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DROP THE DEBT

NEWS & ACTION FROM JUBILEE USA NETWORK, WASHINGTON, DC | SUMMER 2008



DIRT AS A MEAL: Young woman with onions and dirt cookies to sell at a local market in Haiti. *Photo by Joel and Rebecca Martin/Flickr.com*

THE GLOBAL FOOD CRISIS

What it is. How it started. What can be done about it.

By monét cooper, Communications & Development Coordinator

By now you've probably heard about the global food crisis. The demand for affordable food and the skyrocketing prices has affected people across the globe, and sadly the worst may be yet to come. But as the crisis continues, it is important to look to the root causes of the situation impoverished people across the Global South are facing. In this piece, Jubilee USA examines the role of faulty development policies — indiscriminate trade liberalization, ending government agricultural subsidies and debt — that have contributed to the food crisis. Our hope is that by addressing the root causes of the crisis, an immediate and effective response can emerge.

A CATASTROPHE IN THE MAKING

In a hearing on the global food crisis held by the House Financial Services Committee in May, witnesses identified several key factors that have given rise to today's crisis:

- Population booms and affluence in China and India have produced a greater demand for food stuffs;
- Soaring oil prices make fertilizer more costly and more expensive to transport crops and seed to and from the marketplace;
- Climate change has left parts of the world that rely heavily on agricultural production for food and export with a lesser yield

TAKING ACTION ON THE FOOD CRISIS & BEYOND URGE YOUR SENATOR TO SUPPORT THE JUBILEE ACT!

Amid reports of spiking food prices many impoverished countries are still paying debt to the World Bank. Haiti is paying about \$1 million a week to development banks even as its people are starving, some even eating cookies made of dirt because they can't afford food. Urge your Senators to co-sponsor the Jubilee Act (S. 2166), which cancels the debts of up to 24 additional countries beyond those already eligible for debt relief and includes provisions to ensure more responsible lending in the future.

The Jubilee Act passed the House of Representatives on April 16 in a bi-partisan vote of 285 to 132. Now the bill (S. 2166) is under consideration in the Senate. Time for Congressional action is running out this year — it's critical for you to take action now! Urge your Senators to co-sponsor the Jubilee Act (S. 2166).

Visit www.jubileeusa.org for more information or to take action.



NEW CAMPAIGNS AT JUBILEE

As the Presidential election season kicks into high gear and work on the Jubilee Act nears its end, we are launching two new campaigns in late June on Vulture Funds and a call for the next Treasury Secretary to address the unfinished agenda on debt and responsible lending. Check out www.jubileeusa.org for all the exciting news and ways you can get involved from late June!

than before; and

- Increased production of biofuels, or agrofuel crops, such as corn, for the production of ethanol means more crops are going to produce fuel.

But that's only part of the story according to Raj Patel, scholar with the Center for African Studies at the University of California at Berkeley. In his May testimony before the House Financial Services Committee, he noted other major factors were the lack of policies that safeguard consumers from high food prices when production is unable to keep up with increasing demand.

"Over the past thirty years, large numbers of developing countries have been subject to 'structural adjustment policies' and their subsequent variants, as demanded by international financial institutions, the World Bank group foremost among them," wrote Patel in his testimony. "It is these policies which bear a considerable share of the responsibility both for developing

THE GLOBAL FOOD CRISIS CONT. ON PG 6

'WE SHALL OVERCOME'

Report Back From Jubilee Sunday/Sabbath

Compiled By Nathan Fishman, Outreach & Congregations Fellow

Jubilee Sunday was held on April 13 in more than 50 churches across the United States. Below are some reports from Jubilee Congregations across the country. If your church is not already a Jubilee Congregation, consider joining the program! Visit www.jubileeusa.org/get-active/jubilee-congregations/jubilee-sunday for education and worship resources and details on the next Jubilee Sunday/Sabbath set for December 12 and 13!

