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SPEECH BY MR S RAJARATNAM, MINISTER FOR FOREIGN AFFAIRS,
AT THE 34TH SESSION OF THE UNITED NATIONS GENERAL
ASSEMBLY ON 24TH SEPTEMBER 1979

Permit me to begin by expressing the gratitude of my delegation to the outgoing President of the General Assembly, His Excellency Mr Indalecio Lievano of Colombia.

Secondly, I would like to congratulate you most warmly on your unanimous election to the Presidency of the 34th Session of the United Nations General Assembly. At the age of 37 you are the youngest person ever to have been elected to this high office. In the short time during which you have presided over this Assembly, you have already impressed us with your efficiency, competence and fairness.

I would also like to pay a sincere tribute to our Secretary-General, Dr Kurt Waldheim. He is a tireless worker and traveller in search of world peace and of peaceful and constructive solutions to international problems. During the past year he visited the countries in East and Southeast Asia in order to learn from their leaders about the problems of their region. We also commend the Secretary-General's initiative in convening the Geneva Conference on Southeast Asian Refugees.

I propose to depart from the usual format of focussing attention on specific regional and national issues. My delegation will deal with them when these come up for consideration.

The close of a decade is conventionally an occasion for a retrospective assessment of the past to discern what the future holds for us. The seventies, by all accounts, has been the most disastrous decade for mankind since the end of World War II. In comparison with it, the preceding two and a half decades were years of steady achievements for most of mankind and even those who experienced disappointments and setbacks were hopeful that, given time and effort, they could correct their errors and join the main-stream of progress and advancement.

The seventies has rudely shattered this easy optimism about the future. A great many things have happened during the seventies to convince some people that the era of uninterrupted progress is over and that mankind has entered a new cycle of chaos and disintegration. There is an all-pervading uneasiness that we are inhabitants of a planet where more and more things are getting out of control and that we are plunging towards some undisclosed disaster. Not a day passes without world leaders meeting to reverse this drift but their failures so far leave the impression that they are managing the unpredictable.

It is true that the decades preceding the seventies were marked by crises too. They too had their moments of anxiety and uncertainty. But by and large they were manageable crises - temporary aberrations in an otherwise stable world order.

The crisis of the seventies is of a different order of magnitude. It attacks the accepted foundations of the system, suggesting strongly that they can no longer bear the load of human problems. The system's potential has been used up. It has reached the point of exhaustion, decay and spreading chaos.

It is what sociologists call a systematic crisis and the seventies gave clear warnings that we are drifting towards such a crisis. A feature of systematic crisis is that it infects all sub-systems - political, economic, social and ideological. It embraces all nations and the crisis afflicts the rich and advanced nations as well as the poor and developing countries.

What I want to do is direct your attention to the global crisis because it embraces us all and which, if left unresolved can affect solutions to regional and national problems, for these too have their roots in the global convulsion. I can think of no better forum for the resolution of the global crisis than the United Nations. Collectively the 152 nations present here represent humanity. The global crisis which threatens us is not the creation of Providence but the consequence of the sins of commission and omission on the part of us all represented here. Since the crisis is of our making, it is also within our capacity, provided we have the courage to face up to new realities, to undo what we have done. That is why I do not believe that the on-going crisis is irreversible; that we should resign ourselves to the inevitability of disaster.

If we approach the present crisis in a spirit of resignation or, as some of us are inclined to do, minimise the importance and extent of the global crisis, then the eighties will inflict far greater damage and human suffering than what the seventies has extracted. It is my considered view that the weight of the crisis, as in the seventies, will bear down more heavily on Third World countries than on rich advanced societies. Some of us may find satisfaction in the sorry plight of the developed countries. True, the rich countries are going through the torments of political instability, a sluggish economy and growing unemployment. But their sufferings are of a different order from those rampant in the Third World. The victims of the crisis in developed societies are buffered by various forms of welfare assistance which may make life unsatisfactory for them but not a matter of life and death. The rich countries can ride the crisis better and emerge when the crisis ends, as it eventually must, battered and bruised certainly, but without having lost their powers of recuperation. A dramatic illustration of this thesis are the examples of Japan and Germany. Both these countries suffered near total destruction politically, economically and institutionally. Yet within a decade or so they recovered sufficiently to exceed their pre-war achievements first in the economic fields and now in other spheres of endeavour. This is because bombs and enemy occupation could not destroy the accumulated knowledge and skills as well as the patriotic will of these two peoples to undergo great sacrifices and stringent discipline necessary for their national recovery.

