

EIR Special Report

Non-Aligned summit pursues a new world monetary system

by Peter Ennis in New Delhi

“We are not asking for pity nor charity of any kind. We are asking for cooperation which will help them as much as it will help us. The industrialized countries ignore the Non-Aligned, they ignore the so-called South; they do so at their peril, too. I might also say that we may be poor, but our economies—certainly that of India—are far more resilient than those of many of the affluent countries.”

The words are those of India’s Prime Minister Indira Gandhi, spoken on March 12, when she addressed hundreds of journalists from around the world, who had gathered in New Delhi’s Vigyan Bhavan conference hall to hear the new chairman of the Non-Aligned movement summarize the results of the movement’s March 7-12 heads of state summit. The summit brought together leaders of more than 100 countries, including the largest-ever gathering of heads of state, for a week of talks on how to resolve the economic and political crises confronting the world.

Together with a special appeal issued at the summit conclusion on March 12, which was called the New Delhi message, and which urged all nations to work together to end “the crisis which confronts our civilization,” by cooperating “based on the dignity and equality of man,” Mrs. Gandhi’s press conference called to mind the powerful moral force in the world that the Non-Aligned movement had represented in its early days.

The New Delhi message argued that “the earth belongs to us all—let us cherish it in peace and true brotherhood, based on the dignity and equality of man.”

Mrs. Gandhi also placed the world economic crisis on center stage; this was a definite shift in emphasis from previous Non-Aligned summits, which have tended to give higher priority to discussions of political matters such as the Middle East and southern Africa. Both the New Delhi message (see page 28) and the economic declaration issued by the summit (see page 24) emphasized that peace is inseparable from world economic development, and true security of nations and their peoples lies in the stake in survival and development shared by each nation.

Mrs. Gandhi made an extraordinary call for all United Nations member heads of state to gather for talks at the next U.N. General Assembly.

Once the proceedings were under way, Mrs. Gandhi had no trouble convincing



Courtesy of the government of India

Mrs. Gandhi assumes the chairmanship of the Non-Aligned from previous chairman Fidel Castro of Cuba on March 7.

the other nations in attendance that economic questions were the priority. The concern of almost every delegate was the economic crisis. There occurred what many participants said was the most acute debate on economic policy, with the most widespread participation by different countries, ever to take place at a Non-Aligned conference. At the conference plenary—where delegation leaders presented opening statements—country after country issued biting denunciations of the International Monetary Fund; demanded relief from the debt burden now crushing most developing countries; and called for the establishment of a new international monetary system to rescue the world economy. Heads of state as politically divergent as Sri Lankan President J. R. Jayawardene and Nicaraguan leader Daniel Ortega found themselves on parallel tracks.

Jayawardene told the conference that if the IMF did not change its policies, it would soon have to place a sign above its entrance reading: "Abandon hope, all ye who enter here." Ortega proposed to the conference that the Non-Aligned nations form an organization of debtor countries which could plan joint action to pressure the industrialized nations to negotiate a new international economic order.

The summit economic debate also forced out into the open those countries whose leaders and governments acted as agents of the IMF and the private banks—like Pakistan's dictator Gen. Zia ul-Haq, Jamaica's Edward Seaga, a favorite of David Rockefeller, and the Singapore regime, which one African delegate reportedly described as "the richest whore in the transnational harem."

Thus the Delhi summit can be distinguished from any

previous meeting of developing countries by one fact—it accurately identified the bankruptcy of the existing international monetary system as the crux of the world economic crisis. The need for a new international monetary system, and the imperative to restructure the crushing debt burden of the developing countries, were made the highest-priority issues to be pursued in negotiations with the "North," with a strong call for the immediate convening of an international conference on money and finance for development.

Alongside the call for a new monetary system, an ongoing discussion among delegates occurred in the corridors on the question of whether to drop the "debt bomb" to force the "North" into real negotiations for a new monetary system. The threat not to repay their hundreds of billions of dollars of debt has now been recognized as a potent weapon—but at least so far, the biggest debtors, those in Latin America, were not yet ready to allow the weapon to be unsheathed.

In the end, the most important event was the debate over the need for a new monetary system and the use of foreign debt as a weapon. The condition of the international system is now such that convulsions are imminent; the debt bomb is certain to go off sooner or later, and the only question is who will wield its power. The next test of their political will occurs at the Group of 77 meeting of all developing countries in Argentina in late March and early April. The developing countries will have to act soon, however, or the momentum will shift to the IMF and its spokesmen Henry Kissinger and George Shultz—who hope to lull the developing sector with talk of an American recovery and possible dialogue, all the while preparing to impose the IMF's global austerity regime.