

Can Brandt Commission subvert the Non-Aligned?

by Daniel Snieder

The British Foreign Office, Henry Kissinger, and the U.S. State Department are conspiring to pull the same kind of "demolition job" on the governments of the Non-Aligned nations movement that they executed after the 1976 Non-Aligned summit meeting at Colombo, Sri Lanka, which called for a New World Economic Order. This time, however, Kissinger and the British want to knock off the key heads of governments in the Third World, and turn their countries into an instrument to force the United States and Europe under International Monetary Fund dictatorship—before this year's Non-Aligned summit begins in New Delhi, March 7.

The British and Kissinger have two tactics:

1) Overthrow governments—conference host India and the key Ibero-American nations of Colombia, Venezuela, Argentina, Peru, and Ecuador are all being menaced by internal disruptions up to and including threats of coup d'état. With an outstanding \$300 billion foreign debt, the nations of Ibero-America could form a debtors' cartel that would force the negotiation of a New World Economic Order. This the British and Kissinger are determined to block.

2) Subvert the Non-Aligned conference itself, by blackmailing and bribing the participating countries into "demanding" from the United States and others the "new Bretton Woods" dictatorship over world finance already being prepared by the British and Swiss bankers through the IMF. Already, the draft document for the conference has been sabotaged by operatives for the British Foreign Office from the notorious Brandt Commission.

A concerted effort is being made to make sure that the Ibero-American leaders do not attend the Delhi summit. It is now rumored that President Bignone of Argentina will not attend; President Belaunde Terry of Peru will not attend;

attendance by Venezuela's Herrera Campins is in some doubt; President Osvaldo Hurtado of Ecuador may not be able to leave the country for fear of a coup d'état; and most important, Ibero-American leader Colombian President Belisario Betancur also may not be able to attend because of threats of a military coup against his government (see article, page 34).

The Indian government of Prime Minister Indira Gandhi has been under similar political destabilization pressures, including separatist riots and agitation in key border states and the pressure of election defeats in recent state elections. Her attention has been totally focused on the internal political crisis.

The bankers' strategy

The general strategy of the financiers, carried out over the past months in response to the emergent debt crisis, has been to stop the political threat to the existence of the international monetary and financial system first seriously manifested last August when Mexico threatened to declare a moratorium on its debts. What the IMF and the bankers feared most, as Henry Kissinger made clear in his recent *Newsweek* article, was that the developing countries, particularly the large debtors of Ibero-America like Mexico, Brazil, Argentina, and Venezuela, would use the "debt bomb" to force collective renegotiation of debt and negotiations for the creation of a new monetary system.

The entire system teetered on the edge over the past months, while the IMF and the banks attempted to force Brazil, Mexico, Argentina, and other debtors into "case-by-case" negotiations for huge debt bailout packages tied to vicious austerity programs enforced by the IMF. So far the bankers have succeeded in politically isolating the big Ibero-

American debtors from allies among the other developing countries, particularly those grouped in the Non-Aligned movement. However, the bailout packages for all these countries still remain unfinished—so the threat of a political breakout by the developing sector remains the “sword of Damocles” hanging over the IMF system.

The impact so far, however, of the IMF’s short-term success at political containment has been to provide an argument to convince many other developing countries that there is no weapon available they can use to force the radical changes they really want in the economic order. Many developing-sector diplomats in the Group of 77 (the group of Third World countries at the U.N.) report that though they favor a debtors’ cartel, they feel unable to act because “the Mexicans and the Brazilians have told us they want to go it alone.”

It is precisely such circumstances that are being used by the Brandt Commission, the Commonwealth Secretariat, and other “friends of the Third World,” to convince developing countries, mainly in Africa and Asia, that they should abandon demands for a new world economic order and try instead for more “practical” efforts at short-term “reforms” of the existing international economic institutions. Held out is the idea of a “new Bretton Woods conference” which would “reform” the IMF into a more “equitable” institution, that is, one in which the developing countries would have the illusion of having more of a say.

The financiers hope to orchestrate the current economic collapse over the next few months, including orchestrating the “demands” of the developing countries, into producing a strengthened IMF system; idea of a “world central bank.” At the same time, in the United States and other advanced countries, they want to force those governments into line behind the same financial dictatorship, including a bailout of the major private international banks through the IMF and an increase in IMF funds.

