

# Gandhi: North must respond to Non-Aligned

by Susan Maitra in New Delhi

Prime Minister Indira Gandhi revealed towards the end of May that she has received only "lukewarm" responses from leaders of the industrialized countries to proposals made by the Non-Aligned movement to solve the world economic crisis by promoting rapid economic development in the Third World. Speaking to journalists from Yugoslavia, Mrs. Gandhi said that she has "had some answers, but you know some people have points of view which are very set, and it depends on the others whether they feel strong enough to be able to push things in what we consider to be a better direction."

For the past several months, Mrs. Gandhi has been working to convince the industrialized countries to seriously consider the proposals drafted by the Non-Aligned movement at its March summit meeting in New Delhi. A strong effort has been made to place those proposals for ending the world depression on the agenda of the Williamsburg summit of the seven largest OECD countries, scheduled from May 28 to May 30.

Mrs. Gandhi, in her capacity as chairman of the Non-Aligned, has written to the leaders of the industrialized countries on several occasions since the March Non-Aligned summit, urging them to: 1) send high-level delegations to the June meeting of the United Nations Conference on Trade and Development (UNCTAD), where important economic issues will be discussed; 2) attend the U.N. General Assembly session in September, where major economic and political issues could be dealt with at the highest level; and 3) study the economic proposals issued by the New Delhi Non-Aligned summit, especially the proposal to convene an "International Conference on Money and Finance for Development," with the aim of establishing a new international monetary system to finance world industrialization.

Mrs. Gandhi said that it would not be possible to "prophesy" about the outcome of international meetings like the Williamsburg summit. "Even when they serve some good," she said, "say in Ottawa for instance, we felt that they have made a little advance, but nothing was done. The North-South dialogue thus remains where it was."

Mrs. Gandhi also stated that, in her view, the Non-Aligned movement must tackle two main problems. The political problem concerns war and peace, and the need to prevent nuclear conflict—indeed, all wars. The economic problem,

she said, involves the need for cooperation and development, and a restructuring of the global system. There is an urgent need for global negotiations, she said, even though some Western countries are allergic to this terminology. Observing that even some developed countries such as France now believe that the institutions set up at Bretton Woods had not been of much use, it is time, she said, to think again about these institutions, and to have an economic system which can meet the needs of the present day.

## Best response from Tokyo

Thus far, the most favorable response to Mrs. Gandhi's appeals has come from Japan, where Prime Minister Yasuhiro Nakasone told India's finance minister the third week in May that he would personally raise at the Williamsburg summit many of the Non-Aligned's concerns about the world depression. It has been repeatedly rumored that Nakasone will propose the creation of a "Global Infrastructure Fund" for North-South investment.

Finance Minister Pranab Mukherjee's three-day visit to Tokyo starting May 18 has deepened relations between Tokyo and New Delhi. The visit had long been planned to cover various mostly bilateral economic issues, including India's concern about Japan's attitude toward its \$2 billion loan request to the Asian Development Bank (of which Japan is currently president), as well as the upcoming Aid-India Consortium meeting. But, at Mrs. Gandhi's initiative, a new dialogue was opened with Nakasone on the Non-Aligned economic proposals.

During his 30-minute meeting (reportedly twice the scheduled length), Mukherjee told the Indian press, Nakasone was "positive and specific" in his response to the message sent to him by Mrs. Gandhi. According to the Indian government's report of the meeting, Nakasone said that he shared India's concern regarding the state of the world economy and the problems of the developing countries, and paid special tribute to the leadership provided by Mrs. Gandhi in her capacity as chairman of the Non-Aligned. "I myself have come to the conclusion that, like the human body, so with the world economy, there must be circulation in order to survive," Nakasone told Mukherjee. "The dialogue between North and South must start. There can not be any prosperity for the North if there is no prosperity in the South." Nakasone's views were echoed by Foreign Minister Shintaro Abe, according to official reports from New Delhi.

Nakasone also assured Mukherjee that Mrs. Gandhi's suggestion for a meeting of heads of state at the United Nations in September is being studied carefully by the finance and foreign ministries in Tokyo. Nakasone said that he wants to hear the views of other leaders before making a decision.

