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mandering that gives rural areas a disproportionate share of the state legislature's 89 seats. Yet, in spite of the two conservative parties' concentration on fighting each other, Labor now finds itself worse off than before—14 seats short of power and 2.5% down on its vote.

Although the losers attributed their defeat to the unfairly generous representation of the rural areas, in which Sir Joh enjoys strong support, the effect of the gerrymandering was not as great as was claimed. The decisive factor, in an election held on a preferential system, was the number of Liberal second preferences that went to the National party.

Both Labor and the Liberals underestimated the strong sense of community that has been generated in Queensland during Sir Joh's long tenure of power in this most outbackish of Australia's states. The sense of community mustered behind Sir Joh. Queensland's producers of coal and sugar, both suffering from low world prices, have been impressed by the premier's dogged campaign to get them financial support from the federal government. Queenslanders tend to feel badly done by no matter which party is in office at Canberra; but they feel it more when a Labor government holds the federal reins, as one does now.

The new taxes on capital gains and fringe benefits introduced by Mr Bob Hawke's federal government have intensified this resentment. Sir Joh made the most of it. While Queensland's Liberal and Labor parties were focusing their election campaigns on local issues, he was launching angry tirades against the "socialists in Canberra". As soon as he was declared the victor, he warned Mr Hawke that he would keep up his campaign against the federal government's policies. "Make the best of it while you're there, because you won't be there much longer," he thundered at Mr Hawke. They love it in Queensland.

The bomb-throwing Brahmin

FROM OUR INDIA CORRESPONDENT

Rajiv Gandhi's blast against 40 years of "Indian socialism" hit its mark. But the Indian prime minister's skill at analysing the failures of his country's economy has been greater than his ability to reform it. Why?

None of the economic radicals Mr Gandhi brought in with him when he took power in India two years ago would have disagreed with their furious chief when he addressed a group of Indian businessmen on October 29th: "A poor country cannot afford to carry on billing the poorest people for its inefficiency and call itself socialist. It is ridiculous." Ridiculous or not, it is the Indian norm; and it is not the privileged "socialist" conservatives but the free-market radicals who are gloomy in India these days.

The prime minister's programme has been to shake up the economy by cutting taxes, reducing subsidies, opening the window to the fresh air of foreign competition and investment and pruning the vast system of government licences that strangles everything except the deposit of bribes in officials' pockets. But the programme is motionless. There have been no important new measures for a year. The bureaucrats, who can interpret the plethora of regulations with some freedom, have recently been applying them more strictly. Approvals of collaborations between foreign and Indian companies have, for instance, fallen by 25% this year, despite growing foreign interest in India.

Some of the blame is Mr Gandhi's: not for being wrong, but for failing to dirty his hands with the messy effort needed to shove his programme forward. But it is worth recalling the size of the obstacles in his path.

The way India's economy has been run since independence 40 years ago has made a few people quite comfortable and has provoked little opposition from the rest. After independence the Congress party handed over the "commanding heights" of the economy (banking, mining and most of heavy industry) to state enterprises. The private sector—which, through family business empires

like those of the Birlas and the Tatas, had financed the Congress party before independence—got the rest. The right businessmen were pampered. On the pretext of making the country self-sufficient, the government protected Indian business from foreign competition. To ensure its own control, the government regulated investment and production in favour of its local business friends.

Permits to set up factories and pro-



A toast to freedom isn't enough

duce goods were handed out to those who could afford them. The people setting them up were assured that nobody would lose money. By controlling prices and output the government could generally assure a profit. If something went wrong, the government would take failing companies off businessmen's hands and run them at a loss.

The exchange for this was that the profits should be shared as bribes with politicians and bureaucrats. The result was the Indian solution that so enrages Mr Gandhi: neither the equal opportunity and economic growth of capitalism,

nor the equality of the socialist ideal. Instead, India combines vast disparities of wealth with social immobility.

India's poor no longer suffer devastating famines, but around 40% of the population is still below the official poverty line. Yet property prices in Bombay have hit Manhattan levels, and the wealth of the business families is astounding. A visitor has only to cast an eye at the jewellery around the women's necks at a smart party in Bombay to get a measure of the scale of this wealth. Very little of the big money is new: most of the business families established themselves under the Raj.

Education, which in Mr Gandhi's India ought to start narrowing differences, is still preserving them. Some 8% of Indians get free higher education, yet only 36% of the country is literate. Primary schools lack the most basic facilities—blackboards, books, sometimes even buildings—while the universities churn out unemployable graduates with useless degrees.

A rigid system of established privilege survives in part because of the 4,000-year-old caste system. The caste you are born into determines what job you can take, whom you can marry, even whom you can cook for. It has the sanction of the majority Hindu religion: if you are born a cleaner your religious duty is to be a good cleaner and not to aspire to a better station in life. The bureaucracy and the Congress party are still dominated by the highest caste in the hierarchy, that of the Brahmins. Being the best educated, they have slipped easily into administrative jobs. Another group, the Vaishyas, control most business; among them the Marwaris, India's bankers in the seventeenth century, are the richest.

