



**INTERNATIONAL MARKETS
NEWSLETTER**

NEW SOLIDARITY International Press Service

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Atlanticists Adopt Big Lie Tactic On Debt Question

NEW YORK Feb. 29 (IPS)— Faced with increasing momentum for debt moratorium within the Third World which now includes explicit calls from even such hitherto unlikely quarters as Egypt's Sadat and Pakistan's Bhutto, the Atlanticist financiers have resorted to a defense against the domino collapse of the \$800 billion debt structure: predicated on the Big Lie tactic of Adolf Hitler. According to the Big Lie, there is a "solution" to the burden of dollar debt now strangling the Third World economies short of the unilateral declaration of moratoria on dollar debt, tied to multilateral expansion of production and trade along the lines proposed in the ICLC's International Development Bank (IDB) proposal of April 1975.

Coordinated from the U.S. Department of State and U.S. Treasury, the World Bank and allied Atlanticist debt collection agencies as well as "liberal" thinktanks, and run in part through United Nations channels, the psychological warfare operation is tailored in true Goebbelsian fashion to pre-empt the political motion toward debt moratorium of specific pro-development forces and their potential allies among Third World governments, industrialist and political factions in the advanced sector and U.S. Congressmen in particular.

The principal thrust of the Big Lie tactic is aimed at suckering leading Third World governments into fruitless and in fact deadly "negotiations" on the pivotal question of debt. Holding out the promise of refinancing "deals" to frightened and economically desperate developing country governments with one hand, the State Department lyingly points to the unfortunate "constraints" imposed by a bloodthirsty U.S. Congress bent on collecting every penny of dollar debt with the other.

Simultaneously, rumors are being circulated that "delicate negotiations" are now proceeding on the debt issue. These lies are aimed at silencing discussion of the debt moratorium and IDB proposals among European and American business and congressional layers, as well as sowing dissension and paranoia among the ranks of Third World governments.

To cap the Big Lie a barrage of wildly fraudulent propaganda on the alleged economic "upswing" in the advanced sector aimed at potential debt moratorium allies among especially European anti-Atlanticist circles, and U.S. business and congressional layers as well are also being circulated. The psywar message is clear: "There is no problem — the U.S. recovery is here."

A Cruel Hoax

The Atlanticists however have no intention of entertaining any debt "refinancing" — except at the expense of catastrophic levels of austerity and triage. That is the actual bloody content of any alleged "delicate negotiations." (See Argentina section of this newsletter)

The so-called "upswing" is a fraud. (see next section of newsletter) and the ritual incantation of an "implacable" Congress is but a club over Third World governments and provides a convenient excuse for the Atlanticists to self-righteously do nothing.

The Atlanticists are trying to buy time at the expense of the future of the human race. They are intent on fracturing the growing policy coordination among progressive Third World governments and forestalling the declaration of debt moratoria by any one of them, each well known to be fearful of delivering the fatal blow to the Dollar Empire. They are hoping that in the interim, the pressure on the Third World to take drastic austerity measures to ensure debt payments will create serious political dislocation — openings for CIA "destabilizers" to cripple or destroy key progressive regimes now in the forefront of the fight for debt repudiation and genuine economic development.

In the meantime, the electric discussion of debt moratoria and the ICLC's IDB proposal throughout pro-development layers in the industrialized countries as well as the Third World must be squelched.

Trying to be "Reasonable"

The nuts and bolts of the Big Lie operation were laid out publicly on February 17 by New York Times financial correspondent Edwin Dale in a lead feature article in that newspaper's financial pages. In a carefully worded "policy statement," worked out, according to informed sources, in close collaboration with the State Department, Dale praised the restraint of the "multi-phased" schemes for refinancing, rescheduling, and generally propping up Third World debt which were adopted by the recently concluded 100-nation Non-Aligned Nation's Minister's Meeting in Manila. No "radical call for a sweeping debt moratorium has been suggested by spokesmen from some of the poorer countries," Dale pointed out. The proposals adopted are "moderate," eminently "workable", he stated. Citing a Treasury official, the State Department conduit then indicated Congress is

likely to be "extremely reluctant" to consider anything that but service waivers or the like.

The ink had barely dried on Dale's psywar tract when a herd of State Department operatives hit the phones, asserting to foreign diplomats and lawmakers alike that "the State cannot consider the option of debt moratorium because its hands are tied by an unwilling Congress — as today's New York Times reports."

