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Foreign and Commonwealth Office

London SW1A 2AH

7 January, 1983

*I discussed only with*

*the P.R.*

*Dear John,*

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Indian State Elections

The results of the elections in three Indian states, just announced, amount to a significant political reverse for Mrs Gandhi. The Prime Minister might like to see Sir Robert Wade-Gery's telegram assessing the situation (copy enclosed).

There is only one additional point which should perhaps be made. In spite of the national impact which the scale of these electoral reverses is bound to have in India, it does not mean that the opposition is united or that any one opposition party is likely to be effective on a national scale in the immediate future. The opposition parties are fragmented and lacking in a charismatic national figure. Furthermore they have not even begun to discuss the basis for a common programme. These latest results may however provide the impetus for greater cohesion among the opposition and it would presumably be to prevent this occurring that Mrs Gandhi might be tempted by an early general election possibly shortly after the NAM Summit in March (the last sentence of paragraph 5 of the telegram). But it would of course be a very high risk course. It is not on the face of it very likely.

*Yours ever*

(J E Holmes)  
Private Secretary

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FM DELHI 071121Z JAN 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 012 OF 07 JANUARY

INFO PRIORITY ISLAMABAD, DHAKA, BOMBAY (ACTIONED)

ROUTINE COLOMBO, KATHMANDU

INFO SAVING CALCUTTA, MADRAS

THE INDIAN DOMESTIC POLITICAL SCENE

1. FOR THE FIRST TIME SINCE MRS GANDHI RETURNED TO POWER IN 1980 HER CONGRESS (I) PARTY HAS UNDERGONE SERIOUS REVERSES IN ELECTIONS TO THE ASSEMBLIES OF 2 IMPORTANT SOUTHERN STATES, ANDHRA PRADESH AND KARNATAKA. MRS GANDHI HAS SUFFERED A CLEAR PERSONAL DEFEAT, AND ON A SCALE FEW EXPECTED. WITH CONGRESS (I) ALREADY IN A POOR SHAPE IN OTHER PARTS OF INDIA, THESE RESULTS ARE LIKELY TO HAVE IMPORTANT REPERCUSSIONS FOR INDIAN NATIONAL POLITICS.

2. ALTOGETHER 3 STATES WENT TO THE POLLS ON 5 JANUARY. THE SMALLEST, TRIPURA, AN ENCLAVE IN THE NORTH-EAST, HAS BEEN HELD BY THE COMMUNIST PARTY OF INDIA (MARXIST) (CPM) AND CARRIES LITTLE WEIGHT ON THE NATIONAL SCENE. ANDHRA PRADESH AND KARNATAKA, BY CONTRAST, REPRESENT 13% OF THE INDIAN POPULATION AND HAVE HITHERTO BEEN CONSISTENTLY LOYAL TO MRS GANDHI, EVEN WHEN SHE LOST POWER IN 1977. IN ANDHRA, THE CHALLENGE WAS LED BY A NEW REGIONAL PARTY, TELUGU DESAM, FOUNDED ONLY 9 MONTHS AGO BY THE FAMOUS FILM STAR N T RAMA RAO. OUT OF A TOTAL OF 294 ASSEMBLY SEATS, TELUGU DESAM HAS ALREADY WON 196 SEATS OF THE 281 DECLARED, WITH CONGRESS (I) TRAILING FAR BEHIND WITH ONLY 57. IN KARNATAKA, WITH 221 OF THE 224 SEATS DECLARED, AN ALLIANCE BETWEEN JANATA, THE NEW KRANTI RANGA REGIONAL PARTY AND THE COMMUNISTS HAS WON 100 SEATS, CONGRESS (I) 80, BHARATIYA JANATA PARTY 18 AND INDEPENDENTS AND OTHERS 23. IN TRIPURA WITH 58 OUT OF 60 SEATS DECLARED CPM HAS WON 37, CONGRESS (I) 11, OTHERS 10.

3. N T RAMA RAO PROVED TO BE AN ELOQUENT CAMPAIGNER, BRILLIANTLY EXPLOITING HIS WELL-KNOWN SCREEN IMAGE. HIS DENUNCIATION OF CORRUPTION AND INEFFICIENCY IN A CONGRESS (I) ADMINISTRATION SO CLEARLY MANIPULATED FROM FAR OFF DELHI STRUCK AN UNEXPECTEDLY RESPONSIVE CHORD AMONGST THE ANDHRAN PEOPLE WHICH TRANSCENDED CASTE AND LOCAL FACTORS. CONGRESS (I)'S TRADITIONAL ELECTORAL WEAPONS OF MONEY, POWER AND ABOVE ALL MRS GANDHI'S PERSONAL MAGIC FAILED TO WORK.

