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DROP THE DEBT

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

WHAT'S NEXT FOR THE JUBILEE ACT?

By Kristin Sundell, Director of Advocacy & Organizing

The Jubilee Act for Responsible Lending and Expanded Debt Cancellation of 2007 (H.R.2634 / S.2166) was the focus of Jubilee USA's advocacy and organizing work across the country throughout the 2007 Sabbath Year.

Thanks to all your calls, letters, and visits to your members of Congress, thanks to everyone who fasted and prayed for economic justice, thanks to the thousands of plates that piled up on congressional desks throughout the fall, the Jubilee Act was introduced into the House of Representatives and the Senate last year and has garnered impressive bi-partisan support.

As of this writing, the Jubilee Act has 97 co-sponsors in the House of Representatives and Speaker Nancy Pelosi has committed to bring the Act to the House floor for a vote! In the Senate, the Jubilee Act has 21 co-sponsors, including over half of the Senate Foreign Relations Committee (the committee with primary jurisdiction over the Jubilee Act). There will be a Senate hearing on the Jubilee Act early this year.

But we aren't done yet! The goal for 2008 is to pass the Jubilee Act through the House of Representatives and the Senate, and time is running short. Because it is an election year, there are only 55 working days on the Congressional calendar in 2008. That means 55 days in which Congress will be in session and deliberating and voting on legislation. Most of these 55 days are scheduled early in the year, before the presidential campaign kicks into high gear this summer.

For the latest information on the status of the Jubilee Act and the most current suggestions on how you can take action, visit

the Jubilee website at www.jubileeusa.org or contact Jubilee Advocacy Fellow Danielle Pals at danielle@jubileeusa.org or 202-783-0214.

WHAT WILL HAPPEN WHEN THE JUBILEE ACT PASSES?

A common question we've been hearing lately is "What will happen in 2008 when the Jubilee Act passes? Will Jubilee close down?" Unfortunately, there will still be lots of work ahead of us even if the Jubilee Act is signed into law this year.

Passage of the Jubilee Act through Congress will be an important first step, but it will not in and of itself cancel the debt of the most impoverished countries or resolve the debt-related policy issues that are addressed in the legislation.

For most of the major issues it addresses — expanding debt cancellation to additional impoverished countries, eliminating harmful economic policy conditions, creating a framework for responsible lending, requiring greater transparency at the IMF/World Bank — the Jubilee Act requires implementation by the U.S. Treasury Department and active negotiation by the U.S. with other major shareholders in the IMF and World Bank.

Once the Jubilee Act is passed, in other words, it will be up to all of us to ensure that it is implemented well by the next administration. Who the next president appoints as U.S. Treasury Secretary and where global poverty falls on that person's list of priorities (and how much that person hears from economic justice advocates in this country) will go a long way toward determining whether or not the Jubilee Act results in a new global agreement for expanded debt cancellation and more just international economic policies.

GET IT ONLINE >>>>



www.jubileeusa.org/measureup In response to the need for urgent action to pass the Jubilee Act, Jubilee has launched the Measure Up! campaign, calling on the U.S. Congress to "measure up" to our national commitments to fight global poverty by ruling out debt as a contributing factor. The campaign includes a postcard drive, a celebration of Jubilee Sunday/Sabbath and two national Call On Congress days when we urge network members to call or meet with their members of Congress — although, you don't have to wait for a special opportunity to contact your members of Congress!

Grassroots Action Toolkit & Educational DVD are available! As part of the Measure Up! campaign, we've launched two new materials for education and action. Our new **Grassroots Action Toolkit** and our **20-minute educational DVD**. The Grassroots Action Toolkit **CONT. ON PG 4**