MAKING BIG MOVES FOR JUBILEE ACT

My parish, St. Stephen's Episcopal, celebrated Jubilee Sunday. Thirteen people signed the post cards about the Jubilee Act. This was at least half of the adults present in the congregation — we are a small church. Since the House vote is coming up tomorrow we carried the cards to Rep. Pomeroy's local office here in Fargo, where we spoke with his [legislative assistant], who said he would notify the representative today of our action and interest, and would forward the postcards in their next packet. We expect him to inform us of Rep. Pomeroy's action. Not knowing when the Senate action will come, we also hand delivered the cards to the local offices of Senators Dorgan and Conrad and spoke briefly with their staff, who agreed to send on the cards. I shared about half of the cards with a local Lutheran church.

Joanne Droppers, St. Stephen's Episcopal in Fargo, ND

MUSIC INSPIRES THE SPIRIT OF JUBILEE

We were blessed to have about 80 members from First United Methodist Church in Los Altos, most of them teens, who were on their way to Tijuana for a week of homebuilding. Pastor Tim encouraged them to take the step of becoming a Jubilee Congregation.

Paul Svenson, our music director for the first service, led us in a song about Jubilee that he happened to have in his repertory. The song really "primed the pump" for Tim's sermon.

Tim was able to succinctly describe the results of debt burdens in impoverished countries lifted through debt cancellation, then showed how many more countries need this debt relief, and describe how the Jubilee Act will enable that. It was clear, concise and empowering.

After the service, Paul asked everyone to remain in their pews as he was recording a new CD of protest songs. We sang "We Shall Overcome," a fitting sendoff after our Jubilee service, with a great moment immortalized digitally! Pretty cool, huh?

We included in our church bulletin the Jubilee insert suggested by [the national Jubilee office]. Earlier in the week an e-lights Extra — UCC's online bulk messaging that gives a preview of coming events — was sent that showed a portion of the United Church of Christ website stating their commitment to Jubilee and offering the opportunity to electronically send their [Members of Congress] a message to support the Jubilee Act.

2 DROP THE DEBT SUMMER 2008

Jonnie and I have been gratified to see all the support of Jubilee this past year. When the Jubilee Act becomes reality, we will know we have made a difference.

Joan Loomis, First United Methodist Church in Los Altos, CA

GOOD RESULTS & A PRAYER

We had a report at our meeting last night of seven congregations holding Jubilee Sunday events and two more to hold them shortly. Good results it seems.

Chris Laing, Parish of St. John the Baptist in Portland, OR

POSTCARDS, POSTCARDS, POSTCARDS!

I just sent 115 postcards in to Congressman Denny Rehberg's office this morning. We had an incredible Jubilee Sunday service, and people responded by signing those postcards. I'll save the other postcards to send in to our Senators' offices when the Jubilee Act passes in the House! Take care, and hope all is going well for you and the staff at Jubilee USA!

Cherilyn Devries, Bozeman UMC in Bozeman, MT

MOBILIZING THE CHURCH & FAMILY

Just to let you know, our church will be celebrating Jubilee Sunday. We will have a bulletin insert that you email, with additional information on the other side about what we as a church have done so far. We will have a 'Temple Talk' about Jubilee. We will use some of the prayers and will be singing the Jubilee Hymn. I have been encouraging our Social Justice members to get on the phone to Congressman Larson. I also have encouraged relatives in Minnesota to make phone calls. They have called Rep. Michelle Bachman's office, although they don't think she is very supportive.

Gary Hart, Emmanuel Lutheran Church in Connecticut



JUBILEE USA'S SUMMER CONFERENCE	
Jubilee USA will be at the following organizations this summer. If we're in your neighborhood and love to meet you!	
JULY 11-13 CONVENTION FOR THE COMMON GOOD	Sheraton Philadelphia City Center Hotel, Philadelphia, Pennsylvania We will have an exhibitor table throughout the weekend and present Jubilee Congregations during a lunchtime caucus on Saturday, July 12. www.commongoodconvention.org
JULY 12-17 NAACP 99TH ANNUAL CONVENTION	Duke Energy Center, Cincinnati, Ohio Jubilee USA Network will have a table in the Information Exchange area of the week's events. A resolution on culture funds will be debated and voted on during the legislative session. www.naacp.org
JULY 14 RESULTS INTERNATIONAL CONFERENCE NGO EXHIBITION	Liaison Capitol Hill Hotel, Washington, DC We will have an exhibitor table. www.results.org
JULY 12-16 CHURCH OF THE BRETHREN ANNUAL CONFERENCE	Richmond, Virginia We will have an exhibitor table. www.brethren.org/ac

REVOLVING DOORS

WHAT'S HAPPENING INSIDE JUBILEE USA HEADQUARTERS.

