

No. 11

November 2023

Federal Government's Fall Economic Update

• Neither Fiscally Responsible Nor Socially Responsible - Pauline Easton -

- Government Dogma of "Responsible Fiscal Plan" - K.C. Adams -
  - Details of Fall Economic Update

Growing Indebtedness of Governments Throughout the World

- World Is Drowning in Debt to the Rich
- Evidence of Need for Moratoria on Servicing Imperialist Debt

Statement of Solidarity with Chinese Community of Quebec

• Fearmongering About "Chinese Police Stations"

### Latin America and the Caribbean

- Biden's Partnership for Economic Prosperity -- Another Summit to Undermine the Americas
  - New Presidency Will Plunge Argentina into Ever Greater Crisis
  - Kenya's High Court Blocks Deployment of Interventionist Police Force to Haiti
    - Nicaragua Completes Withdrawal from Organization of American States
    - Guatemalans Persist in Defending President-Elect Arevalo
    - Salvadoran Community in Quebec Meets to Discuss Their Homeland's Future
      - Mass Popular Demonstration Supports Honduran
        President's Work
        - Interview with Gilberto Ríos, Libre Party –

### 200th Anniversary of the Monroe Doctrine

• U.S. Imperialist Presidential Doctrines to Take Over the World

### History of Washington's Attacks Against Its Own People and the Peoples of the World

– Pablo Moctezuma Barragán –

### November Supplements The World Stands with Palestine



No. 18 -- November 6, 2023 Photo Review -- October 29-November 3 • The World Stands with Palestine!

No. 20 -- November 11, 2023 Photo Review -- November 4-10 • Stepped up Worldwide Actions for Palestine --Stop Israel! End the Genocide! Ceasefire Now!

No. 22 -- November 17, 2023 Photo Review -- November 11-15 Today, We Are All Palestinians! • Canada's Refusal to Recognize Israeli Apartheid • Protests Across U.S., Canada and Europe

No.23 - November 19, 2023 Updates - November 15-18 Conditions at Al-Shifa Hospital • Appalling Testament to Israel's Crimes Against Humanity • Attempts to Hold Israel, U.S. and Their Accomplices to Account

No. 24 -- November 21, 2023 Photo Review -- November 16-19 Palestine and the Imperialists' Security Dilemma • Values Which Permit Crimes Against Humanity Do Not Provide Canada's Democracy with Legitimacy

No. 26 - November 25, 2023 Updates -- November 20-24 National Days of Action in Support of Palestine • More Evidence of Israel's Genocidal Crimes Against Humanity • Opposition to Criminalization of Dissent • Militant Worldwide Mass Actions Continue

### Federal Government's Fall Economic Update Neither Fiscally Responsible Nor Socially Responsible

– Pauline Easton –



On November 21, Minister of Finance Chrystia Freeland, who is also the Deputy Prime Minister, announced the government's fall economic update. She and Prime Minister Trudeau are touting it as "fiscally responsible." The week before it was released, Trudeau insisted on the importance of governments exercising fiscal restraint. Trudeau said, "We continue to deliver investments in Canadians while remaining responsible fiscally and have all the way through. And that's more of what I'm excited to share next week with the fall economic update – a demonstration that we know how to continue to be fiscally responsible while we make the investments that are going to grow the economy and support Canadians."

What does the government say are the investments that grow the economy?

According to the government, what investments are these that grow the economy? Two of the largest and growing expenditures of the federal budget are for the military and to service government debt. These two outsized expenditures are socially irresponsible and generate an enormous drain on the economy. They do not grow the economy.

Buying 88 U.S.-made Lockheed Martin F-35 fighter jets alone will cost Canadians \$74 billion over the next four years pushing annual military spending past \$30 billion. Annual interest payments on government debt are soaring past \$50 billion on their way to \$60 billion as the global moneylenders hike the interest rate. Around 40 per cent of government debt is held abroad, which means service payments on this portion directly leave the country and are a net drain. What happens to the other 60 per cent is generally a mystery and considered private property beyond government or public scrutiny.

These two largest government expenditures cannot be considered fiscally responsible let alone socially responsible. Cutting Canada's ties with the U.S. war economy would immediately increase the possibility of government spending in Canadian social programs and the productive economy generally. Putting a moratorium on servicing Canada's government debt and stopping all future borrowing from private moneylenders would provide another enormous amount of money that could be spent in a socially responsible manner.

The government's November 21 economic statement is neither fiscally nor socially responsible. To suggest otherwise is mere cover-up for the government's unacceptable anti-social aims in favour of narrow private interests.

## Government Dogma of "Responsible Fiscal Plan" – K.C. Adams –

Finance Minister Chrystia Freeland says her economic update is a "responsible fiscal plan focused on affordability and housing." It is a cynical statement indeed given that her economic update does not directly increase any investments in social programs. On housing she is providing loans to private developers to construct around 30,000 housing units starting in 2025. The Canada Mortgage and Housing Corp. (CMHC) says 5.8 million more homes need to be built by 2030 to reach its estimate of affordability and make a dent in the housing crisis while current projections fall far short at around 3 million units.

Speaking prior to the release of the update Freeland told reporters: "We have to be sure that we make the investments Canadians need,



provide them with the support they need, but do it within a fiscally responsible framework. We won't be able to do everything."

"Won't be able to do everything" is putting it mildly. The government is captured within the imperialist dogma of "fiscal responsibility and finding the right balance." Billions in government revenue can be found for buying U.S. F-35s, servicing government debt and handouts to global enterprises such as Stellantis. Pay-the-rich handouts have become *de rigueur* for any major private investment such as the billions for battery plants in Ontario, Quebec and BC. These are never questioned as being fiscally and socially irresponsible and serving the private interests of the global rich. Only when dealing with the economic and social problems Canadian working people face does the issue of fiscal responsibility and finding a balance arise.



The priorities and aim of governments at all levels are to serve the rich and not the working people. The rich and their peers are in control of the cartel party governments across the country. They have concocted dogma to excuse why they cannot stop paying the rich and increase investments in social programs.

Meanwhile some in the monopoly-controlled mass media are forced to admit that social conditions for the people are deteriorating. The Toronto Sun writes: "Millions of Canadians are caught in the middle of an affordability crisis which even the Trudeau government admits is serious, people are losing their homes because of high mortgage interest rates, or paying exorbitant rents because of a national housing shortage, while inflation is eating into household budgets for necessities such as food and shelter. Food bank use, at almost two million visits in March of this year was at its highest level since records started being kept in 1989, according to Food Banks Canada."

Preliminary data from Statistics Canada suggests the economy shrank in the third quarter of this year, the second consecutive contraction. Homeless counts across Canada have doubled from last year and food insecurity has skyrocketed. This is the hard reality Canadians are facing and

no dogma can wish it disappear. Canadians need increased investments in social programs and a new direction for the economy away from serving the rich and their global enterprises into serving the people and their public enterprises so working people can build a self-reliant economy outside and beyond the clutches of the global parasites and their wars, exploitation, thieving interest payments and recurring economic crises.

Of course, Freeland would have none of it and sweeps aside the problems and possibility of a new direction and pro-social aim for the economy. Mouthing imperialist dogma she says, "It's a hard balance ... on one hand, supporting Canadians as we need to do and at the same time being fiscally responsible. But it's a balance that we're committed to striking. We won't be able to do everything."

In other words, the status quo of paying the rich and global parasites continues and the government's economic update assures that direction. The ruling elite demand a continuation of the status quo suggesting only that the Liberal brand is tired and looking stale and in need of a replacement. Bring on the Conservatives, they cry, for the same old same old imperialist dogma but with a new face. It underscores the need for political democratic renewal to keep these thieving cartel parties out of positions of power and privilege.

### Parliamentary Spectacle to Announce Not Much Can Be Done

When the ruling Liberal cartel party and its NDP partner addressed the fall economic update, they put on a pitiful parliamentary spectacle in a failed attempt to put a brave face on a show where they had already declared nothing will be done to solve the country's mounting economic and social problems. The economic update announced nothing much more than some money for loans to construction companies starting in 2025 while millions of new housing units are needed immediately.

NDP leader Jagmeet Singh nervously admitted the update accomplished nothing regarding the "affordability" crisis facing the people, including any movement on his signature pharmacare policy objective but he still pledged to continue his cartel party's support for the Liberal government to keep it in power until the fall of 2025.

Canadians are stuck within an anti-democratic political system which denies them the tools to mobilize the people to move the country forward in a new pro-social direction.

Stop Paying the Rich! Increase Investment in Social Programs! Empower the People!

# **Details of Fall Economic Update**

Federal government tax revenue is \$456.2 billion.

Federal expenditures equal \$496.3 billion.

Budget deficits of \$40.0 billion for 2023-24 and \$38.4 billion for 2024-25 and \$38.3 billion for 2025-26.

