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Special Reports

Exclusive Report On Colombo Conference

Non-Aligned Summit Adopts Debt Moratorium, Calls For New Monetary System

Aug. 20 (NSIPS) — Eighty-five non-aligned Third World nations representing two billion people have adopted a program for a New International Economic Order whose central proposal is debt moratoria and the establishment of a new world monetary and financial system to replace the International Monetary Fund and the Eurodollar market and provide capital for Third World development. The Economic Declaration which contained this proposal for a new institution very close to the U.S. Labor Party's proposed International Development bank, was voted up unanimously at the conclusion of the Fifth Summit of Non-Aligned Nations in Colombo, Sri Lanka, after a four-day Conference Aug. 16-19.

The document also stated that the existing \$200 billion debt burden of the Third World represents an intolerable barrier to Third World economic development. The document demanded measures to relieve that burden, called for the cancellation of the debts of least developed and most seriously affected countries, rejected irrevocably the existing international monetary system and all fragmented attempts to patch it up, and blasted the sabotage of the North-South talks and other recent conferences by some western powers who have effectively blocked the measures necessary for development of the underdeveloped world.

This clarion call for debt moratoria and a new monetary system-international development bank is the final blow to Atlanticist attempts to divide the Third World and sabotage decisive actions against Lower Manhattan's leading banks. The conference represents a complete and final break with all of Henry Kissinger's and Rockefeller's ploys, stalling tactics and stopgap gimmicks, and defines a new political universe which should see debt moratoria and the International Development Bank implemented in short order.

Lyndon LaRouche, Jr., U.S. Labor Party Presidential candidate and author of the original International Development Bank proposal in April, 1975, when reached for comment on his campaign tour through New England, expressed his profound

pleasure at the content of the Economic declaration issued at Colombo. In response, he issued a statement calling on the government of Premier Andreotti in Italy, which has already expressed and acted on its strong support for the Third World, to openly declare support for the Declaration and to take other measures that would lead to debt moratoria and the IDB.

The Andreotti government, which sent an emissary to Colombo, has been asked by leading Non-Aligned nations to mediate Third World interests in the rest of Europe, and Cuban Deputy Premier Carlos Rafael Rodriguez publicly defended Italy against the U.S. and West Germany, indicating Non-Aligned awareness of Italy's potential role. Favorable press coverage of the Summit and Italy's support for the Palestine Liberation Organization indicate Andreotti's readiness to move.

The driving force for and authorship of the strong economic document, and for an equally strong Political Declaration, came from Algeria, Vietnam, Cuba, Iraq, and Guyana, supported by India, Indonesia and others. The documents leave no doubt that their world will be backed with actions. The conference calls for another United Nations Special Session to implement the outlined program, preceded by a meeting of Finance Ministers of the Non-Aligned countries to work out the technical details of the new institutions to be proposed. Indonesian Foreign Minister Adam Malik called for convening a debtor-creditor conference to relieve the Third World's debt-burden.

The Non-Aligned intention to back words with action started immediately with the resolution for an oil embargo against France for its economic and nuclear aid to South Africa — a measure instantly supported by the French Communist Party.

Moreover, a high Ford Administration official yesterday told NSIPS that he believed the Administration would not retaliate against a Third World debt moratorium with trade embargoes or other punitive measures.

The stage is now set for the next steps toward the concrete realization of the New International Economic Order.

Final Resolution Of Non-Aligned Summit

Aug. 21 (NSIPS) — The following are excerpts of the final resolution adopted unanimously by the Non-Aligned summit in Colombo, Sri Lanka. The resolution was printed in yesterday's Algerian daily *Al Moujahid*.

Introduction

... The heads of state of the Non-Aligned countries consider that economic problems have become the most grave in international relations... The developing countries are victims of this world crisis... It becomes more and more evident that the present system cannot promote the development of the

developing countries nor hasten the elimination of hunger, disease, and illiteracy... Also, the institution of the new international economic order is of the highest political importance... The developing countries have as their primary task to break the resistance of those who oppose themselves to the struggle for the economies of the developing countries...

The struggle for liberation and independence — the present international economic situation and the perspectives for the developing countries

1) The heads of state are preoccupied by the flagrant

inequalities and disequilibrium which the international economic structure entail... Many resolutions have been adopted by diverse international organizations concerning the establishment of the new international economic order, but there is no visible sign of their implementation...

2) The developing countries must today face a crisis which concerns both the realization of and-or the maintenance of a minimal standard of living...

3) The currency receipts of the developing countries depend essentially on their exports of raw materials.

4)...

5) There has been phenomenal increase in the balance of payments deficit of the developing countries: 1973: \$12.2 billion; 1974: \$33.5 billion; 1975: \$40 billion. Estimates for 1980 put the figure at \$112 billion... The developing countries have exhausted their reserves and accumulated important foreign debts. It has been calculated that foreign indebtedness is more than \$100 billion in 1973 and will double by the end of 1976.

