

House passes bill expanding debt relief to poor countries

WASHINGTON – Debt relief for many of the world's poorest countries is a step closer with the April 16 passage of a measure by the U.S. House of Representatives.

The Jubilee Act for Responsible Lending and Expanded Debt Cancellation passed 285-132. The vote was timed for the visit of Pope Benedict XVI to the United States.

Receiving broad bipartisan support, the bill calls for expanding debt relief for as many as 24 countries with a per capita income of less than \$1,065 a year as long as they meet specific criteria for more transparent and responsible behavior in the distribution of foreign aid. Forty other poor countries are eligible under existing debt relief guidelines.

"We want to make sure the benefits of debt cancellation get to people who need it," said Neil Watkins, national coordinator of Jubilee USA Network, a coalition of organizations which is spearheading the debt relief campaign.

The U.S. Conference of Catholic Bishops is one of more than 75 faith-based, development, worker rights, human rights and other organizations that are part of a wide-ranging network that supported the House measure and its companion bill in the Senate.

The Senate's bill, S. 2166, is awaiting a hearing by the Foreign Relations Committee.

Bishop Thomas G. Wenski of Orlando, Fla., chairman of the USCCB's Committee on International Justice and Peace, urged House members to support the bill in an April 9 letter. He said that debt relief initiatives enacted since 1999 have saved 22 poor countries \$60 billion.

"These reductions are freeing up substantial funds each year for expenditures in education, health and other investments essential for improving the lives of poor people," Bishop Wenski wrote.

Rep. Maxine Walters, D-Calif., the bill's prime sponsor, said in a statement that the bill will help reduce poverty in some of the world's poorest countries.

"Debt cancellation allows poor countries to use their own money to address the needs of their people. It is simple, effective and the right thing to do," she said.

Specifically, the legislation calls on the U.S. Treasury to negotiate at the World Bank and the International Monetary Fund an agreement for debt cancellation for two dozen additional countries to meet the Millennium Development Goals for poverty reduction.

Other measures in the bill include urging more resources for grants for the world's poorest countries; prohibiting the IMF and World Bank from imposing conditions that make it difficult for poor countries to receive debt relief; and directing the U.S. Government Accountability Office to audit questionable lending by the IMF, World Bank and the U.S. government in specific countries.

Mr. Watkins said that although earlier relief measures were in place, many countries still were not eligible to have their debt reduced or canceled under existing IMF and World Bank rules.

"We're hoping that the legislation serves as a positive incentive to countries to open up and make their government more accountable," Mr. Watkins said.

The measure expands relief to countries that have instituted reforms that guarantee broader participation from organizations outside of government and transparent financial management systems to assure that the savings from debt cancellation will be used to benefit poor people.

The debt reduction campaign got its start in the 1990s and is based on the idea of a jubilee year as cited in the Book of Leviticus, whereby people owing debt were freed, lands lost because of debt were returned, and right relationships among people were restored.