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TO : NEA - Mr. Van Hollen *David T. Schneider* DATE: August 15, 1969

FROM : NEA/INC - David T. Schneider ^{DTS}

SUBJECT: Indian Government Crisis

A bitter confrontation over the contest for the Presidency of India has developed between Prime Minister Gandhi's faction in the Congress Party and party chieftains opposed to her leadership. Embassy New Delhi reports that the fate of the Gandhi Government and the Prime Minister's own political future hang in the balance. The situation should become clearer on Saturday, when voting by MPs and state legislators in the indirect presidential election takes place. The results will be announced next Wednesday, August 20.

Although Mrs. Gandhi's stunning victory over her opponents in mid-July had aroused their enmity and had strengthened their determination to oust her, a further confrontation this early had not seemed likely. The Prime Minister herself seemed to be in a strong position. She had skillfully made use of the bank nationalization issue to win broad popular support within and outside party ranks. She had also protected herself against charges of disloyalty by announcing her support for the Congress Party's Presidential candidate whose selection, over her own opposition, had been regarded by the Prime Minister as a challenge to her leadership and had sparked the July encounter. There was no reason to think that she or her followers would deliberately seek a confrontation, either on the Presidential issue or any other. Yet Mrs. Gandhi has now reneged on her support for the Congress nominee (an inveterate foe, Lower House Speaker Sanjiva Reddy), has let it be known that his victory would not be acceptable to her, and is apparently encouraging her supporters to vote for an independent candidate who had been her own choice for the party nomination and would be loyal to her if elected.

Mrs. Gandhi's opponents, for their part, were also expected to lay low until their man was safely installed in the Presidency on August 24. Only then would they begin the search for a plausible issue on which they could confront the Prime Minister. Given her frequently demonstrated skill in avoiding such confrontations, the expected search did not seem an easy one.

The confrontation has nonetheless occurred. The Prime Minister's followers blame it on the anti-Gandhi Congress Party President,

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who they claim has connived with right-wing parties, allegedly to put together a coalition government to replace her. This seems far fetched and has been angrily denied, but Mrs. Gandhi's friends may either believe it or see the Party President's meetings with the rightists as preparation for an eventual move against her. In any event, it seems more likely that it is they and not the Prime Minister's foes who are responsible for bringing about the present confrontation. Emboldened by their success in the earlier crisis, they may well believe that the time has come to smash the power of their opponents before a Reddy victory gives the anti-Gandhi forces an important new weapon to train on the Prime Minister. Their confidence that a progressive tide is running in the country following the bank nationalization move may have led them to conclude that the Prime Minister, who has taken the progressive cause as her own, is in an unusually good position to consolidate her recent gains.

Embassy New Delhi reports that in the midst of all the strife over the Presidential contest a mood of gloom and uncertainty is growing on all ^{the} sides as the realization becomes widespread that regardless of result of the poll in terms of the candidates and the fate of their supporters, the major ultimate casualty of the conflict is likely to be the Congress Party itself. Should the party split in two, and events are moving in that direction, no one can correctly foresee what kind of Indian Government will emerge. The party is an amorphous mass, and its members' loyalty is dictated by caste, regional, group, and personal considerations which have little or nothing to do with the ideological standards opposing forces within it often raise. Thus the very lines of a split are uncertain. The only real certainty is that should it occur, prospects will be unpromising for a continuation in New Delhi of political stability similar to that India has enjoyed since it won its independence in 1947.

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