6) The fact that human and material resources continue to be diverted from economic and social activity towards an arms race... Also, the present crisis imperils world peace...

7) Industrialization is a dynamic instrument of development which concurs with the social and economic progress of the developing countries. It is linked to the promotion and expansion of exchanges between developing and developed countries... The redeployment of appropriate industry and the furnishing of cooperation for the construction of a healthy technical basis in our countries must be accelerated.

8) The insufficient implementation of political measures inscribed in the international strategy of development, which is due to the absence of political will among most of the developed countries, adds to the economic crisis... It is thus that famine, disease (etc.) constitute a perpetual problem in the Third World.

9) (Concerns the specific situation of the poorest countries which do not have any coastline)

10) The absence of an equitable international monetary system provokes profound concern and aggravates economic problems... The attempts to reform this system in the framework of existing monetary relations, which are under the control of a few capitalist countries, have resulted in failures. These countries have exerted undue influence on the decision-making process concerning the monetary systems and the solution to problems posed to the developing countries is sought according to temporary and inefficient arrangements. The heads of state... reaffirm that the solution to the economic problems of the developing countries demand the establishment of a universal and equitable new monetary system.

11) The efficiency and the equity of the system to be established will depend on the control (mastery) which the international community will be able to exert on the conditions of the creation of uses for additional liquidity, duly taking into account the interests of the developing countries. This is why we must urgently create liquidities (to be) automatically linked to the financing needs of development and ensure for these countries their legitimate part in the decision-making process.

12) (Attacks those countries who oppose the creation of such a system)

13) The conference notes with anxiety that no progress has been made at the Paris (so-called North-South) conference (the Conference on International Economic Cooperation —ed.). The developed countries will be held responsible for a failure in the Paris conference.

14) (Concerns the work of the United Nations Committee on Trade and Development — UNCTAD)

15) The heads of state... are strongly convinced that only a complete restructuring of international economic relations, thanks to the institution of a new world economic order, will put

the developing countries in a position to attain an acceptable level of development...

16) (Hopes that international cooperation will continue with the aim of) the universal realization of the new international economic order... The implementation of the decision adopted by common accord constitutes a major task in the international community.

17) The heads of state affirm anew that the struggle for political independence and the exercise of their sovereignty cannot be disconnected from the struggle for economic emancipation... It is the economic problems which will now constitute in international negotiations the major preoccupation of international politics. Durable peace and security are not possible internationally without the creation of a just and equitable society, which furnishes economic and social security to its members... For the developing countries this presupposes the following factors: A) individual autonomy... B) intensification of cooperation... C) reinforcement of solidarity...

The New World Economic Order

1) The heads of state... are strongly convinced that alone a complete restructuring of international economic relations will bring a solution to the world's economic problems. The weaknesses and repeated failures of the extant economic order have been demonstrated by the recent series of crises in the market economy countries: collapse of the monetary system, the appearance of restrictive and protectionist policies, recession, inflation, unemployment, etc... Notably, this state of crisis has also dramatically emphasized the fundamentally interdependent nature of the elements constituent of the world economy, and provided the necessary impetus leading towards conceiving a new world economic order.

2) The heads of state... demand the establishment of a new world economic order, which begs bold initiatives, demands concrete innovative and global solutions, and is not compatible with the fragmentary and improvised reforms designed to keep the current economic difficulties in check...

3) The heads of state denounce the unacceptable policy and practice of the transnational corporations...

4) They reiterate the right of every country to exert its sovereignty...

5) They reaffirm that alone such a complete restructuring of international economic relations will provide a durable solution... They reaffirm their resolute determination to obtain by collective action the establishment and implementation of a new world economic order, which is envisioned and enunciated in various resolutions. This order must among others include:

A) Fundamental restructuring of the whole apparatus of international trade so as to achieve an indexation, improve the terms of trade...

B) Deep restructuring of world production on the basis of a new international division of labor through the following means: improvement of the access of developing countries' manufactured products, transfers of technology...

C) A radical overhaul of international monetary arrangements in vigor, which are characterized by the lack of a rational equitable and universal system, the anarchy of floating, the growth of liquidity...inflation... The new system should abolish the dominant role of international currencies in decision-making, and forge a link between liquidity creation and development finance,

D) Guarantee for an adequate transfer of resources,

E) Urgently determine a satisfactory solution to the problem of public debt, especially for the least developed and most affected countries.

F) Input, at favorable conditions, or the desired resources and appropriate technology to permit investments ensuring growth of food production and means of agricultural production in the developing countries...

