

# World Dollar Debt Moratorium Now... Or Fascist Economic Reorganization

June 16 (IPS)—Bankrupted countries throughout the Third World, unable to meet payment schedules on their dollar denominated debt, are now declaring de facto debt moratoria. The accelerated rate of economic collapse into catastrophic levels since the June 30 deadline for world-debt payment, has made increasingly clear that the bankrupt dollar system can no longer support the mass of its accumulated debt. Now the question facing Third World countries and municipalities in the advanced sector is: debt moratoria, chaotic or orderly? Who will pay? Rockefeller or the working class?

Third World countries such as Zaire, Chile, South Korea, and Argentina are currently without any means of paying their debt on any account. The redoubled collapse of world trade will effectively sever the underdeveloped sector from the sphere of dollar credit thereby reducing the entire Third World to present levels of economic drought as exist in Zaire or Chile.

What is required if world economic activity is not to grind to a total halt is immediate emergency moratoria on all major categories of especially dollar-denominated debt from such reliquaries of the 1944 Bretton Woods System as the International Monetary Fund, the World Bank, and their replacement with the International Development Bank.

## Catch 22

The alternative is the type of debt moratoria offered by the proponents of cannibalism from the notorious Club of Rome. Dutch economist Tinbergen, writing on contract for Aurelio Peccei recommends a one-year suspension of debt payments for the world's poorest countries. Such a reprieve would be accomplished by a process of capital infusions to the tune of \$30 billion—precisely the amount of presently outstanding Third World debt which cannot be rolled over by existing credit arrangements.

Such suspension measures are a worldwide effort by the Rockefeller financier faction to enforce

renewed levels of genocidal Schachtian looting against the world's population as a whole. Through their control of trade financing, Rockefeller-faction controlled banks now have effective first lien on Third World revenues. The direct conditions of the Club of Rome's recommendations are that the receiving countries use capital infusions for population control—i.e. genocide.

More broadly, fresh dollar credit would only be issued on the basis of even tighter import controls and commitments to export everything that can be moved—the looting process that Nazi Germany inflicted upon the occupied countries of Eastern Europe. Recent measures taken by the governments of Mexico, Zambia, and mooted by the government of Britain demonstrate this point.

## Deadly Results

It is indicative that capitalists cheerfully point to Brazil as the pilot project in such efforts. That country's plague infested depleted population is in no political shape to resist increased levels of fascist looting which accompany the suspension of debts.

The case of Naples indicates the medieval condition in which advanced sector cities will soon fall under such arrangements. The bourgeois daily La Stampta admitted this week the "city is reduced to a dung pit." Sanitation men have been on a three-day strike since the city has no money to pay them. In this city where three out of four men are out of work, the municipal government does not have the money to pay its workforce for the month of July. Hospitals are now sending home the sick for lack of supplies or personnel, and pharmacists are refusing to sell medicine because they have not been paid by the city.

Under conditions where continued debt payments can only result in suicide, arguments to the effect that debt moratoria will endanger the declaring country or authority's trading or credit rating are nothing but the

worst kind of scholasticism. The international banking institutions under the control of the Rockefeller financier faction have already embargoed world trade and credit for trade in practice.

What Third World governments hysterically fear will occur if they declare debt moratoria is in fact happening now because they refuse to call emergency debt moratoria. The bankrupt dollar sector, bloated with its past debt cannot extend credit for anything except refinancing its own debt repayments, as long as the book values of the investments on which the interest payment are maintained. The result throughout the Third World has been the catastrophic decrease in trade and production (see article page 1), which now threatens to bring down the advanced sector economies with it.

## Political Reality

But the declaration of de facto debt moratoria without a concomitant commitment to establishing three way trade deals with Comecon and the advanced sector along the lines of the IDB, are only a one-way ticket to hell. In the past month, political resistance from the Argentine working class combined with the hatred expressed in even that country's military for the idiotic policies of the contemporary Latin successor of the ill-fated Rasputin, Lopez Rega, have made government payment on its outstanding \$3.6 billion worth of debt impossible. Workers will not tolerate the levels of austerity required to pay it. Capitalist political factions, terrified by the example of Brazilian hell-hole to the north, will not support the bloodbath policies required to subdue the working class.

This however, has not solved anything, as Argentina's economy continues to collapse. The Argentine mass political upheavals are but a foretaste of the chaos that will ensue throughout the Third World if the Rockefeller faction attempts to ram through the levels of looting it demands.

This is precisely why the ICLC insists that the imposition of debt moratoria be an orderly process.

There is no alternative. Otherwise it is a full descent into the depths of the deepest depression in 400 years coupled with the severest social dislocation and chaos that humanity has ever experienced.

To avoid that, Third World and advanced sector debt moratoria must be organized in coordination with the Comecon sec-

tor's massive plans for economic aid and trade with the depression-ravaged sector. Such three-way collaboration is necessary to effect the most rapid possible recovery out of the depression. The advanced world's idled industrial capacity is required to overcome short-term bottlenecks in parts and supplies etc., in addition to the manufacturing

capacity which the Comecon sector, for example, lacks.

Such measures must be on their way to implementation by this fall. Present levels of collapse leave no choice in that regard. The stranglehold of Rockefeller's dollar must be broken, and alternate credit and trading relations put in its place.