The impact of the crisis on Third World countries is of a different order altogether. Foremost among the disasters it has brought is that, as the danger of open conflict between the rich advanced nations receded, the Third World countries are emerging as the arenas for international turmoil and conflicts. These initially take the form of conflicts between Third World countries but because modern wars have to be fought with sophisticated arms that only advanced nations can provide these bilateral and multilateral conflicts can easily be converted into proxy wars for great powers. Since 1945 there have been in all some 135 major and minor wars involving some 80 countries and responsible for some 25 million casualties. With rare exceptions the armies involved were from Third World countries. Today the fighting armies are wholly from Third World countries. The great powers have now so perfected the technique of proxy wars that it would not be necessary for advanced nations

to fight future wars on their own soil or use their nationals as cannon fodder. Why should they when Third World countries provide the cockpits and the cannon fodder, wittingly or unwittingly?

If the global crisis is left unresolved the indications are that in the eighties civil wars, small nation wars and proxy wars would spread further in the Third World. Already across South Asia, Southeast Asia, the Middle East, Africa and Central America, border and territorial disputes, recollections of injustices from time past and social upheavals are igniting countless conflicts. All these are all ripe for conversion into great power proxy wars. Though I welcome the detente between the great powers, we in the Third World should be aware of the dangerous implications it has for us. The detente is an understanding that under no conditions would the great powers wage war directly against one another because nuclear wars imply mutual annihilation.

But nowhere does detente repudiate great power rivalry or resort to proxy wars. So it is inevitable that the Third World should provide the arenas for proxy wars. That this could be the trend is evidenced by the militarisation of an increasing number of Third World countries, most of them desperately poor, through the supply and sale of arms by advanced countries.

An even more telling evidence of militarisation is the Third World's share of global military expenditure over the past decade. According to an estimate made some five years ago it shot up from 15 per cent, to 23 per cent. In the light of the proliferation of new wars since then, such as the major one in Indochina, the percentage has probably increased. A quarter of the Third World devotes more than a quarter of its public spending on arms.

One significant point worth noting about these wars, whether proxy or otherwise, is that these wars can be switched on and off at will by the half a dozen or so of the world's major arms suppliers. The arms supplier can call the tune of which his desperate clients must dance. The proxies, having liberated themselves from classical imperialism, are now in bondage to new forms of imperialism, perhaps not as visible as the earlier version, but affording as much control by the overlord over his subordinates as the earlier imperialism. When Third World armies can be induced to operate on an inter-continental basis where their national interests are not even remotely affected, then we get a measure

of the powers of control this new imperialism can exert.

This control is based on exploitation of the petty and, from the point of view of the great power, totally irrelevant ambitions of a growing number of small nations. This has contributed in significant measure to the crisis of the seventies.

Nationalism, initially a positive and constructive force in Third World countries, has now entered a destructive and reactionary phase. It is now reproducing in the Third World the errors and distortions that European nationalism did in its immature phase of history. Third World nationalism has entered its phase of racial, religious and cultural persecutions. The solidarity which transcended racial, religious and cultural differences has weakened or totally collapsed in many Third World countries. They quite justifiably charged their former imperial rulers with racial discrimination and yet an increasing number of them now adopt this terrible vice as necessary for national dignity and survival. I only need draw the attention of this Assembly to the openly declared policy of Vietnam of ejecting millions of their nationals who have lived for generations in that country for no other reason than that they are ethnic Chinese.

I mention this as only an instance of the growing tendency of Third World nationalism to adopt the vices of their former imperial masters while carefully eschewing some of their virtues.

This tendency has now culminated in the greatest vice of all - the emergence of Third World imperialism. In the seventies we had many instances of a Third World country invading another and absorbing it outright for the greater glory of the fatherland or setting up suppliant puppet regimes.

The ongoing invasion of Kampuchea by Vietnam is but a recent example of emerging Third World imperialism. An interesting feature of the war now going on in Indochina is that the proxies as well as their patrons all profess the Communist faith.

