

\$20 billion eight year trade agreement with China. Doko emphasized that Japan's deals with China should in no way interfere with Japan-Soviet economic relations. Doko's statement should put to rest the widespread interpretations of the China-Japan trade deal as the major step of a "tilt" toward China and away from Japan's traditional policy of "equidistance" between its big neighbors. The trade deal with China — and there are plans to expand its terms in 1981 — is a big boost for Japan's ailing economy. However, any "tilt" toward China would quickly close the door to economic deals with the Soviet Union potentially far bigger than that concluded with China — and business will not tolerate a closing of that door.

The government of Prime Minister Takeo Fukuda, is also moving to put the lid on the warhawks inside the JDA. The government recently forced Defense Bureau chief Ito to retract his "pronuclear bomb" statement. The government is also opposed to the withdrawal of U.S. troops from South Korea precisely to avoid pressure for a Japanese military buildup.

The Soviet Response

The combined effect of the recent moves by the Fukuda government toward signing a long-stalled "friendship" treaty with Peking, the military exchanges between Japan and China, and the Japan-China trade deal have raised grave fears in Moscow, and the Soviets have begun to counterattack.

In a dramatic attempt to publicize its commitment to good relations with Japan, the Soviet Union published on Feb. 23 in *Izvestia* an until-now secret working document for a Japan-Soviet Friendship and Cooperation Treaty. Japan has continuously rejected the Soviet treaty offer, insisting instead that an ongoing territorial dispute between the two countries must be resolved as part of a full peace treaty formally ending World War II.

The Soviets hoped that a preliminary "cooperation" treaty, which shelve the territorial dispute (the Soviets insist the dispute is "groundless," and does not even exist) and puts down on paper the areas in which the countries do agree, would balance the political effect of Japan signing a treaty with China, and help maintain good relations between the two countries.

It is widely thought in informed circles that the Soviet decision to publish the secret draft treaty, a move which angered Japanese government officials, was made only after Soviet officials concluded a roadblock had been reached in efforts to promote the treaty with the Fukuda government. The publication was designed as an appeal to business and political circles in Japan that favor closer relations with the Soviet Union.

Observers have noted, however, that the Soviet attempts to negotiate a preliminary treaty with Japan were bound to fail because of the Soviet "hard-line" negotiating position on the territorial dispute. CPD circles have often gleefully claimed that one of the keys to their strategy in Asia is the "unskillful" way the Soviets handle Japan.

Prior to the publication of the secret draft, the Soviets made a last-minute attempt to end the deadlock in treaty negotiations with Japan. Soviet Ambassador in Tokyo Polyanski last week requested a meeting with Prime Minister Takeo Fukuda to deliver a personal letter from Soviet President Brezhnev. The letter, according to Japanese press reports, urged Japan to sign the preliminary cooperation treaty. Fukuda dispatched Chief Cabinet Secretary S. Abe to meet with Polyanski, and the Japanese press widely reported that a "heated argument" took place between two officials in a downtown Tokyo restaurant, with Abe, restating the Japanese position that a resolution of the territorial dispute is the top priority between the two countries.

The Soviets have also issued a fresh warning to Japan against signing any treaty with China that contains the infamous anti-Soviet "antihegemony" clause. This clause, which Japan has tried to water down into a statement of "international principles," has been the stumbling block preventing Japan from signing the treaty with China. The February issue of the Soviet journal *New Times* stated: "The inclusion in the treaty of an 'antihegemony' clause would draw Japan into the channel of Peking's hostile policy toward the Soviet Union . . . In whatever form, even the most abstract, the 'hegemony clause' is worded, the substance and tenor of the Sino-Japanese treaty will not change."

—Kevin Coogan

Indira Gandhi Winner, Congress Party Loser In India's State Elections

The Congress Party, the party that governed India without interruption for 30 years up to March 1976 lies in total shambles after last week's state elections enabled

INDIA

former Prime Minister Indira Gandhi to make a full political comeback. As head of a splittoff of the Congress Party (appropriately named Congress-I, I for Indira),

Gandhi's round-the-clock electioneering, particularly in southern India, produced resounding victories for candidates backed by her in the Feb. 25 elections, reestablishing her as India's top political campaigner.

The verdict in Gandhi's favor has thrown all other parties, including the ruling Janata Party, onto the defensive. Political opportunism and expediency have become the name of the game in New Delhi, and the prospect of returning to Mrs. Gandhi's fold has become an enticing one for many fence-sitting legislators. The result now is that all parties have extended their

membership deadlines and the national parliamentary process is rapidly shifting in Gandhi's favor.

