

Kissinger Forces Cancellation of North-South Talks

Dec. 11 (NSIPS) — The Group of 19 developing countries representing the Third World at the Paris "North-South" talks this week voted to accept a postponement of the scheduled Dec. 15 closing session of the year-long Conference on International Economic Cooperation, until sometime next year. In a statement issued in Paris Dec. 9, the Group said it was "prepared to meet on December 15 but has accepted the postponement in view of arguments advanced that at this time some industrialized countries in the Group of 8 are not able to assume political positions which will ensure the success of the conference."

The failure of the conference is a direct result of a massive pressure operation staged by U.S. Secretary of State Henry Kissinger and other backers of Jimmy Carter, against the Third World and anti-Atlanticist forces in Europe. Kissinger has, since at least the November session of the conference, circulated the lie that any further discussion on general debt moratoria and other action demanded by the Third World must await the assumption of power by Carter. If the talks are resumed before then, Kissinger warned, nothing could be accomplished.

Despite the strong protests of a core group of progressive nations, including Pakistan, Algeria, and Indonesia, the more timorous nations within the Group of 19 succumbed to Kissinger's lies, with the desperate hope that a Carter Administration will be more "sympathetic" to the Third World. This was preceded by pressure against European efforts led by Italy, to break with Kissinger and convene the December session. The final postponement was effected with the help of the agent co-chairman of the Conference, Canada's Allen MacEachen and Venezuela's Perez Guerrero.

Kissinger's successful sabotage will almost surely prove to be a meaningless "victory" however, as pro-development forces within Europe and the Third World, spurred on by the incontrovertible evidence that Rockefeller's Lower Manhattan forces will never allow a new world economic order to be negotiated, are moving faster than ever to implement the new order *unilaterally*. Not waiting for Carter and the much-promised future North-South talks, key OPEC countries such as Iraq, Algeria and Libya are organizing broad based oil-for-technology deals with Italy and other Europeans — prototypes of the necessary economic cooperation between the developing and developed sectors. The recent deal between Libya and Italy's Fiat, a deal which is being expanded to include the Soviet Union in a tripartite cooperative arrangement, is being cited as a

model for use of Arab oil money to expand European industry, and development in general.

The upcoming meeting of OPEC, now scheduled for December 15 in Qatar, is expected to be used by the progressive OPEC countries as a forum for discussing a strategy of expanding these arrangements with Europe and the socialist countries. The rest of the Third World is looking to the meeting as key in reviving the drive for the new world economic order. A high level Third World source in Europe reported this week that part of the thinking involved in the Group of 19 decision to postpone the talks in Paris was that the Third World will likely not return to the Paris talks. "There was no dialogue in Paris, only a Third World monologue," he said, adding that the Third World will support the action taken by OPEC at its meeting. Sources at the United Nations report that Yugoslavia and Algeria are suggesting that the OPEC meeting be followed by a Group of 19 meeting in Paris.

Statements issued by Third World leaders, especially from OPEC countries, since the postponement of the Paris talks, have made very clear the commitment to a unilateral course of action. The Minister of Mines of OPEC member Venezuela, Hernandez Acosta, told the Venezuelan press several days ago that OPEC is now preparing to apply oil as a weapon selectively against those countries sabotaging negotiations for a new world economic order. Reminding the press that Venezuelan president Carlo Andres Perez had warned the industrialized nations of the consequences of sabotaging North-South, Hernandez added that OPEC "would have preferred to find solutions in a global manner, at the North-South conference" but "sufficiently powerful elements" in the world "force us" to raise the price. Hernandez made clear that OPEC is considering granting preferential treatment to the Third World and some industrialized countries, a position also voiced publicly by Libya. The Libyans have indicated that such preferential treatment might take the form of increased oil-for-technology deals with European nations. This was stressed by the head of the Libyan Foreign Bank, Abdalla Saudi at a press conference in Rome last Wednesday where he said that the recent heavy investment of Libyan funds in Fiat was only "a first step."

At the same time, OPEC member Iraq has launched a strong attack against attempts by the International Monetary Fund and the World Bank, together with private western banks, to establish "economic dictatorships" in the Third World. A Radio Baghdad

broadcast two days ago pointed out that the motivation for such measures is to enforce debt payments. The broadcast also attacked certain Arab countries' policy of placing deposits of oil revenue in western banks, as these funds are then used to "strangle" the Third World.