This year's government total debt is \$1,254.6 billion.

Annual interest payments on the government debt will rise to \$52.4 billion for this fiscal year and are projected to climb soon to over \$60 billion.

As can be seen, interest payments now exceed 10 per cent of the total government expenditures, which had been considered a "red line" not to be crossed.

GDP growth is projected to be flat at 0.4 next year or possibly fall into negative growth. Social value produced and consumed by 600,000 new immigrants per year is the only factor keeping the GDP from experiencing a deep drop into recession.

\$15 billion will be made available in loan funding, beginning in the 2025-2026 fiscal year, to build more than 30,000 homes across Canada.

\$1 billion is to go towards a new affordable housing fund over three years, beginning in 2025-2026, which the federal government projects will help build 7,000 new homes.

\$7 billion is available in a clean-tech economic investment fund allocated for special contracts to companies for investments to lower their greenhouse-gas emissions.

\$35 million is slated for the government's "public inquiry into foreign interference attempts."

\$50 million is available to support municipalities in cracking down on short-term rentals. The federal government intends to deny income tax deductions when short-term rental operators are not complying with provincial and municipal rules.

\$129 million will go towards an updated Canadian journalism tax credit, beginning this year. Ottawa proposes to increase the cap on work-time income paid per eligible newsroom employee to \$85,000, from \$55,000. It is also increasing the amount of salary that can be claimed under the program to 35 per cent, from 25 per cent.

Seasonal workers: The government says up to four additional weeks of regular employment insurance benefits will be available to seasonable workers beginning this year.

No personal or corporate tax rate changes.

The government will allow financial institutions that receive dividends on "taxable preferred shares" (as defined in the *Income Tax Act*) to continue to be eligible for this deduction.

The Update introduces a temporary tax exemption for certain capital gains realized on the sale of a business to an Employee Ownership Trust. This tax exemption would apply on the first \$10 million in capital gains realized on the sale.

Bona fide concessional loans with reasonable repayment terms from public authorities will generally not be considered government assistance, effective November 21, 2023.

Taxpayers will no longer be able to claim certain income tax deductions related to expenses for short-term rental income. Specifically, taxpayers will not be able to claim deductions:

- For expenses incurred to earn short-term rental income, including interest expenses, in provinces and municipalities that have prohibited short-term rentals;

- Where short-term rental operators are not compliant with the applicable provincial or municipal licensing, permitting, or registration requirements.

Any property that is required to convert clean hydrogen into ammonia will be eligible for the Clean Hydrogen Investment Tax Credit at a 15 per cent rate. Eligible projects can use Power Purchase Agreements and other similar instruments to calculate a project's carbon intensity instead of using the electricity grid's carbon intensity, where the purchased electricity is sourced from hydro-, solar-, or wind-powered generation that meets certain conditions:

- The use of renewable natural gas would be eligible for the purpose of calculating an eligible project's carbon intensity, subject to certain conditions.

The Update expands eligibility for the Clean Technology and Clean Electricity Investment Tax Credits to include systems that use specified waste materials solely to generate electricity, heat or both electricity and heat. Eligible property would include, among others, electrical generating equipment, heat generating equipment, and heat recovery equipment.

Expansion of the eligibility for the Clean Electricity Investment Tax Credit including a timeline for the implementation of other proposed clean economy credits including Carbon Capture, Utilization, and Storage (CCUS) investment tax credit; Clean Technology investment tax credit; Labour requirements related to the Clean Technology, Clean Hydrogen, Clean Electricity, and CCUS investment tax credit.

Government plans to introduce legislation in early 2024 for a Clean Technology Manufacturing investment tax credit.

Government intends to hold consultations with provinces and territories on the Clean Electricity investment tax credit (for publicly-owned utilities) and introduce related legislation in fall 2024.

The Update proposes changes to allow the Canada Revenue Agency to share taxpayer information with an official of Public Services and Procurement Canada to help administer and enforce the Canadian Dental Care Plan.

The Update proposes to make the exemption for international shipping income in the Income Tax Act generally available to Canadian resident companies.

The Update announces changes to the joint venture election rules, which allow taxpayers to choose simplified GST/HST accounting under certain circumstances.

The Update changes the Underused Housing Tax (UHT) rules for certain property owners saying, "specified Canadian corporations", partners of "specified Canadian partnerships" and trustees of "specified Canadian trusts" will not have a reporting obligation under these rules (i.e., they will be considered "excluded owners" for UHT purposes). It introduces a new UHT exemption for residential properties in certain lower population areas that are held as a place of residence or lodging for employees, effective for 2023 and subsequent calendar years. It provides that unitized ("condominiumized") apartment buildings are not "residential property" for UHT purposes, effective for 2022 and subsequent calendar years. It reduces minimum non-compliance penalties to \$1,000 for individuals (from \$5,000) and \$2,000 for corporations (from \$10,000) per failure, for 2022 and subsequent calendar years. It provides that an individual or spousal unit can claim the UHT "vacation property" exemption for only one residential property for a calendar year, effective for 2024 and subsequent calendar years.

The Update proposes to exempt professional services rendered to individuals by psychotherapists and counselling therapists from the GST/HST.

The Update expands the previously announced removal of the GST on qualifying new rental housing construction to co-operative housing corporations that provide long-term rental accommodation, provided other conditions are met. This measure applies only to projects that begin construction between September 14, 2023, and the end of 2030, and that complete construction before 2036.

The government will proceed with previously announced tax measures to "modernize the general anti-avoidance rule (GAAR); the Interest deductibility limits (EIFEL rules); the details of Substantive Canadian-controlled Private Corporations; the intergenerational business transfer framework; the alternative minimum tax (AMT); and Employee Ownership Trusts."

The government will proceed with other previously announced tax measures including: "Enhancing the reduced tax rates for zero-emission technology manufacturers; Flow-through shares; and the Critical Mineral Exploration Tax Credit -- lithium from brines."

## Growing Indebtedness of Governments Throughout the World World Is Drowning in Debt to the Rich

The United Nations has issued an alarming report on the growing indebtedness of governments throughout the world. General government debt has soared five-fold since 2000 to a record \$92 trillion (U.S. dollars) in 2022, outpacing global GDP, which tripled over the same period. GDP growth is mostly attributed to the transformation in the developing countries from rural petty production to urban socialized industrial mass production. Seventy per cent of global government debt is held in the imperialist centres with the U.S. leading by far with a reported \$32.5 trillion debt, around one-third of the total world government debt.

Of special concern with global government debt is the rapid growth of interest payments, surpassing other public expenditures. The UN report says an increasing number of countries find themselves trapped in a situation where both their development and their ability to manage debt are compromised.

Some governments are compelled to spend more on servicing debt than on critical sectors like health, education, other social programs and needed infrastructure. At least 19 developing nations allocate more public funds to interest payments than education, and 45 devote more to interest than health expenditure. A collection of 48 developing countries with 3.3 billion people, almost half of all humanity, suffer annual interest payments alone that exceed expenditures on health, education or other needed development investments.

Within the situation, African countries on average pay four times more for borrowing than the United States and eight times more than Germany. Half of all developing nations spend a minimum of 7.4 per cent of their export gross income on servicing external public debt.

### Privatization of Lending and Debt

Multilateral creditors such as the IMF and World Bank are becoming less important as creditors with private cartels taking over world lending. Increasing reliance on private moneylenders such as bondholders, banks, investment cartels and other private lenders has resulted in more expensive debt, shorter maturities and more complicated debt restructuring when it comes to a debt crisis.

In the past ten years, the portion of external public debt owed to private creditors has risen across all regions, accounting for 62 per cent of developing countries' total external public debt in 2021 up from 47 per cent a decade ago. The report suggests the increasing share of public debt owed to private creditors presents two challenges: borrowing from private sources is more expensive than concessional financing from multilateral and bilateral sources, and the growing complexity of the creditor base makes it more difficult to successfully complete a debt restructuring when needed. No mechanism currently exists to address how to restructure debt across different classes of private and multilateral moneylenders. Delays and uncertainties increase the costs of resolving debt crises. The report says a total of 52 countries – almost 40 per cent of the developing world – are in "serious debt (debt) trouble."

### **UN Secretary-General António Guterres**

UN Secretary-General Antonio Guterres commenting on the report said, "Half our world is sinking into a development disaster, fuelled by a crushing debt crisis." Such unsustainable levels of debt are a "systemic failure" resulting from the "colonial-era inequality built into our outdated global financial system" the UN chief explained. Debt has become "a trap that simply generates more debt," he said.

