

## UN BECOMING FORUM ON HALTING DEPRESSION

by Susan Cohen

UNITED NATIONS, N.Y., Sept. 6 (IPS) — The Special Session of the United Nations General Assembly, now entering its seventh day, is taking on the explicit character of a strategy session devoted to mapping the way out of the world depression. In official statements this week, representatives of the Soviet Union, East Germany, and Bulgaria backed Third World motion out of the dollar orbit with calls for debt moratoria against the dollar, triangular trade agreements, and the replacement of the dollar-based monetary system.

This crucial combination of Soviet bloc and non-aligned nations, supplemented by the Swedish representative's explicit debt moratorium proposal, immediately converges on the International Caucus of Labor Committees' International Development Bank proposal for expanded production and trade via ruble-based three-way transfers of real wealth between advanced capitalist sector, the socialist bloc, and the Third World.

Beyond isolating the cops and agents crawling around the UN forum, widespread concrete discussion of the debt moratorium proposal has already moved key non-aligned forces to advance their target date for agreement between Europe and the Third World on the issue from May of 1976 to next month! According to sources close to the non-aligned effort, the West German delegation at the International Monetary Fund meetings in Washington this week "softened" its positions on the moratorium issue during the week, ostensibly on new instructions from Bonn.

### The Soviet Model

Following Soviet Ambassador to the UN Malik's presentation, which reiterated the Soviets' support for the developing sector and backed Third World attacks on the dollar, East German representative Oskar Fischer elaborated East bloc views on the current monetary collapse. Charging that the "continuing deep crisis of the capitalist economic system" crushes living standards and "causes large economic capacities to be idle — capacities which otherwise could speed up economic and social progress," Fischer pointed out that "attempts to reform the capitalist monetary system... have been unsuccessful." Fischer concluded, "The GDR is opposed to passing the consequences of the capitalist crisis on to the developing countries."

Next Bulgarian representative Luben Petrov made the implications of that

statement explicit. "We are deeply convinced that it is not possible to render effective financial assistance to accelerate the economic progress of developing countries within the framework of the existing international financial institutions," he said. Instead Petrov proposed, "ameliorating the conditions of financing and alleviating the debt burden" through measures aimed directly at the imperialist powers "who bear full responsibility for the grave situation of developing countries."

European support for the debt moratorium drive came from Sweden's Minister of State Carl Lidbom, who called for "some form of moratorium or canceling procedures for official development assistance credits" to "immediately ease the acute payment problem" of Third World nations, since "the least developed countries are today incapable of repaying all their debts." Informed sources later revealed that a similar proposal had been discussed at an earlier OECD meeting, but when West Germany and the U.S. blocked the initiative Sweden decided to present it independently.

The key parameter for economic development is the augmentation of the international division of labor — the explicit criterion for Soviet bloc economic activity internally and externally. Both the Bulgarian and East German representatives described in some detail their own countries' economic development, pointing to the role of Soviet aid in promoting the rapid development of key sectors of the economy.

Reviewing East Germany's own role in overall Comecon support for Third World development, Fischer underscored the importance of developing countries' "efforts to speed up their industrialization, modernize their agriculture, and develop their infrastructure" — efforts systematically crippled by World Bank-IMF "aid."

As Petrov noted, repayment of aid credits within Comecon agreements takes place "by means of the produce of the newly created capacities." The Comecon now has long-term agreements along these lines with 64 developing countries.

The ICLC's agitation for dollar debt moratoria has been the crucial cutting edge for creating the programmatic unity to realize the development and moratoria proposals which the Soviet and non-aligned blocs are supporting. Members of several delegations have sought consultation with ICLC representatives on the debt moratorium is-

sue prior to writing their UN speeches.

In intense and ongoing private discussion surrounding the special session, the debt moratorium is increasingly becoming the litmus test for the emerging pro-development political machine. Delegates, in their official speeches, are addressing the issue with growing specificity and ruthlessness. In his speech, the Bulgarian spokesman Petrov bluntly exposed Henry Kissinger's two-hour bagful of gimmicks and insults: "At this session we have heard very detailed proposals which in essence amount to the preservation of the existing practices in the field of international financing and credits."

Demonstrating the increasingly pivotal nature of the debt moratorium issue, the Egyptian representative in his official speech found it necessary to explain precisely and at great length that his government — criminally servile to Mr. Kissinger — was interested in "preserving the interest of the creditor!"