

Break the imperialist deathgrip of debt!

Announcing months of action against Third World “Debt”

by Ann Arbor members of MIM (Maoist Internationalist Movement) and RAIL (Revolutionary Anti-Imperialist League)

The majority of the world’s people suffer exploitation and oppression at the hands of the minority. Colonists then imperialists have robbed the Third World of land and materials for centuries, then offered loans at high interest to the impoverished countries. MIM joins the international call for the imperialists to write off the unpayable debt owed by the poorest Third World countries. Increasingly since the 1980s, many Third World countries have taken out huge loans from the United States, England, Japan, other imperialist countries and the imperialists’ two centralized banks: the International Monetary Fund (IMF) and the World Bank (WB). These loans far exceed the capacity of the countries to repay. Interest and additional loans taken out to pay back original loans have led to spiraling debt. Imperialism has extracted wealth and resources from Third World countries and left devastation in its wake. The majority of the world should *not* owe money for loans taken out in efforts to rebuild from imperialist plunder.

MIM credits the Jubilee 2000 Campaign for initiating the call for “cancellation of the unpayable debts of the world’s poorest countries.” We unite with the campaign in this demand, but take the issue further to demand that the imperialist countries free all of their colonies from all debt and from political, economic and military control. This call for debt reform is an excellent opportunity for education. We join the call for debt relief with the understanding that such progressive, anti-imperialist reforms improve the quality of life of the world’s oppressed and exploited people.

Jubilee campaign underscores international inequalities

The Jubilee 2000 campaign name is inspired by the scriptural year when slaves are set free. MIM and RAIL do not need religious significance to call for an end to the death grip of debt payments that keep Third World countries controlled by imperialism and in poverty, but this is certainly the best spin MIM has encountered on religious significance of the year 2000.

On May 16, 1998 and June 19, 1999, the Jubilee 2000 Coalition mobilized tens of thousands of people to form a human chain around the G8 summit meetings in Birmingham, England and Co-

logne, Germany respectively. The week before the June 19 protest six people died in Jamaica protesting against IMF-inspired increases in fuel taxes. Sixty percent of the Jamaican government’s budget is taken up by debt payments. Jamaica’s total foreign debt is \$4.1 billion, 100% of GDP.

The Jubilee 2000 Campaign emphasizes the disparity between First and Third World: “[I]n 1960, the income of the wealthiest 20 per cent of the world’s population was 30 times greater than that of the poorest 20 per cent. Today it is over 60 times greater.” The vast majority of the people within u.s. borders fall within the wealthiest 20 per cent.¹ Perpetuating this disparity, about half the Third World debt is owed directly to the imperialist governments of the U.S., Britain, Canada, France, Germany and Italy. Most of the rest is owed to the IMF and World Bank. About 10% is owed to private banks.

Plunder and the inverse cash-flow

Before the Jubilee 2000 protests against the debt became a sizable movement, the IMF and World Bank had cooked up a plan for the Highly Indebted Poor Countries (HIPC). After the protests, the G8 imperialist countries—the seven biggest powers plus Russia—added a debt-relief offer of \$70 billion, for a current total offer of \$100 billion. MIM believes that the pressure of the Jubilee 2000 movement inspired the G8 loan-forgiveness package. But it’s also the imperialists’ facing up to the fact that these particular loans could not ever be repaid.

Prior to announcement of these offers, the imperialist countries considered at least \$70 billion in debt to be unrepayable. For instance the U.S. counts its \$6 billion of loans to the world’s poorest countries at about 10% of their value on the books because it knows the full amount will never be repaid. The IMF and WB have also admitted that the HIPC plan will not change the debt service payments for these countries. When some debt is canceled by the IMF and World Bank the indebted countries must return to paying back other creditors who were neglected because the IMF and World Bank insist on being paid first.

The G8 plan is hardly a gift. It comes with a mandatory Enhanced Structural Adjustment Program (SAP) which will be evaluated over a three year period before debt relief is offered. These SAPs force governments to cut social spending, turn production to focus on exports, and require laws against unionization and other repressive anti-people measures. SAP-required export production also promotes dependency on other countries which in turn increases debt. Haiti is an excellent example; at one time it was nearly self-sufficient in food production. Thirty years of U.S. export-promoting programs have made Haiti dependent on imports for half its needs.²

Even paying back more than it borrows does not help a country dig itself out of debt. The countries of Latin America combined paid back \$20 billion more than they borrowed in 1998 while debt in the region rose by 5% to \$736 billion. And according to Jubilee 2000 Afrika, in Zambia “the UN estimates that if funds were diverted back into health and education from debt repayment, the lives

of seven million children could be saved before 2000. That is 134,000 children a week.”

