

did not attend the Cairo meeting, as Tito was not overtly sympathetic to Peking.

Forty-nine nations attended this meeting, and 10 others went as observers. All Bandung's major points were reiterated but a major effort was made to keep the China controversy at a low key. Mainly, the Cairo summit chose to reiterate the principle of national sovereignty of member states and "economic emancipation as an essential element in the struggle against political domination." This was extremely significant given that, starting in 1960, major nonaligned nations such as India and Egypt began to be seriously pressured by the World Bank to surrender national sovereignty in exchange for financial aid.

The 1964 Cairo Conference and the 1970 Lusaka Conference kept the movement alive but without the spark of earlier periods. With the exception of Marshal Tito and the emergence of Algeria's Houari Boumedienne in this period, the movement found itself without the leaders of the past. Its direction from a strident anticolonial thrust to a frontal campaign on economic issues of the day had not yet been defined.

It was at Algiers, in 1973, that the new core of leadership began to assert itself, putting the China problem in the background and making the necessity of a New World Economic Order the movement's key plank. In 1973, Fidel Castro, Indira Gandhi of India, and Houari Boumedienne of Algeria played key roles in giving new life to the movement, learning much from the World Bank/Chinese/British combined operations in the overthrow of Sukarno in 1965 in Indonesia and Nkrumah in 1966 in Ghana.

At Algiers, Boumedienne asserted the necessity for a New World Economic Order and converted the Arab oil wealth into a negotiating weapon for technology transfer to the developing nations. The Special Session of the United Nations in 1975 and 1976 were part of this effort that was to culminate at the Fifth Summit of the Non-Aligned Nations in Colombo, Sri Lanka, in August 1976.

The upcoming Havana Summit will be the sixth summit, with over 89 heads of state or government present, making this group the largest ever assembled to deliberate the strategic politics and economic problems of the world today. The nonaligned has now become an organization that represents a very large portion of the world population, and its decisions will be crucial. Its current format includes meetings at the United Nations prior to each UN General Assembly. Its coordinating bureau of 24 geographically elected members meets every year and its foreign ministers meet every second year. It is an established decision of the movement to hold heads-of-state summits every three years. Cuba will be the host and organizer of the movement's activities for the next three years, including convening of emergency meetings when deemed necessary.

The Nonaligned and the

Since the Algiers summit in 1973 the issues of the New World Economic Order (NWEO) and the task of economic development of the Third World developing nations has been the most prominent issue for the movement. In the period in between the Algiers summit and the following Colombo heads-of-state summit in 1976, the NWEO became the greatest global issue—known commonly as the "North-South problem." The history of this period provides the insight needed to understand the tasks before the Havana summit.

From Algiers to Colombo

When the Algiers summit took place in 1973, the Nonaligned nations faced an increasingly dangerous international situation, dangerous to hopes for economic progress and for peace. In August 1971, the Bretton Woods system of the International Monetary Fund (IMF) and its sister World Bank had dramatically collapsed. Massive international monetary instability, global inflation, a collapse of world trade and an overall depressed world economy put the developing sector under great pressures. Tensions in the Middle East brought war shortly after the summit.

All of this brought forward the call for a New World Economic Order, one which would end the dominance of the IMF system in preventing industrialization and technological development. Out of Algiers the direct result was the convening of two successive "Special Sessions of the United Nations on Development" in 1974 and 1975, which formalized the call for a new order in U.N. declarations on economic rights and development goals. The emergence of OPEC, which begins before Algiers, but flexes its muscles in the 1973-74 period, was depicted as the signal of new militance among developing nations in pursuit of their aim to increase the flow of technology, and reverse the unequal terms of trade and credit which had persisted from the colonial period.

The vital issue at the core of this battle was the fate of the IMF itself and the necessity to bury this institution in favor of creation of a new international monetary system whose premise would be the availability of cheap credit for financing of real, productive development projects in the Third World. This issue however has been subjected to numerous efforts at obfuscation and resistance from those financial centers—of London, New York and their allies—whose global power fundamentally rests on the maintenance of the IMF and the enormous pyramid of nonproductive debt upon which it rests.

