

The Battle At Nairobi:

World Maintains Demands For Debt Moratorium Despite Kissinger Wrecking Operation

May 22 (IPS) — The United Nations Conference on Trade and Development (UNCTAD) now meeting in Nairobi, Kenya, ground to a virtual halt over the past week as the Atlanticist-dominated delegations from the major capitalist countries have refused to accept the demands for generalization of debt moratorium of the developing nations. Almost all press and diplomatic sources report that the debt issue continues to be the main area of confrontation — as it has since the conference started three weeks ago. An Associated Press dispatch reported late last week that the likelihood of the “stalemate between rich and poor nations” continuing until the end of the conference on May 28, “appeared unavoidable.”

Commenting on the deadlock in a press conference today, Shridath Ramphal, Secretary-General of the British Commonwealth, warned that “the world will be reduced to economic chaos if the problem of external indebtedness is not resolved...” Ramphal, who is from Guyana, a leading Third World spokesman for moratorium, and along with Guyana Foreign Minister Fred Wills, said that “humanity will be torn to shreds” without radical changes in the present world. “The failure of the UNCTAD conference would pose enormous dangers to the entire world. “The failure of the UNCTAD conference would pose enormous dangers to the entire world,” he is quoted in an Agence France Presse release.

The State Department and its allies have been stonewalling against the Third World's demands. A tough “macho” stand, the Atlanticists hope, will eventually wear down the Third World and force them to trade off pursuit of debt moratoria and the new world economic order. This was confirmed by UNCTAD official G. Arsenis who as reported by the Mexican daily *El Sol*, told journalists this week that “there has been virtually no reply on the part of the industrialized countries to the Third World demand for debt moratorium. The United States, Japan, and the principal European countries, according to Arsenis, are totally refusing to consider the Third World debt proposals — including the proposed convening of a “Debtor-Creditor conference,” whose purpose would be to take decisive action on the debt problem.

The key Third World rallying point remains the proposal laid on the conference table by Guyana's Foreign Minister Fred Wills calling for the liquidation of the bankrupt IMF and discussion and planning leading to the establishment of a new international central bank. Modelled on the International Caucus of Labor Committee's International Development Bank, the Wills proposal provides the Third World with a powerful political weapon against the Atlanticists and the genocidal debt collectors.

Such a move would be backed by significant political, industrial and working class layers in the U.S. and other ad-

vanced sector countries, a fact which was reemphasized last week when the industrialist oriented West German economic daily *Handelsblatt* endorsed the Third World debt moratorium demand.

The State Department-led stonewalling resulted last week in the postponement of future meetings of three of the five conference commissions, including that of finance where the debt issue is discussed, because deadlocks have been reached, according to reports carried in the Mexican daily *Excelsior*.

There have emerged strong indications, however, that the Atlanticists are losing confidence in their own stonewalling tactic. Statements by the delegation of Algeria, as reported in the *New York Times*, that all negotiations should cease between the developed and developing countries if the Nairobi meeting ends deadlocked, and a continued strong stand on the debt moratorium demands by the developing countries, indicate that a collapse of the conference could result in a unilateral declaration of debt moratorium by the leading developing countries including Algeria. U.S. Secretary of State Kissinger will be meeting with top officials from West Germany this weekend to discuss this problem. There is talk of dispatching a high level delegation possibly led by BRD Development Minister Egon Bahr or Foreign Minister Hans-Dietrich Genscher.

The Europeans are however split on what to do about the debt question. Sweden and Britain are said to be leaning towards accepting a moratorium. Kissinger and his allies will attempt to arm-twist the European Economic Community into presenting a “united stance” to the Third World but as an article in the *Baltimore Sun* this week indicated, it is not at this point clear whether he will succeed.

It is possible that Kissinger will attempt to take off the pressure and diffuse the motion for debt moratorium this week by having his emissaries present a “compromise” on the phoney indexing commodities issue. The so-called commodity plans are nothing more than Wall Street instigated schemes to raise raw materials prices and enable Third World countries to pay their debts. They have taken a back seat to the debt issue in the conference debates, despite the fact that Kissinger has duped a number of nations into pushing for their adoption. Since the beginning of the conference the French delegation, led by pro-Atlanticist Finance Minister Fourcade, has taken a “soft-cop,” conciliatory stand toward the Third World call for a “common fund” to finance buffer stocks of a number of commodities. The West German and U.S. delegations have up until this point refused to accept any part of the Third World commodity program. An article in the *Economic Times of India* last week said that “the possibility” of the U.S. accepting the French position

has "not been ruled out" by conference participants. This sudden U.S. acceptance of the French position would be presented as the "major compromise" that Kissinger is looking for.

No Way To Avoid Debt Issue

There is almost no chance that such a tactic would work. The Third World has consistently and repeatedly made clear its commitment to debt moratorium. And this is not likely to change no matter what bone the U.S. throws the Third World. Members of the West German delegation were denounced as "fascists" by journalists when the delegation attacked the Third World debt demands, the West German economic daily Handelsblatt reported giving lie to State Department rumors that the Third World resistance was waning. Similarly, UNCTAD official Arsenis told journalists that the Third World considers debt moratorium "indispensable" for the establishment of a new world order.

Further, last week the Economic Times of India said, in an article entitled "Battles Lines Drawn At Nairobi" that "it is on the debt issue that respective viewpoints appear to be unrelenting." The Times was joined by the Peruvian government paper La Crenica which demanded generalized debt moratorium with a banner headline "Debt Moratorium At Nairobi."

This determination of the developing nations not to be blackmailed was reemphasised last week when two influential Third World press sources hit at Kissinger's use of food blackmail and other terror tactics. The May 30 Afrique Asie, a pro-Algerian African weekly, said that "the American Secretary of State can't resist the pleasure

of ... politically always using ... blackmail. In order to saturate the developing countries with his views, Kissinger judged it useful to emphasise that the 'U.S. is better able to survive measures for a prolonged economic war with other nations.' The use of 'food power' is not too far in the distant."

The Economic Times of India echoed these statements when it attacked the recent CIA report on weather modification. The Times said "An assertion of actual and potential U.S. food power is clearly related to the ongoing UNCTAD IV conference...."

In Nairobi, the Indian delegation attacked the many reports appearing in the Western press that India supports the Kissinger fascist International Resource Bank "proposal," "India has not supported the IRB; a Voice of America (CIA front) correspondent picked this rumor up..." the Indian spokesman said.

Despite this overwhelming commitment to debt moratorium and world development on the part of the Third World, the Soviet Union and other socialist countries continued to balk at putting their political muscle behind the developing countries. Not wanting to "provoke" the imperialists, the socialist countries have consistently opposed a generalized debt moratorium. Western press sources reported this week the socialist countries circulated a position paper on the commodity issue which attacked the plans as incompetent, stressing that the only real way to stabilize commodity prices was through long-term trade and development agreements. Statements such as this are next to worthless however without backing for debt moratorium and institutional alternatives to the dollar-based International Monetary Fund.