JUBILEE'S NEWEST SUPPORTER: Kristin Sundell, Director of Organizing & Advocacy, and her husband Brad Simpson welcomed their new baby boy **Elijah Robert Sundell-Simpson** into the world on April 13. Mother, father, and the baby are doing well. You can send well wishes to kristin@jubileeusa.org or our address 222 E. Capitol Street NE, Washington, D.C. 20003.

STAFF AND BOARD CHANGES: We are happy to report that **Kristin Sundell** will be returning to her position as director of Advocacy and Organizing in mid-June, following her maternity leave. **Brian Swarts**, our National Field Organizer for the past year is headed to Japan with his fiancé in late June. Brian, we will miss you and thank you for your incredible leadership in organizing the Cancel Debt Fast and this year's grassroots conference! We are happy to announce that **Mercedes Mack**, our Operations Coordinator for the past year, will replace Brian effective immediately as our new National Field Organizer. For those that haven't yet met Mercedes, you will surely be hearing from her soon!

We lost several Board members over the past several months to job changes, including **Mhizha Chifamba**, **Nunu Kidane**, **Kolleen Bouchane**, and **Evelyn Sallah**. Thank you for your service to Jubilee. We are thrilled to welcome three new members to the Jubilee USA Coordinating Committee (which serves as Jubilee USA's Board). In an election in March, the Network Council affirmed the following new members of the Jubilee USA Coordinating Committee:

- **Sarah Anderson**, Global Economy Fellow, Institute for Policy Studies
- **Rev. Wally Kuroiwa**, Justice and Witness Ministries, United Church of Christ
- **Briggs Bomba**, Program Associate, Africa Action

GOODBYE, FALL/SPRING SEMESTER INTERNS: This past semester we said goodbye to our winter/spring interns: Communications & Development intern **Freda Obeng-Ampofo**, a graduating international relations major at Gordon College in Mass.; Grassroots intern **Kate Fraser**, a graduating international relations at George Washington University in D.C.; and Outreach & Congregations intern **Midori Yoshizaki** from Tokyo, Japan, who is studying sociology. Freda came to Jubilee through the American Studies Program sponsored by the Council for Christian Colleges and Universities. Midori was with us this semester through the American University student exchange program.

HELLO, SUMMER INTERNS: This summer, we welcome **Ian Hartner**, from the Beatitudes Fellows Program, to the Outreach & Congregations team; **Wiley Jackson**, a junior political science major at The Citadel, who comes to the Advocacy team from the Religious Action Center for Reform Judaism's Machon Kaplan Program; **Doris Okafor**, a senior community health major at the University of Illinois at Urbana-Champaign, to the Outreach team; and **Bakary Seckan**, a sophomore economics and international studies double major from Morehouse College, to the Communications & Development team. We will also be welcoming an intern through the **United Methodist Church-General Board of Church and Society's Ethnic Young Adult Summer Internship Program**.

A Special Thank You

to everyone who took action, gave financially, made a pledge or made phone calls to Jubilee USA supporters during our 2008 Spring Giving Campaign. Our fundraising goal was **\$25,000**.

Thanks to your generous donations, we raised **\$31,033** in gifts and pledges! If you still wish to give or make a pledge, use the reply card and envelope or contact Monét at 202.783.3566 or monet@jubileeusa.org.

Jubilee Staff



ME & CONVENTION SCHEDULE

organizational gatherings this
you're in the area, we'd

a talk about debt cancellation and
12.

Center and will be an official observer
and considered by the NAACP general

OHIO & SOUTH FLORIDA SPRING SPEAKING TOUR

FIRE IN HER BONES

Kenyan Activist Wahu Kaara Talks Debt & Activism to Ohio Audience

By Brian Swarts, National Grassroots Organizer

Kenyan activist Wahu Kaara is part preacher, part politician and all fiery prophet for global justice.