While Gandhi herself did not contest any seat, she has regained stature and recognition in such a way that a variety of electoral options are open to her. But her victory is dimmed by the greater crisis that it has produced. On the one hand, Gandhi's campaigning demonstrated strongly that the ruling Janata Party's mish-mash economical and political programs are not viable. For this she is now the recognized champion.

But in place of the Janata platform, Mrs. Gandhi has offered little in substance. Her mass appeal as a champion of the "poor" and her populist and demagogic appeals to the population

vacuum. The net effect is to leave a yawning political void in Indian politics and to advance the conditions of instability, and chaos across the country. The inability of the Janata party ruled central government to effectively extend its authority over the state government is obvious. Those within the government party who have been calling for a tougher "law and order" approach to the country's problems are in fact strengthened by Mrs. Gandhi's reemergence as a national leader.

Mrs. Gandhi's victory can be measured in other terms. The potentiality of the formation of a cross-party alliance of forces around the program of a unified India committed to large-scale economic growth of industrial production and modernization of the agricultural sector, a step up from the Nehru policy along those lines of the 1950s and early 1960s, is now stalled. The attempt of the Janata government, particularly through the efforts of Home Minister and self-styled economist Charan Singh and Industries Minister and "socialist" George Fernandes, to impose the World Bank policy of ruralism and "small is beautiful" cottage industry has created tremendous uproar. Leading political figures from all parties, including Janata President Chandrashakar, Petroleum Minister Bahuguna, former Congress cabinet ministers K.R. Ganesh and Ragnatha Reddy, top civil servants, state leaders, forces around the Prime Minister himself, and even top Communist leaders have expressed their opposition to these policies. Many observers of the Indian political scene have been watching for some kind of realignment of these forces, particularly involving the Congress and Janata parties, that might create a clearer, more programmatically defined lineup of political forces in the country.

Mrs. Gandhi for her part has now succeeded in making herself, and her personality, not her policies (which are completely unclear), the issue over which a national political realignment will take place. Her election victories underscored the complete inability of the regular Congress leadership, including parliamentary leader Y.B. Chavan and Congress President Brahamandra Reddy, to project any kind of dynamic image and clear policy alternative to the populace. As a close analysis of the election results in several major states will show, Mrs. Gandhi was able to accomplish her goal of projecting herself as the "real" Congress while the Janata Party showed itself to be unable to capitalize on the divided state of its opposition.

Election Roundup

As the accompanying chart shows, the Congress-I took

	TOTAL SEATS	JANATA	CONGRESS-I	CONGRESS	CPM	CPI	OTHERS	IND.
KARNATAKA	224	59	149	2	3	11		
MAHARASTRA	288	100	62	69	9	1	34	13
ANDHRA PRADESH	294	60	175	30	8	6	●	15
ASSAM*	126	48	8	23	11	6		19
MEGHALAYA*	60			20				34
ARUNACHAL*	30	7						9

*Returns still incomplete

two major southern states, Andhra Pradesh and Karnataka. In Maharashtra, a highly industrialized state, the plurality went to the Janata Party but not sufficiently to provide any stable state government. Here, the Congress-I came in a surprisingly strong third, demonstrating that Gandhi's hold is more than a mere southern constituency. In the contested northeastern states of Assam, Arunachal Pradesh, Meghalaya, regionalist parties scored the best, reflecting the tribal propensities of this area. Out of 80 million voters, nationally, over 75 percent went to the polls. As contrasted with the major three contenders — Janata, Congress, and Congress-I — both Communist Parties did poorly, despite the CPM's hope that it could capitalize on its control over the West Bengal state government to expand its regional base. It is expected that major reorganization will take place within the communist movement, particularly on questions of coalition and electoral alignments.

Southern States

The southern states provided the real test of Gandhi's popularity. In Karnataka, Gandhi's Congress victory is largely the doing of former Chief Minister Devraj Urs. Urs chose to leave the Congress and go with Mrs. Gandhi's side for largely inner party factional reasons. However, reliable analysts have pointed out that Urs, even if he had formed his own independent party the results would have favored him singlehandedly. The reason for this is economic policy. Devraj Urs, for the years he ran the state, embarked on a major assault on the upper castes and took up the cause of the Indian lower caste majorities by forcing land redistributions, minority rights, and other measures to improve the condition of the villages. He took on the problem of village money-lenders. It was Urs's mass base which Gandhi happened to cash in on. The most interesting feature of the vote returns is that actual personalities and politicians were voted for. The returns in Karnataka for the Congress and Congress-I were also much smaller than in the 1971 elections. In fact Congress vote returns have been steadily declining over the last decade, demonstrating that in the mind of the voter, the Congress Party has failed ultimately to respond to their needs.