The Group of 77 developing countries is scheduled to hold a meeting at the United Nations in New York next week, where strategy for the future will be discussed. Pakistan, which played a leading role in the Paris talks, is expected to urge that the General Assembly of the world body be given the responsibility to review the results of the Paris talks and supervise the implementation of the new world economic order.

State Dept. Bares Post North-South Plans

The following is an excerpt from an interview with an official in the Fuels and Energy Office of the U.S. Department of State.

Q: There have been repeated reports of sharp political fights between the United States and the EEC over what policies to take with the Group of 19 developing countries. Is there any truth to this?

A: Sure there are differences. The Europeans are in a very different position now than they were a few years ago. They are vulnerable on their foreign accounts and are feeling pressure from OPEC. Also there is this political shift in Germany and the particular economic crisis in England.

Q: So the Europeans were more anxious to reach an accommodation with the Developing countries?

A: They are very afraid of a failure of CIEC. Now there are two kinds of failure. One, we put a proposal on the table that is reasonable and the G19 refuses to accept it...but at least we proposed *something*. Two, we are not able to move on any areas for one reason or another and no proposal comes out of the industrialized countries. In the latter situation it is still not a disaster, after all the North-South dialogue is a long term affair and will not be finally resolved for perhaps thirty years or so. It is in our interest to continue the dialogue but it must be channelled into mutually beneficial channels. Even if there is a failure in the second sense, it will not be *fatal*. We will, though, probably be back where we started at Nairobi.

Q: What do you mean by channelling the dialogue?

A: The Third World has wanted to discuss indexation and debt relief generally. We have made our position clear on these questions; that is, we'll discuss them case by case, but not generally. We must redirect the talks into channels where progress can be made, such as trade liberalization and development assistance.

Q: What sort of development assistance? Are you talking about Kissinger's International Resources Bank proposal?

A: The IRB does have some utility in the energy field, but somehow in the other areas the Third World has been particularly resistant.

Q: What are you thinking of for energy development assistance?

A: Principally of course there is the IRB-type arrangement that could facilitate investment at an encouraging rate of return that would help the developing countries become energy self sufficient via domestic alternate resources. India for example has a lot of coal. Of course the real problem is not just the shortage of capital but the shortage of confidence of creditors in the political reliability of LDCs in their contractual obligations. The history of the last year has been that once an LDC finds the resources that can be exploited — or rather — developed, they renege on the contract and the creditor loses.

Q: What countries are you looking at?

A: Well we mentioned Indian coal. We are also interested in Brazil, Malaysia and Pakistan for oil. Chad has a lot of oil, too, we recently learned. We'd like to encourage investment there. This might also put pressure on OPEC....

Q: But how are you planning to ensure the investments?

A: Well the question is how to get private capital into these Third World countries. There's the IRB and we might work out Ex-Im-OPEC type government guarantees. Additionally we have been talking about World Bank and UN assistance. These two approaches would be politically more acceptable to the Third World and actually would be better for the creditors as well. The World Bank has a lot of political leverage there now and could guarantee.... There is also the possibility of World Bank equitable investment as a supplement. The UN might be encouraged to step in through their revolving fund program which could be partially expanded. Here the UN might partially guarantee and partially issue credits with a moderate interest. If the exploration is successful the recipient pays a premium.

Q: Frankly it all sounds a bit utopian; with a collapsing international economy it is not at all clear that they will be able to sell sufficient resources of any type to keep paying the debt off with any arrangement of loans.

A: That's probably true. I say debt is a theological question. You have to be a metaphysician to solve that one. As to the collapse in world trade there is the danger of competitive devaluations and more talk of the advanced sector reflating quickly.

Q: Well, just don't forget what Kant said about debt....

Fiat Deal Leads Way to New World Order

Dec. 9 (NSIPS) — The Dec. 2 announcement of a deal between Libya and Italy's FIAT involving Libyan purchase of nearly 10 per cent of FIAT stock has been revealed to be one aspect of a much larger package involving efforts by particularly Britain and Italy together with the Soviet Union and the leading Organization of Petroleum Exporting Countries (OPEC), to create the basis for a new monetary system.

All the major Italian press announced Dec. 10 that FIAT president Giovanni Agnelli had flown to Moscow on the day before to join Libyan head of state Colonel Qaddafi who was already in the Soviet Union. What followed was the announcement of a "gigantic" trilateral deal of unrevealed precise magnitude involving Libyan financing, FIAT technology and equipment, and the Soviet home market.