The Oil Crisis of 1973-74 brought this issue to the

New World Economic Order

forefront. An enormous pyramiding of developing sector debt resulted from the oil-price crisis. Developing sector debt, both from multinational institutions like the World Bank and from private banks, rose from around \$100 billion in 1972 to over \$200 billion by 1975-76, and now is at approximately \$300 billion. The speculative bubble known as the Eurodollar market, run out of London, was the main source for this expansion while the IMF played the role of "enforcer" for the banks, going into developing sector nations as the institution which both demanded "accountability" and established the criteria for "credit-worthiness" for the banks.

The IMF policy has been unchanging—at every point of crisis it demanded increasing levels of austerity, cutbacks in industrial investment, increases in raw materials exports and agricultural exports, all to ensure that the debt would be repaid no matter what the cost to the nation itself. In fact, IMF and New York-London bankers ensured that the debt crises would only worsen by destroying any attempt to expand the productive base of the developing sector that would have permitted them eventually to repay their loan obligations.

It was in this context that the debt issue and the existence of the IMF itself became the key issues around which the North-South confrontation would take place. Developing sector nations like Zaire, Peru, Jamaica and others were forced to choose between defaulting on their debt or agreeing to such onerous conditions for the rollover of that debt that the survival of their governments was totally undermined.

What shook the halls of London, New York and IMF headquarters in Washington, D.C., was not the anger of developing sector nations but the emergence of clear and coherent proposals to end their power over the world economy. In April 1975 a new proposal emerged which crystallized the impetus toward a positive alternative—the proposal for creation of an International Development Bank (IDB) to replace the IMF, a new world central bank that would provide low interest credits tied directly to hard commodity flows and new industrial and agricultural development projects. The proposal, authored by Lyndon H. LaRouche, international economist and chairman of the U.S. Labor Party, linked an IDB with a call for a debt moratorium that would freeze the speculative debt burdens of the Third World, allowing new credit to flow into producing greater real wealth rather than simple rollover of past debt.

Though debt moratorium was not a new idea, it was a proposal which, combined with a new monetary

system, would in one fell swoop wipe out the entire inflationary credit structure that had been built up to keep the Bretton Woods system going since 1971. The numerous meetings of 1975-76, including the Non-aligned ministerial meeting in Peru in 1975 and the Conference on International Economic Cooperation in Paris—the "North-South dialogue" of 1975-77—were converging on this radical solution to the global crisis.

The Paris "dialogue" which included some 24 advanced and developing-sector nations became the main focus of the New World Economic Order battle. The dialogue was originally convened on French initiative with Mexican and Algerian backing as an attempt to actually reach agreement on the issues facing the entire world. But Henry Kissinger of the New York Council on Foreign Relations—then U.S. Secretary of State—rapidly moved at London's direction to derail the dialogue. Kissinger's first intervention was an attempt to make it a conference of oil producers and consumers, a transparent effort to shift the new world order debate toward a confrontation with OPEC; Kissinger tried to split the developing sector along oil and non-oil lines.

This effort failed due to French moves and the solidarity of the developing sector nations. Kissinger then moved to make Paris a monologue, with the Nonaligned developing nations embroiled in endless "talks" which led nowhere, while their ranks were subjected to a full battery of domestic destabilizations and IMF pressures.

The frustrations and ambitions of the Third World culminated in the August 1976 Colombo Summit which emerged with an Action Program that called in no uncertain terms for debt moratoria, creation of new international credit institutions and a new monetary system, and large scale transfer of technology to the Third World. The Colombo meeting also threatened that unless the Paris talks took a productive turn rapidly, they would be forced to take unilateral action, a statement understood by all to include unilateral debt moratoria. These moves at Colombo intersected two important developments—the presidential election campaign then on in the U.S., and a clear European signal of their intention to break ranks with the Anglo-American IMF bloc and "align" with the Nonaligned and their allies.

