . . . . The best safeguard against unfair bargaining is to have it take place within an agreed framework of rules, with international staffs holding the ring, supplying technical advice and information to those less fortunately placed.”

The Third World will be given the illusion of more involvement only to destroy their political unity to act. “If changes are made so that the key institutions are made more responsive to the needs of the less-developed countries and if their role in the governance of the institutions is felt by them to be a fair one, the Group of 77 [the major Third World group—D.S.]

Following the Delhi conference, Bhagwati issued a statement co-authored with another participant, Yale economist Carlos Diaz Alejandro, who also did a 1980s project study on North-South relations and is on the advisory board of the IIE. Their statement, which calls for the developing countries to abandon comprehensive negotiations to restructure the economic order and for the convening of a new Bretton Woods conference to implement the IMF central bank “reform,” is signed by a whole host of anti-development genocidalists, including: Gwin and another former executive director of the 1980s project, Richard Ullman; members of the Brandt Commission; Lester Thurow, the top economist for the Harrimanite wing of the Democratic party; Paul Streeten, a top British World Bank expert; Roger D. Hansen, former U.S. National Security Council staff member and a top official of the Brandt Commission’s U.S. outlet, the Overseas Development Council; and numerous participants in the Delhi conference.

The statement is to be published in pamphlet form and distributed widely at the Non-Aligned summit. Bhagwati, a none-too-modest fellow, told a journalist that “evidently, the idea went from my paper to the document for the Non-Aligned conference.”

## L. K. Jha: profile of a neo-colonial agent

by Susan Brady

Had knowledgeable individuals not nodded in the direction of Mr. L. K. Jha, in connection with the treasonous draft economic statement for the Non-aligned summit issued under the name of the Indian government, it would in any case have been the logical place to look. Jha, Chairman of India’s Economic Administration Reforms Commission and an un-

official adviser to the prime minister and the man Henry Kissinger refers to in print as “my good friend L. K. Jha,” is a prominent and active member of the Brandt Commission, whose policy proposals are reflected virtually word for word in the Non-Aligned document.

In betrayal of India’s national interests and the interests of the Non-aligned countries as a whole, the document is precisely the kind of travesty whose perpetration is the specialty of individuals like L. K. Jha. Their existence and uninhibited activity at top levels of governments throughout the developing sector is perhaps the single most serious obstacle in the battle for sovereignty and development.

L. K. Jha is an exemplar of the tribe of professional international technocrats, better known as the “World Bank mafia,” the neo-colonial agents who are trained at Oxford, Cambridge, and Harvard in the economic doctrines of ground rent, usury, and Malthusianism propounded by the British East India Company, and then placed in central banks, and finance ministries of their countries to “keep the natives in line.”

Every developing country has its L. K. Jhas. They are usually protected by a screen of impressive foreign credentials attesting to their technical skill and authority. They are well connected to the network of elite international institutions and organizations from the World Bank and IMF to the Club of Rome and Brandt Commission. Their first allegiance is to this international financier-elite that flatters them and pays them well to oppose and undermine the political leadership of their own nations, which they hold in undisguised contempt.

By no accident, in the recent months since he returned to India from the Brandt Commission meeting in Ottawa, Jha has combined his propagandizing for the “expanded IMF” with public attacks on ministers and other political leaders for interfering with the prerogatives of civil service bureaucrats and technocrats. Jha is a veteran of what Indians refer to as the “British steel frame,” the Indian Civil Service (ICS) created by the British to administer the Raj. Jha was inducted into the elite ICS more than ten years before independence, after he had been appropriately educated at Trinity College under John Maynard Keynes, the “father” of the IMF-World Bank system that Jha is dedicated to preserving.

### In the service of the Raj

Jha’s service to the Raj took him gradually up the ladder of the finance ministry bureaucracy to the post of Secretary for Economic Affairs, from where, immediately upon the death of Jawaharlal Nehru in 1964, he advanced himself into the first circle of power as secretary to the new Prime Minister, Lal Bahadur Shastri.

From that post L. K. Jha coordinated a combined internal and external operation to overthrow the policy framework of planned, capital-intensive high-technology economic development established by Nehru for the transformation of the former colony into a modern nation state, and to replace it

with the World Bank's prescription for neo-colonial backwardness and continued foreign looting. The cynical Jha manipulated Prime Minister Shastri, distracted by the exigencies of a war with Pakistan, with technocratic pragmatism.

