

For the past month Kenya's government, backed by the U.S. and Great Britain, has set off a series of scandalous provocations against its neighbor Uganda, driving demented Ugandan dictator Idi Amin into a frenzy. Uganda's petroleum supplies and access to the sea have been cut off by Kenya's demand for cash payment in Kenyan currency for all goods shipped to Uganda. It has now been announced, by yesterday's Washington Post, that these moves and the British rupture of diplomatic relations with Uganda this week are part of a "steady drumbeat of political and economic pressure..." coordinated, according to "Western diplomatic sources" cited by the Post, between the U.S., Britain and Kenya to effect Amin's overthrow by this fall. The U.S., the Post continues, is "quietly urging Sudan and Zaire to join the front against Amin."

Amin's dire but unenforceable threats against Kenya in response have been the pro-forma justification for the Kenyan government to declare itself the East African franchise-holder for NATO. In addition to emergency shipments of British munitions and the visit to Kenya of an American Navy warship during the height of the "crisis" which followed the Israeli raid on Entebbe airport, the United States has started routinely using Kenyan facilities for its reconnaissance flights from the Diego Garcia Navy base in the Indian Ocean. "Fortuitous circumstances," says the Baltimore Sun, "resulted in the U.S. Navy's starting these transoceanic patrols at a time when they could demonstrate American support for Kenya as war threats loomed along its border with Uganda." The Sun also comments

on the "remarkably swift reaction" with which the United States dispatched an aircraft carrier task force to the vicinity of Kenya during the "crisis."

Placing Kenya under the protection of the U.S. is also a not particularly veiled threat to the socialist countries of Mozambique, Tanzania, Somalia, and Madagascar on the Indian Ocean.

Kissinger Shoring Up Iran

Secretary of State Kissinger's visit to Iran, starting August 4, is intended to insure that the Shah, who has been propping up his shaky economy with trade deals with the Soviet Union, will continue to play his crucial and unique role as the northern point of this triangle.

The Kenya-Diego Garcia base of the triangle is intended to be the surveillance route for the central Indian Ocean, provide power for American warships, and ultimately provide operational bases in both countries for the U.S. Navy. The Iranian military is expected to supply direct protection for U.S. submarines operating in the Arabian Sea and targeted against the Soviet Union.

As additional insurance of the Shah's loyalty to Kissinger, the government of Saudi Arabia is pushing the Iranians to join in forming a Kissinger-sponsored Persian Gulf security pact — what one West German newspaper called a 'mini-NATO,' — which increases the threat to the Soviet Union and presents a direct threat to Soviet-allied Iraq.

Debt Fight Analysis

Non-Aligned Summit To Call For Moratoria: Will They Get The Support They Need?

July 31 (NSIPS) — The Third World nations are sending out powerful and unmistakable signals that they will take the mid-August heads of state summit of the 80 non-aligned developing countries in Colombo, Sri Lanka, as the occasion for a unified move to stop Wall Street's drive to global war. According to high-level Paris and Washington diplomatic sources, the Colombo summit will take a tough stand for unilateral declaration of debt moratoria by the Third World against the New York banks "or something very near to it." — breaking the stranglehold of Atlanticist power by cutting off its financial roots. Simultaneously the non-aligned leaders have initiated moves for making the Indian Ocean a zone for peace, for building the necessary political-military unity to defend member countries from imperialist aggression, and towards busting up the cancerous Rockefeller oil empire.

The success of this bold counteroffensive in turning back the Rockefeller-Kissinger-Carter drive for global genocide and nuclear war — and the concrete potential for creating a new world economic order — now depend upon the response of the two key industrialized sectors. Pro-development capitalists and the working population of the West must join forces with the Eastern European Comecon sector to ensure that debt moratoria and the International Development Bank, and not a mound of radioactive rubble, emerge from the aftermath of the Colombo summit.

In policy statements just before the summit — the most crucial since the 1955 Bandung Conference where the non-aligned movement was founded — developing sector heads of

state have addressed the urgent questions of development and blasted U.S.-inspired efforts to wreck Third World motion towards the new world economic order.

Egypt is now at the vortex of the debt moratorium fight. With the support of the Soviet Union and leading pro-development forces in the Third World, it is maneuvering towards a moratorium on its \$10-15 billion owed to Western banks. By lining up outside support for an Egyptian debt moratorium, the Egyptian leadership has effectively moved into a position where it can force Wall Street to grant it a moratorium or face Egypt's unilateral debt dumping. Either way the Egypt debt crisis threatened to trigger a wave of moratoria against the New York banks throughout the Third World and Western Europe.

