



The Battle For Debt Moratorium

Europe Set To Back Third World's Colombo Demands

GENEVA, Sept. 1 (NSIPS) — Informed sources close to the "Group of 19" developing countries participating in the Paris Conference on International Economic Cooperation (CIEC) revealed here today that the developing sector is moving rapidly towards the establishment of a new international economic order as outlined in the resolution of the Colombo Non-Aligned summit. Specifically, the group of experts drafting the developing sector's position paper for the upcoming Paris talks not only demanded a moratorium on developing nations' external debt but developed the guidelines under which a post-debt moratorium system should operate.

The experts emphasized that the problem of debt could not be dealt with on a "case-by-case" basis since it is now a result of the "malaise" of the world monetary system. The extension of credit is inherently connected to development and not to the sanctity of an arbitrary monetary system favoring a few countries, the experts stated. The experts recommended that an "International Debt Court" be instituted to replace the various so-called Creditors Clubs: the functions of this court would be to ensure that the process of a debt moratorium is an orderly one, that the countries involved would not be penalized for being unable to pay their debts. It would also ensure that further credits for production be made available immediately to provide for increased world development. This clear-cut differentiation between the old debt owed to Wall Street looters and future credits based on technological development is a crucial aspect of the U.S. Labor Party's International Development Bank (IDB) proposal, which formed the basis for the Non-Aligned movement's Action Program.

The Group of 19 will meet Sept. 11 to vote on this and other proposals. Swift passage is expected, making the proposal the "position paper" for the Sept. 15 meeting of CIEC. Although some opposition is expected from various countries within the group, sources pointed out that a rejection of the proposed expert document would "go against the spirit of the Manila and Colombo declarations," and was thus considered unlikely.

The hegemony of the Third World hardliners such as India, Pakistan, Algeria, etc... is now such that even former Atlanticist satrapies like Zaire have become zealous organizers for debt moratorium. The West Europeans, including major portions of the Atlanticist machine, have read the signs and are behaving accordingly.

The West European central banks have already prepared contingency plans to deal with what now is almost certain to be a declaration of unilateral debt moratoria on \$250 billion in foreign debt by the Third World. This information, which was revealed by high level sources within leading West European financier and political strata, is systematically substantiated by the

composite of political events inside the leading West European countries.

The central banks of Belgium, the United Kingdom, Switzerland, Italy and France are involved in preparations for negotiating a smooth transition of their own and the Third World economies after debt moratorium has been declared. In France and Italy, where the respective governments are in the hands of staunch pro-development factions, overall government policy is itself being dictated by a commitment to an alliance with the Third World hardliners.

The French and Italian governments announced in unison over the past week that they intend to withhold public announcement of their economic programs until... Sept. 15. This announcement follows on the heels of repeated signals from the ruling forces in both countries to the effect that they consider their countries' proper position to lie within the Non-Aligned camp.

Italy vs. NATO

The Italians are not only saying this, but have initiated steps to redefine the country's international alliances. With the implicit support of Prime Minister Giulio Andreotti, the Italian Socialist Party (PSI) has undertaken a "Watergate" operation to demonstrate criminal collusion between Kissinger's State Department and Italian Atlanticists in active subversion of the Italian Republican Constitution.

As reported in the magazine *Tempo Illustrato* this week, this "Watergate to end all Watergates" will "force" the Italian government to reconsider the nature of its current alliances with NATO. Italy's overall international relations, said *Tempo*, will be affected. Earlier statements by Andreotti-linked spokesmen in the PSI had already proposed at the time of the Sri Lanka summit that Italy's proper role was at the head of the Non-Aligned.

As with the Italians, the new French Foreign Minister Raymond Barre is a figure with historical ties to the Third World and is known to favor a French alliance with the Non-Aligned nations as a break with the Atlanticist-controlled NATO.

Virtually encircled and facing the imminent ruin of a highly-developed industrial machine checked by the worthless dollar, even the West German (BRD) goosestep has begun to falter. Factional murmurings have begun to emerge from among BRD industrialists, erupting this week at the government level with a letter by Economics Minister Friderichs. In a public letter issued to notorious Atlanticist Otto Wolf von Amerongen over the weekend, Friderichs pointedly defended East-West trade while issuing an unprecedented attack on the worthless Eurodollar market whose threatened collapse is "the real source of the government's headaches."