Paying lip service to the legacy of Nehru, L. K. Jha acted deliberately to overturn every principle by which Nehru as Prime Minister and Chief of the Planning Commission had led the nation, laying the basis for its future industrial strength in the first ambitious two five-year plans. Jha assumed leadership of a new Secretariat that had been created specifically to drive a wedge between the prime minister and the Planning Commission. The intended effect was to denote the Planning Commission from its position as an extension of the prime minister in the area of economic policy to the status of a subordinate group of advisors. Planning Commission members were stripped of their privilege of indefinite tenure.

L. K. Jha himself quickly became the most influential official adviser in the government, and through his close personal ties with other servants of the Raj, especially in the critical finance ministry, he was successful in putting the technocrats in control of economic policy.

Where Nehru had used his constitutional powers to centralize responsibility for economic matters in the Planning Commission of which he was chairman, Prime Minister Shastri, under Jha's tutelage, used his power to decentralize the policy-making process, encouraging independent inputs from various quarters. Jha's central position guaranteed that those who insisted that India's "resource position" required a virtual moratorium on new development projects gained direct access to the prime minister. In turn, their allies in the ministries who also advocated limitations on expansion of the "overly ambitious industrial plans" in the public sector and a

shift to "free market" methods, gained direct access to top-level decision making.

### Jha's World Bank coup

As others have noted, in the short 20 months of Shastri's tenure, the entire approach to India's nation-building strategy established by Nehru had been overturned. The stage was set for the subsequent disastrous decisions that dealt India a near-fatal blow—the 1966 devaluation, and related measures dictated by the World Bank and the IMF in the notorious Bell Report.

It is essential to note in particular that L. K. Jha was instrumental in preventing effective government response to the problem of pricing and shortfalls of foodgrains that became acute in 1964, prompting huge foreign grain purchases which contributed directly to the subsequent foreign exchange crisis on which the World Bank ultimately hung its demands for devaluation.

When Indira Gandhi became India's prime minister in January 1966, following the sudden death of Shastri, the World Bank plot was well underway. As chief secretary to the prime minister, Jha went into immediate action. At the initiative of his crony the professional bureaucrat and then Ambassador to the U.S., B. K. Nehru, and with the connivance of the finance minister and arch-technocrat, Sachin Chaudhuri, Jha formed a committee to "advise" Mrs. Gandhi on the devaluation. Nor surprisingly the committee consisted of the three most strident advocates of devaluation—Socialist International creature and World Bank devotee Asoka Mehta, established World Bank-IMF mouthpiece C. Subramaniam, and Chaudhuri—with Jha as its "rapporteur."

It was this cabal that convinced Indira Gandhi to bow to the World Bank-IMF dictate for a 37 percent devaluation and adoption of World Bank policy prescriptions without consulting a soul among the senior leadership of the ruling Congress Party. Jha personally drafted the document of India's capitulation that his crony B. K. Nehru carried hurriedly back to Washington, locking Mrs. Gandhi into the fateful decision months before it took place.

In a matter of days the evil deed had been done. The direct results were displayed on India in the political and economic crisis of the early 1970s.

In 1967 it was announced that Mr. L. K. Jha would be prematurely retiring from the Indian Civil Service to assume the post of Governor of the Reserve Bank of India. Jha held this pivotal post for three years until 1970 when he became Ambassador to the United States. It is sufficient to cite then Secretary of State Henry Kissinger on his "good friend" Jha to get the flavor of the distinguished ambassador's Washington tenure, especially when one keeps in mind that it was during this period that the United States consolidated its anti-India tilt and began the strategic military buildup of Pakistan in the tradition of Britain's geopolitical "Great Game."

For eight years as Governor of Jammu and Kashmir start-

### 'The Nazis began it'

In a 1982 series of lectures in New Delhi on the North-South debate, R. K. Jha explained that his mentor's scheme for a world central bank—and which is now being proposed anew by the Brandt Commission—was actually originated by Adolf Hitler's Economics Minister, Walther Funk. Funk's radio broadcasts at the time were popular, and British officials asked Lord Keynes to counter them. But, reports Jha, Keynes found himself in total sympathy with Funk. "About three-quarters of the German broadcasts would be quite excellent if the name of Great Britain were substituted for Germany," Keynes wrote to British Minister of Information Nicholson.

Walther Funk was sentenced to life in prison at Nuremberg. The only conclusion to be drawn is that the Brandt Commission is not only pushing a Nazi policy, but is consciously doing so.

ing in 1973, Jha was free to reinvigorate his international connections and pursue professional elite preoccupations in a semi-official capacity at government expense. During this period, Jha helped to establish the Brandt Commission.

