

US Poised to Join Debt Relief for Developing Nations

On October 17, 2000, Congress agreed to allot \$435 million for the United States' share of a global debt relief initiative. An unusual coalition of cultural and religious figures, including Pope John Paul II, television evangelist Pat Robertson, and the rock star Bono, had urged leaders of the Republican-led Congress to support the debt relief program, which is backed by the Clinton administration.

Congressional approval of the initiative, which still awaits a final vote in the House and Senate, will end the United States' status as the only holdout among the major industrialized nations. The \$90 billion debt relief movement began in Europe several years ago and has been a main theme of the anti-globalization groups that have disrupted major meetings of international financial institutions such as the World Bank and International Monetary Fund (IMF).

Critics of the plan, including Texas Republican Senator Phil Gramm, argue that it is inappropriate to offer debt relief until international lenders implement major administrative reforms, the New York Times reports. In the past, institutions such as the IMF have supported corrupt regimes and failed economic plans in developing countries, Gramm was cited as saying. Other groups, including the United Nations, have cautioned backers of the plan against unrealistic expectations of its potential to spur development in debtor nations.

<http://www.nytimes.com/2000/10/18/world/18DEBT.html>