

Africa Report by Mary Lalevée

Operation Juárez makes headway

Leaders on the continent are beginning to talk of "harnessing Africa's debt power."

The policy proposal issued back in April 1982 by *EIR* founder Lyndon H. LaRouche, Jr. and circulated widely in Ibero-America under the title, *Operation Juárez*, that indebted Third World nations must form a "debtors' cartel" to wield the weapon of collective default against international users, is now being talked of in Africa, whose nations are burdened with a foreign debt of \$150 billion, \$97 billion in sub-Saharan Africa.

A three-day meeting begun on May 13 in Nairobi, Kenya, for the first time brought together the IMF leadership and the governors of the 33 African central banks. First reports on the meeting indicated that African representatives were critical of the IMF's conditions. While the governor of the Tanzanian central bank, Mr. C.M. Nyerere, reportedly regretted the disappearance of the "excellent" relations which used to exist between the IMF and African nations, and phrased things very mildly—IMF conditions were "legitimate," but he doubted their efficacy—according to the Tunisian daily *La Presse*, IMF programs were roundly condemned, and the gathering could only be considered "a failure for the IMF."

Elsewhere, President Denis Sassou-Nguesso of Congo warned that developing countries were being "asphyxiated" by their foreign debt, and told a meeting of the African Development Bank in Brazzaville that Africa was being increasingly pushed to the margin of the world economy.

President Nyerere of Tanzania spoke most directly of the creation of

a debtors' cartel in a speech given in London in March, to the Royal Commonwealth Society. The speech was entitled: "Harnessing Africa's Debt Power."

"The Third World is now blamed for its own poverty. Each country is analyzed separately by international institutions and by political commentators. Its problems are then explained in terms of its socialism, its corruption, the laziness of its people, and such-like alleged national attributes. The fact that virtually all Third World countries, and certainly all the poorest of them, are in the same plight is largely ignored.

"Debts and the very high interest rates are very important among the reasons why Third World countries become desperately short of foreign exchange—which is a self-reinforcing process. A shortage of foreign exchange in the import-dependent modern sector of our economies leads to a shortage of agricultural and industrial inputs, spares, transport, etc., and so to reduced productivity and reduced ability to pay debt service due, or anything else. But high interest rates are only one of the many mechanisms by which the resources transferred to developing countries through aid are all the time countered by the automatic working of the international economy. . . ."

"Should we continue to beg for charity from the ordinary people of the developed countries in order to support the existing international economic and financial structures of the world? The old age pensioner, who

contributes his or her money to succour the hungry in Africa, would not like to know that if Africa did not have to pay billions of dollars in interest to bankers, it would be able to do more for itself.

"If dialogue continues to be refused . . . should the Third World not use the power of its debt to force discussion? When Tanzania—or some other poor country—is simply unable to make due payments . . . it will not shake the international financial system; by itself such a country has no power except to scream and struggle, and keep itself afloat by whatever means it can. But if Africa decides to act as a group, the world's financial system would take note, and if the Third World . . . stood together in seeking better terms, then there would be a real threat to financial stability, and discussions would be held."

Nyerere warned that the current situation could not last. "I cannot see how responsible leaders of the Third World can continue watching their people sink further and further into poverty and misery without any kind of protest against an international system which produces that poverty and misery. When the poor of the South eventually revolt against their condition, it is always their governments which bear the brunt. I do not say that those governments are always blameless. But all of them, good and bad, victims or surrogates, act within the confines of an iniquitous international economic system. Can such a system go on forever?"

The question is whether the nations of these areas can actually unite: The IMF is skilled at offering deals to individual countries to pull them back from unity. If that fails, there is the Henry Kissinger school of diplomacy: Border wars erupt, governments topple, and leaders die.