

UNCTAD: waiting for a policy change

by Mary Lalevée and Hartmut Cramer

It is "an illusion to think that one group of nations could progress and develop while another part of the world economy is collapsing. We have to face the ultimate challenge, to be or not to be. Our generation cannot allow part of our civilization to come to an end," Egyptian President Hosni Mubarak told the conference of the United Nations Conference on Trade and Development (UNCTAD) in Geneva the week of July 15. He noted that the debt of some developing countries reached 200% of their export earnings in 1985, and 270% in 1986.

He was not alone in describing the debt crisis as a threat to civilization.

Indian Trade Minister Shanker said that the economic situation today was as bad as during the Great Depression of the 1930s. He called the 1980s, "the lost decade of development," saying, "Everything we have tried to do since the 1960s has been lost. The postwar system no longer holds. We need a fundamental transformation." He called for action. "We should not wait for another chance. There will not be one."

The unfortunate fact is that, faced with an international economic situation that is "threatening our civilization," as Mubarak described it, the response of most of the OECD countries has been, at best, silence. While many developing sector heads-of-state personally attended the UNCTAD conference, showing the importance they attach to the discussions due to take place on the international economic crisis and the debt problem, from the industrialized countries, only French President François Mitterrand had sense enough to attend and address the conference. There was even a report that the OECD countries, at a meeting on June 3-4, had made a secret "agreement" not to come to any agreement on the debt crisis. According to *Le Monde*, a confidential report on this meeting said: "There was general agreement that we should not get involved in any technical discussion on debt that would be oriented toward a decision."

The United States sent such a low-level delegation—headed by a deputy assistant secretary of state—that it amounted to an insult.

Peru: 'Listen to LaRouche'

In interview with *EIR* correspondents covering the UNCTAD conference, the leader of the Peruvian delegation, Oswaldo de Rivero, spoke for many developing sector representatives when he said that he hoped the United States would come to its senses and "listen to what Lyndon LaRouche has to say" on the world economic crisis. Yes, he confirmed, that statement "is for attribution."

The inaction and silence of the OECD nations left the field wide open for the Soviet Union.

Developing countries have no illusions about Soviet promises of aid, given their "parsimonious" behavior in the past, as one reporter commented. But, on the propaganda front, the Soviets definitely won a battle by dramatically announcing their support for a "Common Fund" to stabilize commodity prices.

This proposal was originally put forward by UNCTAD in 1980, but has been on hold since an insufficient number of states had agreed to it. The "Common Fund" was described by LaRouche at the time as a fund for "Common Fools." It is no solution at all to the problem of falling commodity prices, which has led to a loss of \$90 billion in export earnings of developing sector countries between 1981 and 1986.

But the developing-sector nations are desperate. The "Common Fund" chimera is seen as doing something, rather than nothing.

During the packed press conference following the Soviet announcement, *EIR* correspondent Ana María Mendoza asked Soviet Trade Minister Aristov, in light of his statement that countries should use the money they now spend on weapons for development instead, if this meant that the Soviet Union was going to give up its policy of massive military build-up and spend everything on economic development? The room rang with laughter. It was revealing of the level of seriousness with which conference participants were greeting the Soviets.

Aristov's reply, that the Soviet Union was not building "offensive" weapons, is not worth comment.

Delegates at the conference admitted in private discussions that they expected no change to result from the discussions at the UNCTAD conference, and that unless some policy change comes from the United States, the situation would only worsen. Pessimism is widespread among developing sector delegates, and many gloomily remarked that whatever was being said, the fact was that they would have to solve their problems alone.

Debt is the key issue, and President Mitterrand's speech calling for reform of the international monetary system and the rescheduling of African debt, has aroused great interest. However, as Congo's President Nguesso, this year's chairman of the Organization of African Unity (OAU), said in his address to the conference, Africans were still waiting to see some concrete steps.