Poorer nations rely increasingly on private creditors who charge "sky-high" rates and find themselves forced to borrow more "for their economic survival." Guterres bemoaned the reality that half of humanity lives in countries that are forced to spend more on servicing their debt than on "essential investments" such as health, education and the world's "Sustainable Development Goals or energy transition, which is nothing less than a development disaster [...] And yet, because these unsustainable debts are concentrated in poor countries, they are not judged to pose a systemic risk to the global financial system," the UN Secretary-General added.

The report points out that developing countries are highly exposed to external shocks because they have to service debt repayments in foreign currencies mainly the U.S. dollar. It says developing countries with high reliance on exporting their natural resources cannot keep up with rising interest payments. The share of external public debt to exports increased from 71 per cent in 2010 to 112 per cent in 2021. Half of all developing nations spend a minimum of 7.4 per cent of their export gross income on servicing external public debt, up from 3.9 per cent in one decade. For comparison, the 1953 London Agreement on Germany's war debt limited the amount of export gross income that could be spent on external debt servicing (public and private) to five per cent to avoid undermining the recovery.

Currently, half of developing countries devote more than 1.5 per cent of their GDP and 6.9 per cent of government revenue for interest payments, a sharp increase over the last decade, the report says. The rise of interest payments is a widespread and unsustainable problem. The number of countries where interest spending represents 10 per cent or more of public revenue increased from 29 countries in 2010 to 55 in 2020.

Interest payments have grown faster than public spending on health, education and infrastructure and other necessary investment over the last decade. The rapid increase of interest payments is squeezing out spending in these key areas.

The rise of debt in the developing world to global moneylenders is reported mainly due to a lack of internal accumulation of public income and absence of alternate financing. The situation has been exacerbated by the COVID-19 pandemic, price inflation, and costs associated with climate change. Consequently, the number of countries facing high levels of debt has increased sharply from only 22 countries in 2011 to 59 countries in 2022. Developing countries' total public debt increased from 35 per cent of GDP in 2010 to 60 per cent in 2021. External public debt, the part of government debt owed to foreign creditors increased during the same period from 19 per cent of GDP to 29 per cent of GDP.

Developing countries face additional challenges due to high levels of external public debt mostly held in U.S. or other imperialist currencies. This makes them more vulnerable to external shocks. Comparing developing countries' expanding debt levels to their ability to generate foreign exchange through exports reveals an inability to acquire sufficient revenue to service their external debt obligations. When global financial conditions change such as during the 2008 economic crisis or the recent pandemic and price inflation, international investors become more "risk-averse" and demand more stringent terms and higher interest. Similarly, when a country's currency devalues, debt payments in foreign currency can skyrocket, leaving even less money for social programs and necessary development.

The "systemic failure" of global economic relations and growing worldwide crisis of war and

poverty underscore the necessity for a new direction for international economic and political affairs. The dream of one humanity living together in mutual respect and development for the common good can and must be brought into reality.

For the complete UN report *click here*.

# Evidence of Need for Moratoria on Servicing Imperialist Debt

"Debt-Service Payments Put Biggest Squeeze on Poor Countries Since 2000" headlines reported following the release of the World Bank Press Release for its 2022 International Debt Report. *TML Monthly* is posting excerpts from that report with additional comments.

"The [75] poorest countries eligible to borrow from the World Bank's International Development Association (IDA) now spend over a tenth of their export revenues to service their long-term public and publicly guaranteed external debt – the highest proportion since 2000.

"The report highlights rising debt-related risks for all developing economies – low- as well as middle-income economies. At the end of 2021, the external debt of these economies totaled \$9 trillion, more than double the amount a decade ago. During the same period, the total external debt of IDA countries, meanwhile, nearly tripled to \$1 trillion. Rising interest rates and slowing global growth risk tipping a large number of countries into debt crises. About 60 per cent of the poorest countries are already at high risk of debt distress or already in distress.

"At the end of 2021, IDA-eligible countries' debt-service payments on long-term public and publicly guaranteed external debt totaled \$46.2 billion – equivalent to 10.3 per cent of their exports of goods and services and 1.8% of their gross national income (GNI), according to the report. Those percentages were up significantly from 2010, when they stood at 3.2 per cent and 0.7 per cent respectively. In 2022, IDA countries' debt-service payments on their public and publicly guaranteed debt are projected to rise by 35 per cent to more than \$62 billion, one of the highest annual increases of the past two decades."

**Comment:** One-tenth of export gross income lost to debt servicing is an enormous amount for any country let alone a poor one. Imperialist investments into poor countries are usually destined to augment exports and not the internal development of a local self-reliant economy. Imperialists argue that export income can be used to solve social problems and for internal development. Being saddled with enormous debt servicing charges and the continued underdevelopment of the poorest countries belie these claims.

Much of the imperialists' investment money, aside from that invested into enterprises they own, is destined for infrastructure needed by their businesses or the local governments in their service in particular for their military and police forces. The enterprises that the imperialists own and control including mines take out of the targeted country the resources that the imperialists want and demand along with the enormous added-value or profit the working people produce while extracting and possibly refining this material.

The export income for developing countries from the sale abroad of resources and other social product is sabotaged directly with the expropriation of the produced social value as enterprise profit by the imperialist owners, in debt servicing payments to the foreign owners of the debt, and in payment for goods and services they buy from the imperialists. The ox is skinned over and over by the foreign enterprise owners and investors who benefit from direct ownership of the companies they own, from the external debt they hold and from the slavish purchase agreements they have with the imperialist centres in particular for military supplies.

### International Development Association

The World Bank created the IDA in 1960 to keep sub-Saharan Africa and others under imperialist control and exploitation. The IDA furthers the control of the World Bank's original lending arm – the International Bank for Reconstruction and Development (IBRD). The IDA now includes 75 countries.[1] The IDA provides loans at low interest called "credit" for projects the U.S. imperialists and their close allies such as the ruling elite in Canada deem worthy, and which serve to solidify their economic control and the global political and military hegemony of U.S. imperialism.

The annual IDA additional moneylending to the 75 poorest countries has increased steadily over the last three years to about \$36 billion. This amount although large for such poor countries is but a fraction of the trillions of dollars of global flow of social value from imperialist institutions such as the IMF, other state-controlled financial enterprises and the dominant privately-held and controlled banks and other financial, commercial and industrial companies.

An issue to remember and emphasize is that the imperialist era is marked by the flow of social value around the world in relentless pursuit of maximum profit for its owners and to ensure the continued global economic, political and military control by the most powerful private interests centred in the imperialist heartlands. The aim of the global flow of social value is not the mutual development of all humanity for the well-being of people and humanization of the social and natural environment but the continued domination of the world by the most powerful imperialists to serve the private interests of the ruling elite.

The World Bank Group President David Malpass is quoted in the press release saying, "The debt crisis facing developing countries has intensified." Of course he does not identify the World Bank as part of the problem. Nor does he expose the root of the problem being imperialist control and the aim and obsession for maximum private profit at the expense of humanity and Mother Earth.

According to the World Bank, debt crises arise from lack of "debt transparency." The press release reads, "The rising debt vulnerabilities underscore the urgent need to improve debt transparency and provide more complete debt information to strengthen countries' ability to manage debt risks and use resources efficiently for sustainable development."

Indermit Gill, Senior Vice President and Chief Economist of the World Bank Group, has the gall to put the blame on the poor countries that "sleepwalk into a debt crisis" because of "poor debt transparency." How about something a little more concrete to address the situation Mr. Gill such as a moratorium on debt servicing and a change in the aim of the economic system away from the expropriation of maximum private profit to one of using the social value people produce for the well-being of all and mutual development of their economies so that the people by putting the economy under their control can humanize the social and natural environment.

Mr. Gill would have none of it and instead as an answer to the crisis he suggests: "Complete, transparent debt data improves debt management. It makes debt sustainability analyses more reliable. And it makes debt restructurings easier to implement, so that countries can return quickly to economic stability and growth. It is not in any creditor's long-term interest to keep public debt hidden from the public." The World Bank President wants "economic stability and growth" to serve the imperialist creditors.

An immediate question arises as to when Africa for example ever experienced "economic stability and growth" to which it can return. The U.S. and old colonial powers have savagely attacked, exploited and plundered the human and natural resources of Africa for centuries beginning with the inhuman slave trade.

No, the World Bank and ruling elite do not want to hear or deal with the concrete conditions and

present real solutions that would open a path forward such as a moratorium on debt servicing. Instead they pat themselves on the back and create illusions that the very economic system at the root of the recurring crises, and the ruling elite in control will deal with the problems. Not going to happen! Not without a determined organized fight of the working people themselves to force reforms that serve the people such as a moratorium on servicing imperialist debt and increased investments in social programs, which would open a path forward to a new aim and direction for the economy.

