

## Pestilence of Usury by Valerie Rush

### 'Cut off their insulin': McNamara

*Introducing a new department: a weekly global update on IMF/World Bank crimes—and patterns of resistance.*

**W**ORLD BANK head Robert "Strange" McNamara responded recently to journalists asking what his response would be if Ibero-America were to stop paying its debts. The strange Mr. McNamara answered: "We would blockade it and cut off its supply of insulin." His response was reported in an April 16 editorial of the French daily *Le Monde*, and then picked up and broadcast inside Colombia by Radio Caracol.

**75% OF PERUVIAN** voters voted against the International Monetary Fund in Peru's first-round presidential elections. The victor, Alan García, told the press on April 16 that his government would "pass over the International Monetary Fund so as to address our creditors directly." Characterizing the IMF's oversight of Ibero-America's economies in the context of debt-management as "absurd" and representing a new form of colonialism, he declared that "Latin America has to give a common answer. One country by itself cannot pay its debt. Only together will we be able to win better conditions in order to pay. . . . We need to go back to the concept of a new world economic order. We have to reshape the game."

**PERUVIAN ECONOMIST** Manuel Moreyra, expected to take a high-level financial post in the new Peruvian government, similarly declared: "Peru will not have any negotiations with the IMF, because the IMF has shown that it is technically incompetent and its programs don't work. . . . If this means

an interruption of international payments, it doesn't matter."

**GAAFAR NUMAYRI**, the ousted President of Sudan, told the *Washington Post* on April 3 that the International Monetary Fund was responsible for having "broken my seat" by insisting that Sudan immediately pay \$120 million in arrears. While in Washington, D.C. during the outbreak of the coup, Numayri had pleaded with the Reagan administration and international lenders to treat Sudan as a "special case" and to give it at least four to five years to recover from the drought which had devastated its economy.

**AFTER PROTESTS** exploded across the Guatemalan social spectrum, on April 12 President Oscar Mejía responded by rescinding a series of harsh austerity measures he admitted were dictated by the International Monetary Fund and imposed on April 8. Mejía also fired his finance minister, Leonardo Figueroa Villate.

The measures included general tax increases, tariffs of up to 50% on imported goods including construction equipment and auto and truck parts, a one-third increase in interest rates, and new taxes on agricultural exports. The protests, which involved work stoppages, housewives' "pots and pans" demonstrations, and scheduled five-minute horn honking in middle-class districts, were accompanied by strong coup rumors among military layers. Mejía announced his decision to retract the austerity program in a nationwide address in which he warned of plans to destabilize his government.

**COLOMBIAN LABOR** leaders responded to the Betancur government's "informal" surveillance agreement with the IMF with an angry rejection of such Fund "recommendations" as a 10% ceiling on wages, accelerated peso devaluation, increased gasoline prices, suspended export subsidies, etc. Victor Acosta, president of the UTC labor federation, openly denounced the "prescriptions of the International Monetary Fund" and together with CTC federation head, Manuel Felipe Hurtado, declared, "We don't like conditions put on our wages by the IMF."

**SEMANA**, the Colombian weekly, in its April 2-8 edition, carried an article entitled, "The Passion According to the IMF: Negotiations with the Fund Offer the Country a Black Future." The article notes that under current conditions of social ferment in Colombia, negotiations with the Fund "could lead to an explosion of unpredictable violence." *Semana* quotes a political observer: "Soon it will not matter who the finance minister is, but how the labor ministry functions, and in the final analysis, what the defense ministry does."

**ACTING BRAZILIAN** President Sarney informed the press on April 1 that investigators of the International Monetary Fund will no longer be permitted to circulate freely among the various Brazilian ministries collecting data (and gossip). Sarney declared that all Fund requests for such data must now be formally channeled through the Central Bank.

Sarney's announcement was made on the heels of the arrival of IMF staffer Ana Marie Jul in Brasilia. When asked by the press if she felt she had been granted a poor welcome to Brazil, Miss Jul refused comment.