Atlanticist bankers recognition of this likely eventuality has sent waves of panic throughout these already highly psychologically unstable circles. Their responses, which we reprint in exclusive interviews below, paint a picture of someone flailing about for a way to contain the inevitable.

Egyptian President Sadat, who along with Yugoslav President Tito and Indian Prime Minister Gandhi will be among the 20 heads of state at Colombo, has announced further plans to consolidate the non-aligned bloc. Sadat will propose to the summit the formation of a political-military bloc to coordinate the industrial, agricultural, and nuclear power information exchanges of the group.

The Deputy Foreign Minister of summit host country Sri Lanka, Laksman Jayakody, told reporters this week that "the (non-aligned) movement, which has to be anti-imperialist or

nothing, can play a special role in the effort to create a just world economic order.

Indian Ocean Peace Zone

Jayakody's remarks, which show how the Third World leadership is organizing itself politically for a fight, coincide with efforts by Sri Lanka's neighbor India to forge a SELA-type system in Asia. The Indian government has linked the creation of a zone of peace in the Indian Ocean, a proposal already on the Colombo agenda, with fostering close economic cooperation between the South Asian and Southeast Asian nations.

Indian Foreign Minister Chavan met recently with his Indonesian counterpart Malik to discuss defusing the U.S. military buildup in the Indian Ocean (see p.8) and related questions in preparation for the summit, and the two countries emerged fully committed to "close collaboration at the Colombo summit." Similar discussions between Indian representatives and top officials from Laos, Vietnam and Malaysia had already taken place.

The focus of the emerging Asian pro-development front are the escalating attacks on the foreign oil companies, mainly the Rockefeller-controlled major, Caltex. Following last week's ultimatum by Indonesia to force the oil companies to revise their contracts to provide more Indonesian control and share of production and revenues, the Malaysian government has now threatened to nationalize the foreign oil companies if they continue to deadlock the 15-month negotiations with the state oil company Petronas. India has offered technical assistance from its own oil fields to the Malaysians, Indonesians and Vietnamese, who are beginning major offshore oil exploration.

The summit occurs following signs that the Atlantic Alliance itself is beginning to fissure over the question of how to handle the question of Third World debt. Earlier this week, the ministers of the nine nation European Economic Community called for a more generous stance towards developing countries with payments difficulties. The action was taken, according to several sources, to prevent the total collapse of the now stalled Paris "North-South Talks" — a sign that Europe would like to pursue such discussions even if Secretary of State Kissinger and his State Department doesn't. While several diplomatic sources stated the move was made just "to keep channels open" and was by "no means a concession of the debt question to the developing nations," behind the scenes maneuvering in Europe shows that thinking about the possibilities of a global realignment of forces that could be the outcome of the Colombo meeting has wreaked havoc within the alliance. The louder such individuals publicly deny that any changes could take place, the more certain it is that they don't believe their own words.

Attempts To Abort Debt Fight

Secret Negotiations Grant Debt Moratorium To Egypt

July 31 (NSIPS4—Top secret negotiations on a debt moratorium for Egypt took place in Cairo and Bonn, West Germany this week. Party to the talks were Egypt and its major creditors: Chase Manhattan Bank, Citibank, Manufacturers Hannover Trust, several Western European banks, the International Monetary Fund, and the West German government.

According to sources at Chase Manhattan bank, during negotiations in Bonn, a spokesman for Egyptian President Anwar Sadat issued an ultimatum: "Give me a debt moratorium." According to the same source, he got it. Otherwise, the spokesman threatened, Egypt would join with the leading Non-Aligned nations in moving for unilateral public declarations of debt moratoria for Third World nations at the upcoming Non-Aligned summit meeting in Sri Lanka. The Chase spokesman said that the Soviet Union had just granted Sadat credit on trade deals giving Egypt "considerable leeway" on debt payments, and that for this reason, a "debt moratorium" was granted to Egypt during the secret negotiations, with no austerity conditions imposed. Sadat, in turn, agreed to keep the moratorium secret, said the source.

Citibank and the International Monetary Fund have categorically denied that such negotiations took place. The IMF's Egyptian Bureau similarly denied that it had sent any delegation to Bonn. The presence of that delegation in Bonn, however, has been independently confirmed.

If the Chase Manhattan source is truthful, Egypt has been granted a debt moratorium, and **the IMF has not had the political authority to exact austerity conditions.** Were this known to Third World Nations in general, or to the commercial markets, many nations would declare debt moratorium and a collapse in investor confidence would topple Wall Street. Hence, the top-secret nature of the negotiations.

Egypt, which has 18.5 billion in external debt, according to United Nations sources, has already defaulted on an unknown but sizeable quantity of these obligations. It is six months in arrears on all its payments, according to sources at Chase

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