So the crisis of the seventies brought to surface the hidden fact that wars are not wholly a capitalist phenomenon and nor is aggression and imperialism. In fact today capitalist States live far more amicably with one another than do communist States or those that claim inspiration from that doctrine.

These then are some of the weaknesses, largely self-induced, within Third World countries which make them easy candidates for proxy wars. Unless those weaknesses, which are spreading rapidly throughout developing countries, are remedied the eighties might see many of them broken and battered beyond recovery or once more enslaved to mighty nations. It may take some of them many generations more to shake off the new servitude, because unlike the first, its chains are near invisible and its operations too complex and subtle for identification, and resistance. The enthusiasm and utter sincerity with which proxies, wittingly or unwittingly, promote the interests of their patrons is evidence of the tantalising invisibility of the new imperialism some advanced nations are erecting. Most proxies sincerely believe that their patrons give lavish aid and assistance to the military efforts of small nations and risk conflicts with other great powers simply to further the happiness and the trivial ambitions of their proxies. The proxies may have serious reservations about this in private but their public enthusiasm is incredible. It underlines my belief that once a hold has been secured the proxy has little free-will left.

These aberrations can be taken as the unmistakable warnings to the Third World that greater tragedies await it if it does not correct its accumulating errors. I believe that these errors can be rectified and that the disasters that could engulf us averted. We can and should do it in the eighties. After that it may be near impossible for the Third World to change course. But to reverse this drift towards disaster it is necessary for the Third World to recognise that it has and its committing errors instead of attributing its difficulties to its imperial past and to the machinations of the rich advanced nations. Certainly our imperial past is a factor but with each passing day the consequences of imperialism are becoming tenuous and our problems are increasingly the consequence of our own actions. The fact that some Third World countries are doing better in coping with the present crisis suggests strongly that what we do rather than what a vanished imperialism did is the primary source of our difficulties.

Equally I admit that the rich and advanced nations are not exactly bending over backwards to help us. On the contrary if the seventies are any guide, political and economic stability in Third World countries is not high in the advanced nations priority list. As I elaborated earlier great power rivalry requires the ignition of safe proxy wars.

In the economic field the post-war zeal for promoting economic development in Third World countries has evaporated. There are many reasons for this one of which is the ending of the first Cold War and the advent of detente. The need to win over Cold War allies from the Third World is therefore not as pressing as it once was.

The other and more important reason is the fear of competition from economically successful Third World countries. A number of Third World countries, primarily from East and Southeast Asia and from Latin America have demonstrated a capacity to compete successfully with advanced countries in an expanding range of industrial products. Initially these were simple manufactures like textiles, garments and foot-wear. But in the seventies a few Third World countries were turning out more sophisticated products which compete successfully with those of advanced countries.

The Third World countries which had reached this level of competency were no more than a dozen but it was enough to set off an alarm in advanced countries. They saw in such successes the possible threats to their dominant economic position and privileges should other Third World countries - over 100 of them - in course of time reach a similar level of competency. Economically these fears about an economically dynamic Third World are both groundless and self-defeating. But given the fact that the advanced countries had already entered a recessionary phase this minor challenge from the Third World has stimulated further protectionist tendencies. The most strident demands for protection from Third World competition has come from Western trade unions rather than from their capitalists. The Western proletariat sees the emerging Third World proletariat less as an ally and more as a foe.

The protectionists are, in effect, arguing that the post-war liberal economic order, established in 1944 at Bretton Woods, should be dismantled. One of the main pillars of this arrangement was free trade and provisions for the removal of tariff barriers.

Yet under the Bretton Woods arrangement (though it was not wholly responsible for it) there was sustained rise in income levels such as never witnessed before in human history in both developing and developed countries. Though average figures may mask differences in performance of individual countries, per capita income in the Third World countries under the Bretton Woods arrangement grew at an unprecedented

annual rate of 3.4 per cent, somewhat slightly higher than that for OECD countries. It is also a fact that economic growth was fastest in developing countries based on a free economy and with no inhibitions about the flow of foreign investments or multinational operations.

The developing countries which are now demonstrating a capacity to compete successfully with the advanced nations are wholly those based on a free economy and which took full advantage of the Bretton Woods arrangement.

For these reasons Western protectionists are keen about scrapping the old liberal order. What they would like to see emerge out of the ashes of the old are more barriers to competition from Third World countries. Given such barriers there is very little hope of Third World countries ever emerging economically and of the few who have managed to climb up the ladder being able to remain there for long.