During Jubilee USA's Ohio Speaking Tour Kaara spoke about the need for Americans to hold their government accountable for its actions. It's not just the African continent that has challenges; the United States is nursing troubles of its own. The U.S. Treasury has the power to cancel the debts of impoverished countries without harmful policy conditions, yet it does not.

As the leader of the Kenyan Debt Relief Network (KENDREN) and a two-time Kenyan presidential candidate, Kaara has dedicated her life to advocating for the most impoverished and marginalized communities of her country. She knows firsthand the injustices of debt, but also the power of people organizing for change. It is this power for change that Kaara called "The Globalization of Hope," during her three-day speaking tour in Columbus, Ohio.

Kaara told audiences that world leaders must be held accountable for the suffering and injustice that have been perpetuated by economic policies and political structures that short-change the poor while enriching the elite.

Never one to mince words, she added that another problem is the unwillingness to act and Kaara passionately called on everyone to speak out or get left behind.

"We're inviting you to participate in the Jubilee movement, but it's going to happen with or without you," Kaara told the audience. "With or without you, it will go on."

She challenged people to support the Jubilee Act by sending a message to Congress that it's time to "Measure Up!" and deliver



AGAINST APATHY. During the Jubilee's Ohio Speaking Tour Wahu Kaara talks about the need for people to speak truth to power. *Photo by Mike Beaumont*

the debt cancellation to impoverished countries long promised repeatedly by world leaders. Whether she was talking to churchgoers, college students or community leaders, Wahu's words were met with an enthusiastic response of promises to sustain the work she and other Jubilee supporters have already begun.

POWER TO THE PEOPLE Flordians Learn & Take Action As the Global Food Crisis Rages

By Mercedes Mack, National Grassroots Organizer

Grassroots organizing is a powerful force. Of course, many people who are reading this already know that and the coming together of people I saw during the Miami leg of the 20th Annual Africa Peace With Justice Speaking Tour were no exception. The six-day, 16-event tour was sponsored by the American Friends Service Committee and Jubilee USA as the world's growing food crisis blared from the news everyday.

highlighted the fact that much debt is odious and illegitimate, and that the debt crisis is as much the responsibility of the lender as the borrower. He called for further scaling up of debt cancellation and more responsible lending in the future.

The evening also included pre-video taped messages of support from Liberian President Ellen Johnson-Sirleaf and British Prime Minister Gordon Brown. President Johnson-Sirleaf urged "rather than servicing unjust debts, governments should focus on programs to ready for and prevent the economic assault that is now anticipated." Jubilee UK also launched a report "Unfinished Business" which highlights the remaining agenda for Jubilee debt campaigners.

UPDATE: WORLD BANK ROUNDTABLE ON UNSOUND DEBT
Both the World Bank and UNCTAD published papers last year on odious and illegitimate debt. Civil society advocates were dis-

THE POLICY INSIDER
What's
New on
the Debt
Radar



JUBILEE UK MARKS A 10 YEARS AFTER BIRMINGHAM G-8 SUMMIT

More than 2,000 supporters of Jubilee Debt Campaign in the UK descended upon the town of Birmingham on May 18 to mark the 10th anniversary of the Birmingham G-8 Summit. It was at this summit meeting in 1998 that G-8 meeting site was surrounded by 70,000 Jubilee supporters in a gigantic human chain, foisting international debt squarely onto the agenda of world leaders.

To mark the anniversary, campaigners had special church services, a rally and program featuring Archbishop Njongonkulu Ndungane of Cape Town, South Africa. He delivered a rousing keynote address where he

ING TOURS TAKE JUBILEE TO KEY STATES

Haiti remains one of the countries most affected by debt and the crisis and only 681 miles away from Florida, many who attended events knew about the impacts of hunger on both Haiti and the rest of the world. It was interest in the issue that drove many people to attend the events we had at a community center and various colleges, universities and churches. The Network of Spiritual Progressives hosted us at the First United Methodist Church in Boca Raton where 25 people showed up on a Sunday evening. Our community event at the African American Cultural Heritage Center attracted more than 30 people and received press coverage in the *South Florida Sun Times*.

Some of the most educational times for me came while eating meals between speaking engagements.

