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Industrial Workers of the World
Boston Area General Membership Branch
P. O. Box 391724
Cambridge MA 02139
August 12, 2001

City Council
City of Cambridge
Cambridge Mass.

Dear Councilliors,

We are writing to urge you to divest yourselves of the Bonds issued by the World Bank and International Monetary Fund (IMF).

At our July Branch Meeting, we voted unanimously to ask the Cambridge City Government to divest itself of these bonds, in order to bring an end to the damaging activities of these institutions whose projects and policies have caused enormous environmental destruction and displaced and impoverished thousands of poor and indigenous people. In addition, at our annual union-wide Assembly, held in Boston, August 3-5, we voted not to buy these bonds as an instutution and to urge other unions to boycott or divest.

The World Bank receives 80 percent of its funding by selling World Bank bonds to investors through private capital markets. Investors include governments, unions, churches, educational institutions and private investors. Without the financial support of local governments and civic groups in the US, these instutions cannot survive. The City of Cambridge should join other progressive municipalities, such as Oakland and Berkeley, California, Takoma Park, Maryland, and Boulder, Colorado in divesting these financial instruments

The World Bank's lending policies impose austerity measures on Third World governments who apply for lending. These requirements often include cutting social spending and other "non-essential" government spending and subsidies, increasing interest rates, eliminating regulations on foreign ownership of resources and businesses, eliminating tariffs and reorienting their economies from subsistence to export.

The burden of these polices has fallen most heavily upon farmers, other workers and the poor who face cuts in subsidies, massive layoffs and wage cuts, while prices of basics such as food, housing, energy and transportation skyrocket. World Bank policies have also led to deforestation, overfishing, species endangerment, water and air pollution and other environmental consequences.

The World Bank has also been criticized for funding inappropriate, large infrastructure projects. For example, the World Bank has just recently approved the Chad/ Cameroon

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Oil Pipeline project, which will give millions to Chevron and Exxon/Mobil to create a 600-mile pipeline that will carry oil from Chad to the coast of Cameroon. The pipeline will likely cause severe, irreversible environmental damage as it cuts through indigenous villages, hundreds of miles of rainforest, and several wildlife sanctuaries.

The World Bank, along with the International Monetary Fund (IMF), has refused to cancel unpayable debts owed by poor countries, even though it has the resources to easily do so. Debts owed to the World Bank and IMF give the Bank and Fund leverage to retain control over these countries' economies. Meanwhile, the resources of poor countries are diverted away from urgently needed spending on health care and education toward debt payments to the World Bank and the IMF.

We urge you to divest yourselves of these bonds.

Sincerely,

James Giddings,
Corresponding Secretary, Boston GMB,
Industrial Workers of the World

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Communication #7

A communication was received from James Giddings, Corresponding Secretary, Boston GMB, Industrial Workers of the World, urging the City Council to divest the bonds issued by the World Bank and International Monetary Fund (IMF).

In City Council September 10, 2001

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