



PROBE international

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October 17, 1991

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Margaret Linney
182 Joicey Blvd
Toronto ON
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Dear Margaret Linney:

I am extremely proud of our efforts over the past 10 years to reform the World Bank, CIDA, and the other international financial agencies. Many of our supporters - and you may be among them - have been writing letters to these institutions, and we have had our share of successes. Environmentally disastrous projects in the Amazon, in Africa, in Thailand, and in China have either been canceled or postponed because of thousands of letters from "those Canadians" (as World Bank bureaucrats whose plans have been frustrated call our legion of letter writers).

But for every harmful project we stop, hundreds proceed. Some flood pristine Amazonian rainforest or prime farmland in Asia to build grandiose hydro dams, some raze forests for pulp and paper production, some finance vanity projects favoured by corrupt governments. Almost all are uneconomic - only foreign aid makes them possible. Almost all benefit a rich, often corrupt elite at the expense of the Third World's poor, who have no say in the decisions, whose communities are often uprooted by them, and who often lose their property and their means of subsistence. World Bank hydro projects alone have already flooded 1.5 million people off their land, and World Bank projects now in the pipeline are scheduled to turn another 1.5 million into environmental refugees. Most receive little or no compensation for their homes, forests, and farms. These people, formerly productively employed and self-sufficient, are left destitute, without even a community to provide them with their traditional social safety net.

After 10 years of trying to reform the lending institutions, we have concluded that reform is not possible. Through our daily dealings with their staffs, through our study of the history of these institutions, and the ambiguous articles of incorporation that govern them, it has become painfully clear to us that the international institutions were designed to be unaccountable. From our many travels and daily communications with Third World citizens groups, it has also become clear to us that the Third World needs us far less than most of us think.

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When natural disasters strike, when people are starving, we must be prepared to do all in our power to provide emergency relief. Our commitment to humanitarian aid - to necessary social services such as health and education - must never be diminished - if anything, it should increase. But paternalistic development aid - the vast majority of all foreign aid - which assumes that Third World people don't have the wherewithal to look after themselves - should cease. Development aid, though generally well meaning, has only transformed thriving economies into basket cases that subsequently require food relief and debt bailouts. People in the Third World do not need our charity but only our respect and the opportunity to ply their trade. Their economies do not need the direction of aid bureaucrats at the IMF, World Bank, and the other international institutions whose central planning policies over the last 30 years have destroyed many of their economies; rather these countries need the direction of their citizenry, who have been bypassed in the decisionmaking process by leaders effectively taking orders from the international community that has been funding them.

We have come to the realization that the world would be a far better place - more democratic and prosperous for the Third World's populace, and safer for the global environment - without the \$40 billion from these institutions that each year underwrites massive economic and environmental devastation. Although we will continue to work to stop the worst of these projects at the World Bank and other institutions, our aim, from this point on, is to shut them down.

Our conclusions are explained in a new book, *Odious Debts*, that will soon be distributed in 35 countries. This book - which has startled its reviewers with its clear, hard-hitting analysis and is already becoming widely acclaimed - describes the origins of the Third World's debt crisis, the dominant role played by the international lending agencies, and - most importantly - provides practical, workable ways out of the horrible economic and environmental morass created by decades of irresponsible lending. It is Probe International's most definitive book on development - one that is sure to arouse strong passions and disagreements this month at its Asian release in Bangkok at the World Bank's annual meeting, but also one that I believe will profoundly shape future development policies.

I commend this book to you, and I also ask for your generous support - of time in writing letters when we next send you our urgent appeals and of money in a tax-receiptable donation - to continue the fight to protect the Third World's environment and its peoples.

Sincerely,



Walter Pitman
Chairman

P.S. With all donations of \$50 or more (and upon request to those currently unable to afford a donation of this size), we will send a free copy of *Odious Debts*. With a \$100 donation, we will send you the hardbound edition.