4. BUT IN ~~MY~~ <sup>ANY</sup> WAYS THE KARNATAKA RESULT HAS MORE OMINOUS IMPLICATIONS FOR MRS GANDHI'S PARTY. IN THE ABSENCE OF ANY CHARISMATIC CHALLENGER, THE RESULT SEEMS A CLEAR VOTE AGAINST HER PARTY'S POLICES MORE GENERALLY, AND AN INDICATION OF DEEP DISSATISFACTION WITH THE CORRUPTION AND INCOMPETENCE OF GUNDU RAO'S STATE GOVERNMENT. THE MESSAGE WILL NOT BE LOST ELSEWHERE IN INDIA.

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5. THE IMPLICATIONS WILL TAKE TIME TO SINK IN FULLY BUT SOME TENTATIVE CONCLUSIONS CAN ALREADY BE DRAWN. MRS GANDHI AND RAJIV DEVOTED ALL THEIR PRESTIGE AND ENORMOUS EFFORTS TO THE CAMPAIGN AND THE DEFEATS WILL BE SEEN AS A BLOW TO THEM BOTH AND TO THE IMAGE OF THE CONGRESS PARTY AS A WHOLE. THE PARTY HAS BEEN HELD TOGETHER LARGELY BY MRS GANDHI'S HITHERTO UNCHALLENGED ABILITY TO WIN ELECTIONS FOR HER PARTY MEMBERS AT NATIONAL AND STATE LEVEL. BUT IN-FIGHTING WITHIN THE PARTY HAS REACHED DEBILITATING LEVELS IN SEVERAL IMPORTANT STATES AND IS NOW LIKELY TO GET WORSE. IF THE PARTY EDIFICE WEAKENS FURTHER, MRS GANDHI MAY NEED TO TAKE STRONG MEASURES TO SHORE UP HER POLITICAL POSITION. ONE OPTION MIGHT BE A MORE SERIOUS SEARCH FOR TALENT AMONGST FORMER SUPPORTERS NOW IN THE POLITICAL WILDERNESS OR ANOTHER LOOK AT THE IDEA OF FORMING CLOSER LINKS WITH PARTIES ON THE LEFT, AS SHE DID IN THE EARLY 1970'S. THERE IS SOME SPECULATION, PARADOXICALLY ENOUGH, THAT A SNAP GENERAL ELECTION, SAY AFTER THE NON-ALIGNED SUMMIT, MIGHT PROVIDE A BETTER WAY OF RECONSTITUTING HER POLITICAL BASE.

6. NEITHER N T RAMA RAO'S VICTORY NOR THAT IN KARNATAKA SUGGEST A CHALLENGE TO MRS GANDHI'S EXTERNAL POLICIES. THE SET-BACKS WILL, HOWEVER, ENCOURAGE REGIONAL POLITICAL PARTIES, EG IN PUNJAB THE AKALIS ARE LIKELY TO BE MORE INTRANSIGENT. IN ASSAM (WHERE STATE ASSEMBLY ELECTIONS WERE SURPRISINGLY ANNOUNCED FOR 14, 17 AND 20 FEBRUARY ALONG WITH MECHALAYA ON 17 FEBRUARY AND DELHI ON 5 FEBRUARY) THE ASSAMESE AGITATION LEADERS WILL BE ENCOURAGED TO CONTINUE THEIR STRUGGLE. THESE ELECTIONS NOW TAKE ON AN ADDITIONAL SIGNIFICANCE FOR CONGRESS (I)'S STANDING IN INDIA.

7. IN HER LONG CAREER MRS GANDHI HAS DEMONSTRATED GREAT SKILL IN SURMOUNTING POLITICAL CRISES AND HER POLITICAL RESILIENCE SHOULD NOT BE UNDER-ESTIMATED. HER PRESENT DOMINANCE OF THE PARTY IS NOT AT RISK, BUT SHE HAS SHOWN IN THE PAST THAT IF SHE FEELS HER BACK IS TO THE WALL SHE CAN EMBARK ON UNEXPECTEDLY DRAMATIC INITIATIVES. CERTAINLY A GREATER AIR OF UNCERTAINTY NOW HANGS OVER THE INDIAN DOMESTIC POLITICAL SCENE THAN AT ANY TIME DURING THE PAST 3 YEARS.

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