Mr Gandhi, who himself comes from a high-caste Kashmiri Brahmin family, would like to blow up India's immobilised system of privilege with his economic reforms. He has accomplished a good deal in the two years since he took over from his mother. He seems to have a clearer vision of what India ought to be than she did. But he will not move the Himalayas of Indian conservatism unless he masters some of her political arts.

ommendations of the tax advisory council that Mr Nakasone has set up. He has made it clear that he believes tax reform should be a matter for the party, not the prime minister.

South Korea

I wouldn't dream of taking the job

FROM OUR EAST ASIA CORRESPONDENT

South Korea's politicians have invented a new game: competitive forswearing of presidential ambitions. President Chun Doo Hwan has already said he will bow out when his term is up in 1988. Now it is the turn of Mr Kim Dae Jung, one of the two main opposition leaders. Mr Kim says he will not be a candidate if President Chun will agree that the country's chief executive shall be chosen by popular vote rather than by the ruling party. Why this outburst of modesty?

Mr Kim's vow is an attempt by the opposition to recapture from President Chun some of the middle ground in the debate on constitutional reform. Mr Kim, who was convicted of playing a part in an anti-government uprising in 1980, is still legally barred from politics. But he is regarded as more provocatively exciting than his fellow opposition leader, Mr Kim Young Sam. By ruling himself out, Mr Kim Dae Jung is trying to allay fears that his phantom candidacy might encourage more big and unruly rallies.

There have been plenty of those recently. Mr Kim made his announcement on November 5th, less than a week after the South Korean authorities had arrested some 1,500 left-wing students who had occupied Konkuk University for three days. Riot police stormed the campus before the cameras of Seoul's pro-government television station. The arrests were part of Mr Chun's plan to isolate his radical opponents by casting them as sympathisers with North Korea—a serious charge in understandably wary South Korea—and to force his moderate opponents into compromise for fear of being tarred with the same brush.

If Mr Chun quits as promised in 1988, it will be South Korea's first peaceful transfer of power. The ruling Democratic Justice party wants the government to be run by a prime minister elected by parliament, which it dominates. The opposition New Korea Democratic party fears that the government's money, army muscle and control of television will enable it to win a parliamentary election. The New Korea Democrats want a president elected by direct popular vote. They reckon, carefully recalling Mrs Aquino's experi-

ence in the Philippines, that the governing party would lose such a vote and would be prevented from fiddling the result by the glare of publicity.

The opposition suspects that Mr Chun's warnings about North Korean subversion are his way of avoiding a debate on constitutional reform of the election system. In October an opposition member of parliament, Mr Yoo Sung Hwan, was charged with endangering national security by a speech in which he suggested that unification of the two Koreas should have precedence over anti-communism in the proposed new constitution. Opposition leaders quickly distanced themselves from Mr Yoo, but his remarks were a godsend for the government.

Now the government has stressed similarities between the Konkuk University radicals' posters and propaganda from the north. It is saying, and the students are denying, that their leaders are northern agents. To strengthen their case, the authorities have accused nine of the 1,300 students charged after the arrests of violating the tough national security law. It is a long time to 1988.

Australia

Fooled them all

FROM A CORRESPONDENT IN AUSTRALIA

The United States has its east-coast media. Australia has its southern media, the newspapers and television stations based in Sydney and Melbourne. And in both countries the pundits often get the rest of the place horribly wrong. Astonishing many of his supporters as well as all his opponents, not to mention virtually every Australian who thought himself a political expert, Sir Johannes Bjelke-Petersen, Queensland's 74-year-old conservative premier, once again emerged victorious from the state election on November 1st.

The opposition Labor party's hopes of seeing him ousted, after 18 years in power, had been raised by the vicious exchanges between his National party and its potential allies, the Liberals, which were a particular feature of the campaign. While Sir Joh was vowing that he would never form a coalition with the Liberals, they accused him of cronyism and corruption, and demanded an end to the gerry-

Fidei Defensor

FROM OUR ISLAM CORRESPONDENT

ABU DHABI



His Custodianship

It may be a mouthful, but next time you have an audience with King Fahd of Saudi Arabia don't address him as "Your Majesty"; he wants to be called, instead, "Custodian of the Two Holy Places".

The king made the change in a speech on October 26th at the opening of a television station in Medina—one of the two holy cities to which his new title refers (the other is Mecca). "Majesty", he said, is a holy attribute of God, and

using the word for a temporal ruler could offend purist Muslims (among whom the Saudis certainly count themselves). Fahd will still, however, be "King"—which is just as objectionable to anti-monarchy purists as "His Majesty".

What with sacking his oil minister, Sheikh Yamani, and worrying about the Iranians, the Saudi monarch may have had weightier matters on his mind. But his new title came quickly into use. He was first formally called "Custodian" (literally "servant" in Arabic) in public by Sheikh Zaid, the president of the United Arab Emirates, when the states of the Gulf Co-operation Council began their meeting in Abu Dhabi on November 2nd: it caused an amused titter among the delegates.

The Saudis are hoping for better. The new title is meant to give King Fahd greater standing among Muslims and prepare the way for him to be acknowledged as their supreme leader during the World Islamic Conference's summit meeting next January. This also explains the new anti-alcohol round-up.

The problem now for protocol chiefs throughout the Muslim world is what to call the 5,000-odd Saudi princes. Is Crown Prince Abdullah, for example, to be addressed as "Deputy Custodian of the Two Holy Places"? Will there be deputies or assistants to the deputy? The majesty of an all-knowing God embraces a multitude of mere men.