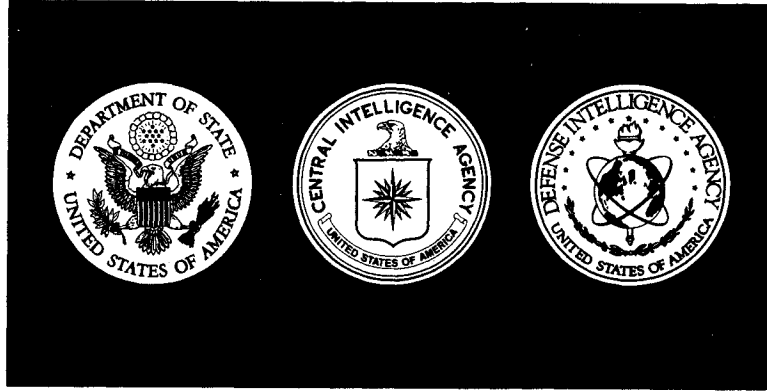


NIO/RI



India's Political Prospects Over the Next Year


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India's Political Prospects Over the Next Year*

KEY POINTS

- Prime Minister Gandhi's recent repressive actions, though technically lawful, have substantially changed India's political system.
- She has dramatically tightened her control and is likely to remain in power for at least the next year.
 - Within the ruling Congress Party, opposition to Gandhi is unlikely to grow serious enough to jeopardize her position.
 - Anti-Congress opposition groups will probably remain unable to mount a major challenge for some time.
 - The security forces are likely to remain loyal to the Prime Minister's constitutional authority and to be able to contain protest activities.
- The Indian Supreme Court's decision on Gandhi's alleged campaign violations is not likely to lead to her removal as Prime Minister.
 - Even if the decision were adverse, she probably would take steps that would enable her legally to remain in office.
 - In the unlikely event she did leave office, her likely successor would be Agriculture Minister Ram or Foreign Minister Chavan, either of whom would probably be less leftist-oriented than Gandhi and perhaps somewhat friendlier to the US and China.

* *This memorandum was prepared by the Central Intelligence Agency, the Defense Intelligence Agency, and the Bureau of Intelligence and Research, Department of State.*



- The timing of the next national election will depend on Gandhi's reading of the mood of the country.
 - Under the state of emergency, the normal constitutional deadline for the next election -- March 1976 -- could be waived.
 - Whenever the elections are held, the Congress Party appears likely to win a majority.
- In the foreign policy field, Gandhi may revive her campaign against alleged external threats, but she probably will not attempt foreign adventures or make any basic changes in policy over the next year.
- India's longer term future is less clear.
 - Monsoon failures and the inability of the government to get the economy moving could lead to serious unrest and instability.
 - This could lead to even more sweeping controls and repressive measures.
 - Gandhi might succeed in cowing all opposition by such action, but the chances of either the Congress Party replacing her or of the military stepping in to assume power would increase as would the possibility of general instability.

DISCUSSION

Introduction

1. In a move unprecedented in India's 28 years of independence, Indira Gandhi's government, acting in accordance with the constitution, has assumed virtually dictatorial emergency powers and has carried out a major and well-planned crackdown against the political opposition. Several thousand persons have been arrested under the state of emergency, including Gandhi's foremost critic, Jayaprakash Narayan, and many other opposition politicians. Civil rights have been suspended and press censorship imposed. The government has also outlawed 26 small extremist right- and left-wing political organizations. In an obvious gesture to emphasize the legality of her actions, Gandhi has announced that the Indian Parliament will convene on July 21. The parliament, in which Gandhi's Congress Party enjoys large majorities in both houses, will approve the emergency declaration.

Political Prospects

2. By establishing a precedent for suppression of the political opposition, Gandhi has substantially changed the character of India's political system. Before the crackdown, India's political parties and press enjoyed a degree of freedom unusual in Asia. No government of independent India had ever before assumed emergency powers to deal exclusively with internal political matters or had undertaken wholesale arrests of non-Communist opposition politicians. Now that Gandhi has taken such strong steps, it will be very difficult -- perhaps impossible -- for her to return to the status quo ante and restore complete freedom of action and expression to her embittered opponents.

3. Gandhi's actions, nonetheless, have been legal under the Indian constitution. For at least the next year she can probably maintain control over the situation without resorting to the kinds of blatantly illegal

actions that might turn the bulk of the Congress Party, her political base, against her. Her party's strong legislative majority would enable her legally to amend the constitution to strengthen the executive branch further; there are some reports that she may even do this in the parliamentary session that begins July 21. Moreover, we do not believe the Supreme Court's decision on her recent conviction for campaign violations (see discussion below) will make it necessary for her to step outside the law to remain in power. In addition, under present circumstances potential challengers within the party, as well as their supporters, would probably face immediate expulsion from the party and possible arrest.