The Brandt role behind the Indian draft

The initial Indian government draft of the final economic declaration for the March Non-Aligned summit, a copy of which was obtained by this publication, reveals how this financiers’ operation, through their agents in the developing sector, has made its influence felt in the past months. The draft, recently distributed for discussion by the Non-Aligned member governments, contains major sections which endorse the anti-debt cartel policies of the IMF, policies aimed at making the IMF a “world central bank.”

Well-informed sources in New Delhi report that the draft was authored under the influence of two key agents of the Brandt Commission, the IMF, and the major international private banks—L. K. Jha, a former head of the Indian central bank, a member of the Brandt Commission, and an adviser to the Indian government; and K. B. Lal, a former top civil servant close to government circles, and the head of an economics institute tied to IMF-banker circles in New York.

Those sources report that Prime Minister Indira Gandhi had not read the draft before its distribution by the Indian foreign ministry, and that the policies recommended do not correspond to her known views.

The key sections of the draft are on monetary and financial policy and the debt crisis of the developing countries, which are expected to be the major economic issues at the Non-Aligned summit. The draft totally ignores previous Non-Aligned declarations in favor of the creation of a new international monetary system, the implementation of debt moratoria, and the declaration of the most recent Non-Aligned coordinating bureau meeting held in Nicaragua last month, which endorsed the collective renegotiation of developing-sector debt. Instead, it endorses long-standing policies of the IMF and its mouthpieces like the Brandt Commission. The draft calls for:

- The creation of an International Debt Commission as the response to the debt crisis, a vaguely defined institution which would only “examine issues . . . with a view to the adoption of appropriate alleviation measures.”

- The expansion of the powers and lending capacity of both the World Bank and the IMF, including the doubling of the IMF quotas, the expansion of the IMF’s phony reserve currency, the SDR, and the urging of borrowers from the IMF to go to it “at earlier stages of need.” These are precisely the measures which the IMF will push for at the Interim Committee meeting of its board to take place the week of Feb. 7. According to an IMF official, “the lack of preventative programs was prominently discussed at Toronto [the last IMF general meeting]. . . . We are looking to eliminate occurrences such as Mexico and Brazil.”

- The “equitable treatment of developed and developing countries with regard to conditionality” by the IMF. This supports demands by the IMF, the U.S. Federal Reserve, and the banks for a bailout of the banks through the IMF and the imposition of IMF control over the U.S. economy as well as that of the Third World. As one Wall Street banker put it: “What about the U.S. budget deficit? When is the IMF going to make a preventative surveillance program for the United States?”

- The formation of, not a new monetary system, but “a new Bretton Woods-type conference to examine the functioning of the system with a view to effecting comprehensive reforms.”

Indian sources close to the prime ministers’ office were shocked at the contents of the document, describing it as a “document of surrender, not of negotiation.” Those sources predict that there will be a massive battle at the summit over the draft, a view confirmed by interviews with various representatives of Non-Aligned nations at the U.N. One South Asian diplomat described the general response as “very unhappy.” One fear of those diplomatic sources is that the fight in Delhi could break down into a classic “radicals-versus-moderates” battle, which threatens to split the Non-Aligned movement as it has in the past.

The draft conforms in detail to the latest recommendations of the Brandt Commission, released Feb. 9 at a press conference in Bonn. The report, called "Common Crisis," is aimed at preventing the developing countries from dropping the "debt bomb" in the form of organizing a debtors' cartel. The Brandt Commission offers instead a "reform" of the IMF to make it more "equitable" to the Third World.

The Brandt Commission script

Their recommendations call for increased issuance of SDRs; increased borrowing by the IMF; a doubling of IMF quotas; increasing World Bank funds; moratoria on only the official debts of poorer developing countries, a tiny portion of total debt; the "lifting of burdens from the commercial banks"; and preparation for a "world economic conference" to reform the IMF, the same "new Bretton Woods" idea to make the IMF a world central bank.