Collective autonomy

Stressing the fact that the principle of autonomy is not only compatible with the new world economic order, but also a factor of reinforcement between (developing) countries, in parallel with the intensification of (developing countries) mutual trade,

it is desirable that the non-aligned countries diversify their economic relations with other countries, capitalist as well as socialist.

Interdependence in the world economy

... international cooperation has today become an imperious necessity...

The heads of state recognize that the introduction of a new era of fair and balanced relations is the responsibility of all, but falls more particularly upon those who detain economic power. Furthermore, the creation of a new world economic order implies, on the part of the developed countries, resolute and efficient measures in all the main domains of international economic relations. The developed world as a whole cannot any longer escape their responsibility under any pretext whatsoever, and can no more afford to misinterpret the fundamentally indivisible nature of the world's prosperity.

The heads of state... therefore invite the developed world to convincingly express their faith in the principle of interdependence of the world, by adopting a series of measures that, alone, will permit to conduct to an authentic international cooperation and the creation of the new world economic order...

Conclusion

(This) announces a new step for the establishment of the new world economic order, and in particular, this essential element of such a new order, a new monetary and financial system...

Prensa Latina Report On Final Resolution

The following is the Aug. 20 report of the Non-Aligned Conference in Colombo, Sri Lanka from Prensa Latina, the Cuban news agency.

The Fifth Conference of the Non-Aligned reaffirmed today that the economic problems of the Non-Aligned countries demand the establishment of a New International Economic Order... The decision of the Non-Aligned group to create a new universal monetary system is the most significant element in the economic declaration that has just been adopted by the movement in this capital (Sri Lanka —ed.).

The initiative presented for the first time at the summit, draws the attention of experts to the repercussion on international economic relations that goes hand in hand with a measure of this type.

The document approved by the Colombo conference, points out that the lack of an equitable international monetary system has worsened the economic problems of the developing countries

and the attempts for reform within the framework of existing monetary relations (institutions) has resulted in failures.

This diplomatic affirmation, according to experts, signifies that the Non-Aligned movement, to which the major oil producers belong, have decided to turn its back on the International Monetary Fund.

During the discussion of this document in the economic commission, the participants insisted that a new universal monetary system be the base for implementing two fundamental principles of the movement, equity and universality.

According to the approved document, what is understood by this is the need to establish liquidity that is automatically linked to the needs of financing development and providing for those countries a legitimate and equitable part of decision making in monetary questions.

At the moment that the initiative was formulated, the political

commission named this the universal monetary system. What is understood by "universal" is that in the manner that it is proposed, the Non-Aligned countries wish to open such an institution to all nations of the international community who desire to participate.

These two principles — equity and universality — contrast with the functioning and structure of the International Monetary Fund, an institution in which a limited number of countries participate with a voting power proportional to their economic power.

According to opinions here this economic initiative coincides with pointing out that the present document constitutes a step in advance from the declarations adopted at the Algiers summit (1973).

After the proposal for a universal monetary system the experts' attention is most caught by a new concept of economic cooperation that appears in the final part of the declarations from the summit.

Economic autonomy implies a firm determination on the part of the developing nations to protect their legitimate rights to their natural resources through utilizing their power of collective negotiations, according to the declaration of heads of state. This is to say that also for the first time, the Non-Aligned do not limit themselves to the traditional reciprocal support measures in economic, technical, commercial, industrial, and scientific spheres. According to some analysts, this is the product of an evolving process in the Third World to conceive of new and dynamic development in economic, political and cultural relations between the developed sector and the exploited sector.

This is also the first time that a conference of this type, in generalized form, has expressed its deception with the resistance of some developed countries in creating a New International Economic Order, pushed by the movement. The Non-Aligned document states, "... The lack of political will by the majority of the developed countries on the New International Economic Order and the persistent economic crisis that gravely affects the developing countries due to their greater vulnerability to economic fluctuations, has produced results that are extremely discouraging."

But the general discouragement, according to experts, no longer remains only words, for in another passage of the document, it affirms that the developed countries will be held responsible for the failure of the Paris Conference. In that case, add the heads of state, the developing countries may revive their attitudes.

The economic declaration also ratifies the earlier anti-imperialist and anti-colonialist formulations that have characterized all the Non-Aligned countries. The elimination of foreign aggression, colonialism, and neo-colonialism are pointed out as the areas for struggle with which the Non-Aligned will have to deal with in creating a New International Economic Order.

The Colombo document "denounces once again the unacceptable policies and practices of the U.S. multinational corporations." The document also denounces the persistent deviation of human and material resources toward the unproductive and destructive arms race. "This situation (arms race) is contrary to the purpose and objectives of the first and second decades of disarmament of the United Nations which have foreseen as a result of disarmament, the considerable transference of resources to developing nations," states the document.