There is much in the criticisms advanced by proponents of the New International Economic Order which are valid but some of the practices and attitudes of the developing countries will, I believe, work against the Third World and reinforce the strength of the protectionists in rich countries.

First, the developing countries cannot demand free trade while growing more and more protectionist themselves. There is possibly a case for constructive protectionism for Third World industries in their early stages. But protectionism could become a cover to protect inefficient and uneconomic enterprises sustained largely by exploiting the local consumers. Their ability to grow by competing in the more lucrative international markets would be severely curtailed. Rich countries can afford to featherbed ailing industries but poor countries cannot for long.

The other is the confrontational approach of Third World countries towards multinationals. Admittedly the multinationals are not philanthropic organisations. They are profit-oriented and their loyalty is to this central fact. But when they are assured of this they bring new technology, skills and established world markets which poor countries, given the need to operate in a global economy, cannot acquire, if ever, even over many generations.

Here, some developing countries see eye to eye with the protectionists who are perhaps even louder in their protests over the

havoc wrought by Western-based multinationals operation overseas. But if you read the protests of the protectionists in developed countries carefully you will discover that their objections are not to multinationals as such as but to their operation overseas. More multinational operation overseas mean less jobs at home and more effective competition from Third World countries. No great multinational government enterprise has been closed down in any advanced country by either industrial action or government legislation. They would be if they were intrinsically evil.

The main point I want to put across is that it is in the long-term interests of Third World countries, whatever the shape of the New International Economic Order that will emerge, to ensure that the principle of free trade should be made a cardinal principle of that Order. Sooner or later the present economic crisis must work itself out and the world economy will enter a new phase of prosperity and expansion. When that comes, protectionism, if well entrenched, will once again ensure that the Third World countries only get the left-overs from the main banqueting table.

But to take advantage of the new prosperity our domestic economies must be sound and dynamic. The Third World countries must re-examine brutally and frankly the many economic shibboleths which they have translated into economic policies and which have propelled them from one disaster into another. They should search other Third World countries objectively to make a compendium of economic policies that have worked and those which have not.

In my view, the policies that work best are those based on free competition, with government's role limited to protecting the people against the harshness and injustices unrestrained competition could inflict and redistributing the fruits of competition without deadening the competitive spirit.

The other approach is economic development through government controls and bureaucratic planning. However attractive this may be in theory, in practice, this has rarely worked. Even Third World countries which believe in controls turn to the free economies of the Western world with demands for aid, investments, markets and technology.

Underlying the turmoils and conflicts in the Third World countries to which I referred at the start of my address is mounting economic discontent. Sixty per cent of the World's population belong to the low income group and they are all in the Third World. Life is not getting better but worse for more and more people, thanks to uncontrollable population increase. We can produce statistics testifying to advances in this or that sphere of life in the Third World. But growth rates can hide unpleasant realities.

I can do no better than quote an eminent World Bank official Mahbub Ul Haq about the real meaning of statistics about economic performances:

"When you rip aside," he said, "the confusing figures on growth rates you find that for about two-thirds of humanity the increase in per capita income has been less than US\$1 for the past 20 years."

What these statistics tell is the extent to which national wealth has grown but not how this has been distributed among the population. If there is unequal distribution of wealth between rich and poor countries there is also as great a disparity in its distribution between rich and poor in the Third World.

So it is imperative in the eighties that we approach our economic problems, not in the spirit medieval religious ideologues who debated and killed one another over the question of how many angels could dance on the point of a needle, but as problem solvers who must deal with realities as they are and change them on the basis of what is possible and not possible at a given time.

The rich world will continue to be indifferent to the pangs of the Third World sunk in poverty and whose main demands are that it should get a free lift in the gravy train of the rich.

I do not think we are going to get any free ride however much we shout. The hitch-hikers will most certainly be left behind.

But a prosperous and economically dynamic Third World comprising some two thirds of the world population would be sufficiently attractive for us to extract better terms from the rich than we can now get. The

market-hungry rich nations would be at the door steps of Third World countries with their money and their blue-prints. Where they can make profits they would be less inclined to make mischief. They would have a vested interest in ensuring our economic and political stability because that provides their bread and butter too.