The World Bank writes in praise of itself and for the continuing domination and exploitation of the imperialist elite: "The new International Debt Report reflects an advance in debt transparency. It draws from the World Bank's International Debt Statistics database—the most comprehensive source of comparable cross-country information on the external debt of low-and middle-income countries. It improves on the earlier International Debt Statistics reports by adding substantive analysis and expanding both the breadth and specificity of the data in it." Blah, blah. No wonder the people hold bankers in such contempt.

But facts keep coming back to haunt the bluffers and illusionists. The World Bank admits: "In 2022, global growth is slowing sharply. Amid one of the most internationally synchronous episodes of monetary and fiscal policy tightening the world has seen in 50 years, the risk of a global recession next year has been rising. Currency depreciations have made matters worse for many developing countries whose debt is denominated in U.S. dollars."

"Over the past decade, the composition of debt owed by IDA countries has changed significantly. The share of external debt owed to private creditors has increased sharply. At the end of 2021, low- and middle-income economies owed 61 per cent of their public and publicly guaranteed debt to private creditors – an increase of 15 percentage points from 2010. IDA-eligible countries owed 21 per cent of their external debt to private creditors by the end of last year, a 16-point increase from 2010."

Throughout the imperialist world, the richest billionaires and their hirelings more and more directly control not only the economy but the political and governing institutions including the police and military powers. Everything is being privatized and put under the direct control of the billionaires. For a moratorium on debt servicing to become a reality requires the determined collective effort of the organized working people. A debt servicing moratorium challenges the authority and aim of the imperialists in control. A debt moratorium victory would be a step forward for the people's forces in the epic battle with imperialism.

#### Note

1. The World Bank list of the 75 designated International Development Association (IDA) countries.

#### AFRICA

Benin Burkina Faso Burundi Cameroon (2,4) Cabo Verde (2,3) Central African Republic Chad Comoros (3) Congo, Democratic Republic of Congo, Republic of (2,4) Cote d'Ivoire (4) Eritrea

Ethiopia Gambia, The Ghana Guinea Guinea-Bissau Kenya (2,4) Lesotho (4) Liberia Madagascar Malawi Mali Mauritania (4) Mozambique Niger Nigeria Rwanda Sao Tome and Principe (3) Senegal (4) Sierra Leone Somalia South Sudan Sudan Tanzania Togo Uganda Zambia Zimbabwe (1,2)

#### EAST ASIA

Cambodia (4) Fiji (2,3) Kiribati (3) Lao People's Democratic Republic (4) Marshall Islands (3) Micronesia, Federated States of (3) Myanmar (4) Papua New Guinea (2, 4) Samoa (3) Solomon Islands (3) Timor-Leste (2, 3) Tonga (3) Tuvalu (3) Vanuatu (3)

#### SOUTH ASIA

Afghanistan Bangladesh (4) Bhutan (3) Maldives (3) Nepal Pakistan (2, 4) Sri Lanka (4)

#### EUROPE AND CENTRAL ASIA

Kosovo (4) Kyrgyz Republic Tajikistan Uzbekistan (2, 4)

#### LATIN AMERICA AND CARIBBEAN

Dominica (2, 3) St. Vincent (2, 3) Grenada (2, 3) Guyana (3) Haiti (4) Honduras (4) Nicaragua (4) St. Lucia (2, 3)

#### MIDDLE EAST AND NORTH AFRICA

Djibouti (3) Syrian Arab Republic (1) Yemen, Republic of

(1) Inactive countries: no active IDA financing due to protracted non-accrual status.

(2) Blend countries: IDA-eligible but also creditworthy for some IBRD borrowing.

(3) Borrowing on small economy terms, when applicable.

(4) Borrowing on blend credit terms.

75 IDA-eligible countries; 60 IDA-only; and 15 blend countries.

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2. The World Bank Group includes all countries of the world except: Andorra, Cuba, the Democratic People's Republic of Korea, Liechtenstein, Monaco, Palestine, the Holy See (Vatican City), and the island of Taiwan.

### Statement of Solidarity with Chinese Community of Quebec Fearmongering About "Chinese Police Stations"

# The Coalition to Save Chinese Québec Institutions issued the following statement at the end of November.

In the face of the urgent risk of losing the only two Chinese community social service centres in Québec – the Chinese Family Services of Greater Montreal and the Centre Sino-Québec – the undersigned organizations are proud to participate in the Coalition to Save Chinese Québec Institutions (Coalition pour Sauver les Institutions Chinoises du Québec).

Since they were publicly named by the RCMP on March 9 as being the objects of investigations on the suspicions of being Chinese "police stations," these two community centres still have no inkling what specific offenses they are suspected to have committed. An announcement by the RCMP in June, 2023 that they have put a stop to all 'illegal' activities only raised more questions as the community wondered what illegal activities had ended. The RCMP provided no evidence or any information.

What is known for certain is that following vague allegations, many social services and community activities were ended due to funding cuts by the provincial and federal governments, such as French language classes in Chinatown, employment services for new immigrants, social activities for seniors, youth programs, and post-covid recovery grants. Many community workers were laid off as the remaining handful of staff juggle the numerous needs of the community at large. The Charter rights of the Chinese-Quebeckers to the presumption of innocence, to know the specific allegations against them, to their freedoms of expression and association, have all been violated.

The latest blow came in September when the bank holding the mortgage of the building owned by the Chinese Family Services which is used for social services, cultural activities, seniors' leisure classes, and community innovation hub announced that it would not renew the mortgage when the present contract ends in March 2024. This building was also the location of the successful three-day forum on Reimagining Chinatown which brought together experts from 10 different North American cities and five exhibitions which span historial, cultural and urban visions of Chinatown.

Originally built as the Chinese Cultural Centre, it has been lost to creditors once already and the community is at imminent risk of losing this precious community gathering space again, this time partly due to the impact of the RCMP's so far unsubstantiated and sinophobic public declarations.

Senator Yuen Pau Woo, in a press conference in May demanded the RCMP "Provide information, clarity, and in the meantime, don't create more problems for the community."

This "witch hunt" of an investigation is having real life consequences on the Chinese Canadian community in Montreal. We are in grave danger of losing a service organization that the community has built over the last 50 years. There will be a tremendous void in the Chinese community if Chinese Family Services is forced to close by an endless RCMP investigation. As equal members of Quebec society, we reiterate our commitment to defend the human and social economic rights of our fellow Québeckers to their institutions and social services.

To sign the statement, *click here*.

### Latin America and the Caribbean

## Biden's Partnership for Economic Prosperity --Another Summit to Undermine the Americas

On November 3, U.S. President Joe Biden hosted in Washington, DC the pompously named "inaugural summit" of the U.S.-convened "Americas Partnership for Economic Prosperity" (APEP). Biden said the summit's goal is to "harness the incredible economic potential of the Americas; and to make the Western Hemisphere the most economically competitive region in the world." More specifically, it was "to strengthen economic ties to address challenges such as migration, the Israeli-Palestinian war, and expanding trade between the U.S. and the rest of the Americas."

Alejandra Garcia and Bill Hackwell published an article titled "APEP Summit Highlights President Biden's Double Standards." They write:

"These concepts may sound lofty and nice however, far from fulfilling these objectives, the meeting exposed President Biden's double standards amid new unilateral sanctions against targeted countries on the continent, a migration boom mismanaged by his administration, and his

encouragement and participation in a war of carnage in the Middle East."

The writers quote Biden saying at the beginning of the event: "We are committed to working together to address the historic levels of migration impacting all of our countries." They call this "a fuzzy attempt to revive the failed Free Trade Area of the Americas (FTAA) with a select group of 12 countries that have or seek a free and fair trade agreement with the U.S. that includes Mexico, Peru, Chile, Colombia, Canada, Dominican Republic, Panama, Barbados, Uruguay, and Ecuador. It should be remembered that the FTAA was effectively negated on November 5, 2005 in Mar del Plata at the Summit of the Presidents when thousands led by Hugo Chavez demonstrated against it, sending Bush home empty handed."

The big question, the writers say, "is how do you contain the migration crisis on the continent if not all the countries of the America are present? [Mexico's] Foreign Affairs Secretary Alicia Bárcena Ibarra emphasized the importance of specifically including all Latin American and the Caribbean countries in this forum.

"Biden has been criticized for his mishandling of the border crisis. During his election campaign, he promised to restore humanity to the U.S. migration processes to curb illegal entries, and he has done exactly the opposite.

"According to David J. Bier, the associate director of immigration studies at the Cato Institute, the president has put the thinnest new coat of paint on former U.S. President Donald Trump's asylum ban and reinstituted it. Contrary to the plain language of the asylum law, immigrants are now presumed ineligible for asylum if they cross the border illegally.

