

EUROPE, SOVIETS, 3RD WORLD PREPARE FOR WAR ON DOLLAR

by Susan Cohen

Sept. 3 (IPS)—Western Europe, the Third World and the Soviet bloc are now preparing a coordinated assault against the last remnants of the Rockefeller clique's Dollar Empire. The official proceedings, as well as extensive private discussions, at the ongoing annual meeting of the International Monetary Fund-World Bank in Washington, D.C. and the Special Session of the United Nations General Assembly in New York this week reveal the political and economic groundwork already largely in place for such a decisive battle. Substantial agreement on all sides to pursue trade and development via "triangular" arrangements based on the gold-backed transfer ruble at the expense of the U.S. dollar, and explicit commitment to a "new International Economic Order"—along the lines of the ICLC's International Development Bank proposal—is the motor of the international steamroller emerging clearly now.

Third World backing for the European demand for a return to gold, announced by Mexico on behalf of the powerful 100-nation Non-Aligned bloc of developing countries at the finance ministers' meeting in Washington (see p. 6), in return for European participation in three-way transfers of wealth is an offer the trade-starved Europeans cannot refuse. Now the "Europeans" among them must move to break the deadlock with Rockefeller's "Atlanticist" agents in their midst and openly declare themselves with the pro-development, pro-East-West trade forces. This European-Third World pact, in turn, presents the Soviet Union with the impetus to step up its own organizing for ruble-backed trade and the impetus

to step forward even more vigorously on behalf of world economic reconstruction.

The Third World's commitment to such a coordinated attack on the stranglehold of dollar debt was demonstrated dramatically in the speeches of key non-aligned bloc spokesmen to the UN General Assembly. "A choice must be made," Algerian Foreign Minister and President of the Seventh Special Session Bouteflika told the delegates between world reconstruction or submission to continued imperialist looting at the hand of an "obsolete order." The Third World, for its part," Bouteflika emphasized, "has long since made its choice."

Indian Foreign Minister Y.B. Chavan followed the Algerian lead, demanding the "dismantling" of all "institutions and structure which perpetuate or aggravate present injustices and inequalities"—a clear reference to the IMF and World Bank. Zeroing in on the critical issue of dollar debt and imperialist looting via the mechanism of international loans, Chavan pointed out that the Third World have been forced to "preempt for debt servicing most of the aid which is received now and may be received in the future." Further loans are no solution, he stressed.

With other key Third World spokesmen, Chavan stressed the immediacy of the problem and urged all to "accept the political necessity to negotiate seriously and without delay."

Procrastination Means "Failure"

Indonesian Foreign Minister Adam Malik, declaring his country's solidarity with Algerian President Boumediene's programmatic push for a "New World Economic Order," directly addressed the current factional

standoff in Europe and Japan on the issue of dollar debt versus trade and development. The present international economic system has shown itself incapable of functioning properly, he said. "We are not concerned with a temporary breakdown or stagnation," he added, emphasizing the thoroughgoing collapse of the dollar-based Bretton Woods credit structure.

Commending the "growing understanding" of a number of developed countries which has prompted them to act in a "constructive spirit," Malik took aim at the laggards and saboteurs. "We urge those... which continue to take a negative attitude," he said, "to reconsider their position as further procrastination will only result in the prolongation of the failures of the present system."

Further separating the wheat from the chaff among European capitalists, and addressing the concerns of advanced-sector workers, Malik stressed the importance of trade as a "vehicle to promote production." "When we speak of redeployment of industry it should be made clear that there is no question of closing down factories in order to transfer them to the developing countries," he said, burying the ghosts of the miserable Rockefeller fantasies of carting off Western industry to build new Empires to the South. "Redeployment can only relate to new production possibilities to be created," he declared.

Soviets Back Attack

Soviet Ambassador to the UN Malik reiterated the Soviet Union's total support for the developing sector. Concrete Soviet aid to the developing countries is a matter of record; the recently concluded Comecon agreements with Iraq, Mexico, Finland and Yugoslavia being

exemplary of the potentialities for augmenting the international division of labor through such economic integration and cooperation. Malik's discussion of those agreements, together with pointed reference to the Com-econ's International Investment Bank—established to provide credits up to 15-year term for financing industrial, agricultural and other development projects throughout the Third World—made explicit the Soviet capability and willingness to provide the cornerstone to expanded "triangular" agreements.

Significantly, Malik directly addressed the world monetary crisis, noting that "Western attempts (to normalize the crisis) are deadlocked." The solution requires, Malik adds, "due consideration of the interests of all countries" and the "general elimination of domination of one or several national currencies"—clear backing for the attacks on the dollar.