The State Department, for its part, is brazenly explicit about the Big Lie tactic. Referring to the most recent session of the Conference on International Economic Cooperation in Paris, which according to the February 23 Journal of Commerce "broke up in disarray over the developing countries' call for sweeping revolutionary steps," a policy planning officer self-righteously reported that "we tried to be reasonable," but the Third World was very demanding — and the talks came to no result. "No we don't have to worry about the Third World for two months," he chirped.

Capitol Hill "Liberals" Puff State Department Bluff

Wall Street's "liberal" mouthpieces on Capitol Hill, are meticulously pushing the State Department lies. An aide to Senator Adlai Stevenson (D-Ill), in response to discussion of the momentum toward development-linked debt moratoria, this week raised the hoary spectre of the 1938 Johnson Act which declares it a crime for any individual or institution in the U.S. to grant credit to any country which defaults on its debt to the U.S. and the New York banks. The act has never been used, he pointed out, but it's on the books just in case.

Another liberal Capitol Hill source insisted that the Feb. 23 pro-debt tirade by mossbacked Virginian Senator Harry Byrd, Jr. in congressional hearings on the world debt problem (Byrd ceremoniously "instructed Assistant Secretary of State for International Monetary Affairs Paul Boeker to clear any debt renegotiations with Congress because "we want every penny on the dollar!") summed up "the general feeling in Congress."

The parameters of this charade came full circle when this same source hastened to add that there were, of course, a "few" Good Samaritans considering a program of debt rescheduling — none other than the grouping around Senator Hubert Humphrey (D-Minn) otherwise identified as the major Wall Street-backed saboteurs of development policies on Capitol Hill!

"AUTHORITATIVE" CLAIMS

In this context the calculated use of "authoritative" claims to lawmakers and businessmen that "delicate negotiations" are underway on the debt problem, and the general circulation of these claims among Third World diplomatic circles, serves to wrap a blanket of paranoia around the whole Big Lie operation. A raging dispute in key Chicago business circles over the drafting of a world economic policy statement was summarily silenced recently by these means. Sources close to pro-development layers in the Midwest acknowledge that since World Bank enforcer Costanzo last week told a Chicago International Trade Club audience that the debt problem was "huge and complex" and that "delicate negotiations" were going on, these same layers categorically refuse to discuss the debt moratorium.

The terrible irony of the parochial dissension such a tactic tends to engender is the fact that any such "delicate negotiations" merely offer credulous Third World governments the opportunity to discuss the specific means by which to loot their economies and populations for the Atlanticists blood money — the "conditions" for so-called debt relief.

THE "UPSWING" HOAX

At the same time, the State Department and Atlanticist press outlets are trumpeting the equally fraudulent claim that Third World debt problems will be swiftly solved by the U.S. economic "upswing." Third World countries are being told that with the "upswing," demand for their exports will turn around and they will be saved from default. The upswing myth is employed especially at international meetings to divert developing sector nations into discussions of raw materials prices and away from the reality that the international trade of major exporting nations has been dropping at a rate of 25 to 30 per cent a month!

More recently this pernicious lie received prominent treatment in the American business weekly Business Week. In a feature spread, reportedly written in consultation with Atlanticist hatchetman and former governor of the Bank of Italy Guido Carli, Business Week spreads the lie that "the outlook for most LDCs — and their creditors — should remain bright so long as the world economic recovery endures."

"I don't see a crisis for the LDC's this year," Charles Cooper, U.S. executive director at the World Bank is quoted as Business Week waxes long on the "optimism" of government officials and bankers. This optimism is based significantly on the "government slowdown efforts" in the Third World — that is, import controls and genocidal austerity — in addition to the "worldwide economic recovery" and "increased financial help" from the World Bank and the IMF.

Congressmen, in "closed door" briefing sessions over the past two weeks set up by the State Department have been barraged with this same hoax by enterprising Atlanticist thinktankers.

The Governing Reality

In direct contrast to the Atlanticists Big Lie, the actual governing reality of the Third World is characterized by pro-development political motion rapidly approaching the threshold of a decisive break with the cannibal dollar.

The Third World debt crisis is in fact, far from stabilized, as was emphasized this week in a major feature in the leading West German weekly, Der Spiegel, "Developing Countries: A Disastrous Collapse." Der Spiegel quotes Egyptian President Anwar Sadat, hardly known as a radical, pleading: "People have to give us a few years in which we don't have to pay back our debts." In the same article a Pakistani official, calling debt moratoria "inevitable," suggest total cancellation of debt for certain over-burdened countries, a proposal which echoes that advanced by Peru's Foreign Minister de la Flor at the Paris CIEC meetings.

Confirming the motion of regimes like Egypt and Pakistan into the debt moratorium organizing led by such countries as