Organize to break the deathgrip

MIM can unite with the Jubilee 2000 Afrika Campaign in saying that “justice demands that richer countries give up unfair privileges, held at the expense of the poor.” Organizing within the First World, we must be especially aware of and openly protest our government’s forced immiseration of the rest of the world. But we do not agree with the Jubilee 2000 solution to the debt crisis: “We want relations between debtors and creditors to be governed by the law, not by greed. We want a new independent, open and fair process for regulating international debtors and creditors.” Much of the relations in the world are already open, yet they cannot be fair because the exploiters have the money, and guns to assert their quest to consolidate wealth.

MIM’s position is that a socialist system—a dictatorship of the proletariat—will be necessary to expunge the imperialist lien on Third World incomes. Maoism has a proven record of providing foreign aid without coercion.³ These are some of the eight principles of foreign economic aid observed by the Chinese government under Mao:

“2. In providing foreign aid, strictly respect the sovereignty of the recipient country.

Attach no strings and ask for no privileges.”

“3. Provide economic aid without interest or at low interests. When necessary, lengthen the period of loan repayment to lessen the burden on the recipient country.”

“6. Provide the best possible equipment and raw materials we produce and negotiate prices according to the international market conditions. If the equipment and raw materials provided do not meet the agreed specifications and quality, their return is guaranteed.”⁴

If all debt were canceled tomorrow that would not eliminate the imperialist domination of the world at the expense of the majority of the world’s people. Only revolution can make that kind of progress. Yet MIM joins with non-Communist activists and organizations in calling for debt relief because this is a clear and correct reform. Many such reforms will hasten the death of imperialism by giving the people greater ability to organize revolutionary movements. We place these reforms in the context of the need for revolution. MIM and RAIL take this opportunity to educate young activists about the oppressive conditions of debt internationally. Our unity with the Jubilee 2000 campaign is based on ideological belief that the people of the Third World owe nothing to imperialism but misery.

MIM will be organizing protests, educational events, and other actions in November and December, 1999. Events include a speaking tour featuring Dennis Brutus, Honorary co-President of the Jubilee 2000 Afrika Coalition. This will include dates in Southeastern Michigan. To help out with

writing, art, showing films or putting on events on international debt, get in touch. MIM, P.O. Box 3576, Ann Arbor, MI 48106; www.etext.org/Politics/MIM/; mim52@mim.org; railaa@mim.org. Our newspaper, MIM Notes, is at cafes and stores around town and campus, and on the web.

Notes

Where not otherwise noted facts were taken from the Jubilee 2000 UK coalition web site at www.jubilee2000uk.org. Jubilee 2000 Afrika Campaign remarks from Professor Dennis Brutus, Honorary co-President of the Jubilee 2000 Afrika Campaign.

1. *MIM Theory 1: A White Proletariat?*, *MIM Theory 10: Coming to Grips with the Labor Aristocracy*.

2. *Boston Globe*, Feb. 13, 1997, p. A12.

3. Two famous examples of Chinese foreign aid are direct assistance to the Korean people’s resistance to American imperialism beginning in 1950, and aid to (but not direct involvement in) the Vietnamese people’s struggle for national liberation 1955-75. China and Korea shared a long history of enduring occupation and brutality at the hand of the Japanese Imperial army, and both achieved liberation in 1945. Shortly after the Chinese socialist revolution in 1949, the united States initiated a war against Korea. China eventually sent troops to aid the Korean forces as the u.s. military approached the Chinese border, and Mao’s own son would be killed in that war.

The purpose of such aid was to help other countries oppressed by imperialism achieve their own national aims. By contrast, this country has spent decades, millions upon billions of dollars and millions of human lives manufacturing quisling authorities on whom to bestow so-called foreign aid to “drive out the red menace.” American reporter Edgar Snow’s book *Red China Today* (esp. second edition, subtitled *The Other Side of the River*) has some fine overview chapters on both Chinese and u.s. sides of the Korean and Vietnamese wars.

4. *The Fundamentals of Political Economy* (Shanghai: Shanghai People’s Press, 1971), p. 481. Available from MIM for \$20.