After a stop at Miami Dade County College, Marlye Gélín-Adams, CARE USA regional advocacy advisor for Haiti and the Caribbean, and I stopped for food at a Brazilian restaurant. Over plates of rice, beans, tender breaded chicken, fresh beets and salad we shared a long conversation with the owner, who just received his citizenship only a month earlier. The conversation drifted to a discussion of migration and debt. Why do people have to leave their homes in the first place? We talked about the role the United States has played in that push and what we who live here can do about it.

With two days left in the tour Gélín-Adams, Brad Brown, NAACP Miami Unit vice-president, ONE volunteer Alix Gordon, Steve Forester, Haitian Women of Miami policy director, and Ed Cooke, Miami Chapter of the United Nations Association, met with Rep. Ileana Ros-Lehtinen's (R-FL) staff. And on Wednesday, my last day in Miami, the final thing on our schedule was a meeting with Amhed Camacho of Rep. Lincoln Diaz-Balart (R-FL) as the vote was happening! It was a great meeting and after we left his office, Camacho called to inform us that Diaz-Balart had voted "yes" for the Jubilee Act. *The Miami Herald* ran a story about the Jubilee Act the next day, tying it to Haiti.

What a great way to end a hectic and rewarding six day tour!

satisfied with the World Bank's treatment of the subject, and requested a roundtable discussion with staff. The roundtable event, held on April 14, included staff from not only the World Bank but also the African Development Bank, International Monetary Fund (IMF), key government representatives and academics. The discussion covered technical legal issues and wider moral and political debates.

LIBERIA REACHES DECISION POINT

Liberia officially reached Decision Point in the Heavily Indebted Poor Countries Initiative (HIPC) on March 18. Liberia is the 33rd country to reach decision point and will receive interim debt relief from some creditors. In order to qualify for full debt relief at completion point, which is still several years down the road, Liberia must implement a broad set of IMF policy conditions. Jubilee USA is monitoring Liberia's progress and will alert supporters



POWER BEYOND MEASURE. 1: (from left) Jessica Walker-Beaumont, AFSC, Marlye Gélín-Adams, CARE, Nunu Kidane, AFSC, Mercedes Mack, Jubilee USA, Matt Kavanagh, RESULTS, Briggs Bomba, Africa Action, Roxanne Lawson, TransAfrica Forum, Oni Michaels, AFSC. 2: Back of a T-shirt from a supporter the African-American Cultural Heritage Center. 3: Students at Florida Atlantic University's Boca Campus during a tour stop. 4: Mercedes Mack speaks to the group at Florida Atlantic University's Boca Campus. *Photos by various people on the tour.*

to action as Liberia continues to work its way through the debt cancellation labyrinth.

FUNDING THE WORLD BANK'S LOW-INCOME LENDING ARM

Jubilee and its partners are working on changing the way money is granted and loaned from the International Development Agency (IDA), the World Bank's low-income lending arm. Jubilee USA has joined a coalition of organizations advocating for Congress to utilize the opportunity of the renewal of funding for the IDA of the World Bank to urge changes in policies on World Bank conditionality, and to support greater transparency. Legislation that authorizes IDA replenishment will be considered by the House Financial Services Committee this summer.

— Compiled by Danielle Pals, Policy Fellow
For more details visit www.jubileeusa.org/thepolicyinsider.

countries' inability to meet the challenges of the current crisis, and for the promotion of unaccountable governance within these countries."

When countries received loans, reapplied for loans and later needed help from the Bank to cancel debt, they were required to implement policies that neglected the agricultural sector and embraced trade liberalization (lifting of domestic protections such as preventing loan-recipient countries from taxing imports and leaving its exports at the mercy of other countries, subsidizing fertilizer and seed for farmers). These policies, also called structural adjustment programs, left countries without a safety net. These are policies the West imposes on less powerful nations, but doesn't practice — the U.S. subsidizes its farmers.

"[These policies have left] developing countries in yet a weaker structural position for negotiating outcomes favorable to agriculture and, in particular, the rural poor," Patel argued.

With trade barriers lifted, markets were flooded with cheaper food — made so by structural adjustment policies that lowered import taxes and by subsidization of farmers in wealthy countries that allowed them to produce food at below-market prices — than what was produced domestically. This drove most domestic farmers out of business. It's what happened in Haiti.