"Biden has also transformed Trump's 'Remain in Mexico' plan into 'Deport to Mexico.' Under Trump, some asylum seekers were supposed to wait in the most dangerous cities in Mexico before getting a hearing north of the border. Under Biden, many asylum seekers are being permanently deported to Mexico with no chance for asylum, even if they are not Mexican. He has also doubled the number of immigrants detained in Immigration and Customs Enforcement detention facilities pending removal, and he has negotiated deals to reopen deportations to Venezuela, Cuba, and Haiti. Now he's even continuing to build Trump's wall."

Pointing out that the only campaign promises Biden has kept are those to the weapons manufacturers, the writers say: "Biden also started the meetings with a message of hope despite the challenges posed by the U.S.-supported war on Gaza. But how can he call for such hope when the U.S. was the first country to show its unbridled support for Israel in the face of the massacre that was looming after the Palestinian actions of October 7 and now frequently sends shiploads of munitions to Israel if they ask for them or not."

And, finally, the writers conclude:

"The reality is that APEP is actually a weak response to the steady loss of U.S. hegemony in the hemisphere in the face of China's growing economic influence, as well as to the latest onslaught by the European Union with its so-called Global Gateway, with which it seeks to secure natural resources in its own region, according to Manuel Pérez Rocha, investigator of the Institute for Policy Studies.

"This is the first summit of its kind, but such paradoxes are not new. It is unlikely that Washington listens to the demands of its neighbours for mutual agreements and respect, and whether this newborn summit will set the continent on a path to a fairer future, with safe and orderly migration and real free trade among all of its neighbouring countries. At this time APEP seems like another half baked project from a befuddled and dangerous Washington that carries in it a whiff of desperation."

# New Presidency Will Plunge Argentina into Ever Greater Crisis



September 14, 2023, march against Milei

With a population of 45,773,884 people and a Gross Domestic Product (GDP) of U.S.\$449.70 billion, Argentina is the third largest economy in Latin America after Brazil and Mexico, followed by Colombia.

According to data from the Institute of International Finance, its government debt surpassed \$400 billion in the second quarter of 2023 to hit historic highs. The International Monetary Fund (IMF) says its total debt-to-GDP ratio is expected to rise to 89.5 per cent in 2023 from 84.7 per cent in 2022. Inflation is currently at 140 per cent.

Argentina has suffered devastating economic crises since December 2001/January 2002 due to the "shock therapy" imposed on the country by the IMF in the early 1990s. This is sure to become much worse in the coming period with the election of Javier Milei to the presidency on November 19. Argentina's electoral authority announced that Milei received 55.7 per cent of the vote cast and Economy Minister Sergio Massa received 44.3 per cent. Milei ran on a platform of dealing with the high debt and deficit, soaring inflation and rising poverty by slashing spending on public programs and services and "putting everything into private hands that can be." Upon being declared president-elect he said his immediate intention is to eliminate the deficit as quickly as possible, so the country is in a postion to pay off its huge debt to the IMF, currently standing at U.S.\$45 billion plus interest -- the biggest bailout of any country in the history of the IMF.

Incurring a U.S.\$57 billion debt to the IMF, with all the onerous conditions that entails, was one of the last acts of former president Mauricio Macri before being defeated in 2019 after a single term by President Alberto Fernández. Fernández himself declined to stand for re-election to a second term. Macri, a multimillionaire businessman who still has political ambitions, was decisive in getting Milei elected by striking a deal with him to deliver the votes of a coalition of "more moderate right wing" parties he leads to the "ultra-right" Milei for the second round of the presidential election, allowing him to double the votes he received in the first round and surge past Massa. However Milei's La Libertad Avanza (Freedom Advances) coalition holds just 38 of 257 seats in the Chamber of Deputies and eight of 72 in the Senate, and has no provincial governorships or mayoralties to boot. Macri and the section of foreign and local oligarchs he represents will no doubt use that to their advantage to exert influence over Milei's plans to

restructure the state, over where and how the spending cuts are made, and who stands to benefit from his pay-the-rich privatization and debt repayment schemes to ensure they are favoured by them, and if not, to try and block their implementation.

Milei, who has been compared to former U.S. President Donald Trump, describes himself as an "anarcho-capitalist." In his victory speech he said, the "reconstruction of Argentina begins today." He added, "Argentina's situation is critical. The changes our country needs are drastic. There is no room for gradualism, no room for lukewarm measures." According to the Associated Press, "With a Milei victory, the country will take an abrupt shift rightward and a freshman lawmaker who got his start as a television talking head blasting what he called the 'political caste' will assume the presidency."

Stepping up the neo-liberal anti-social offensive will now make the rich even richer and the poor poorer. Milei has announced he will slash the size of the government, dollarize the economy, eliminate the Central Bank, drastically cut spending on social programs and privatize the majority state-owned energy company, the national airline, and all public media companies as a way to tackle galloping inflation and the growing debt load that he blames on successive governments printing money indiscriminately in order to fund public spending. He also campaigned on cutting ties to Russia, China and Brazil.

As part of his anti-people agenda Milei also espouses several conservative social policies, including opposition to sex education in schools and abortion, which Argentina's Congress legalized in 2020. He was often seen carrying a chainsaw to electoral rallies and he now claims his election shows that Argentinians elected him to implement this vicious anti-social offensive, threatening any who try to resist it with swift punitive action. Another thing Milei notoriously did at campaign rallies was wave a big Israeli flag. He has said he expects the U.S. and Israel to be his government's two closet allies. One week after being elected he travelled to New York and has said his second trip abroad will be to Israel, where his stated intention is to move Argentina's embassy to Jerusalem from Tel Aviv.

Among the most egregious of the positions the new government is expected to promote, Milei's running mate, Victoria Villaruel, has claimed that the number of victims from Argentina's bloody 1976-1983 military dictatorship is far below what human rights organizations have long claimed.

U.S. Secretary of State Antony Blinken congratulated Milei on his election saying, "We look forward to continuing bilateral cooperation based on shared values and interests."

# Kenya's High Court Blocks Deployment of Interventionist Police Force to Haiti

On November 16, Kenya's parliament approved a controversial government plan to deploy around 1,000 police officers to Haiti, despite a court order banning any deployment, pending the outcome of a legal challenge to the plan. The legal challenge is based on the fact that, according to the Constitution, only the military can be deployed abroad, not the police. The government has rejected this argument and is defending its case. The High Court will deliver its decision on January 26, 2024.

Ekuru Aukot, the constitutional lawyer leading the legal action against the deployment, said that if the police are allowed to leave, he will appeal to challenge the decision in the Court of Appeal, and possibly the Supreme Court, which will potentially further delay the mission. "Since we have filed a lawsuit against the Minister of the Interior, if the deployment continues, we will cite him for contempt of court," he said.

For its part, the opposition condemned the vote, saying a vote cannot take place on a matter before the courts. But the ruling party used its majority to approve the project. The country is part of the global community, MPs supporting the motion argued, and calls for help from other countries cannot be ignored. Kenyan President William Ruto supported the vote, saying, "Africa is keen to contribute to the freedom and security of Haiti."

Kenya's main opposition leader, Raila Odinga, said on local television in October: "Even before coming to Africa, Haiti is on the doorstep of the United States, which is the most powerful nation in the world. What is so unique about Kenya that it was chosen to lead the multinational force



in Haiti? "The planned deployment of police forces in Haiti is causing opposition in the country. Ngugi wa Thiong'o -- the man considered the father of Kenyan literature -- defended the Haitian people and their opposition to foreign interference, saying: "If you know the history of Haiti, no black person would do that."

# Nicaragua Completes Withdrawal from Organization of American States

On November 21, the Government of Nicaragua completed the two-year official process for leaving the Organization of States (OAS) which Foreign Minister Denis Moncada said continues to be "a ministry of colonies, designed and organized by the United States to cover up and justify its aggressive actions against progressive nations."

Through a message presented by the foreign minister, the Sandinista Executive described that organization as an instrument of intervention against the independence, sovereignty, well-being, peace and security of the peoples of the hemisphere.

Moncada gave examples of several attacks in which the OAS was involved with U.S. support, such as the overthrow of President Jacobo Árbenz in Guatemala in 1954 and the Bay of Pigs (Playa Girón) invasion of Cuba in 1961, among many others.

Moncada pointed out that the legislative coups d'état are supported by the OAS, following instructions from Washington. He recalled that the falsehood of OAS electoral reports was the spearhead for the coup in Bolivia, against then President Evo Morales.

When referring to Nicaragua, he reiterated the interventionist actions of the OAS, transgressing the principles of non-intervention in internal affairs with respect to the sovereignty of the States and the right of the people to choose their own destiny, actions demonstrated during the coup attempt in 2018.

He reaffirmed that Nicaragua is not a colony of any power and upholds national dignity and decorum in legitimate defence of its independence, sovereignty and self-determination.

