# U.S. Lures Third World in Commodity Swindle

March 27 (IPS) — Two meetings between the advanced sector and developing nations on the new world economic order ended last week with a dangerous setback for the world's pro-development forces.

Caught between the impotence of their own strategy and the deceptive tactics of the representatives of international finance, Third World negotiators relented on their demands for immediate debt moratorium, pursuing instead a pitiful "Integrated Commodities Programme" designed to raise raw material prices through the use of buffer stocks and a commodities fund.

As an economic for Third World development, the commodities "indexing" plan is a profoundly incompetent alternative to the enactment of debt moratorium and the International Development Bank (IDB) credit institution put forward by the Labor Committees. Through a combination of lack of moral strength and commitment, and plain stupidity, the Third World has fallen for the Atlanticists' stalling tactics and their plan to resolve Third World debt problems on a case-by-case basis with Argentina as the model.

### Soft Cop Swindle

At both the Geneva Trade Board meeting of the United Nations Conference on Trade and Development (UNCTAD) and the second round of the North-South "Four Commissions" conference, Third World leaders capitulated to a soft Atlanticist campaign waged by the Departments of State and Treasury, and agents in the ranks of the Third World. There was little that was original in the new version of U.S. negotiating tactics.

Like previous operations staged at the United Nations Special Session last September, the Manila meeting of the Group of 77, and earlier UNCTAD and North-South conferences, the financial meetings started with the U.S. delegation introducing mountains of computer printouts purportedly showing that no financial crisis exists. The majority of delegates' time was allocated to reading and immediately rejecting each of these documents.

The commodities negotiations, however, took place in a different environment, shaped by the new "soft-cop" policies from State Department Undersecretary Robinson's office, and a well-coordinated international press campaign. Robinson's people in the U.S. and Europe let it be known that they were seriously considering UNCTAD's "Integrated Commodities Programme," as well as debt relief to **some** of the most seriously affected nations **provided** the Third World as a whole does not otherwise press "unreasonable demands."

A series of bourgeois press articles, running concurrently with the two commodities meetings, informed the world that the Third World payments crisis would have to be dealt with through some kind of increase in their primary income through higher commodities prices if the major creditors are not to suffer the consequences of a generalized debt moratorium and its "catastrophic" consequences.

### What is UNCTAD's Integrated Commodities Program?

The basic flaw in the negotiating strategy of the Third World is that it allows for their defeat by such a thinly veiled ruse as the present Atlanticist commodity swindle.

The commodities program, proposed in the past in various forms by "friends" of the Third World Zbigniew Brzezinski of the Trilateral Commission, C. F. Bergston of the Brookings Institute and on a commodity-by-commodity basis by Henry Kissinger, is a fraud. By itself — outside the framework of comprehensive dollar debt moratorium and the IDB — this program would merely hasten the collapse of world trade!

The 1976 shortfall of the balance of payments for the non-oil producing developing nations — subtracting all official aid, International Monetary Fund and World Bank assistance, Euromarket loans, normal capital flows, direct investment and export earnings — is estimated to be over $30 billion. Without any allowances for Third World growth and development, a 38 per cent hike in raw material export prices would be needed to cover the shortfall. Importing 66 per cent of the total Third World exports, Western Europe and Japan would have to absorb over $20 billion in higher costs, doubling their present $422 billion deficit. A sheer impossibility, the advanced sector would have to reduce imports and slow their rate of economic growth: for ever 1 per cent drop of advanced sector rate of growth, the developing nations lose 12 per cent of their earning income, for every price rise which follows, income will spiral downward until there is nothing left of the world economy.

### The Real Swindle

Such facts notwithstanding, no Third World development conference has formulated a strategy to surgically remove the cause of starvation and disease in their countries. In fact, last week, UNCTAD Secretary General Gamani Corea announced that he was dropping the only vital part of the commodities plan in an effort to make the "Integrated Program" acceptable. In a speech at the London counterpart of the Council on Foreign Relations, Corea said he would be willing to consider negotiations on only **some** of the major commodities. If the London Financial Times is to be believed, discussion of an integrated commodities approach which would be necessary within an IDB framework has now been reduced to Kissinger's "commodity-by-commodity" negotiations.

U.S. Treasury officials, whose approval is necessary for the plan, have confirmed the true nature of last week's commodities discussions. With 12 countries on the brink of default and an additional 30 facing a payments crisis in the next few months, the Atlanticists are merely buying time to enforce police state regimes worldwide. Then the Atlanticists will be amenable to serious negotiations with Third World countries on a case by case basis. The now-silent pro-development leaders in the Third World would be well advised to consider the implications of not pushing for debt moratorium and IDB in the paradigmatic example of Italy.

**Capitulation Under Pressure**

Following the Atlanticists' onslaught against the Italian lira Jan. 21, Italy's tri-partite pro-development faction led by Giulio Andreotti of the Christian Democrats, Giacomo Mancini of the Italian Socialist Party, and industrialist Eugenio Cefis had the forces and international working class support necessary to break with the Dollar Empire for debt moratorium and the IDB. Instead, they cried: "A move like that would split the party. If we call for a moratorium on the debt, the Wall Street Atlanticists will smash us.....Maybe if we accept a Euromarket loan, we will gain that added measure of time."

At their respective party congresses, however, Mancini and Andreotti capitulated to Atlanticist agent pressure in the party to maintain the integrity of Wall Street's paper debt. With no opposition and the party ranks demoralized, Fiat magnate and Atlanticist Gianni Agnelli is taking the increased momentum to push a streamlined Italian banking system as befits a Schachtian economy. Over 1,000 banks are now under investigation, with a parallel operation against the major bank of the largest state industrial sector, linked to Cefis.

Following their meeting with the IMF earlier this week, former anti-Atlanticist Andreotti, Treasury head Colombo and Central Bank head Baffi met to enforce the conditions imposed by the IMF, cancelling cost of living clauses from trade union contracts. LaMalfa's plan for an emergency government of "national unity" to include the fascist leadership of the Communist Party is now imminent.