4. Although their activities thus far have been limited and ineffective, opposition groups may try periodically to mount protest demonstrations and strikes in the months ahead. Such activities will probably be concentrated primarily in states where the opposition parties are relatively strong, such as Tamil Nadu (formerly Madras), Bihar, and Gujarat. Student protest efforts, moreover, may increase with the reopening of schools this month. The death of one of the detained opposition leaders -- particularly the popular Narayan, who is in his seventies and in frail health, or former deputy prime minister Morarji Desai -- could also touch off new demonstrations and might politicize many who have not yet formed an opinion on Gandhi's recent actions.

5. Opposition efforts, however, will continue to be limited by the government's use of emergency powers, which has removed many potential protest leaders from circulation and intimidated others. Even if Gandhi decides to release some or all of the jailed leaders, they will continue to be inhibited by her ability to rearrest them at any time. Protests will also be obstructed by censorship of the press, which restricts public knowledge of developments that reflect poorly on the government and also limits awareness of provocative events such as hunger strikes by opposition leaders.

6. A few state governments that are not controlled by the Congress Party, such as the regimes in Tamil Nadu and Gujarat, may prove unwilling to do much to help the central government enforce the state of emergency. In Tamil Nadu, the state's Chief Minister and other officials have criticized Gandhi's recent actions, and newspapers there have violated the censorship rules. New Delhi, however, could constitutionally impose direct central control on recalcitrant states and has enough force at its disposal to keep the situation in such states from becoming unmanageable.

7. India's economic problems, moreover, do not appear likely to worsen enough during the next twelve months to trigger widespread disorders. The important summer monsoon thus far has been good. Moreover, the government has announced a number of new economic measures whose impact will be limited but which will help to maintain public support in the short run.

8. The government can probably contain the level of unrest we anticipate. The state of emergency, which gives the government expanded powers of arrest and detention, is likely to remain in force for some time. Even without the emergency powers, however, the police, paramilitary, and -- if needed -- military forces could keep the expected protest activity from getting out of hand. These forces are likely to retain their traditional loyalty to civilian authority unless Gandhi flagrantly violates the constitution -- a step we believe she will find unnecessary.

The Court Case

9. Gandhi is unlikely to step down or be forced out of office before the Supreme Court reaches a decision on her court case. The court reconvened on July 14 to consider the case; oral arguments are scheduled to begin on August 11. The final decision probably will be reached by late summer or early fall. Although all the members of the Supreme Court were appointed by Gandhi, the court will probably try to maintain its traditionally independent image. In addition to confirmation or reversal of the lower court verdict, another

possibility is a qualified decision such as voiding her 1971 reelection but not holding her personally culpable for the alleged campaign violations. Such a ruling would deprive her of her seat in parliament but permit her to remain in office up to six months before having to seek reelection.

10. If the lower court conviction is upheld, Gandhi could nevertheless remain legally in office. She could ask the Election Commissioner, a Gandhi appointee, to waive the requirement that she step down. Or she could ask the parliament, where her party has a strong majority, to amend the law so that her conviction would not require her removal from office. We believe she might well pursue one of these courses. The bulk of her party would probably support her. Many party members -- and much of the Indian public -- probably still regard her as India's most qualified leader and are convinced that the nation needs a strong hand at the center. They also share her view that the offenses of which she was convicted are too petty to warrant her removal from office. Dissenters within the party, we believe, would probably be intimidated into acquiescing.

11. If Gandhi left office, however, her most likely successor would be either of two cabinet members, both in their sixties -- Agriculture Minister Jagjivan Ram or Foreign Minister Y. B. Chavan. Others who have been mentioned as possible successors include Defense Minister Swaran Singh, Congress Party President D. K. Barooah, Minister of Railways Kamalapati Tripathi, and West Bengal Chief Minister S. S. Ray. Ram or Chavan would probably be somewhat less leftist-oriented than Gandhi.

The Next Elections

12. Gandhi, in our judgment, will remain reluctant to cancel the next national elections. Their timing, however, will depend on her reading of the mood of the country. If her economic programs succeed in revitalizing

her own and her party's image, and if the nation remains relatively calm, we believe she may well schedule general elections by next March, the normal constitutional deadline. Otherwise she will probably postpone them, perhaps for a considerable period. She can do this legally while a state of emergency is in force.

13. The Congress Party's chances of retaining a parliamentary majority in the next elections are good whether the party is led by Gandhi or someone else. Congress presently holds a two-thirds majority in the more important lower house of parliament. It might lose some seats, but unless it lost more than 85 it would still retain a majority in a newly constituted 540-member lower house.