"For this reason, the dignified Government of Nicaragua on November 18, 2021, withdrew from being part of that ministry of colonies and denounced the OAS Charter," he stressed. In this

regard, Moncada emphasized that independence, sovereignty and self-determination are inalienable rights of the people, and it is their right to be which it is the duty of Nicaraguans to preserve and defend.

"And we do it with our heads held high, with dignity, with patriotic love, persisting in our unwavering decision, as we are taking today, to make effective the renunciation of the OAS Charter, and its the harmful international effects against Nicaragua," he said.

Finally, the foreign minister stressed, with this message from the Government, this harmful chapter of the OAS is closed, contributing to the progressive disappearance of unipolar hegemonism, and strengthening multipolarity in a just, equitable world, with peace, security, stability, development and progress.

(Prensa Latina)

## Guatemalans Persist in Defending President-Elect Arevalo

On November 22, the President-Elect of Guatemala, Bernardo Arevalo, once again rejected the accusations brought against him by the corrupt Public Prosecutor's Office which is determined to impede his inauguration in January 2024.

The President-Elect, who leads a party called Movimiento Semilla (Seed Movement), defended both his innocence and that of his party members in a case involving alleged damage to national heritage filed on November 16. The Prosecutor's Office aims to implicate Vice President-Elect Karin Herrera in the same case.

During the presentation of the case, the Prosecutor's Office stated that the accusations stemmed from the occupation of the San Carlos University campus between April and June 2022 by dozens of students protesting what they considered to be the fraudulent election of the public university's new rector. The Prosecution alleges that Arevalo supported and encouraged the students' actions. Since his election on August 20 this year, Arevalo has warned that the Attorney General Consuelo Porras is orchestrating a coup d'état against him to prevent his inauguration on January 14, 2024.

"No one should be persecuted for their political opinions. Truth and justice will prevail. We will not let them trample the seed of hope," Arevalo said in the Congress adding that the case against him lacks substance.

Former Semilla congressional candidate Marcela Blanco provided her first statement in the legal proceedings initiated on November 16 against 27 people (five currently detained) for an alleged case of damage to national heritage. This is the same case linking Arevalo, Herrera, several Semilla legislators and opposition activists. "This is a case of political persecution for exposing corruption," Blanco said when she arrived at the court building before the start of the proceedings.

A judge sanctioned by the U.S., Victor Cruz, initiated the proceedings through which he will decide whether to charge Blanco and other students and university professors.

Since July 12, the Prosecutor's Office has taken legal action against Guatemala's electoral process, attempting to disqualify Arevalo's party and overturn the results of the elections held on June 25 and August 20.

But Guatemalans continue to defend President-Elect Arevalo. Several caravans of vehicles

demonstrated against the Prosecutor's attempts to prevent Arevalo from taking office. Caravans from the western region of the country concluded their route in Guatemala City, joining Indigenous organizations and other sectors to protest in defence of democracy. The protest was called the previous week by Indigenous communities and supported by the transport guild of the department of Sololá.

On November 17, United Nations Secretary-General António Guterres said he was "alarmed" by the recent actions of the Prosecutor's Office. He appealed to the authorities to ensure that the democratic will expressed at the polls is respected.

# Salvadoran Community in Quebec Meets to Discuss Their Homeland's Future



On November 18, over 50 members of the Salvadoran community gathered in Montreal to meet Werner Marroquin, the vice-presidential candidate for the Farabundo Marti Liberation Front (FMLN) ahead of El Salvador's presidential elections in February 2024. The meeting, which took place at Patro Villeray, was broadcast live on Facebook to reach Salvadorans living in Quebec, Canada and elsewhere in the world.

The aim of Marroquin's visit was to inform the community of the FMLN's assessment of its 2019 electoral defeat and the program it has given itself to unify the Salvadoran people around their aspirations to build a promising future.

El Salvador's population is 6.3 million people, while 3 million Salvadorans live outside the country. More than 50,000 live in Canada, with most in Ontario, as well as sizeable populations in Quebec, British Columbia and Alberta.

Salvadorans living abroad are mainly political refugees, undocumented people and economic migrants who fled the country with their families due to conditions related to the civil war. These communities abroad remit funds that enable their compatriots to cope with El Salvador's serious economic difficulties. Salvadoran citizen living abroad can vote in the country's elections via the Internet due to measures introduced by the FMLN when it was in power.

"It's important to recognize that the story we're telling [about El Salvador's present-day situation] didn't start yesterday or three years ago," Marroquin said, "even if that's the ruling party's



Werner Marroguin

narrative." He said that Salvadorans should approach the situation in El Salvador as a narrative that they themselves recount, based on their own experiences, that "includes great moments of tragedy [that] forced them to leave the country. In the 1980s, hundreds of thousands of Salvadorans were expelled from our homeland, and the story of that is what brings us together here today." He said this is his own story, as he and his family had to flee the country without papers to live abroad.

He spoke about the situation facing the Salvadoran people since the election of President Nayib Bukele in 2019. There is a major struggle against the Bukele government which declared a state of emergency on March 27, 2022, that was originally supposed to be one-month long, but has been extended on a monthly basis to the present. The purported

aim of the state of emergency is to rid the country of gangs. Under the state of emergency, 72,000 people have been arrested, tortured and killed. Tens of thousands of Salvadorans have been imprisoned, notably in the mega-prison inaugurated in February 2023, the largest prison in the Americas, capable of holding 40,000 prisoners and located very close to El Salvador's anti-terrorism containment centre. Added to this is a new law, adopted in August, allowing up to 900 defendants to be tried in the same criminal trial.

Marroquin addressed the Bukele government's neo-liberal governance and impunity. There are disappeared promises, the impoverishment of the population who are struggling to feed themselves, the persecutions and disappearances, the dismissal of Supreme Court judges deemed to be hostile to the president, the budget which is to be kept secret for the next seven years, etc. Bukele has also authorized himself to run again for the presidency of the country in February 2024, even though the Constitution prohibits it. There could be even more changes to the electoral system and regulations between now and the election, he said. For the FMLN, "We say that they [the reactionary forces] will not succeed in stopping us or annihilating us because we are a party linked to the people by history and by our program for the right to self-determination and independence."

Participants in the meeting greatly appreciated Marroquin's remarks and the event, for permitting them to see a way to act in the best interests of their homeland and its people.

## Mass Popular Demonstration Supports Honduran President's Work

- Interview with Gilberto Ríos, Libre Party -

The situation in Honduras continues to be delicate in terms of destabilizing maneuvers by the right wing to overthrow President Xiomara Castro. Any excuse is good for this, from minor issues to those that really impact sectors linked to the oligarchy and the relationship with the United States. Now, the discussion has heated up because of the selection of the Attorney General and his deputy. To talk about all of this, we interviewed Gilberto Ríos, a leader of the Libre Party.

*Gilberto Ríos:* We are in the middle of a battle here that the people have undertaken to change all the stagnant structures of power. It began with the election of Xiomara in November 2021 and has continued with two important appointments, one for the Supreme Court of Justice, which created tremendous tension in the country, and left us in a very precarious situation. But at least we were able to fill the presidency of the Supreme Court, with lawyers who are not even close to the de facto powers of the country, but who have been decent lawyers, especially the one who is now the president of the Supreme Court of Justice, who has no links with these dark sectors.



Mass demonstration August 29, 2023 in Tegucigalpa, Honduras, in support of President Xiomara Castro.

On the other hand, there is now another important matter, which we knew was going to generate controversy, the selection of the Attorney General and the Deputy Attorney General, who head the Public Ministry, the prosecutorial function of the state, which has been paralyzed for the last years, especially during the narco-dictatorship, because they became its accomplices. Up to now we have had an Attorney General, Oscar Chinchilla, who has been complicit with drug trafficking and organized crime, guilty of all the illegal and unconstitutional acts committed during the narco-dictatorship. It seems to us that he is the last remnant of the National Party that governed after the coup d'état, someone who has generated a lot of tension because what he guarantees to the ruling elite of the country is impunity.

Once Oscar Chinchilla is out of office, obviously a lot of investigations will begin that will put the Honduran elite before the courts, under different conditions this time and where there is a different correlation of forces. Knowing this, they have been trying to boycott the process. That is why President Xiomara called on the people to gather in Tegucigalpa, the capital of Honduras, a few days ago. There we had a demonstration of close to one hundred thousand members of our party. We see overwhelmingly that there is massive popular support to finally get rid of this institution of the narco-dictatorship. The tension is being created precisely by these power groups for the purpose of continuing to discredit the government of President Xiomara and to generate an atmosphere of instability in the country.

*Resumen Latinoamericano:* You, from the Libre Party presented two candidates for the selection of prosecutors and the National Party presented two others. It is noteworthy that one of the candidates is on both lists. How do you explain this?