By 1980 Jha was ready for a new foray. His book, *Economic Strategy for the '80s*, coincided not a bit accidentally with the Indian government's decision to take an unprecedented huge IMF loan of \$5.6 billion to paper over serious balance of payments gaps and formulation of the Sixth Five Year Plan. Jha's strategy is a blueprint for freezing India's progress, already nearly crippled by the 1966 events, at the present subsistence level and in effect turning the clock back. Jha recommended that India cease efforts to expand its base of producer and investment goods in favor of expanding production of consumer products. He lied that India had more than enough capital goods, and held criminal silence on the crucial matter of India's terrible power shortage. These lies are in the service of Jha's fervent advocacy of the World Bank's colonial staple—labor-intensive employment schemes.

The strategy is a bald statement of treason against the nation of India, fully consistent with Jha's own prior record.

While Prime Minister Gandhi declined to take Jha into her government this time around, he was given an office in New Delhi, where he has access to government officials, and a commission against which to run an expense account.

It was apparently all he needed.

## Gandhi strengthened as summit nears

by Paul Zykofsky in New Delhi

The results of the Feb. 5 elections here are being accurately viewed as a vote of confidence in the government of Indira Gandhi, following acute defeats for her Congress-I Party in elections in two northern states a month ago. In the keenly contested New Delhi race for municipal administrative positions, the Congress-I won 34 of the 56 seats on the Delhi Metropolitan Council and 56 of the 97 seats counted thus far in the Delhi Municipal Corporation—gaining control of these two bodies for the first time in 16 years.

Based on a 65 percent voter turnout, the Congress victory came as a result of ballots cast both by the very poor and the educated middle class, who saw the need to strengthen Mrs. Gandhi's hand in national and international affairs.

The campaign itself focused on "for or against Mrs. Gandhi." The leading daily *Times of India* commented in an editorial following the election: "The verdict in Delhi gives

Mrs. Gandhi, her party, and the country as a whole a breather and an opportunity to halt the drift toward a disastrous collapse of the system. Altogether the conclusion seems inescapable that Delhi's enlightened voters have evidently decided to give Mrs. Gandhi not another shock or push, but some respite and another chance."

The Congress-I's victory is a setback to recently revealed Anglo-American efforts to undermine the Gandhi government, especially on the eve of the summit of Non-Aligned nations to be held in this city early next month. Gandhi herself had warned recently that certain outside forces were determined to weaken India and make the government "more pliable."

Following the elections in the South, efforts were also being made to portray the defeat of the Congress-I by smaller regional parties as the beginning of the collapse of the Gandhi government. The victory of her party in this city of more than 5 million people, with a population from all parts of the country, will obviously help to strengthen the Gandhi government.

The Congress victory dealt an important setback to the Bharatiya Janata Party (BJP), the leading opposition party, whose leader, former Foreign Minister Atal Behari Vajpayee, has tried to portray himself as "the major alternative to Gandhi." In its previous incarnation as the Jana Sangh and Janata parties, the BJP—which is largely under the control of the Hindu chauvinist Rashtriya Swayamsewak Sangh (RSS)—had held majority control of the Delhi Metropolitan Council and Corporation since 1967. Following the party's Feb. 5 defeat, BJP leader Vajpayee submitted his resignation as party president.

The Delhi results also serve to weaken the forces led by fundamentalist members of the Sikh religion in the northwestern state of Punjab, which have been demanding greater autonomy for their state. Despite a call by the Sikh leaders in Punjab for a boycott of the election by the 500,000 Sikhs who live in Delhi, a large proportion of the community turned out to vote.

While the Delhi victory will provide the Gandhi government with greater strength to deal with the emergence of these regionalist forces, it remains to be seen if there will be any impact on the situation in the troubled northeastern state of Assam, where student-led agitation against "non-Assamese aliens"—primarily Muslims from neighbouring Bangladesh—has been going on for more than three years now.

Elections to the state assembly, which was dissolved over a year ago by the central government, are scheduled for Feb. 15. The agitational leaders have called for a boycott of the election, and a large police contingent has been deployed in the state in the wake of several bombings and attacks on candidates. According to Western press reports, agitators have shut down two of the state's three oil refineries, whose output is a critical part of India's domestic energy supply.

Despite the disturbances in the state, Prime Minister Gandhi will campaign there on Feb. 10 and 11.