

Editorial

## **Debt “Relief” by the G8 in the Interests of the Rich**

On June 11 the finance ministers of seven of the G8 countries announced a plan to cancel the debts owed to the World Bank and International Monetary Fund (IMF) by the world’s poorest countries. The plan was touted by the news media as an effort to reduce poverty in these countries, many of which currently spend more on debt payments than they do on health and education. The news media has also featured “debates” between pundits on how best to ensure that the “savings” do not end up in the pockets of corrupt politicians in these countries. This entire debate has two purposes: to shift the blame for poverty onto local officials rather than the World Bank and IMF; and to deflect attention away from the conditions which have been placed on the debt relief, conditions which are actually designed to

increase poverty in these countries.

The whole issue of corruption is a red herring. Of course, corruption is rampant in the developing countries, but it pales in comparison to the levels of corruption which exist in the advanced capitalist countries, as the example of Enron and numerous other American companies demonstrates. Furthermore, this corruption has been encouraged and systematized for decades by the World Bank and the IMF, as well as by the governments and corporations of the G8 countries. It is a tried and true method by which the imperialist Big Powers control the neo-colonial countries. In fact, the most corrupt regimes in recent history – Marcos in the Philippines, Suharto in Indonesia, Mobutu in the Congo, Somoza

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## **Known Terrorist Seeks Asylum in U.S.**

Luis Carriles Posada, a self-confessed terrorist who has been involved in several terrorist attacks against Cuba, intends to apply for asylum in the United States at an immigration hearing that has been rescheduled to August 29.

Posada was detained by agents from the U.S. Homeland Security department on May 17 and charged under the Immigration Act with illegal entry into the U.S. from Mexico. He was detained only after giving two high-profile media interviews advertising his presence in Miami, although senior U.S. officials had reportedly known of his entry into the U.S. for over two weeks before he was actually apprehended.

His immigration hearing had been scheduled for June 13 in El Paso, Texas, but Judge William Lee Abbot announced at the hearing that Carriles would

be remanded until August to give U.S. officials more time to study his case. Carriles has a bond hearing scheduled for June 24; his lawyer has also filed a motion for his case to be heard in Miami, although no date for that hearing has yet been set. According to his supporters in Miami, which is a well-known centre for anti-Cuban terrorists, Posada has served the U.S. for four decades through his attempts to overthrow the Cuban government and should therefore receive asylum.

Posada is believed to have planned a number of terrorist attacks, including the 1976 bombing of a Cubana airliner, which killed 73 people and a series of bombings at Cuban hotels in the late 1990s. The senior FBI officer who participated in the investigation of the 1976 Cubana bombing concluded

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For Your Information

## **Bolivian People Demand Nationalization of Gas, Reform of Electoral Process and a Constituent Assembly**

Eduardo Rodriguez, formerly the chief justice of the Bolivian Supreme Court, was sworn in as interim president on June 9, the country's third president this year. He was sworn in following the resignation of Carlos Mesa and the refusal by the leaders of both houses of Congress to accept the post.

The Bolivian ruling class is in a deep state of crisis: Mesa himself was forced out of office by the massive political protests that have shut down most of Bolivia since mid-May. The protestors have two main demands: the nationalization of Bolivia's natural gas resources and national elections both for Congress and the President and for the creation of a Constituent Assembly to rewrite the Bolivian Constitution. Most of the protestors are also calling openly for a socialist system.

President Rodriguez has promised elections will be held by the end of this year, which has won him some temporary support from protest leaders, including Evo Morales, the Aymara Indian who leads the country's Movement Towards Socialism party (MAS) and finished a close second in the presidential elections in 2002. Morales and others have made it clear, though, that nationalizing the country's natural gas industry remains an immediate priority.

The now-deposed Mesa, who was himself elected after the collapse of his predecessor's neo-liberal government, had promised to hold a referendum on the question of natural gas. He followed through in 2004, but excluded nationalization as one of the options on the ballot, leading to a mass boycott of the referendum campaign. Despite this, Mesa claimed victory and tried to ignore the growing pressure for nationalization.