THIS IS WHAT ADVOCACY LOOKS LIKE

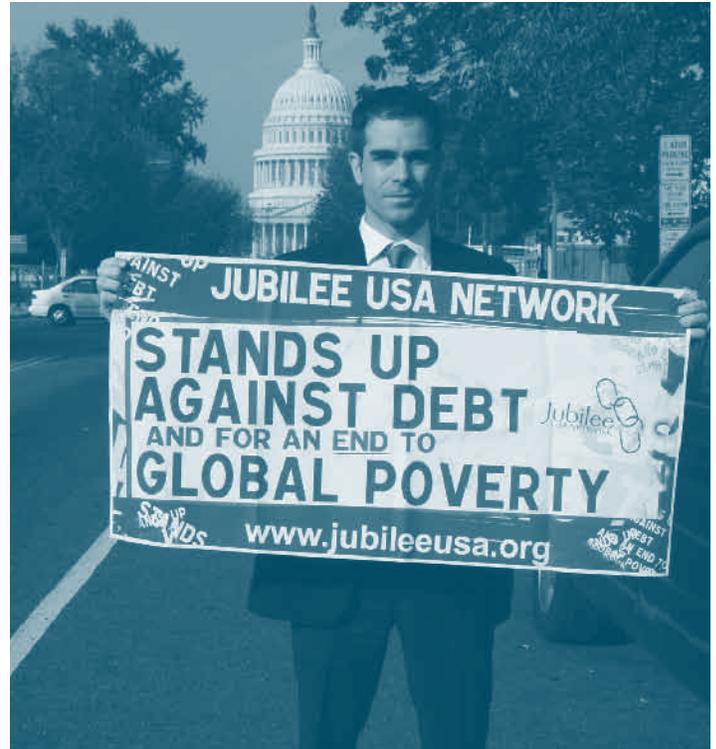
Reflections From the Cancel Debt Fast

By Nathan Fishman, Outreach & Congregations Fellow

From kids skipping high school cafeteria lunches to elders fasting from television in senior centers where they live, the Cancel Debt Fast of 2007 inspired over 15,000 people to conduct some of the most creative activism imaginable. Last year, we asked grassroots and congregational supporters throughout the U.S. to fast from food or some other privilege for one day or more during the 40-day span from September 6 through October 15. During their fast, supporters called, wrote, or visited their Members of Congress, urging them to cosponsor the Jubilee Act (H.R.2634 and S.2166). Thanks to all of you who participated, we reached our two main policy goals for the campaign: a hearing on the Jubilee Act in the House of Representatives and introduction of the bill into the Senate! Keep up the great grassroots work! Here is what some of you said:

It is an expression of my solidarity with brothers and sisters who are under the weight of crushing debt, and a move to lift that weight from their shoulders. *Julie Reuning-Scherer, Manchester, Connecticut* • All my energy and money go to our Haiti project and we look upon Jubilee as a support for Haiti. *Tom Luce, Berkeley, California* • Our congregation is committed to prayer, fasting and action for peace. We have studied the Millennium Development Goals and been deeply moved at the plight of so many of our brothers and sisters worldwide. We can't do much, but what we can do, we do with faith, and hope, and love. *Sister Cheryl Keehner, Richfield, Ohio* • This is a matter of justice. *Catherine M. Holtkamp, Congregation of Divine Providence, Melbourne, Kentucky* • I've put up information about Cancel Debt Fast in our breakroom here at work. I received 22 plates to send to Sen. Salazar. Some co-workers are supporting me in my fast by giving up soda, giving up candy, and also trying the fast themselves. I have pledged to fast/water only for at least a week starting today. So far so good!! *Crystal Espinoza, Fort Collins, Colorado, and her coworkers Joyce Patterson (no soda or fast food), Brandi Molin (fasting 3 days), Roberta Martinez (no T.V.), Travis Thompson (no caffeine)* • Because people are what matters. *Vivian Fishman, Princeton, NJ* • I will fast to feel the hunger of too many people

worldwide, and of my father who fasts for 40 days or more now. I will use all of the energy in me not spent to plan, eat, or digest food to reflect on how I can help others in this world, and about how I can live with less attachment and greed. *Betsy Duncombe, Brooksville, ME* • I believe it is right and just to do this. *Anne Richard, West Palm Beach, Florida* • A Year of Jubilee seems the only way to extricate the United States of America from being a perpetrator of injustice. *Ronald Fujiyoshi, Hilo, Hawaii*



FAST VICTORY. Thomas Chupein, American Friends Service Committee policy fellow, during Jubilee's Lobby Day on October 17, 2007. During the 40-day fast, Jubilee activists in 33 states wrote messages to Congress on 8,000 empty paper plates calling for an end to hunger and poverty. More than 8,000 nuns from 150 different provinces also fasted for one or more days.

THE POLICY INSIDER

What's New on the Debt Radar



LIBERIA'S ARREARS CLEARED. The IMF reached an agreement to clear Liberia's \$840-million arrears in November of 2007. While this is welcome news, there is still more work to be done. Arrears clearance is a necessary step needed for Liberia to enter the HIPC debt cancellation program, after which Liberia must implement years of IMF-approved economic reforms before its estimated \$4.5 billion debt will be cancelled. Per capita income is expected to be \$136 this year.

THE GAMBIA GETS DEBT CANCELLATION. The Gambia became the 23rd country to reach completion point in the HIPC program in December 2007 and received \$66.6 million

in debt cancellation from the IMF. In September 2007, the Central African Republic (CAR) reached decision point and became eligible to begin the HIPC initiative. The IMF provided \$5.5 million in interim assistance to the CAR in January 2008.

