

Special Report-- United Nations

UN Session ends in Victory for Third World on Debt, Development

by Peter Ennis

UNITED NATIONS, N.Y. Sept. 16 (IPS) — The Seventh Special Session of the United Nations General Assembly ended today as a major political victory for the Group of 77 developing nations, when the European Economic Community broke with the U.S. and backed the essential demands of the developing nations for the establishment of "a new international economic order." A final conference resolution was unanimously passed by consensus early this morning, with an isolated United States the only country to voice major "reservations."

While the content of the resolution passed today, in light of the imminent collapse of the dollar-based monetary system, is not that substantial, the major political victory won here by the Group of 77 sets the stage for further cooperation between the developing nations and the nations of Europe around a program of breaking with the dollar through debt moratoria and expanding "triangular" trade and development agreements with the Comecon nations.

The major break in the conference came yesterday, when the Group of 77, led by Iraq and Algeria, decided to submit for conference adoption an agreement reached with the European Economic Community and Japan concerning levels of development aid and other issues subsumed within the "transfer of resources" discussion category. This key Third World-European alliance jelled following the breakdown of negotiations between hated U.S. Assistant Secretary of State Thomas Enders and representatives of the Group of 77. The U.S. refused to accept the key demand of the developing nations contained in the "transfer of resources" category — a net total of 1 per cent of advanced sector GNP (total aid minus that portion immediately consumed in debt service) be provided as development assistance by the industrial nations by the end of this decade. This target, if met, would necessitate the cancellation of the \$130 billion of outstanding Third World debt. Several Third World dele-

gates said that while the United States was not genuinely willing to discuss and compromise, the opposite was the case with the Europeans and the Japanese. "The Europeans certainly came a long way," one key delegate told IPS.

The cooperation between the Group of 77 and the EEC around the issues subsumed under "transfer of resources" was carried over to the final document when the Ad Hoc Committee in charge of negotiations met early this morning to adopt the final resolution. Speaking on behalf of the EEC, the representative of Italy expressed EEC support for the final document and emphasized several points of agreement which he thought to be of particular importance. Then, on behalf of France, the EEC representative said that the French government considered it a necessity that the problem of debt service of developing nations be part of discussions to increase overall financial assistance to the developing countries. The United States, however, raised at least six major "reservations" concerning the final document.

U.S. Isolated

The willingness on the part of the EEC nations to cooperate was a direct result of the pressures within Europe to break with the U.S. dollar, and was the alliance Kissinger most feared would develop. Previously in the negotiations the United States wiggled out of an expected debate on means of relief of the tremendous debt burden of the developing countries by "agreeing" to participate in a conference to discuss the debt problem. Despite this temporary escape from joint Third World-European declaration of debt moratoria, however, Kissinger failed to halt the momentum of the Group of 77, gained largely through the relentless organizing of Algeria and Iraq, and given a major push by the cooperation from Europe. This momentum and the necessity for Europe to break with the dollar to avoid a depression collapse are sure to produce substantial programmatic discussion at the up-coming Paris conference on energy and other economic issues, as well as the UNC-TAD (United Nations Conference on

Trade and Development) meeting on October 27.

While the official line from the United States State Department is that the conference was a success because the final document included many of Kissinger's "proposals" as presented in his speech two weeks ago and because "genuine negotiations" took place, the reality of U.S. isolation was dramatically shown by the loss of composure by U.S. Ambassador Daniel Moynihan in a press conference this afternoon. An IPS reporter asked Assistant Secretary of State Enders, also present at the press conference, if he thought Algeria and Iraq had attempted to "wreck" the conference, as one U.S. delegate said two days ago. Moynihan interrupted the question saying, "I'll answer that. Did he (the U.S. delegate) say that in public or private?" When informed that the delegate knew very well who IPS was, Moynihan wildly claimed, "If he said that he was probably right." He then went on to say that while "it is not for us to comment" on the internal meetings of the Group of 77, (sic) several radical nations "had thought there was not enough to be gained from the negotiations," and therefore tried to disrupt them. However, he lied, "the stronger voices" of the "moderate" nations predominated. Earlier in the day Moynihan began a statement to the General Assembly by saying, "Mr. President, Mr. Secretary General, on behalf of the United States, which styles itself non-socialist...!!"

Yesterday the Chairman of the Group of 77 issued a statement denouncing claims made by Moynihan on television two days ago that several countries within the Group of 77 were disrupting the negotiations. Clearly stating that the Group of 77 had tried to "maintain a harmonious atmosphere" throughout the negotiations, the Chairman, Garcia Robles of Mexico said, "We therefore take the strongest exception to statements of this kind which imply that our group is acting in any but the most responsible manner — statements which can only create disharmony to the detriment of the UN and the interests we all seek to serve."