"The time has come for a debt moratorium"

The clearest expression of this sentiment in the developing sector was brought out into the open when the United Nations General Assembly convened in September of that year. While not all developing nations were

ready to move strongly—far from it, as Kissinger knew so well—many were. Guyana, a leader of the Non-aligned group, expressed this when its well-respected Foreign Minister Fred Wills addressed the Assembly. Wills declared: “The Nonaligned Movement and the Group of 77 [the developing nations in the U.N.—D.S.] have tirelessly sought to bring home to those in the developed world ever resistant to change, that the economic progress of the developing countries is in the security interests of the developed countries. ... Their determination [the developing countries] is adamant, inexorable and relentless. The IMF and the Bretton Woods monetary system must give way to alternative structures like international development banks, which are not geared to the revival and reconstruction of Europe nor preferential arrangements for the developed market economies, but rather to the just distribution of the gains of an equitable global system.

“The crippling problem of debt and servicing of debt has assumed a special urgency. Developing countries cannot afford to depart from their basic and fundamental demand made in Manila and Colombo earlier this year calling for measures of cancellation, rescheduling and the declaration of moratoria. ... We cannot afford to mortgage the future of unborn generations to the obligations of burdensome capital repayments and crushing debt reserivicing. The time has come for a debt moratorium.”

The Wills declaration, following on Colombo, made the ideas of the LaRouche IDB proposal the policy of the mass of humanity in the developing sector.

While this greatly affected political realities inside the U.S., not only helping to increase the influence of LaRouche and his supporters, but also striking fear inside the entire Anglp-American establishment, the Nonaligned and developing nations largely failed to see the opportunity before them to strike a deadly blow at their enemy. This was nowhere clearer than in Paris, where the resumption of the North-South meeting featured a split between certain developing nations who wished a final showdown there before the meeting reached a conclusion in December of that year, and those who favored “moderation.”

Kissinger played on the moderates. The election of

Jimmy Carter in November of 1976 was sold to many developing nations as a promise of a new “softer” and more favorable policy on the part of the U.S. toward the New World Economic Order demands. While Pakistan and others called for a confrontation—with Bhutto (Premier of Pakistan) pushing for a Third World Summit on the issue of debt moratoria and implementation of the new order—the “moderates” won out.

The result at Paris and otherwise was a deadly delay of the final battle into 1977. Carter, Vance, Brzezinski came in, Paris was resumed with the Anglo-Americans knowing they had already won the crucial psychological battle in the Third World’s failure of nerve. Paris ended with a whimper in the spring of 1977, producing nothing. By mid-1977 virtually every Nonaligned and developing sector leader who had been in the forefront of this process, had been ousted, by coups and other means, including Indira Gandhi of India, Bhutto of Pakistan, Bandaranaike of Sri Lanka (the host of the 1976 summit), key Peruvian government leaders, Wills of Guyana (in early 1978), and others.

The period since this defeat has seen a mere shadow of the momentum formerly behind the New World Economic Order—the rhetoric has continued but the will and determination has been absent.

The events of 1978-79, however, have begun to provide a basis for shifting this situation. European determination to establish the new world order has been strengthened by the establishment of the European Monetary System and the French leadership, with German support, in creating a partnership with the developing sector, particularly in Africa and Asia. The U.S. situation has seen the collapse of Carter and the emergence of the LaRouche alternative, allied with prodevelopment elements inside the U.S. in a form much stronger than previously existed. It has also seen new shifts in the Nonaligned itself, as exemplified by the events in Nicaragua and elsewhere, which signal a revival of political muscle among these groupings.

The question at Havana then remains: Will the Nonaligned pick up where they left off at Colombo, with an added appreciation of the failures of the past and the opportunities of the present?

—Daniel Sneider