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The Gandhi Era: A Legacy of Strife

Part II: Gandhi's Final Years;
India After Indira

Last week, we examined Indira Gandhi's leadership up until she was voted out of office in 1977. In this concluding article, we will look at India's government since that time and the enormous problems facing the nation today.

In 1977 after Gandhi lifted the emergency, people were so disgruntled that as soon as they could express their opinion, they threw her out of office. This signifies one of the main trends in Indian democracy--a negative approach to politics. When the Indian people wanted to rid themselves of British domination and when they voted the Congress Party into power, the motivation was their hatred of the British, not a positive platform of the Congress Party for governing the country. Among intellectuals in India, it was accepted that Nehru's policies were detrimental to Indian interests; yet the masses voted for him simply because he had fought against the British and they knew he was sincere. Again in 1977, the people voted against Indira Gandhi because of her dictatorial policies.

This negative vote brought in a coalition of opposition parties called the Janata Party. The Janata Party had no political viewpoint or socio-economic program for bettering the Indian people. Their lack of direction for the country as well as their constant internal rivalry for power resulted in a leadership that proved no better than Indira Gandhi's. It is worthwhile noting that Prem Bhatia, a leading journalist of India, wrote in *India Abroad*, August 31, 1979:

"Nothing seems to be right with our political system, and those whom we have elected to operate the system. Never before has the Indian politician been so discredited as he has been now, and never before has the administration of the country reached the present level of feebleness and undependability."

Gandhi Returns

A change of party label has become a matter of habit with the Indian leadership. In January, 1980, Indira Gandhi came back to power with an overwhelming majority. Her platform was democracy, socialism and secularism. Yet after her reelection, she began boldly dismissing state governments which were not Congress Party governments. On February 17, 1980, nine state governments were dismissed through legal loopholes in the constitution. This kind of strong-arm politics characterized the Gandhi regime up to the end.

In addition to political suppression, the people of India have suffered cultural and economic exploitation by foreign interests and the central government.

Cultural Exploitation

India is not one nation but many. Over 100 language groups and dialects exist. In many areas of India the local language is not taught in schools. Hindi and English are imposed through the schools and the media. Cultural suppression is also created through the dominance of cheap films, sensational papers and pornography that impose a materialistic, superficial veneer on local culture.

Cultural suppression instills defeatism and inferiority complexes in the minds of the people, rendering them easy targets for economic and political exploitation.

Economic Exploitation

Nearly half of India's 730 million people live below the starvation line. Since independence from Britain in 1947, the rich and the upper middle class have become richer while the poor and lower middle class have become poorer.

The greatest barrier to economic development is the system of land distribution. Over 70 percent of the labor force is employed in the agricultural sector. Twelve percent of rural households own 60 percent of the land.

The industrial sector is dominated by a mix of large industrialists, multinational corporations and centralized state-owned enterprises. Only a small minority of the population has been part of the high productivity, high wage modern sector since India's independence.

Communist Influence Grows

As a result of economic exploitation, the USSR, through its agent communist parties, has gained a foothold in India. The Communist Party of India (CPI), formed in 1925 under the direct supervision of Moscow, wields great influence in the labor movement and has penetrated the military, police and central government bureaucracies. The Communist Party of India (Marxist) (CPI(M)), formed in 1964 after a split in the CPI, originally had a Maoist orientation, but has in recent years grown increasingly pro-Soviet, criticizing China and Euro-communist movements; it holds power in the states of West Bengal and Tripura.

The Soviets had an ally in Indira Gandhi. None of the state governments dismissed by her were communist; in fact, in Kerala she formed a coalition with the communists. India was one of the few non-communist nations that did not denounce the USSR's actions in Afghanistan. Under Indira Gandhi's leadership, India tested its first atomic bomb in 1974 and launched its own satellite into space in 1980; both feats were accomplished with substantial assistance from the Soviets. India has relied heavily on Soviet military aid.

The Soviets have supported the ruling party in India, while at the same time criticizing some of its policies and lower-level leadership, thereby maintaining polarization in the party. They are counting on the government's continued ineffectiveness in the face of growing social and economic problems, hoping that the ensuing chaos will afford them an opportunity to intervene directly and gain control of the country, with its tremendous strategic importance and human and material resources.