According to Indian and Japanese wire services, Mukherjee also asked for Nakasone's support of the Non-Aligned proposal for an international conference on development finance, and he reportedly emphasized the necessity of such a conference to the four other Japanese cabinet members with

whom he spoke during the visit.

The day after his meeting with Mukherjee, Nakasone delivered a speech to the National Press Club of Japan, followed by a press conference on economic issues. He called for thorough revision of "traditional thinking and policies in regard to economic management. . . . Japan's task," he said, "is to review the international systems, such as the International Monetary Fund and GATT . . . and to contribute actively to the formation of an international order that will allow new economic development." He also underscored the necessity for a solution to the problem of the indebtedness of developing countries.

"Japan's first task in international economic management is to place the strongest emphasis on contributing to the peace and prosperity of all human beings through economic and cultural cooperation. In particular, Japan should place strategic emphasis on promoting economic cooperation with neighboring developing countries in their self-reliant efforts, thereby bringing about expanded economic exchange."

These concerns, Nakasone told Mukherjee, were raised to him by the leaders of Southeast Asian countries, with whom he met during a recent tour of that region. "In view of recent experiences, there is an especially urgent need to re-establish stable frameworks in the areas of trade, currency, finance, and energy," Nakasone said. He also referred to the "bitter experience" of failing to coordinate international policies and finally inviting the scourge of war. "Today," he said, "we can't entirely discount the danger of Japan again traveling a road to international isolation if it fails to respond appropriately in the economic area."

### Science and technology cooperation

In talks with Ministry of International Trade and Industry minister Yamanaka, Mukherjee discussed ways to expand the volume of bilateral trade and modify certain trade financing procedures onerous to India. Yamanaka is understood to have agreed in principle to increase the quotas of items under Japan's generalized system of preferences, which covered 17 percent of India's 1982-83 exports of about \$1.8 billion to Japan. India's trade balance with Japan, where iron ore and various agricultural products such as tea are exported, has deteriorated in recent years; a Japanese business delegation to India is now under discussion.

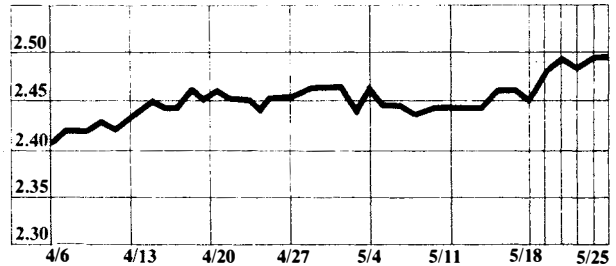
The Japanese and Indians also discussed ways to "institutionalize" scientific and technological cooperation between the two countries, which has increased greatly in the last few years. Yamanaka has asked for a study of certain potential areas of technological collaboration; India has already expressed interest in Japanese collaboration in electronics, and development of non-conventional forms of energy production.

"There are good prospects for better Indo-Japan cooperation," Mukherjee told the press before departing for New Delhi. He said that he had detected a "new awareness of India in Japan."

## Currency Rates

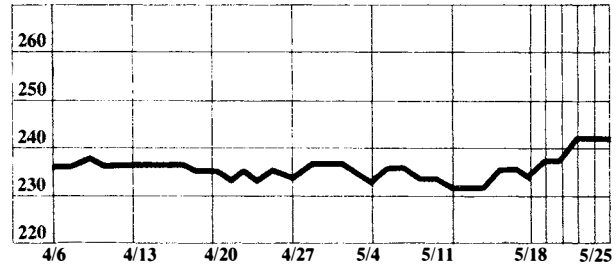
### The dollar in deutschemarks

New York late afternoon fixing



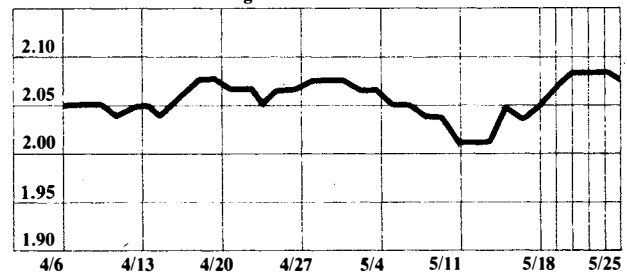
### The dollar in yen

New York late afternoon fixing



### The dollar in Swiss francs

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### The British pound in dollars

New York late afternoon fixing