HAITI: A CASE STUDY FOR DISASTER

"Cheap imported rice destroyed nationally grown rice," Haitian President René Préval said amid reports of Haitians eating dirt cookies because they were unable to afford food. "Today, imported rice has become expensive and our national production is in ruins and there is even more misery."

The Inter-Press News Service reports that 30 years ago, Haiti grew all of the rice it consumed. In the late 1980s, under the Duvalier regime, "cheap U.S. rice inundated the country after a military junta began liberalizing the economy with support from the International Monetary Fund... In 1994, an IMF-sponsored plan cut tariffs on imported rice from 35 percent to 3 percent."

On a visit to Haiti, Mark Schuller, filmmaker and Vassar anthropology professor, observed the casualties of the global food crisis. He met a public health worker who suffered from diabetes and died because she could not afford life-saving drugs due to the high costs of private care. A factory worker told him that rice and sugar costs are quickly rising, outpacing the weekly wages of most workers.

The average Haitian employed in the formal sector earns about \$1.80 a day (70 goud in Haitian currency). But most Haitians don't work in the formal sector.

Sylvie St. Fleur, a recently unemployed factory worker, told Schuller: "If you used to buy a sack of rice for 1,000 goud, you [now] have to buy it at 1,500 goud (\$37.50). Only now a cup of sugar costs 25 goud, a cup of rice costs 18 or 19 goud, a cup of beans costs 25 goud. Even if you work for 70 goud per day (minimum wage), you buy a gallon of gas for 150 goud (\$3.75)...you see?"

By Schuller's own account, there's a correlation between the increase in food prices and a drop in the quality of living in Haiti. "Each visit also brings news of someone's death from not having access to clean water, enough food, or health care."

John Wesley Charles, World Vision's Haiti office director, told *The Los Angeles Times*, "People can't afford to send their kids to school now. They need the cash for food."

GLOBAL REPERCUSSIONS: 'A SILENT TSUNAMI'

In U.S. stores the prices of rice, corn, beans, milk and other staples are quickly rising with most analysts predicting a steady increase continuing throughout the year. But in a country where food consumption comprises only 16 percent of an American family's budget, it's a growing dent in the pocket books of most middle-class Americans. Haiti's government estimates a poor Haitian family spends about 75 percent of its income on food. *The New York Times* reports, "Nigerian families spend 73 percent of their budgets on food", while in Vietnam it's 65 percent and in Indonesia it's half of the family pie. For impoverished people in Haiti and other countries, the impacts of rising prices and spikes in gas and petroleum are literally a death blow to many nations and have left an open door to political unrest.

The BBC News reported that the riots in Haiti have left at least four people dead and at least 20 people wounded. The riots were followed by the firing of Haiti's prime minister by the country's Parliament. And the *UK Telegraph* said that concern over the rising price of wheat in Egypt, the world's second-largest importer of wheat and reportedly the biggest consumer of bread, has left seven people dead and 12,000 people detained in police raids on vendors and consumers exchanging bread and flour under the table.

But it is small farmers who are being crushed. They face the brunt of the food crisis both as the bedrock of many national economies and as people facing starvation themselves. The World Food Organization reports that farmers in Kenya, Mali, Laos and Ethiopia are all planning to reduce their planting next year, in some cases by 75 percent, because of rising fertilizer and oil costs.

"Many of the world's small farmers cannot afford to invest in their future, even for that most basic and essential of all commodities: food," United Nations Secretary General Ban Ki-moon told an audience at the April UN Conference on Trade and Development in Accra, Ghana, adding that 70 percent of the world's most impoverished people live as small farmers.

Debt cancellation can help to address the hunger crisis, but it is only one piece of the broader agenda. An end to harmful policies of the IMF and World Bank that have devastated agriculture and small farmer access to local markets are important steps.

Patel stressed policy changes at the World Bank that allow governments to create economic strategies that support their countries' economic needs and provide more access to local markets for the small farmer. Robert Watson, director of the International Assessment of Agricultural Knowledge, Science and Technology

DEBT CANCELLATION A VICTORY FOR THE WORLD

By Desmond Tutu, Archbishop Emeritus of Cape Town, South Africa

Last month, the House of Representatives showed leadership in the fight against global poverty by passing the Jubilee Act for Responsible Lending and Expanded Debt Cancellation, which would extend lifesaving debt cancellation to more poor nations around the globe.

