

Yugoslav spokesmen address the urgency of the world debt crisis

At a mid-June meeting with foreign journalists in Belgrade, Deputy Mayor Radomir Stefanovic said that wages in Yugoslavia have had to be reduced by 20 percent over the last four years, while national and local budgets were reduced by 5-10 percent annually since 1978.

Dr. Anton Vratuša, the head of the Yugoslav delegation at UNCTAD VI, which is meeting in Belgrade's Sava Centar until June 30, gave some figures in his speech which explain where the money "saved" by wage and budget reductions went: "Because of increased interest payments on the earlier contracted credits alone, Yugoslavia had to give away about \$2.5 billion from its accumulation in the three-year period 1979-1982"—thanks to Paul Adolph Volcker, you might add. "Nevertheless," Vratuša continued, "Yugoslavia has managed to meet all its obligations on time, but with great sacrifice on the part of its population, and stagnation of production."

While some politicians like Stefanovic pretend—at least in public—that Yugoslavs have a unlimited capacity for belt-

tightening and have lived "beyond their means" for too long, others have begun to think that it is primarily external economic and financial conditions which must be changed.

On April 11, the Yugoslav daily with the widest circulation, *Politika Ekspres*, carried an article on Club of Life founder Helga Zepp-LaRouche and the proposal that indebted developing countries form a "debtors cartel" to force the creditors to the negotiating table, "but on the conditions of the developing countries." Entitled "Debt Bomb," that article caused shock waves. A Yugoslav journalist in Paris said that until he saw that article, he would have never believed that such a thing could appear in a Yugoslav newspaper!

At UNCTAD VI, the Yugoslav delegation is actively lobbying for the Non-Aligned proposal of calling a new international conference on money and finance "with universal participation," i.e. outside the IMF. As Janez Stanovnik, a senior member of the delegation, told *EIR*, one key issue to be discussed at such a conference would be a "common approach" of all debtor countries vis-à-vis their creditors.

Interview: Janez Stanovnik

'A cartel for common action by debtors is realistic'

The following interview with Mr. Janez Stanovnik, former cabinet member of the Yugoslav government, was conducted at the UNCTAD VI conference in Belgrade. Mr. Stanovnik served as executive secretary of the U.N. Economic Commission for Europe for 15 years. Now retired, he is a senior adviser to the Yugoslav government on matters of foreign economic policy. Mr. Stanovnik was interviewed by EIR correspondents Edith Vitali and Hartmut Cramer on June 14.

EIR: The head of your delegation, Dr. Anton Vratuša, called for new proposals to deal with the debt situation on June 13. Recently there has been a lot of explicit discussion of the idea that the Ibero-American countries should unite for a joint renegotiation of their foreign debt. Some even speak about creating a debtors' cartel in order to challenge the already existing creditors' cartel [the Ditchley Group of international

bankers]. It is argued that such a joint action should be done to force negotiations for a new just monetary system.

Would your country support these moves? Has there been some discussion of this idea at this conference?

Stanovnik: Not at this conference, to the best of my knowledge. But from the New Delhi [Non-Aligned summit] document, you could very well see that there was action in this respect. In my view, the New Delhi recommendations for consultations for a more systematic study of the problem is a very sound one. I think that this is the right kind of approach. As you suggested yourself, we are today faced with the creditors' cartel, the new commercial banks' institute in New York.

In addition, the links between the commercial banks and the International Monetary Fund, which had not existed before, have evidently created a new situation. If you examine [IMF head Jacques] de Larosière's speech in Florida, you