

Special Report-- United Nations Session

Pakistan at UN: Cancelling Debt is Top Priority

by Bob Dreyfuss

UNITED NATIONS, N.Y., Sept. 10 (IPS)—Feroz Kaiser, chairman of the Pakistani delegation to the 7th Special Session of the U.N. General Assembly on development and economic cooperation, declared yesterday that Pakistan supports an "agreement in principle" "at this session" for a blanket moratorium on external debt for developing countries. In the sharpest statement to emerge thus far at the UN Special Session on the debt issue, Kaiser termed a moratorium on the Third World's \$120 billion debt "an imperative necessity," citing the fact that half of all so called development assistance is now taken up by refinancing existing debt service!

"What is more," said Kaiser, "in most cases the development objectives for which the debts were contracted have not been achieved due to lack of progress in other areas," such as access to markets and low technology. Recognizing the need for development to provide the means to repay foreign debt, Kaiser further proposed that the debt moratorium be continued "until the objectives for which the specific development loans were provided are attained."

From the public speeches of UN delegates and from dozens of exclusive interviews with participants in the strategy debate, it is clear that the overwhelming majority of the nations represented are actively preparing to replace the discredited U.S. dollar-based Bretton Woods monetary system with another geared not to mere debt refinancing but to production and transfer of real wealth.

Like the Pakistani representative, UN delegates are increasingly targeting the most damning aspect of the Dollar Empire--the crushing burden of debt. Representative G.R. Bandaranaike of Sri Lanka was most explicit: "The burden of external debt of developing countries...constitutes today a serious obstacle to the economic growth and social development of these countries."

"The problems of the most seriously affected countries are so serious that they simply cannot wait until 1976," continued Bandaranaike. Citing the Group of 77 non-aligned countries' endorsement of debt cancellation, he urged "that the appropriate international agencies take immediate steps to implement these provisions so

that no country burdened by debt would be compelled to default."

Afghanistan also officially joined the growing list of countries calling openly for a debt moratorium. In addition, numerous private conversations with officials of Third World countries elicited near-unanimous support for debt moratoria. Foreign Minister Frederick Wills of Guyana, asked whether he would favor a Third World debt moratorium, told IPS in a personal interview: "Yes. Emphatically yes. This is a necessity for the whole Third World."

The extent of support for IDB-type proposals was underlined by statements by representatives of UNCTAD and Israel. Secretary-General Gamani Correa of the UN Conference on Trade and Development (UNCTAD) told a press briefing yesterday that UNCTAD would promote "triangular" trade among the Comecon socialist countries, the Western industrial states, and the developing sector. Correa also attacked as, "intolerable" the debt burden now strangling world trade.

In a development completely blacked out in the press, Israeli Ambassador Chaim Herzog offered cooperation to Israel's Arab neighbors based on the integration of Israel's highly developed technological potential into a "regional project." Borrowing heavily from a widely circulated ICLC Resolution on Israel published in July, Herzog declared that Israel "is prepared to place at the disposal of our neighbors...the benefits of our research and development" in the fields of energy, desalination, and agricultural techniques for arid land. While Herzog did not indicate any proposals regarding the other half of the ICLC-statement-- the necessity for Israel to seek Soviet mediation toward a comprehensive solution of the Palestine Question--the statement indicates the depth of pro-development feeling among the Israeli population.

Rockefeller flunkey Henry Kissinger has been forced by this development to resort to outright economic blackmail moves to split the united front of developing countries. Several UN sources report backroom maneuvering by Kissinger to win "favors" from cooperative delegations. "We believe that Kissinger is trying to split the oil-producing countries from the rest of the developing countries," said one foreign

minister privately. In his remarks and in the U.S. negotiating paper, Kissinger attempted to blame the crisis in the developing sector on OPEC, the oil-producers' cartel. He was aided by the delegation from CIA-controlled Zaire, who criticized the Arabs--among whom Iraq and Algeria are the vital leadership of the socialist, pro-development motion -- for raising oil prices.

Kissinger sought to "defuse the Arab potential for being leaders of the Third World 'new economic order'," said Guyana's Mr. Wills. "That was one of his objectives."

The shadow of right-wing coups d'etat of varying degrees of success in Bangladesh, Peru, and Ecuador by Kissinger's National Security Council-directed political terror apparatus hangs over the UN proceedings. In addition, hints that the U.S. will make tactical concessions on minor issues related to commodity prices and income stabilization have enticed some wavering Third World countries away from the united front led by Iraq, Algeria, and Mexico.

Faced with the Rockefeller-Kissinger counteroffensive, a number of Third World delegates reacted skeptically when asked about the IDB, debt moratoria, and triangular trade, preferring to concentrate on more "practical" matters-- precisely those on which Kissinger can be expected to make "liberal" compromises.

Throughout the UN Special Session thus far, the role of the Labor Committees has been to locate the significance of otherwise apparently unrelated economic and financial issues and proposals in the process of convergence toward the IDB. The general impact of a year or more of programmatic organizing combined with a saturation of UN delegates in New York, as in Lima, Peru during the Conference of Non-Aligned Countries, has been the crucial, determining influence of the UN debate.

The further spread of ICLC ideas is readily visible in the corridors and lounges surrounding the various conference rooms. Numbers of delegates can be seen reading *New Solidarity* or approaching IPS correspondents for discussion of the debt moratorium and the IDB.