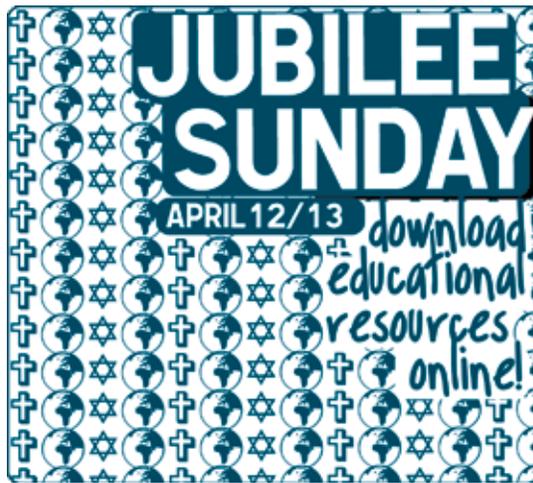
HAITI BILL MOVES FORWARD. Haiti continues to wait for debt cancellation, and is scheduled to pay approximately \$52 million in debt service payments this year. This money could be more effectively used to provide basic services in the wake civil war and two recent hurricanes. Toward this end, a resolution supporting immediate debt cancellation for Haiti (H.Res.241) was introduced in the U.S. House of Representatives in March 2007, and work is ongoing to add co-sponsors to the current list of 66. Most of Haiti's debt was incurred by the father-son Duvalier regime, who spent the money on fur coats, fast cars and death squads. Haiti's poor are now repaying the loans, by eating dirt

'AT MIDNIGHT' LET THE LIGHT OF LOVE SHINE BRIGHT

Congregations Start Planning for Jubilee Sunday/Sabbath

By Brian Swarts,
National Grassroots Organizer

For many reasons, it feels as
if it is midnight in our time.



War, the AIDS epidemic, instability, and poverty rage globally, fed by the scandalous inequalities that create a rift between us and our brothers and sisters in the Global South. Yet, it was Dr. Martin Luther King Jr. who called attention to the fact that it is in the midnight sky that the stars shine the brightest. Ours is the blessing and the challenge to be stars that shine brightly through the midnight, bearing witness to God's vision of a transformed world.

When people of faith join together for a holy purpose, rooted in our scriptures, we can turn the tides of economic injustice, challenge harmful policies and advance a prophetic vision of right relationships among nations, fairness, equality, and hope for the world's poor. This is the vision of Jubilee.

Our brothers and sisters are perishing under the crushing weight of international debt payments to wealthy creditors. The vision of Jubilee calls for the building of right relationships between communities, peoples and nations.

On April 12 and 13, Jubilee USA invites people of faith from across the country to join us in celebrating a Jubilee Sunday/Sabbath. On the same weekend, the International Monetary Fund and the World Bank will hold their spring meetings in Washington, DC. We encourage you to start making your plans now and to use this as an opportunity to introduce other congregations in your community to Jubilee and help them celebrate Jubilee Sunday/Sabbath for the first time!

You can download the 2008 Jubilee Sunday/Sabbath Resource Guide at www.jubileeusa.org. Also, mark your calendar for the last Jubilee Sunday of 2008, which will be celebrated on December 14. **FOR MORE INFO:** Email Outreach & Congregations Fellow Nathan Fishman at nathan@jubileeusa.org.

and by foregoing elementary education and basic healthcare.

VULTURE FUNDS UPDATE. In late January 2008, the Belgian Senate unanimously approved a law and resolution to curtail the activities of vulture funds. Here in the United States, work is underway to stop harmful profiteering on vulnerable sovereign debt. Jubilee anticipates a hearing on the issue this spring in the House Judiciary Committee.

BANK AGREES TO ODIOS DEBT ROUNDTABLE. Last fall, the World Bank published a discussion paper on odious debt. However, the Bank's report was not reviewed by civil society and failed to address key issues, including the need for fair and transparent debt resolution processes, which would enable independent judgements to be made regarding the cancellation of odious debts. In response to civil society concerns, the World Bank has tentatively scheduled a roundtable on April 14 to discuss the content of the paper.

For more details and links to additional info, visit www.jubileeusa.org/thepolicyinsider



IN THE NEWS

Press Clips Covering
the Work of Jubilee USA,
Our Partners & Debt Justice

February 2008

The Opportunist: Paul Singer's Elliot Associates has beaten the S&P 500 for 30 years by investing in bankrupt companies and countries

By Kambiz Foroohar, *Bloomberg Markets*

The magazine profiles Paul Singer, probing not just how the financier is making a serious profit off the mortgage loan crisis and 'vulture funds' but also how he spends his money. An interesting read for those interested in how hedge funds operate and continue to make a killing in the financial markets.

January 7, 2008

New Year's Resolution

By Tyler Sangermano, *ONE Mizzou Blog*

Tyler, a young ONE activist from Missouri visiting Washington DC, for a ONE training, details "the most inspirational, amazing, mind blowing four days" of her life, including a workshop on debt and how it affects efforts to decrease poverty and widen policy space in impoverished countries.