In a recent interview, Jan Pronk, a top official of UNCTAD and a Brandt Commission member, said: "We need a new Bretton Woods. The Commission has not discussed a debtors' cartel. We should have a lender of last resort with respect to the banks if this means that it gains a degree of control over the banks. . . . We need a huge, 30 to 50 billion SDR allocation every year for some years. . . . Of course, given the debt situation, we would be allocating the SDRs to the banks. . . ."

Shridath Ramphal, former Guyanese foreign minister, member of the Brandt Commission, and the Secretary General of the British Commonwealth secretariat, told the press conference that he fully endorsed the views that Henry Kissinger expressed in a recent *Newsweek* magazine article on "Saving the World Economy." In that article, Kissinger declared that the key task was to prevent the developing countries from "using the weapon of debt." As Ramphal's chief economist on the Commonwealth Secretariat, Dr. Persaud, put it in an interview when asked about the idea of a debtors' cartel: "A debtors' cartel? There will be no debtors' cartel! They [the developing countries] might talk about it—that's all they are able to do—but they won't do anything!"

The Commonwealth Secretariat is a key institution, along with the Brandt Commission, for subversion of developing countries, many of whom, as former British colonies, are members of the Commonwealth. The Secretariat has issued a number of proposals, parallel in content to those of the Brandt Commission, advising developing countries on their "negotiating tactics." One recently formed panel of Commonwealth "experts" has released a document on the "international trade and payments system." The panel includes Sir Jeremy Morse, head of Lloyds Bank and former head of the Bank of England, several African figures, and Mr. Patel of the Indian Institute of Management in Ahmedabad.

The Indian connection

The Indian connection for pushing the Brandt-IMF line into the Indian Non-Aligned draft was made through Jha of

the Brandt Commission and K. B. Lal. Jha attended the Ottawa meeting of the Commission last December where their recent proposals were agreed on—he went back to India where he was deeply involved, according to New Delhi sources, in the actual drafting of the document.

Lal, who was also involved in the drafting, cosponsored an important conference on "Rethinking Global Negotiations" held in New Delhi in early January, a Ford Foundation-funded conference which brought in Brandt-IMF linked "experts" from around the world, particularly people associated with the Anglo-American Council on Foreign Relations' infamous 1980s Project. Participants included: A. Bressand, director of France's Institute of International Relations; Jan Pronk; Herbert Breau, a Canadian M.P. in charge of the parliamentary committee on North-South relations; C. Michalopoulos, a senior adviser to the World Bank and former State Department official; and numerous academics.

These experts bombarded numerous Indian government officials who attended its sessions, including key foreign ministry bureaucrats involved in the drafting process, with the view that they should abandon any hope of "radical restructuring" of the international economic and monetary system and instead opt for "incremental," short-term "reforms" of the existing institutions like the IMF.

The conference was co-sponsored by Lal's Indian Council for Research in International Economic Relations, a think tank only recently set up with funding from the Ford Foundation; and by Columbia University's International Economics Research Center, an operation headed by an Indian economist Jagdish Bhagwati and reflecting the views of top banking circles and the CFR's 1980s Project. The advisory board of the center includes: Lal himself; Richard Cooper, a former top Carter administration official for international economic affairs; a vice-president of the World Bank; and several members of the Washington-based Institute for International Economics (IIE), a policy think tank for the Ditchley cartel of international bankers, which is aimed at shaping U.S. economic policy.

The CFR 1980s project connection

Bhagwati is closely associated with the CFR 1980s Project, whose former executive director, Catherine Gwin, presented a paper at the Delhi conference on "restructuring international economic organizations." Gwin, who co-authored a study on this subject for the 1980s Project, said in her paper that: "The role of the Fund [the IMF] needs to be significantly strengthened, especially if the Fund is to evolve, as it should, into something more closely resembling a world central bank." Gwin called for this to be done through strengthening the IMF "surveillance" of the economies of member countries and through "establishment of a debt-management mechanism that involves not only the Fund, but also the World Bank and the major private international banks."

In the CFR study by Gwin (co-authored with Miriam Camps, and entitled "Collective Management"), it is made

absolutely clear that the IMF should dictate terms, especially to the developing countries. As Gwin and Camps put it:

"Some people argue that the path to fairer and more productive bargaining lies through stronger organizations in North and South and better preparation on both sides of their bargaining positions. We doubt it The best safeguard against unfair bargaining is to have it take place within an agreed framework of rules, with international staffs holding the ring, supplying technical advice and information to those less fortunately placed."

