## **EIR**Economics

## Commonwealth puts brakes on the Non-Aligned

by Susan Maitra and Linda de Hoyos

The conference of the heads of state of the 43 Commonwealth nations—former colonies of the British Empire that still accept the British monarch as sovereign—was not expected to take concrete actions on the issues of the world monetary system or the world strategic crisis. But the 41-page communiqué issued by the New Delhi conference, and its "Goa Declaration on International Security" and "Economic Declaration" are a good barometer of the degree to which the British Foreign Office, under the domination of Lord Peter Carrington, has managed to regain its imperial hegemony.

The point of comparison is the declarations on the monetary crisis and other economic issues issued by the summit of the Non-Aligned nations, which was held in New Delhi last March.

On the first day of the conference, Indian Prime Minister Indira Gandhi called upon the Commonwealth to endorse the Non-Aligned movement's declaration for a program of immediate measures to alleviate the world economic crisis, and for an international conference under the auspices of the United Nations on money and finance for development, with universal participation. The Non-Aligned Economic Declaration deliberately specified that "an important feature of the current world economic situation is the manifest inadequacy of the Bretton Woods system, which was established at a time when economic and political conditions were vastly different, and only a few developing countries were sovereign independent nations. The Heads of State or Government stress the need to create a new equitable and universal international monetary system."

The Non-Aligned summit, led by chairman Mrs. Gandhi, had also taken a strong stance against the International Monetary Fund, the British-finance dominated lender of last resort: "It is essential to avoid adjustment processes which jeopardize the development process." This is a clear reference to the Fund's conditionalities policies, which have resulted in the destruction of the developing-sector countries' productive economies.

The Commonwealth declaration deleted the Non-Aligned's demand for the creation of a new monetary system *outside* the Bretton Woods System. The Commonwealth's Economic Declaration states: "We share a common belief that the Bretton Woods institutions need to be adapted and better equipped to help cope with the full magnitude of the global crisis."

This "shared belief" was arrived at after a process that began with Mrs. Gandhi's call for an international conference. Prime Minister Thatcher countered this proposal by first insisting that individual countries had to put their own houses in order, and that if anything the international financial institutions had to be strengthened. But Mrs. Thatcher kept silent in the subsequent discussions, cutting a sympathetic profile for the "Southerners," as was her tactic generally at this summit, and let Australian Prime Minister Hawke carry the ball for the IMF and austerity economics.

Commonwealth General Secretary Sir Sridath "Sonny" Ramphal and his Secretariat had no doubt anticipated that, in this standoff, the "soft option," his Secretariat's so-called New Bretton Woods proposal, would take center stage. However, Indian spokesmen had made it clear that their government did not view the Commonwealth official report, "Towards a New Bretton Woods," with its assumption of the legitimacy and essential effectiveness of the existing financial institutions, as consistent with the Non-Aligned movement's approach, itself identical to Indian official policy. The proposal promoted by Ramphal would establish a "new international bank" to operate "in parallel with the IMF" as a centralized debt collector and financial policy dictator.

The final declaration of "economic action" listed the various proposals and established a Commonwealth consultative group to report to the Commonwealth finance ministers prior to their meeting next year in Toronto, on the most effective way of taking action. The consultative group is composed of representatives of Britain, Canada, Fiji, India, New Zealand, Tanzania, Trinidad/Tobago, and Zimbabwe, as well as the ubiquitous Sir Sridath.

The egg was laid, meanwhile, for the Secretariat's next operation on this crucial front. Commonwealth heads of state requested the Secretariat to assemble a group of experts to "examine the developing country debt problem in all its aspects" and report their findings to the Toronto finance ministers meeting.

## The nuclear energy battle

A similar process occurred around the question of nuclear energy. The Canadian prime minister put forward a five-point call for nuclear deterrence, which included the demand that the more stringent measures be taken to bring nations into alignment with the Nuclear Non-Proliferation Treaty (NPT), the doctrine under which the underdeveloped countries have been denied access to nuclear power technology. The treaty has been particularly aimed at countries like India and Argentina, which have been fighting to achieve an independent nuclear-power program despite intense pressure from the developed sector, including the Soviet Union.

The March Non-Aligned summit reported that the representatives there agreed that the "full or unrestricted access to nuclear technologies for peaceful purposes under non-discriminatory conditions is an *inalienable right of every state*." They stressed the need to respect the options and decisions which are made in this sphere without jeopardizing related policies and programs regarding the nuclear fuel cycle or international cooperation in the peaceful use of nuclear energy.

"The heads of state or government abhor the pressure and threats directed against the developing countries to prevent them from accomplishing their program for developing nuclear energy. In this connection, it was reiterated that nonproliferation should not be made a pretext for preventing states from exercising their full right to acquire and develop nuclear technology for peaceful purposes geared to economic and social development in accordance with their priorities, interests, and needs."

The Trudeau effort on behalf of the nuclear-energy-stifling NPT provoked controversy and outright rejection from several nations, India in the lead among them. Trudeau, who led the first part of the political discussions, protested that "NPT is the only game in town," and made a strenuous bid for support for his disarmament tactic, but the proposal was dead in the water. The Goa Declaration on Security gave only vague support for Trudeau's NPT initiative.

As chairman of the meeting, Prime Minister Gandhi set the pace for the discussion on the world situation in her opening remarks. Mrs. Gandhi made a strong appeal for progress toward "general and complete disarmament," beginning with a decision to cease production and stockpiling of nuclear weapons, a policy commitment which was established by Jawaharlal Nehru and has been one of the foundation stones of Indian foreign policy ever since. Mrs. Gandi called "at this crucial juncture," for the United States and Soviet Union to "exert themselves with greater determination to break the stalemate" on arms negotiations.

Referring to the "profound disquiet" caused by "recent unfortunate events in Grenada," the prime minister reiterated the need to respect the principles of peaceful coexistence, nonintervention, and noninterference in international relations. She denounced the declaration of independence by Turkish Cypriots—a near-unanimous view at the summit, the only exception being the Islamic-leaning regime of Bangladesh's Ershad. She also urged support of the efforts of the Contadora group in Central America, a call which had unanimous endorsement. Mrs. Gandhi expressed a hope that the summit would take decisive action to remove "the last bastion of colonialism" in Namibia.

## Stand on world crisis

The Declaration on International Security features an appeal to the Soviet Union and the United States to "summon up the political vision of a world in which their nations can live in peace" and "work for the resumption of a genuine political dialogue between themselves leading to a relaxation of tensions."

The declaration expresses the condition that the Commonwealth can play an important role in this effort, but singularly, and not surprisingly, failed to define any concrete action. A distinct proposal from Zambia's Kaunda, that the Commonwealth field a delegation to visit both Moscow and Washington in an effort to break down the mounting barriers of mistrust and animosity between the two superpowers, was tabled, again with endorsement of the attempt but no mandate for action.

The background to the discussion on East-West relations was the Soviet walkout on Nov. 23 from the Geneva intermediate-range missiles talks, a development which Prime Minister Gandhi promptly deplored as a "severe setback," one for which the two superpowers themselves were responsible and which they themselves must move to repair.

The Goa Declaration also emphasizes concern for the "vulnerability" of small states, a concern initially articulated by British Prime Minister Margaret Thatcher in her opening ceremony remarks, and mandated "an urgent study" of these issues. Thatcher was undoubtedly seeking to establish a further base of legitimacy for her government's controversial Falkland Islands' caper, among other things. But the suspicion that the U.K. had in mind a new military bloc was voiced immediately, and proved impossible to beat down. Sir Sridath was still issuing disclaimers and clarifications through the concluding press conference.