*GR:* Well, there was a process involving the Proponent Body, which is a legal entity, mandated in law. It is made up of the Supreme Court of Justice, the universities, sectors of civil society and other institutions that have to do with justice in the country, there are seven in total. It proposes a number of resumes – a list of the best ones submitted by independent lawyers – to the National Congress, where they are evaluated from a technical, academic and professional

point of view. This list of 21 professionals was reduced to a short list of five persons, and those five candidates who have a high qualifications are evaluated by the Congress. In fact, it is not a partisan proposal but a professional technical proposal, but when they were investigated it was found some of those lawyers do have a party affiliation, perhaps not very public, but that is not part of the discussion.

What we are looking for is a proven professional capable of directing the Public Prosecutor's Office, but who can also serve as a deputy prosecutor, who has important functions according to the rules of that institution. And that in due time, he/she could also replace the Attorney General.

Among these proposals we have found some candidates more suitable than others, and in the case of one in particular there is agreement among several parties that he can play an impartial role. The discussion is still open, that is why there is agreement on this proposal. I had a conversation a few days ago with the vice president of the National Congress, Carlos Zelaya, brother of former president Zelaya, and he told me about there being some common ground on the first vote. Another verifiable fact is that all the political forces have formed an alliance to stop the Libre Party from taking action in the National Congress. It has a partial majority, that is to say, we have a majority of fifty deputies but to get something approval by simple majority requires a half plus one, that is to say, 65 deputies, as half of 128 is 64. That is how decisions are taken on an ordinary basis in the National Congress, but for decisions needing a qualified majority it is 86 votes. This forces us to seek consensus, to be in discussion, and above all to keep the discussion going in order to try to reach an agreement.

*RL*: What are the other issues that are pushing the Honduran right wing to the brink of a nervous breakdown, which could lead them to instigate a destabilization plan?

*GR:* That is a very good question because in the last few months there have been three issues that have generated a lot of tension. The first was the tributary justice law, presented in the first quarter of this year. There was a very strong reaction from the ultra-right, because it would force them, especially the country's economic elite, to pay taxes. And here there is interesting data; first, the country has more than 300,000 businesses, of which one per cent, that is to say 3,500 of them, are listed in tax relief registries, supposedly to promote investment. Of these 3,500 there are 140 companies that have abused this tax exemption regime, even producing some types of goods and selling them on the black market in the country without paying any taxes. For example, the importers of fuel for the production of energy, who although they were exempted to import fuel, were actually importing fuel and then reselling it, which represented a major fraud against the Honduran treasury.

These 140 companies belong to the country's economic elite. There are five families that control almost 90 per cent of the economic life of Honduras. Between the period of 2009, i.e. since the coup d'état, with changes made to the law on tax exemptions, until 2011, they managed to evade more than 487 billion lempiras, equivalent to 19 billion dollars. This is not a trivial amount, especially considering that the foreign debt is 20 billion dollars. Basically, the same amount that this economic elite of the country enjoyed in tax breaks. So, the reform of this law generated tremendous controversy and all the media corporations, of which they are also the owners, had a huge campaign. This has also always been backed by [U.S.] Ambassador Laura Dogu, who, as we will remember, was the same one who organized the coup d'état against Zelaya and the attempted coup d'état against Nicaraguan President Daniel Ortega on April 18, 2018. By the way, this U.S. hawk who was also in charge of the green zone in Iraq had already retired.

Basically, Honduras is a U.S. colony, and we are in a process of national liberation at the moment. It is an important country for the gringos especially because it is a country with three land borders – with Guatemala, Nicaragua and El Salvador -- and nine maritime borders. We have maritime borders even with Colombia and we are the closest country geographically to Cuba. So, all these characteristics have always made the U.S. very interested in our country. But

as well, their companies, and some of their capital, is involved in these tax exemptions, so they are also affected and it has made them extremely active. That is with respect to the tax relief law, which is really a rather small reform, but one that affects the interests of the economic elite.

The other was our accession to the Andean Development Corporation (CAF), which deprived them of an important financial market, of that 20 billion dollar debt that we have as a country. Almost 10 billion of it is with domestic private banks, and the rest with the four most well-known financial organizations in the region, which are the World Bank, the [International ] Monetary Fund, the Central American Bank for Economic Integration and the Inter-American Development Bank. When we looked for another international financial offer we found the CAF, and that obviously affects the interests of the economic elite of the country and the U.S. because we would not be buying debt from their banks, and therefore would be paying interest to someone else. And this has also given rise to a big battle in the media of lies, attacks on the CAF and on the President.

Finally, there are two other similar issues. One is the relationship with China, which began with the President's visit on July 6. We saw the reaction of the [U.S.] embassy and the national economic elite as an adverse one, because they see China as a threat that could displace them. The other is the coming of the National Commission against Impunity, which is a mechanism the people have been demanding for seven years from the United Nations, so that they can intervene and bring some justice to the country.

So, all these elements combined have put the Honduran right wing and its allies, especially the U.S., against the government of President Xiomara, provoking political destabilization, a lot of disinformation in the media and threats to democracy. Even by characters such as Romeo Vásquez Velázquez, the general who carried out the coup d'état against President Zelaya, other generals of his rank, and other characters that we know as the main spokespersons of the coup d'état in 2009.

*RL*: Concluding the interview, we want to tell you that we were covering the mobilization you carried out the other day, and it was good to see the Honduran people, especially the humble people. The photos that were published are really moving, especially because they show the support that Xiomara continues to have among the population who have been hardest hit by the crisis.

*GR:* Yes, we have enormous satisfaction because at the first call of the President, those free people who organized themselves in resistance, and who have been acquiring a great political conscience, are still active. I must tell you that, with the big media campaign, a person can even doubt whether what they are doing is right or wrong. Because if you turn on a national radio station that defends those interests, you can hear up to 16 scathing reports against the president and the whole government administration that would even make one have doubts. But afterwards, when you see the response of the population, especially of the people who have been with us from the beginning and who have been joining this process, it brings satisfaction. Indeed, the most humble people, peasants, farmers, people who come from the interior of the country, came to the march in the capital of their own free will and supported the President. When we talk to them in the streets, we see that they have been following the government's activities with alternative sources of information. Now we have the advantage of alternative media and social networks. We are also taking advantage of this technological and communicational revolution.

Yes, there is political consciousness, there is a political identification generated by the resistance and then with the Libre Party that is unwavering and has an iron will for change. Seeing 100,000 people in the capital was extraordinary, it was morale-boosting. Very inspiring. We have a people who are willing to fight, in spite of the fact that the institutions are designed to prevent transformations and above all to protect capital. I believe that the humanity comes from the people in the streets and that is our possibility, as a South American theoretician put it, to dismantle those institutions through a great mobilization, and to build new institutions that genuinely serve the interests of the people.





(Carlos Aznárez,, Sept 7, 2023. Photos: Kawsachan News, Honduras Now. Slightly edited for translation, grammar and style by TML.)

### 200th Anniversary of the Monroe Doctrine

# U.S. Imperialist Presidential Doctrines to Take Over the World

This year marks 200 years since the United States declared all of Latin America and the Caribbean within its sphere of influence. On December 2, 1823, President James Monroe outlined what became known as the Monroe Doctrine. He warned other nations to stay out of the Americas, saying, "We should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety." Over the past 200 years, the Monroe Doctrine has been repeatedly used to justify scores of invasions, interventions and CIA regime changes in the Americas.

Since James Monroe enunciated his doctrine in 1823, at a time the U.S. was referred to as the "empire of reason," a task of the U.S. presidency has been to put forward empire-building aspirations. It has done this while maintaining a republican form of governance for its federal arrangement, rooted in the U.S. Constitution. Specifically, the Monroe Doctrine lay U.S. claim to the affairs of the western hemisphere against the European Holy Alliance and other powers' desire to colonize or monopolize markets in the Americas, including the Caribbean. At the same time, the Doctrine raised the profile of the President in foreign affairs. In its initial incarnation, this covered its war against the Indigenous Peoples across the continent and for the colonial expansion of the slave power.

In this regard, under President James Polk (1845-1849), the Monroe Doctrine provided the explicit rationale for the war against Mexico in 1845 and for colonizing the southwest and western parts of the continent under the messianic banner of "manifest destiny."