The Third World will be given the illusion of more involvement only to destroy their political unity to act. "If changes are made so that the key institutions are made more responsive to the needs of the less-developed countries and if their role in the governance of the institutions is felt by them to be a fair one, the Group of 77 [the major Third World group—D.S.] should diminish in importance."

Following the Delhi conference, Bhagwati issued a statement co-authored with another participant, Yale economist Carlos Diaz Alejandro, who also did a 1980s project study on North-South relations and is on the advisory board of the IIE. Their statement, which calls for the developing countries to abandon comprehensive negotiations to restructure the economic order and for the convening of a new Bretton Woods conference to implement the IMF central bank "reform," is signed by a whole host of anti-development genocidalists, including: Gwin and another former executive director of the 1980s project, Richard Ullman; members of the Brandt Commission; Lester Thurow, the top economist for the Harrimanite wing of the Democratic party; Paul Streeten, a top British World Bank expert; Roger D. Hansen, former U.S. National Security Council staff member and a top official of the Brandt Commission's U.S. outlet, the Overseas Development Council; and numerous participants in the Delhi conference.

The statement is to be published in pamphlet form and distributed widely at the Non-Aligned summit. Bhagwati, a none-too-modest fellow, told a journalist that "evidently, the idea went from my paper to the document for the Non-Aligned conference."

L. K. Jha: profile of a neo-colonial agent

by Susan Brady

Had knowledgeable individuals not nodded in the direction of Mr. L. K. Jha, in connection with the treasonous draft economic statement for the Non-aligned summit issued under the name of the Indian government, it would in any case have been the logical place to look. Jha, Chairman of India's Economic Administration Reforms Commission and an un-

official adviser to the prime minister and the man Henry Kissinger refers to in print as "my good friend L. K. Jha," is a prominent and active member of the Brandt Commission, whose policy proposals are reflected virtually word for word in the Non-Aligned document.

In betrayal of India's national interests and the interests of the Non-aligned countries as a whole, the document is precisely the kind of travesty whose perpetration is the specialty of individuals like L. K. Jha. Their existence and uninhibited activity at top levels of governments throughout the developing sector is perhaps the single most serious obstacle in the battle for sovereignty and development.

L. K. Jha is an exemplar of the tribe of professional international technocrats, better known as the "World Bank mafia," the neo-colonial agents who are trained at Oxford, Cambridge, and Harvard in the economic doctrines of ground rent, usury, and Malthusianism propounded by the British East India Company, and then placed in central banks, and finance ministries of their countries to "keep the natives in line."

Every developing country has its L. K. Jhas. They are usually protected by a screen of impressive foreign credentials attesting to their technical skill and authority. They are well connected to the network of elite international institutions and organizations from the World Bank and IMF to the Club of Rome and Brandt Commission. Their first allegiance is to this international financier-elite that flatters them and pays them well to oppose and undermine the political leadership of their own nations, which they hold in undisguised contempt.

By no accident, in the recent months since he returned to India from the Brandt Commission meeting in Ottawa, Jha has combined his propagandizing for the "expanded IMF" with public attacks on ministers and other political leaders for interfering with the prerogatives of civil service bureaucrats and technocrats. Jha is a veteran of what Indians refer to as the "British steel frame," the Indian Civil Service (ICS) created by the British to administer the Raj. Jha was inducted into the elite ICS more than ten years before independence, after he had been appropriately educated at Trinity College under John Maynard Keynes, the "father" of the IMF-World Bank system that Jha is dedicated to preserving.

In the service of the Raj

Jha's service to the Raj took him gradually up the ladder of the finance ministry bureaucracy to the post of Secretary for Economic Affairs, from where, immediately upon the death of Jawaharlal Nehru in 1964, he advanced himself into the first circle of power as secretary to the new Prime Minister, Lal Bahadur Shastri.

From that post L. K. Jha coordinated a combined internal and external operation to overthrow the policy framework of planned, capital-intensive high-technology economic development established by Nehru for the transformation of the former colony into a modern nation state, and to replace it