The Andhra Pradesh returns demonstrate this even more starkly. Andhra has the most coherent Congress machine: even during the March 1976 electoral rout of the Congress in north India, Andhra voters gave the Congress almost 100 percent of the lower house seats.

This time, at the state level, one experienced observer pointed out that they voted for "Indirama" (Mother Inqira), because she is identified by the landless and untouchable laborer with their hopes for future improvement. The recent Janata government statements that it will impose a northern language over the nation if at all possible; the recent atrocities against harijans (untouchables) in Gandhi's home state of Uttar Pradesh and her upholding their rights, all helped her. In contrast to this, Congress President Brahmananda Reddy made his biggest blunder aligning with the Reddy caste landlords, virtually handing the election to Mrs. Gandhi and destroying the credibility of his party in the state. In fact, Gandhi became identified with the image of the Congress freedom struggle, while Reddy was run out of town. Interestingly, in neither Karnataka nor Andhra did the ruling Janata Party make any inroads, thus proving itself to have no base in south India. This is a real credibility gap for its national image.

The Maharashtra Model

The best reflection of the tremendous schisms and the possibilities for new realignments is evident in the Maharashtra returns. The Janata got a plurality because it is the ruling party; but more significantly Congress-I did strongly, showing that at the back of the mind of the Congress machine there, the desire for unity of both Congresses is not out of the question. In fact, many observers have pointed out that, in Maharashtra as in the other states, had the two run on one platform of unity, they would undoubtedly have swept the elections. The election results mean that some form of coalition has to emerge. The governor of the state has called on the Janata to form a coalition; if it forms a government it will be collapsible at any moment. The other possible alternative is a Congress coalition, but under this lies the more important question of what type of alliance this will involve.

The Congress Question

The Maharashtra situation will ultimately determine the major issue on the political agenda: whither Congress? The elections have shattered the Congress as an institution; now the party must deliberate on how it will reorganize. On Jan. 1, Gandhi, after a prolonged inner party factional struggle with other party leaders, formed her party, gave it the same name, and launched a full force campaign to prove herself the "real" Congress. In part the elections proved her point but left unanswered the bigger question: will the Congress run as the retinue of "personalities"? Or will the organization have an institutional-programmatic base? Since the election, Mrs. Gandhi has made clear that she wants the Congress fully under her control. Urs and others have attempted to moderate her stand, pointing out that should her position prevent the unity moves in Maharashtra, she will be viewed as a wrecker. Urs and other elders realize that one Congress is essential for any reorganization. Another

possible alternative has been formulated by former Petroleum Minister K.D. Malaviya. Malaviya has called for an All India Congress Committee convention, to elect a new president and reunite the parties.

Efforts to bring coherence out of the chaos are also seen in current moves inside the Congress Party. Brahmananda Reddy resigned as party president in the post election crisis and former Foreign Minister Swaran Singh has been appointed temporary president. Singh and the Congress Working Committee (CWC) have released a resolution "urging partymen against being hustled into taking any hasty and opportunistic decisions in this moment of crisis." Meanwhile, the party leadership is negotiating with the Congress-I on the Maharashtra situation. An agreement there will have national implications.

Indira Gandhi

Gandhi's own intentions will play a large part in the resolution of the crisis. So far she has been secretive, with only hints of future plans during her post-election press conference. Aware that the Congress-I performance has thrown water on months-long watergate-style investigations of her emergency government, she is responding to the sway of public opinion in her favor. She has made strong accusations, that the government is out to destroy her public image as a recognized "national leader." However, she has refuted rumors that she will seek an electoral office now, indicating instead that she will organize national agitation campaigns on economic issues. When one journalist asked her whether her son, Sanjay, the man who used his mother's office to promote forced sterilization during the emergency period, would now come back, she said, "He is old enough to make his own statements." This is a small effort by her to distance herself from the "caucus" — the World Bank backed clique that ran her government during the emergency. But many feel this is not yet enough to remove deep suspicions that these forces still have a major say in Gandhi's actual actions.

What Next for the Janata?

The Janata Party is currently in equal disarray. This is partly because most of the party's leaders realize that Gandhi, even at 60, can outwait most of them and has greater stature as a national leader than any of them. But it is as well a reflection that she has so capitalized on their failures that now each faction is pushing for a "reorganization" to clean out their opponents by either "Gandhi-baiting" or by feeding fears of her comeback. Home Minister Charan Singh is a major figure in this factional struggle and many believe he is behind the push to remove Chandrashekar as Janata Party president. Any moves to wrest the party presidency from Chandrashekar will unleash within the Janata a crisis only parallel to the current situation in the Congress's ranks.

— Leela Narayan