14. The impact on the electorate of Gandhi's recent repressive moves cannot yet be judged but will probably be less damaging among the vast number of people living at subsistence levels than among members of the relatively small middle and upper classes. Although her government's popularity has declined since 1972 because of worsening economic conditions and the government's disappointing performance, Gandhi is still India's most widely known politician and the Congress remains the only truly national party, deeply embedded in all levels of government and society. Her name and family heritage will probably continue to attract sizable support, particularly in rural areas where most Indians live.

15. Opposition leaders would probably be released and press censorship eased before elections, although perhaps only shortly prior to the polling date. The opposition's freedom of action, however, would probably be circumscribed; the state of emergency, which we believe would be retained, would enable the regime to reimpose restrictions on opposition activity at any time.

16. Collectively, the opposition parties have always won a majority of the popular vote in national elections since independence. They represent such diverse ideologies and are so fragmented, however, that they have

never achieved a proportionate representation in the national parliament. Although the opposition parties defeated the Congress by combining forces behind single candidates in last month's state elections in Gujarat, they will probably continue to find it difficult to cooperate with one another in national elections.

17. If Congress, under Gandhi's leadership, were to win only a plurality in the elections, she would probably try to form a government with the parliamentary support of the small pro-Moscow Communist party. If Congress suffered such a loss, however, Gandhi would come under increased pressure from the party to step aside. If Ram or Chavan replaced her, the Congress Party would probably look first for support from independents and defectors from the opposition, and a new effort might be made to reunite the two wings of the Congress Party, separated since 1969. Any such attempt to reabsorb the members of the Organization Congress could well result in a new crisis, with Gandhi's leftist supporters threatening to defect from the present party.

Effects on International Relations

...If Gandhi Stays On

18. An increase in internal unrest under Gandhi's rule probably would lead her to seek diversions by dramatizing, as she has in the past, both internal and external threats, including alleged threats from the United States. She might be tempted to action of some sort, such as advancing the date of a second nuclear test. She probably would not actually shift her position on any important international issues, including policies toward the Soviet Union or other major powers.

19. There will be growing uneasiness in Islamabad that India may resort to aggression against Pakistan in an effort to divert the attention of the Indian public. Gandhi may consider this, particularly if she comes under heavy domestic pressure. On balance, however,

we believe that such action is unlikely. Pakistan, for its part, might be tempted to capitalize on Indian domestic problems by starting new troubles in Kashmir or elsewhere, but we think such actions are also unlikely. Pakistan so far has taken a very restrained public stance regarding Gandhi's recent moves, as have Bangladesh and Nepal.

...If Gandhi Leaves Office

20. Replacement of Gandhi as prime minister by another Congress Party leader probably would not lead to any major realignment in India's foreign relations. A successor might be somewhat friendlier than Gandhi has been toward the US and China but would probably continue to maintain close ties with the Soviet Union. He would carry forward the Gandhi administration's efforts to establish closer links with Iran and the Arab states. Normalization of relations with Pakistan would continue to be pursued, but would also continue to be hindered by mutual distrust and by the difficulty of resolving remaining issues such as the Kashmir dispute.

The Longer Range Outlook

21. Gandhi's prospects beyond the next year will depend principally on the economy, which in turn depends in part on the vagaries of the weather. Economic success would tend to drown out criticism of her authoritarian regime. Monsoon failures, and the inability of the government to get the economy moving, however, could lead to serious unrest and instability, particularly in the politically volatile urban areas.

22. In the latter event, labor might well defy the ban on strikes, and students could be expected to take to the streets despite the prohibition on demonstrations. Increased use of the security forces -- possibly eventually involving use of the armed forces as demonstrations became more severe -- would cause new tensions among government and Congress Party leaders. Gandhi, at this point, might well implement even

more sweeping controls and repressive measures in an effort to retain power. She could, for instance, abolish all political parties except for the Congress. She might succeed once again in cowing all opposition by her determined action, but not without running a greater risk of causing some of her opponents to resort to violence. This could create a situation in which events might get out of hand and ultimately lead to general instability.

23. Much would depend on the reaction of senior members of the Congress Party and on the leaders of the armed services. Growing dissatisfaction within the Party might eventually overcome fear of Gandhi and result in agreement among party leaders that she must be replaced for the good of the party and of the nation.

24. Perhaps at least as likely as Gandhi's removal by her colleagues within the party would be a sudden move by the armed forces to assume power. We believe such action would come only if the country appeared on the verge of chaos. If a decision were made to move against the prime minister, the action presumably would be portrayed as returning the country to its constitutional framework and would be accompanied by promises of an early return to democratic, civilian government.