This coordinated political-economic assault on the bastions of Rockefeller's bankrupt dollar is already reverberating in Europe. The show of Third World-Soviet pro-development force at the UN emboldened the anti-Atlanticists of the West German daily *Franfurter Rundschau*. In a pokerfaced account of Foreign Minister Genscher's speech at the UN, today's *Rundschau* drives another nail in the coffin of Rockefeller agent Schmidt's beleaguered occupation government. "The position of the BRD, which was worked out in contacts with the USA, was fundamentally that of the U.S. government," reports the *Rundschau*.

Temporary Bretton Woods Revival

The Atlanticists stateside, for their part, have been backed into a corner from which they are attempting to extricate themselves—at least temporarily—via a revival of the original

Bretton Woods scheme for an international monetary system composed of several major currency "blocs." Despite the fact that they managed to stall the immediate implementation of the IMF gold agreement, a faction has emerged that is willing to admit that they in fact have no choice but to proceed a lousy compromised on dollar hegemony and make room for the expansion of three-way trade and development. Such an arrangement—including a return to gold use and fixed rates between "blocs"—now espoused by key policy makers associated with the New

York Federal Reserve will simply cushion other sectors of the world economy against the worst fallout from the dollar's future demise. The imminent New York City default and subsequent detonation of the Eurodollar market make such schemes useless from the standpoint of dollar salvation.

KISSINGER TRIES TO BLUFF HIS WAY PAST ATTACKS AT UN SPECIAL SESSION

by Peter Ennis

UNITED NATIONS, N.Y., Sept. 2 (IPS) — The Seventh Special Session of the United Nations General Assembly opened here yesterday with speeches by the major spokesmen for pro-development policies and genocidal austerity policies, Algeria and the Rockefeller-Kissinger within the United States government respectively. With those statements the parameters for discussion at the Special Session, devoted to "Development and International Cooperation," were set.

President of the Special Session, Algerian Foreign Minister Abdelaziz Bouteflika gave the opening speech and posed the question to the delegates, "What kind of world do we want to build?" Stressing that an "unequivocal" answer must be given to that question Bouteflika said that two choices exist. "The first alternative is to create, together, the conditions for real cooperation with a view to restructuring the world economy, defining new goals and assigning new purposes to world production and trade in order to satisfy, first of all, the fundamental economic, social and cultural needs of all mankind." The other alternative, he said, is for the industrialized countries to "continue to defend the privileges, increasingly vulnerable as they are... in the illusory hope of blocking changes."

Throughout his speech Bouteflika stressed that "the system, as it now operates, is itself the source of present upheavals," and broad-based changes are needed. He attacked the method by which capitalist financiers dictate the strict terms on which they will provide credit to the developing nations, said that the cumulative debt of the Third World, "which is largely the result of the unequal relationships to which they are subjected," must be "seriously renegotiated." He reiterated the proposals of the nonaligned countries for the establishment of commodity buffer stocks, and similar agreements designed to stabilize the export earnings of developing nations. "Such an approach presupposes a new type of relationship in which concerted action and some degree of planning on the international scale are substituted for the so-called laws of supply and demand, which, in reality, merely reflect an imposed relationship, based on the respective strengths of the seller and the buyer," he said.

The Kissinger Bluff

In response to the Algerian thrust for development, an empty-handed Daniel P. Moynihan, U.S. Ambassador to the UN, attempted to bluff the developing nation with a Kissinger-authored variation on the theme of "fuck you." Faced with a collapsing credit system,

Kissinger could only propose the creation of new financial mechanisms to roll over tremendous Third World debts. These mechanisms include the expansion of the existing International Finance Corporation, run by the hated World Bank, and the creation of an International Investment Trust. According to Kissinger such an investment Trust, which would be run by the International Finance Corp., "would attract new capital by offering investors a unique opportunity — participation in a managed broad selection of investments in developing country firms, public, private and mixed." Kissinger warned however, that for private investors to invest in their countries the governments of the developing nations would have to make themselves "credit-worthy." If this is not done, the developing nations could be "cut off needlessly from sources of capital and markets essential to their own progress."

Though the Kissinger speech was publicized to contain numerous "concessions" to the Group of 77 developing nations, Kissinger declined to accept even the most publicized demand of that group — an "integrated approach to negotiations concerning trade in raw materials and commodities. As a counterproposal, he called for the creation of a facility within the Inter-