The pressure grew out of a previous struggle, which began in 2000 in the city of Cochabamba and was successful in preventing the national government from selling off part of its water system to a subsidiary

of the U.S.-based multinational company Bechtel.

The Bolivian ruling class has been left extremely vulnerable by the fact that 20 years after the country adopted a series of neo-liberal economic policies with the promise of "short-term pain for long-term gain", the standard of living of the majority of the people has actually fallen. The centrepiece of these reforms was the privatization of the natural gas industry, on the pretext that it would create employment and tremendous prosperity for all Bolivians. All three of the country's major political parties, elected one after the other since 1985, promoted these neo-liberal policies and are now left with nothing but the empty threat that nationalization will somehow only further harm the Bolivian economy. Reacting to the initial movement for nationalization, Congress pledged to increase taxes on natural gas companies operating in the country, but even this tame proposal was greeted by howls of outrage from these companies.

Instead, the few Bolivians profiting from the private extraction of Bolivia's natural wealth have consolidated their power in the southeastern city of Santa Cruz, at the centre of the country's oil and gas producing region. From there, they have led a campaign for "greater regional autonomy", which would include control over all regional resources. Mesa had been in talks with some of the Santa Cruz leaders over holding a regional referendum on the issue, which would have in essence destroyed any hope for nationalization. This triggered the massive protests.

In response to Mesa's resignation, these Santa Cruz leaders have pledged to hold a referendum on autonomy on August 12 with or without the approval of the central Bolivian government. If such a referendum is held, it is bound to arouse massive opposition in the rest of the country.

## **Bolivia – The Poorest Country in South America**

Bolivia is the poorest country in South America, with around 75 per cent of the population living in poverty, including 30 per cent living on less than the equivalent of \$1 per day, which the United Nations describes as “abject poverty”. Of all the South American countries, Bolivia also has the largest indigenous population, with nearly 65 per cent of the country’s 9.1 million inhabitants coming from one of the country’s two major indigenous groups: Quechua and Aymara. Both the Quechua and the Aymara are part of the Inca nation. Over 90 per cent of Bolivia’s indigenous people live in poverty.

Leaders of the mass movements involved in the protests have pointed out that their current struggle for the nationalization of natural gas resources is a continuation of the struggle that began over 500 years ago when the Spanish colonialists first began the rape and plunder of their country’s natural resources. Many protestors refer to the silver mines of Potosi, which the Spaniards plundered at the cost of thousands of indigenous lives, removing all the wealth they extracted for the benefit of the Spanish aristocrats. The foreign companies today exploiting Bolivia’s natural gas (the biggest being Repsol from Spain) and other natural resources are no different than those first colonial oppressors, they say, pointing out that they too simply steal the resources that belong to the Bolivian people.

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in Nicaragua and Noriega in Panama, among others – were installed and maintained in power for decades by the United States. Their blatant corruption was never an issue so long as they obeyed the U.S. dictate and served U.S. interests.

The conditions imposed by the G8 finance ministers on countries applying for debt relief demonstrate that the intent of the plan has nothing to do with the elimination of poverty in those countries. To qualify for debt relief, developing countries must “tackle corruption, boost private-sector development” and eliminate “impediments to private investment, both domestic and foreign”. In other words, these

countries must hand over even more of their sovereignty and their national wealth to the multinationals of the G8 countries. This is precisely how these countries ended up in debt to the World Bank and the IMF in the first place, by financing the takeover of their economies by foreign monopolies and then waging wars to defend the financial interests of those same foreign monopolies.

The “concern” being expressed by G8 officials in the news media that the savings in debt payments be invested in health and education rather than ending up in the pockets of corrupt officials does not jibe with the actual practice of the World Bank and IMF. For example, in the late 1980s the World Bank and IMF lent money to Uganda on condition that it impose user fees on health care and primary education in order to create a market for private health care and education. As a result, school attendance plummeted, especially amongst girls, and large sections of the population could no longer afford even basic medical care, and Uganda was brought to the brink of social revolution. In response, the Ugandan government brought back free primary education in 1997 and free basic health care in 2001. Enrolment in primary schools has now more than doubled and the number of outpatients in medical clinics has also nearly doubled. To listen to the finance ministers of the G8 countries, this is precisely the result that they wish to achieve with the debt relief plan. However, the World Bank and IMF were outraged and condemned the Ugandan government for these policies. In addition to all of its other problems, Uganda must now also cope with a military insurgency organized and financed by the United States.