The Challenges Facing Rajiv

Under Indira Gandhi's son and successor, Rajiv Gandhi, this situation is not likely to change much. Rajiv, the 40-year-old general-secretary of the ruling Congress(I) Party, has no real experience in running a government and is not known for strong leadership. Lacking his mother's popularity, he will likely have to rely even more heavily than she did on support from the CPI and CPI(M) in order to stay in power after the upcoming elections.

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How the U.S. Bleeds Central America

Part II: Private Loans
and the World Bank

Dubious Industry

Although there is a fair amount of investment in Central America, most of what is done there is "finishing work", such as sewing together pieces of dresses that have been cut out in the U.S. and are then sent back here.

This kind of industry does little to develop Central America. Instead it leaves the people dependent on the U.S. not only for their jobs, but for the importation of items that it doesn't produce itself. Total production performed in one country would bring income there and more money would remain in the local economy.

The use of this kind of policy by corporations in Central America illustrates the way transnationals search the globe for the cheapest labor. They also benefit from a number of tax loopholes available for items bearing a "made in Central America" label.

"Self-Service" Loans

The U.S. helps "develop" industrial enterprise in Central America in several ways. One way is through two agencies that offer loans to entrepreneurs. One of these agencies is the Central American Bank for Economic Integration (BCIE), run through the U.S. government's AID program. BCIE loans, however, can only be used to help purchase products or services from the U.S.

In the 1960s, the United Nations attempted to set up a Latin American Common Market (ECLA) based on the European Common Market. It would promote self-reliance and development in Latin America through inter-continental commerce. This idea, however, soon failed--undermined by the U.S., which preferred to back its own creation instead. The U.S. helped develop the Central American Common Market--and, in fact, gave over half of its budget in its first decade. The purpose of the CACM is to encourage export businesses and U.S. plans for the industrialization of the region.

In truth, many of the beneficiaries of these agencies are U.S. companies. Often foreign companies can pose as local enterprises by buying out local businesses, forming partnerships, or taking de facto control by putting money in. This provides a local front for tax and other purposes.

Big Neighbor Steps In-- Like It or Not

During the early 1900s, most of the foreign money in Central America was British. But in the early 1900s, U.S. banks offered to pay off the entire European debt for the privilege of making future loans.

In the 1960s, U.S. loans to Central America mushroomed, for reasons entirely unconnected to events in the region. Instead, it was the excess of cash on the world market, such as "petro-dollars" (from new-found Middle Eastern oil) and "Euro-dollars" (from economic expansion in Europe) that created the situation. As this new money flooded into U.S. banks, the banks became frantic to find ways to "use" the money (i.e. to make more money with it). In their search around the world for borrowers, they as good as forced loans onto Central American countries.

Naturally, it has been difficult for the countries to repay the debts, and they continue to increase each



Chopping up sugar cane at Astoria

year. In fact, between 1972 and 1981, debt interest on the loans increased 300 per cent, not to mention yearly service charges and renegotiation fees added on.

Multilateral Aid:

Other Nations Join the Fray

In discussing loans, it's important to keep one thing in mind: ultimately, the one guarantee of loan repayment is based on military strength. If you have it, you can be confident that you'll get your money back one way or the other. This is one of the reasons the U.S., with tremendous amounts of money loaned to countries throughout the world, puts such a strong emphasis on its military abilities.

This is also why many international loans are made "multilaterally" or with the participation of several countries. Each new country adds to the combined military backing against the threat of loan default.

The World Bank is one such multilateral lending agency. Formed soon after World War II, its original charter was based on a certain altruism; today, however, it is little more than an enforcement arm for the world's large banks.

One Dollar, One Vote

The World Bank runs on the idea that control in the agency is proportional to money contributed. Thus, the U.S., giving the lion's share, also has the lion's power. For example, the president of the World Bank is appointed by the president of the U.S. Today, the World Bank's president is R.W. Clausen, former president of the Bank of America. The B. of A. is not only the largest bank in the U.S., it also has the largest amount of money invested in Central America.

Like any good bank, the World Bank is very concerned that its loans turn out profitably for the bank itself. For this reason, it only gives loans for specific "projects"--for which it remains in complete control, providing consultants and supervision, and determining which companies will receive the contracts, etc.

The World Bank has three main sections:

* The IBRD (International Bank for Reconstruction and Development) is considered the "hard

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