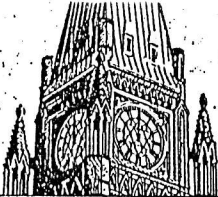


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Give battered countries a break on debt, coalition says

The Ottawa Citizen

November 11, 1998

A Canadian coalition on Third World debt has called for an immediate suspension of debt payments from Nicaragua and Honduras while they struggle with the aftermath of Hurricane Mitch.

Derek MacCuish, spokesman for the Halifax Initiative by church, development and environmental groups, said both nations are among the world's 41 most heavily indebted poor countries and "surely deserve special treatment regarding their debt obligations at this time."

The letter from the coalition has been sent to Finance Minister Paul Martin, External Affairs Minister Lloyd Axworthy and the heads of the World Bank, International Monetary Fund and the Inter-American Development Bank.

Last year, Nicaragua paid out \$349 million U.S., while Honduras paid \$539 million U.S., in debt payments. Together they're paying \$2.43 million a day, mainly to the Inter-American Development Bank, which is financed by Canada and other countries.

Mr. Martin suggested in September that the World Bank and the International Monetary Fund consider putting a 90-day freeze on monetary transactions for countries in economic crisis. But Mr. MacCuish says the Halifax Initiative is suggesting this idea be applied to natural catastrophes as well.