



# Unilateral Debt Moratorium Main Issue at UN Assembly

UNITED NATIONS, N.Y., Sept. 25 (NSIPS) — As the 31st session of the United Nations General Assembly convened here this week, the first press conferences and talk among diplomats in the corridor have immediately made it clear that the main issue on everyone's mind is debt moratorium.

The fact that leading spokesmen for the Third World will announce unilateral declaration of debt moratoria at this session is taken as a foregone conclusion by most observers here. In private discussion with representatives of the U.S. Labor Party, leading Third World delegates have moved far beyond merely the issue of unilateral moratoria. Such delegates are now concerned with the what comes next — the nuts and bolts of putting together a new world monetary system. These discussions center around the Labor Party's International Development Bank proposal.

Sources indicate that the actual declaration of debt moratoria should come sometime next week, quite possibly as early as this Monday when the first important speeches are to be delivered and all the foreign ministers will have arrived.

This perception is shared by leading financial spokesmen throughout Europe. In the European money markets, one leading investment banker told this news service this week, "A Third World debt moratorium is expected within days. When the perception of the New York market catches up with Europe, we'll see a full scale collapse."

## Battle Lines Drawn

What took place this week, prior to the actual opening of the General Assembly, was a drawing of battle lines. The first set of press conferences on Sept. 23 made this clear.

British Ambassador Ivor Richard threw down the gauntlet to the Third World. "We hope that sterile ideological debates on economic topics of the type which have occurred at the North-South talks in Paris can be avoided this year," Richard told the press. He reminded everyone that "Third World intransigence" had deadlocked those talks.

The North-South dialogue had collapsed earlier in the week when the Group of 8 industrialized nations, on orders from Secretary of State Henry Kissinger, submitted a proposal calling for case-by-case consideration of Third World debt problems. The Group of 19, representing the developing sector, stuck by the resolutions adopted by last month's Colombo summit conference of the Non-Aligned, immediate debt moratoria now for the most seriously affected countries and discussion of general debt moratoria procedures for the rest.

Richard was using the Rockefeller Imperial "we" in his opening remarks. The British habit at the United Nations is say bluntly what Henry Kissinger will try to say diplomatically. The purpose is to make sure that the slower-witted reporters and delegates get the point. On this day there could be no mistaking the British relationship to the Americans. The British press secretary had opened this briefing by reporting that "the American spokesman was supposed to speak first, but he's late

so just ask me the questions you were going to ask him and I'll give you the American answers."

U.S. Ambassador William Scranton faced the press next. Reflecting President Ford's continuing indecision on what to do at the current sessions about the debt question, he declined to make any definitive statements about anything. "The North-South talks are continuing," Scranton said, trying to evade a question about debt moratorium. "With the good work of Perez-Guerrero (the External Finance Minister of Venezuela, an ally of Kissinger on the debt question and subsequently one of the most hated of all Third World leadership—ed) the agenda is now being set for the October meeting... The United States is not alone in this planning."

"I really do not think that unilateral declarations of debt moratoria are as close as you think they are," the U.S. Ambassador told a representative of the U.S. Labor Party. "Therefore I could not say what the response of the United States might be to such an unlikely action."

The new President of the General Assembly, however, warned the advanced sector that unilateral debt moratoria are a distinct possibility. "If Third World nations are forced to the wall," H.S. Amerasinghe told the press, "they may simply take unilateral action... the debts of the Third World are a crippling burden which have serious effects on nations' reserves." Amerasinghe, who is the Ambassador from Sri Lanka in addition to his post as Assembly President, added that "As for myself I favor the approach of the Group of 77."

The Group of 77 meeting in Mexico City this week adopted the Colombo resolutions. According to conference participants, the African countries led the fight to defeat a proposal sponsored by Pakistan — and authored by the World Bank and UNCTAD — to delay consideration of the debt problem by the Group of 77 until December.

By standing firm in Paris and Mexico City, the Third World has brought the UN General Assembly to center stage in the fight for debt moratoria. Should a handful of countries with a total debt burden on the order of \$30-50 billion take the occasion to publicly announce a suspension of debt service — something that a number of nations, like Egypt and Zaire have already done privately — then the whole rotten dollar-based monetary structure will come tumbling down. The danger of not doing so, underlined by the rising wave of assassinations, terrorism, and Nazi activation under Dr. Kissinger's control, will be to set the world on a course for general thermonuclear war by 1977.

At the UN, most delegates are only dimly aware of this reality. But in private meetings and in discussion in the corridors and lounges of the UN, delegates readily acknowledged that, putting aside the delay tactics of the Kissinger forces, debt moratorium was a critical necessity.

And so as the countdown for debt moratorium begins, the position of the U.S. remains unclear. Scranton's evasions serve only to cloud the issue at hand. The question before the White House can be stated simply: When push comes to shove, and the

Third World takes unilateral action on the debt question, what will the United States do? Will it follow the policies of the Rockefeller family and its employee Kissinger for confrontation with the Third World? The Secretary of State is scheduled to address the Assembly this week in what observers have

remarked will be the equivalent of a bull rampaging through a China shop. Or will the President break out of the box Rockefeller has put him in and take the steps necessary to bring the United States into the new world economic order? The time for evasion has just about run out.