December 14, 2007

To Help Haiti Recover, Cancel Its Debt

By Marlene Bastien, *Op-Ed for The Miami Herald*

Bastien, executive director of Fanm Ayisyen Nan Miyami/Haitian Women of Miami (FANM) and chair of the Florida Immigrant Coalition, wrote an op-ed about Haiti's plight in the context of the need for debt cancellation and the current national immigration debate. She also explores the connections between Haitian immigration to the United States, the realities of volatile political shifts, an economy manipulated by selfish dictators and crushing odious and illegitimate debts.

December 10, 2007

Unlikely Ally against Congo Republic Graft

By Lydia Polgreen, *The New York Times*

Reporting on the issue of vulture funds, the *Times* details how the challenge of corruption in the Congo Republic has made strange bedfellows for "vulture fund" companies.

For more details and links to additional info, visit www.jubileeusa.org/press/press-hits

COUNTRY CASE STUDY: LESOTHO

Total Debt: \$690 million

Government budget spent on debt service: 7%

Government budget spent on education: 7.2%

Population living with HIV/AIDS: 270,000 (15%)

Children not enrolled in primary school: 34.6%¹

Lesotho is a small land-locked southern African country. Fifty percent of the people of Lesotho live below the poverty line. The incidence of poverty in Lesotho has been worsened by the adverse weather conditions that have hindered food production. The situation is further exacerbated by the HIV /AIDS pandemic.² Lesotho is not currently eligible for debt relief despite its poverty and health challenges.

As Charlayne Hunter-Gault described the village of Moyeni, Lesotho in a 2006 NPR story: "The government hospital in Moyeni itself is a victim of the poverty that, like AIDS, has Lesotho by the throat. Lab facilities are scarce and nurses are leaving every month, but they aren't being replaced. Dr. Mobashshar Hassan came here from Bangladesh hoping to make a difference. He says there are supposed to be five doctors at the hospital, but three left. The health professionals are leaving because of the low pay, which Hassan says is one-third what doctors earn in countries surrounding landlocked Lesotho."³

Upon learning that many other African nations had qualified for debt cancellation in 2005, Lesotho's Finance Minister Timothy Thahane told Reuters that one of the reasons Lesotho was not classified as a HIPC country was that it had never defaulted on its debt. "It is important," he said, "that those who have paid their debts well, who run their mega-finances well, should be rewarded with debt forgiveness."⁴

Debt cancellation without harmful economic policy conditions could help Lesotho to provide adequate wages for public doctors and nurses. Lesotho would become eligible for debt cancellation under the Jubilee Act.

SOURCES: ¹Statistics taken from: The World Bank and UNESCO; ²The United Nations World Summit; ³NPR; ⁴U.S. Conference of Catholic Bishops



GET IT ONLINE CONTINUED FROM PAGE ONE

is free and only available online. It contains instructive materials, including newly updated video and book lists on debt and economic justice, instructions on writing letters to the editor and op-eds and a guide to hosting a successful house party in your community. You can order colorful Measure Up! postcards to help you and your friends write to Congress about the Jubilee Act.

We've also created a 20-minute DVD that explains the debt issue and the work Jubilee USA and its partners are doing to achieve debt cancellation without harmful economic policies for impoverished countries. It lays the foundation for starting discussions around debt including how the economic justice movement began, the impacts of debt in impoverished countries, and how crushing debt and certain conditionalities — such as privatization and trade liberalization — affect the ability of governments to tackle healthcare, education and climate change.

BRIEFING NOTES 2008

www.jubileeusa.org/?id=111

Read the first three in a series of six issue Briefing Notes that Jubilee USA is releasing this year.

These short pieces are designed to provide quality background information on some of the key policy issues that Jubilee is working on this year. The first briefing note, "Expanded Debt Cancellation: "A Key Tool to Fight Global Poverty," makes the case for expanded debt cancellation beyond the current HIPC Initiative. The next piece, "Recent Developments on IMF Gold Sales and Debt Cancellation," covers the ongoing discussion of

whether and how the IMF's gold reserves should be sold, and for what purpose. The third report, "Are IMF and World Bank Economic Policy Conditions Undermining the Impact of Debt Cancellation?," contains the latest information on IMF and other economic policy conditions, such as privatization and restrictions on budgets in health and education, that are limiting the benefits of debt cancellation.

www.jubileeusa.org Drop the Debt's Voice of the Roots and Voice From the South columns will be online. Kenyan activist Wahu Kaara talks about the current political situation in Kenya and its impact on the work of the Kenya Debt Relief Network (KENDREN). Brad Brown, Miami-Dade NAACP vice-president, explains the urgent need for debt cancellation in Haiti and what stands in the way.

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

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