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Promoting Social Justice, Human Rights, and Peace

Banking on Life and Debt

Narrated by Martin Sheen (1995)

Edited version (10 minutes)

Edited and Transcribed by Darrell Gene Moen

Unidentified comments: "The foreign debt is World War Three. It's a war that does not kill governors. It does not kill soldiers. It's a war that does not kill politicians. It kills innocent people. It kills children. It kills women. It kills the poor people of the planet."

"A major reason why we're having these problems are the policies which have been pursued for so many years under the advice, the tutelage, and the direction of the World Bank and the IMF."

Martin Sheen: The World Bank and the International Monetary Fund (IMF) are the two most powerful financial institutions in the world. Together they hold the key to nearly all other sources of money loaned to countries in which over 90% of the planet's population live. [In the Philippines,] cancelling foreign debt is the top priority of the Freedom from Debt Coalition. It may be the best organized group in the world focusing on the foreign debt issue. The coalition is a clearinghouse of information and grassroots action on the social and political situation in the Philippines. Head of the coalition is a university professor, Leonor Briones

Professor Leonor Briones (*Freedom from Debt Coalition*): The situation in the Philippines is worsening. Unemployment is rising, the number of street children is also increasing, the rate of growth is slowing down, we are running out of foreign exchange. A major reason why we are having these problems are the policies which have been pursued for so many years under the advice, the tutelage, and the direction of these two institutions, the World Bank and the IMF.

Martin Sheen: Before martial law was declared by Ferdinand Marcos in 1972, the Philippines had received \$300,000,000 in IMF loans. During the next two decades [under Marcos] the Bank and the IMF funneled over \$10,000,000,000 into the country. A lot of that money was used by Marcos and his cronies for their pet projects, and

some believe for their personal bank accounts. Increasing charges of corruption and abuse of power led to demands for the overthrow of the Marcos regime. (*Marcos giving speech*: "You have sown the atmosphere of hatred, of anger, and of revolution!")

In 1986, a nearly bloodless popular uprising toppled Marcos, who fled to a safe haven in Hawai'i, allegedly absconding with billions of dollars in Swiss bank accounts and U.S. real estate. Cory Aquino, his successor, got economic support from the IMF in exchange for promises to repay the loans Marcos had incurred.

Corazon Aquino (*Philippine President, 1986-1992*): I am happy to announce to you that we are about to obtain the seal of proper economic housekeeping expected of us by the international community.

Richard Erb (*Deputy Managing Director, IMF*): It has been the consensus within each of those regimes, when they come democratic societies, that they have to deal with the economic realities that they are faced with when they come into power. Most of them are carrying on and trying to service their external debt, and that is to their credit.

Professor Leonor Briones (*Freedom from Debt Coalition*): There should be national responsibility to pay for debts which are moral and which benefitted us. But it is a national responsibility not to pay for debts which did not benefit us and which were tainted with fraud and corruption.

Martin Sheen: Almost half of the Philippine government's budget is used to pay its debt, now grown to \$35 billion (\$35,000,000,000). Leonor Briones questions who benefitted from this arrangement.

Professor Leonor Briones (*Freedom from Debt Coalition*): If you are talking about benefit to the country, certainly the technocrats benefitted, certainly the bureaucrats benefitted, certainly the commercial banks benefitted, certainly the transnational corporations benefitted, but certainly not the great masses of the Filipino people whose conditions have worsened steadily and eroded through the years.

Myra Lambino (*nurse*): These diseases like pneumonia are associated with malnutrition. People get sick because of poverty and knowing that, the government has to have the responsibility to respond to the needs of the Filipino people, especially our children.

Professor Leonor Briones (*Freedom from Debt Coalition*): This is what we are doing to the future generation, to the next generation of Filipinos in exchange for the debt, [we are killing them]. {talking with students at a junior high school: "I want to be a secretary." "I want to be a soldier." Will you be able to go to college? Do you think

your parents will have enough money to send you to college? "No, because my father is only a construction worker.")

Seeing this school, seeing the situation of these children in very uncomfortable surroundings where there are two classes going on [in the same room] simultaneously, I feel anxiety and fear for what will happen to the millions of school children, with their dreams, with their ambitions, which definitely will not be fulfilled if the country insists on giving priority to the debt and not to their needs. This time, I am speaking as a mother of two children, and I too, am afraid for the future of my children.

Martin Sheen: Some Filipino leaders, past and present, argue that the cutbacks on education and health, no matter how painful, are needed to restore the country's economy.

Cesar Virata (*Prime Minister under Marcos*): For example, when a patient has fever and you'd like to reduce the fever, you have to take bitter medicine. The analogy is very similar to this particular situation.

Professor Leonor Briones (*Freedom from Debt Coalition*): If a patient is hemorrhaging and bleeding to death, a good, conscientious doctor who wants to save the life of the patient should not demand a radical operation. He should see to it that the patient gets stronger first. It's the same in the case of debt. The economy must recover first before it pays for its blood debts.

I feel a sense of outrage because I think of the millions of Filipinos who don't have housing, who don't have water, who don't have electricity, who don't have drugs to pay for their children when they get sick. [Delivering a speech in the streets] Does the government have any plans of decreasing the payment of our debts? No! They said cut everything except the debts. Do you agree to this? We need to strengthen our voices. We have to make louder protests. We must let them hear that we do not, repeat, we do not want to have more suffering!