
Mrs. Gandhi at UNCTAD

'Should not the Third World act on its own?'

The following are excerpts from the speech delivered as the Raul Prebisch Lecture by Indian Prime Minister Indira Gandhi at the UNCTAD VI conference in Belgrade June 8.

Everybody agrees that there is a global economic crisis. It originated in the industrialized countries and has been in the making for some time. When, as a result of the Bretton Woods conference, certain international institutions were set up, problems were not looked at in their totality. Nor was the changing world political situation taken into account.

At that time, the majority of today's developing countries were not independent, so their legitimate interests went unrepresented and the internal contradictions inherent in the system soon became apparent. This basic structural flaw distorts the functioning of these institutions. It is not surprising that they have failed at the first crucial test. What was initially supposed to be advantageous to the developed, but not especially helpful to the developing, has turned out to be bad for both. . . .

It has been said that the economies of some important countries are recovering. Not all share this optimism. The ingredients of substantial improvement are not yet in sight, nor have major problems been solved. I am told that in 1982, the world as a whole has had a negative growth rate. In industrialized countries, the annual rate of growth has fallen from an average of 5 [percent] to 2 percent or less. In five years the affluent countries have lost extra income of more than \$2 billion, one-fifth to one-third of plant capacity is idle, over 10 percent of their working force is unemployed. . . .

The belated increase of IMF quotas and the arrangements being made with central banks and governments for debt recovery are clear admissions that basic reforms are overdue. When developed countries subsidize and protect their agriculture, even when it is inefficient, reasons are found to shield them from the discipline of the General Agreement on Trade and Tariffs (GATT). But when developing countries promote exports of manufactures through subsidies and other incentives, they are criticized. The age-old argument that infant industries need protection until they can compete with established and entrenched giant corporations is conveniently ignored. . . .

The picture of inefficiency and poverty in developing countries is so persistently projected that few take the trouble of ascertaining the considerable advancement that has been

made in the face of tremendous odds. In the last three decades since their independence, the real national output of developing countries taken together has risen four and a half times. Notwithstanding population explosions, the per capita income has more than doubled; industrial output has increased seven times, capital formation 10 to 11 times, and enrollment in institutions of higher learning 15 to 16 times. . . .

The attention of governments must be reoriented to the problems of the underprivileged sections of the world community. Developing countries generate 20 percent of the world's output, absorb 30 percent of the total exports of developed countries, and, in the 1970s, had higher rates of investments. Why should they be denied their rightful share in decision-making?

"Debt crises" are there because private international banking, alert and sensitive as it is to opportunities for profitable recycling, cannot perform the function which, by its very nature, can be undertaken only by suitably strengthened international organizations dealing with problems of money and finance for a developing world economy. Strong international organizations must be truly representative of the international community. To consider these matters, we have called for a conference with universal participation. The mutuality of interests of different nations and peoples must be fully recognized. Hence the need for a new international economic order. . . .

I am a soul in agony. As one who feels passionately about freedom, I cannot but be alarmed at the continuing pushing domination, the new methods and forms of colonialism. This is all the more pernicious because less obvious and recognizable. Except for a few places, the visible presence of foreign rule has gone. We are free to run our affairs. And yet, are we not bound by a new kind of surrogate colonialism? How else shall we describe the power of and the pressure exerted through the monopoly control of capital, the withholding of superior technology, the political use of grain, the manipulation of information, both subtle and subliminal, for influencing minds and attitudes? Is it not time for us to pause from our daily concerns to ponder over the new dependency? Instead of reacting, should we the developing not think of acting on our own? . . .

Peace is not merely the absence of war. It is not a passive concept, but a positive one. It is a feeling of well-being, of good-will. I am asked if non-violence will work in today's world. Nothing ever works ideally, but the concept of non-violence can make an enormous difference. When Mahatma Gandhi practiced non-violence, he did not mean just the absence of violent acts, but the avoidance of violent words and even thoughts. Non-violence is neither a cowardice nor a resignation. On the contrary, an unarmed crusader needs far more determination, discipline, and daring. Definitions of right and wrong are colored by reality. In truth, the only right is that which preeminently ensures the good of all living creatures. Let that message go from this hall to encircle the globe.