Too many of the world's poor children needlessly starve or go without education because too many impoverished nations — even after the laudable debt relief provided to date — are still funneling scarce resources to multilateral banks instead of paying for needs at home.

The world community has found crushing debt to be akin to a modern-day apartheid, and has responded with debt cancellation. Unjust debt leaves developing nations at the behest of the powerful. Shall we let the children of Africa and Asia die of curable disease, prevent them from going to school and limit their opportunities for meaningful work - all to pay off unjust and illegitimate loans made to their forefathers?

When I think of the crisis of international debt, I think of my African neighbor, Lesotho. Many of Lesotho's people cannot afford basic nourishment. The AIDS epidemic has plagued the nation, but needed medicine is out of reach for too many.

Lesotho's situation shows how debt and extreme poverty create a crisis for children. Children's wards in that nation's hospitals are filled with anxious mothers 24 hours a day, administering medicine and caring for their children as a nurse or doctor might do in my country of South Africa. They have no choice. Lesotho has only six pediatricians looking after its 800,000 children.

One-third of Lesotho's children are not in school. Meanwhile, Lesotho's debt repayments equal its entire education budget. Instead of investing in its people, health and development, Lesotho - a nation of 2 million people with external debt of \$647 million - sends debt payments to the developed world.

Millions of the world's poorest people suffer hunger and illness as desperately needed resources flow out of their countries in the form of debt payments. Yet many countries, like Lesotho, are not eligible for debt relief because current initiatives are not based on a country's level of poverty or need.

Much of this debt originates from loans made to corrupt and op-

for Development (IAASTD) in the UK, and Patel recommend giving more local market access to small farmers. "Many farmers are unable to have that access because of long-term constraints stemming from lack of investment in rural infrastructure, credit, social programs, and an open trade policy that pits them against heavily subsidized countries." Watson also urges a better balance between crops that are exported — and contribute country's balance of payments, but do not necessarily ensure food security or protect countries from market shifts — and crops intended for domestic use.



Desmond Tutu

pressive regimes that did not benefit the population. As a South African, I know firsthand the injustice of this situation as our country continues to repay money that was used to sustain the apartheid system and suppress the movement for racial justice. The Jubilee Act calls for an audit of the odious debts of countries such as South Africa so that the question of whether this money is truly "owed" can finally be addressed.

The movement to cancel debt is an ongoing moral campaign that joins religious leaders around the globe under the biblical principle of Jubilee, which says that everything belongs to God. My own Anglican communion has long supported debt relief, calling the continued burden of debt upon the poorest people of the world "a moral scandal."

Christian evangelical organizations, including Baptist World Alliance and the Salvation Army, have called on President Bush to support the Jubilee Act. Pope Benedict XVI, who made his first visit to the United States last month as Congress voted on the Jubilee Act, has called for debt cancellation for the poorest countries to be "continued and accelerated."

As the Senate now considers the Jubilee Act, it can do its part to help ensure that Africans and Asians are able to use their own resources for their own development. When success comes on expanded debt cancellation, as it did with an end to apartheid, this victory will not be ours alone but will belong to the whole world.

This essay has appeared as op-eds in The Baltimore Sun, The Miami Herald, The Houston Chronicle, The Modesto Bee, The Capitol Times and CommonDreams.org. Several letters to the editor were published in these and other newspapers in response to this editorial.

Josette Sheeran, World Food Program executive director, called the current crisis a 'silent tsunami.' For many people who live and die in impoverished conditions and in countries, like Haiti, that repay debts even as their people are starving, hunger and powerlessness are never quiet activities. Let's put the instability into perspective. Martin Luther King Jr. said riots are "the language of the unheard."

The world is listening now.

POLICY ROUND UP

Turkey Flying the Coop. Staff Layoffs. A \$400 Million Budget Gap in Two Years. Debt Cancellation Needed for Impoverished Countries. Everyone Wants to Know: **WHAT'S GOING ON WITH IMF GOLD SALES?**

By Danielle Pals, Policy Fellow

The International Monetary Fund is in a state of emergency. Its major borrowers have been paying the lender back early and Turkey's recent announcement that it will pay off the rest of its debt in advance and seek no new loans from the IMF is just one in a string of decisions by low and middle income countries to get their loans elsewhere.