The Spanish-American War of 1898 ended Spain's colonial empire in the Western Hemisphere. U.S. victory in the war produced a peace treaty that compelled the Spanish to relinquish claims on Cuba, and to cede sovereignty over Guam, Puerto Rico, and the Philippines to the United States. Cuban revolutionaries had waged a three-year war prior to this to gain independence from Spanish colonial rule. The United States also annexed the independent state of Hawaii during the conflict. Thus, the war enabled the United States to establish its predominance in the Caribbean region and to pursue its strategic and economic interests in Asia.[1]

At the outset of the modern imperialist epoch, in 1904, President Theodore Roosevelt put forward a corollary to the Monroe Doctrine when he asserted the U.S. demand that neighbouring states be "stable, orderly, and prosperous."[2]

Referring to a crisis between Venezuela and its creditors which he deemed could spark an invasion of that nation by European powers, the Roosevelt Corollary of December 1904 stated that the United States would intervene as a last resort to ensure that other nations in the Western Hemisphere fulfilled their obligations to international creditors, and did not violate the rights of the United States or invite "foreign aggression to the detriment of the entire body of American nations." As the corollary worked out in practice, the United States increasingly used military force "to restore internal stability to nations in the region," which in deeds meant making sure only regimes favourable to the United States would be permitted. Roosevelt declared that the United States might "exercise international police power in 'flagrant cases of such wrongdoing or impotence!" Over the long-term the corollary served as justification for U.S. intervention in Cuba, Nicaragua, Haiti, and the Dominican Republic.

Roosevelt's corollary to the Monroe doctrine became known worldwide as the "big stick" policy which asserted U.S. domination when such dominance was considered the "moral imperative." On this basis, the U.S. promoted gunboat diplomacy worldwide in order to maintain "open markets." Roosevelt said: "Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power."

Following the defeat of Spain in the Spanish-American War of 1898, the United States acquired overseas colonies in the Caribbean and the Pacific. In its new status as an imperial power, the United States pursued a series of policies designed to protect annexed U.S. territories and aggressively expand its international commercial interests. These policies included the promotion of the "Open Door" policy in China and the attachment of the Roosevelt Corollary to the Monroe Doctrine that formally announced the intention to use military force to defend the Western Hemisphere against European incursions. At the same time, Roosevelt oversaw the construction of the Panama Canal, which would have profound economic implications for American trade, and engaged in great power diplomacy in the wake of the Russo-Japanese War. In just over a decade, the United States had redefined its national and international interests to include a large overseas military presence, overseas possessions, and direct engagement in setting priorities in international affairs.

Henry Stimson, Secretary of State (1929-1933) under Herbert Hoover put forward a doctrine at the time of the Japanese invasion of China and the establishment of the puppet government in Manchuria. Along with references to territorial integrity and national sovereignty, the Stimson Doctrine stressed the U.S. Open Door policy. The Truman Doctrine was put forward in 1947 with the granting of military aid to Turkey and Greece. The doctrine argued for "support[ing] free peoples who are resisting attempted subjugation by armed minorities or by outside pressures." The doctrine was aimed at the destruction of the anti-fascist unity that emerged in the world through the resistance struggles in World War II. It was instrumental in organizing a

worldwide front on the basis of anti-communism and was used in support of the U.S. policy of containment. In 1957, President Eisenhower advanced a new doctrine proclaiming that the U.S. would intervene in the Middle East if a government "requested aid" against communism.

The Monroe Doctrine and the Roosevelt Corollary were then invoked by Eisenhower's Secretary of State, John Foster Dulles, numerous times for purposes of aggression. For example, Dulles used the doctrine in 1954 to rationalize the overthrow of the government of Jacobo Arbenz in Guatemala and the funding and arming of anti-communist forces. John F. Kennedy invoked the Monroe Doctrine in relation to Cuba in 1962, claiming, "The Monroe Doctrine means what it has meant since President Monroe and John Quincy Adams enunciated it, and that is that we would oppose a foreign power extending its power to the Western Hemisphere, and that is why we oppose what is happening in Cuba today. That is why we have cut off our trade. That is why we worked in the Organization of American States and in other ways to isolate the Communist menace in Cuba. That is why we will continue to give a good deal of our effort and attention to it."

U.S. presidential doctrines combine so-called ideals in the form of national interest and U.S. strategic aims with the military and political establishment's response to international standards, as recognized by the big powers. Presidential doctrines are the official government policy statements dealing with foreign affairs and military strategy. The doctrines are sources of the war aims of the political and military establishment. They do not pass through the Congress for approval. In fact, as pronouncements of the President, they promote the presidency, in the words of the U.S. Supreme Court, as the "sole organ of American foreign affairs." As the result of reason of state, they are opposed to the public interest but nonetheless said to be the public expression of what is termed national interest or national security.

#### Notes

1. The Department of State's "Office of the Historian" has its version of the Spanish-American War in its account "Milestones in the History of U.S. Foreign Relations." It says:

On April 11, 1898, U.S. President William McKinley asked Congress for authorization to end the fighting in Cuba between the rebels and Spanish forces, and to establish a "stable government" that would "maintain order" and ensure the "peace and tranquility and the security" of Cuban and U.S. citizens on the island. On April 20, the U.S. Congress passed a joint resolution that acknowledged Cuban independence, demanded that the Spanish government give up control of the island, foreswore any intention on the part of the United States to annex Cuba, and authorized McKinley to use whatever military measures he deemed necessary to guarantee Cuba's independence.

The Spanish government rejected the U.S. ultimatum and immediately severed diplomatic relations with the United States. McKinley responded by implementing a naval blockade of Cuba on April 22 and issued a call for 125,000 military volunteers the following day. That same day, Spain declared war on the United States, and the U.S. Congress voted to go to war against Spain on April 25.

The future Secretary of State John Hay described the ensuing conflict as a "splendid little war." The first battle was fought on May 1, in Manila Bay, where Commodore George Dewey's Asiatic Squadron defeated the Spanish naval force defending the Philippines. On June 10, U.S. troops landed at Guantanamo Bay in Cuba and additional forces landed near the harbor city of Santiago on June 22 and 24. After isolating and defeating the Spanish Army garrisons in Cuba, the U.S. Navy destroyed the Spanish Caribbean squadron on July 3 as it attempted to escape the U.S. naval blockade of Santiago.

On July 26, at the behest of the Spanish government, the French ambassador in Washington, Jules Cambon, approached the McKinley Administration to discuss peace terms, and a cease-fire was signed on August 12. The war officially ended four months later, when the U.S. and Spanish governments signed the Treaty of Paris on December 10, 1898. Apart from guaranteeing the independence of Cuba, the treaty also forced Spain to cede Guam and Puerto Rico to the United States. Spain also agreed to sell the Philippines to the United States for the

sum of \$20 million. The U.S. Senate ratified the treaty on February 6, 1899, by a margin of only one vote.

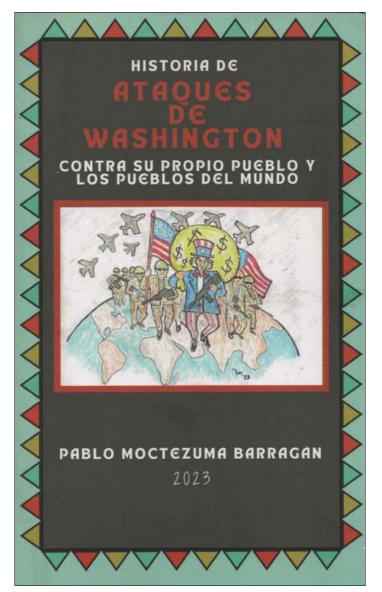
The McKinley Administration also used the war as a pretext to annex the independent state of Hawaii. In 1893, a group of Hawaii-based planters and businessmen led a coup against Queen Liliuokalani and established a new government. Supporters of annexation argued that Hawaii was vital to the U.S. economy, that it would serve as a strategic base that could help protect U.S. interests in Asia, and that other nations were intent on taking over the islands if the United States did not. At McKinley's request, a joint resolution of Congress made Hawaii a U.S. territory on August 12, 1898. (*history.state.gov/milestones/1899-1913/foreword*)

2. In 1902 Germany and Britain sent ships to blockade Venezuela's coastline to force Venezuela to repay loans. Roosevelt demanded that they agree to arbitration to resolve the dispute. European investors further appealed to their governments to collect money from Santo Domingo (now the Dominican Republic). The Dominican government appealed to the United States and Roosevelt ordered an U.S. collector to assume control of the customs houses and collect duties in Santo Domingo to avoid possible European military action.

Roosevelt is then said to have realized that if nations in the Western Hemisphere continued to have chronic problems, such as the inability to repay foreign debt, they would become targets of European intervention. In the name of preempting such action and maintaining regional stability, he drafted the corollary to the Monroe Doctrine: the United States would intervene in any Latin American country that manifested serious economic problems. The corollary announced that the United States would serve as the "policeman" of the Western Hemisphere, a precursor of Roosevelt's "big stick" policy which applied worldwide.

# History of Washington's Attacks Against Its Own People and the Peoples of the World

- Pablo Moctezuma Barragán -



On the occasion of the 200th anniversary of the Monroe Doctrine, we are publishing for the first time an English translation of the book by the well-known Mexican historian Pablo Moctezuma Barragán titled *History of Washington's Attacks Against Its Own People and the Peoples of the World*.

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