In other words, neither the initial debts nor the debt relief being offered by the G8 countries has anything to do with eliminating poverty and improving the wellbeing of the people of the developing world. On the contrary, they are both methods of further tightening the imperialist noose around the necks of these countries. Furthermore, they are both methods of subsidizing the activities of various monopoly capitalist corporations. The initial loans were invariably tied to purchasing expensive equipment from foreign monopolies and/or ensuring access by foreign monopolies to sources of natural resources. The “debt relief” will not only transfer tens of billions of dollars from the public treasuries of the G8 countries into the pockets of various finance capitalists, but is also conditional on further opening

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Posada was “in it up to his eyes”, while Posada himself, in a 1998 interview with the *New York Times*, boasted about his organization of the hotel bombings, which killed an Italian tourist and three Cuban workers.

There is currently a warrant out for Posada’s arrest in Venezuela, where he is wanted on charges stemming from the 1976 airline bombing. Although a Venezuelan military court acquitted Posada on those charges in 1985, the Venezuelan Supreme Court ruled the trial invalid and ordered him to be retried in the civilian justice system. While awaiting retrial Posada escaped from prison. Given his previous escape from jail, it would be considered highly unusual for the U.S. to grant him bail while awaiting his August immigration hearing.

It has been widely reported that Posada’s initial acquittal was fixed because the Venezuelan government of the time was worried its own involvement in the airline bombing would be exposed if he had been convicted. Posada, who was born in Cuba and fled to Miami after the Cuban Revolution, has Venezuelan citizenship and was working for the Venezuelan secret service at the time of the 1976 bombing. He was also on the payroll of the CIA throughout the 1960s and into the 1970s.

Venezuelan President Hugo Chavez has asked the U.S. to extradite Posada. The U.S. has so far refused to grant Venezuela’s request, despite the extradition treaty in place between the two countries since 1922.

The U.S. government has a few options following the hearing: it can grant Posada asylum, turn him over to the Venezuelan authorities or simply deport him to Mexico, from where he entered the U.S. As a signatory to the Montreal Convention dealing with civil aviation crimes, the Americans could also decide to try Posada in the U.S. for the 1976 Cubana bombing.

If Posada is deported to Mexico, Mexican Foreign Minister Luis Ernesto Derbez has said his government will turn him over to the Venezuelan authorities. “We would be ... obliged to do this,” Derbez told reporters, “as we have an extradition treaty with Venezuela.” He added: “The Venezuelan case is very clear, there is a crime, which is compounded by his escape from prison.”

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the economies of the developing countries to the activities of the same finance capitalists. Humanitarian concern for the desperate plight of the peoples of these countries does not even enter into the picture, except as a public relations ploy.

The colonial and neocolonial enslavement of the countries of Asia, Africa and Latin America has historically been, and continues to be, one of the greatest sources of enrichment for the capitalists of Europe, North America and Japan. For all of the foreign investment and foreign aid, the people continue to sink deeper and deeper into poverty, because for every dollar going into these countries, ten, twenty or a hundred dollars flow out in the form of profits for the monopolies. A portion of those profits is then used to bribe local government officials to ensure that the profits continue to flow. Even in terms of loans to corrupt governments, it has been estimated that those loans have been repaid many time over, but the level of indebtedness continues to grow. In fact, by any form of reckoning, the debt owed to the peoples of Asia, Africa and Latin America by the capitalists of North America and Europe is inestimably bigger than the debts owed by those countries to the World Bank and IMF. If the G8 finance ministers were sincere about wanting to assist the peoples of those countries to overcome the scourge of poverty, a starting point would be the immediate and unconditional cancellation of all of their debts, followed by negotiations to compensate the peoples of Asia, Africa and Latin America for the centuries of pillaging and human suffering inflicted on them by the economic and political elite in the G8 and other countries, as well as by financial institutions such as the World bank and IMF.

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