Because its largest borrowers have repaid their debts, the IMF is facing an income crisis. Now, unable to maintain its administrative budget, the organization faces a deficit of \$400 million in 2010. Dominique Strauss-Kahn, head of the IMF, has proposed a two-prong strategy to address the issue by cutting staff and selling a portion of the IMF's gold reserves to create a trust. The interest earned by the trust will be used to fund the organization's looming deficit in administrative funding.

To date, the IMF has had the third largest gold reserve in the world—third only to the U.S. and Germany. Debt and poverty advocates have long held that as a global public good, this gold should be used to fund debt cancellation, rather than sitting idle within the IMF. But over the years, this call from Jubilee and other campaigners has been met with skepticism, as the gold lobby was very concerned that IMF gold sales would mean a drop in the price of gold on the world market. A new plan to sell some of

the IMF's gold to fund the institution's administrative costs was approved by the IMF's Executive Board in April, and previous skeptics have turned into believers.

But the debate doesn't stop there. Though the IMF executive board approved a plan to sell its gold reserves in order to fund the administrative costs of the organization, under U.S. law, the U.S. Congress must approve this plan before the sales can proceed. A coalition of more than 60 groups concerned about the IMF's role in low-income countries, including Jubilee USA has formed, and is asking that congressional approval of gold sales be conditioned on serious reforms at the IMF in the areas of conditionality and transparency, and on the creation of a trust from additional gold sales that could be used to fund future debt cancellation or arrears clearance.

With gold at the highest price we have seen in years, and the IMF's own managing director and executive board endorsing gold sales, it is an important moment to raise the call for IMF gold sales for debt cancellation.

For more information, see "Recent Development on IMF Gold Sales and Debt Cancellation" at www.jubileeusa.org/resources/debt-resources/policy-papers. Stay tuned to www.jubileeusa.org for updated information and action alerts on IMF gold sales.

NEW JUBILEE REPORTS: Vulture Funds, Illegitimate Debt, and World Bank's Resources Available for Debt Cancellation

BRIEFING NOTES 2008

www.jubileeusa.org/?id=111

Jubilee USA has published three new briefing notes on key policy issues. These latest papers are designed to provide quality background information on some of the key policy issues that Jubilee is working on this year.

"Vulture Funds & Poor Country Debt: Recent Developments & Policy Responses" offers a succinct overview of vulture funds, including definitions and case studies. The brief also recommends six specific policy changes that policymakers should consider to halt the activity of vulture funds.

"Recent Developments On Odious & Illegitimate Debt" considers the definitions of odious and illegitimate debt, and explores the latest developments including Norway's unprecedented unilateral cancellation of specific debt claims on the grounds that the loans represented "failed development policy." The note also provides background on Ecuador's historic debt audit commission — the first official debt audit by a government — which was convened last year and this summer is expected to release the results of its work.

Authored by Jubilee USA and Thomas Chupein from the American Friends Services Committee, "World Bank Group Resources and Debt Cancellation" identifies more than \$23 billion in World Bank resources that can be mobilized to fund the cost of additional debt cancellation efforts. This paper examines ways the resources of the world's largest development banks can be mar-

shaled to sustain the gains of debt cancellation rather than a continuous cycle of debt.

All six papers in our Briefing Notes series are available at www.jubileeusa.org/resources/debt-resources/policy-papers.

FOREIGN POLICY & FAITH

The Washington, D.C.-based Maryknoll Office for Global Concerns has released "Loving Our Neighbor in a Shrinking World: U.S. Elections 2008", a 12-page booklet addressing crucial foreign policy issues that should be considered during this year's campaign cycle: economic justice, migration, climate change, peace and security, and HIV/AIDS. Copies in English and Spanish are available by emailing ogc@maryknoll.org or calling 202.832.1780. Additional election resources can be found at www.maryknollogc.org.

"...proclaim liberty throughout the land to all its inhabitants; it shall be a jubilee for you..." Leviticus 25:10

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