### Special Report on G-77 Conference

## Group of 77 Adopts "Colombo Action Program"

**By Our Special Correspondent in Mexico City**

**MEXICO CITY, Sept. 26 (NSIPS)** — The Group of 77 — the 116 countries representing the Third World caucus within the United Nations Conference on Trade and Development (UNCTAD), conference on "Economic Cooperation Among Developing Countries" held here Sept. 21 produced no surprises nor new breakthroughs in terms of the Third World's fight for a New World Economic Order. Nor was the conference programmed to do so.

Coming in the aftermath of last month's historic summit of heads of states of the Non-Aligned countries held in Colombo, the conference had two limited goals: first, to bring about limited technical agreements on economic cooperation among the Third World countries; and second, to make yet another show of Third World unity in their demands for a new world economic order as a show of strength to be used on other more vital dates and at the UN General Assembly. The conference was successful if one measures it against these goals. These results were however achieved with difficulty as the long arm of Henry Kissinger reached its way into the proceedings.

Despite Kissinger's interference by proxy the conference's success, in the words of its final communique, was assured when the Group of 77, "received with approval the action program for economic cooperation adopted at the Non-Aligned summit in Colombo, and noted that it be understood that other developing countries (outside the Non-Aligned movement) wanting to associate themselves with the program shall in the appropriate manner do so and contribute towards its implementation." The Group of 77 also "solemnly affirmed its political dedication to unify its efforts to jointly implement, in a spirit of solidarity, the program of cooperation among developing countries adopted in Manila, and the Action Program for Economic Cooperation adopted at the Non-Aligned summit in Colombo." The Colombo summit called for the creation of a new egalitarian and universal international monetary system and general debt moratoria for the developing sector.

Equally important was the defeat of the Pakistani effort to bring about an open division within the Third World. The Pakistani delegation, which unlike the others was headed by its foreign minister in order to add more weight to its disruptive efforts, called for the convening of a summit conference to Third World leaders. This summit in the words of Foreign Minister Aziz Ahmed would be convened to "mobilize the entire strength of the peoples of the Third World in their common fight to liberate themselves from international economic exploitation."

Although the exact wording of the letter of Pakistani Prime Minister Bhutto (which contained the actual proposal for the summit) to the G-77 conference was still not available to NSIPS at this time, the nice sounding, but totally ambiguous nature of the call for the summit by Foreign Minister Ahmed gave away that its only purpose was to try to create a "counter-bloc" to the Non-Aligned movement and the far-reaching resolutions and programs that it had approved at Colombo less than a month before. The Pakistani move in effect to annul the results of the

Non-Aligned summit is even more outrageous when it is taken into account that the Non-Aligned group comprises the overwhelming majority of the G-77.

To a majority of conference delegates, the Pakistani motives for the calling of a new summit were made clear when at the governmental experts meeting here that prepared the agenda and other matters prior to this conference, the Pakistani delegation tried through procedural motions, to block the Non-Aligned action program from being adopted as part of the G-77's program.

Throughout the conference the Pakistanis continued intense lobbying efforts to try and swing the significant support in favor of their proposals. However, the Non-Aligned, as a movement, held their ground; they tried to dissuade the Pakistanis from continuing their divisive tactics. The Pakistanis went so far, according to informed delegates, as to say in the halls of the conference that their proposal was actually to hold a summit to have the Third World declare unilateral debt moratoria.

As these same delegates pointed out — and in times of self-awareness the Pakistanis themselves ruefully admitted — the procedure for bringing about such a summit would take the Third World way beyond the December deadline set by the Non-Aligned summit within which the developed countries would have to negotiate with the advanced sector.

In short, the Pakistani proposal would merely allow Secretary of State Kissinger and his other allies in the advanced sector more critical time to stall and put off the demands of the Third World in the current North-South negotiations.

Toward the end of the conference, the Pakistanis, despite overwhelming opposition, continued to insist on some form of acceptance for their proposal, and de facto threatened to end the conference in disarray. In the end, the Pakistanis were soundly rebuffed in their plan to have the G-77 used as a stepping stone to "their summit," if that indeed was their purpose. Strong feelings ran among the delegates that the Pakistanis were merely interested in dividing the Third World.

Another proposal that initially brought about a similar amount of controversy and divisiveness, was the Mexican proposal to "institutionalize" the G-77. The proposal could not but be interpreted as another attempt to counterbalance the Non-Aligned movement's power. However, unlike the Pakistanis, the Mexicans did not carry out the fight for their proposal to the extreme of sowing disunity within the G-77.

This concern of the Mexican group was clearly laid out at the opening session of the conference when Dr. Garcia Robles, President of the conference and Foreign Affairs Ministers of Mexico stated emphatically that: "Any division between the Non-Aligned movement and the G-77 must be prevented. Such a division could have fatal consequences for the existing solidarity among the developing countries and, fortunately, it appears to us that such a hypothesis is not only inconceivable but also absurd since the members of the former comprise two-thirds of the latter."

The Mexican proposal presumably will now be taken up at the