

Ecuador and the IMF's Killing Spree

by Peter Koenig via darcy - ICH *Wednesday, Oct 16 2019, 6:25pm*

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For close to 40 years the IMF has weaponized its handle on the western economy through the dollar-based western monetary system, and brutally destroyed nation after nation, thereby killed hundreds of thousands of people. Indirectly, of course, as the IMF would not use traditional guns and bombs, but financial instruments that kill – they kill by famine, by economic strangulation, preventing indispensable medical equipment and medication entering a country, even preventing food from being imported, or being imported at horrendous prices only the rich can pay.

The latest victim of this horrifying IMF scheme is Ecuador. For starters, you should know that since January 2000, Ecuador's economy is 100% dollarized, compliments of the IMF (entirely controlled by the US Treasury, by force of an absolute veto). The other two fully dollarized Latin American countries are El Salvador and Panama.

The Wall Street Journal recently stated that Ecuador "has the misfortune to be an oil producer with a 'dollarized' economy that uses the U.S. currency as legal tender." The Journal added,

"the appreciation of the U.S. dollar against other currencies has decreased the net exports of non-oil commodities from Ecuador, which, coupled with the volatility of oil prices, is constraining the country's potential for economic growth."

Starting in the mid 1990's, culminating around 1998, Ecuador suffered a severe economic crisis, resulting from climatic calamities, and US corporate and banking oil price manipulations (petrol is Ecuador's main export product), resulting in massive bank failures and hyper-inflation. Ecuador's economy at that time had been semi-dollarized, like that of most Latin American countries, i.e. Peru, Colombia, Chile, Brazil – and so on.

The 'crisis' was a great opportunity for the US via the IMF to take full control of the Ecuadorian (petrol) economy, by a 100% dollarizing it. The IMF propagated the same recipe for Ecuador as it did ten years earlier for Argentina, namely full dollarization of the economy in order to combat inflation and to bring about economic stability and growth. In January 2000, then President Jorge Jamil Mahuad Witt, from the "Popular Democracy Party", or the Ecuadorian Christian Democratic Union (equivalent to the German CDU), declared the US dollar as the official currency of Ecuador, replacing their own currency, the Sucre.

Adopting another country's currency is an absurdity and can only bring failure. And that it did, almost to the day, 10 years after Argentina was forced by the same US-led villains to revalue her peso to parity with the US-dollar, no fluctuations allowed. Same reason ("economic crisis", hyper-inflation), same purpose: controlling the riches of the country – absolute failure was preprogrammed. Did Ecuador not learn from the Argentinian experience and converted her currency at the very moment the Argentinian economy collapsed due to dollarization, into the US dollar? – That is not only a fraud, but a planned fraud.

Ecuadorian goods and services quoted in dollars, became unaffordable for locals and uncompetitive

for exports. This led to social unrests, resulting in a popular 'golpe'. President Mahuad was disposed, had to flee the country, and was replaced by Gustavo Noboa, from the same CDU party (2000 - 2003). Ever since the dollar remained controversial among the Ecuadorian population. President Rafael Correa's quiet attempt to return to the Sucre, was answered by a CIA-inspired police coup attempt on 30 September 2010.

In 2017, the CIA / NED (National Endowment for Democracy) and the US State Department have brought about a so-called "soft" regime change. They urged (very likely coerced) Rafael Correa to abstain from running again for President, as the vast majority of Ecuadorians requested him to do. This would have required a Constitutional amendment which probably would have been easily accepted by Parliament. Instead they had Correa endorse his former Vice-President (2007-2013) Lenin Moreno, who ran on Correa's platform, the socialist PAIS Alliance. Therefore, expected to continue in Correa's line with same socioeconomic policies.

Less than a year later, Moreno turned tables, became an outright traitor to his country and the people who voted for him. He converted Ecuador's economy to the neoliberal doctrine - privatization of everything, stealing the money from the social sectors, depriving people of work, drastically reducing social services and converting a surplus economy of tremendous social gains into one of poverty and misery.

President Correa left the country a modest debt of about 40% to GDP at the end of his Presidency in 2017. A debt-GDP ratio that would be no problem anywhere in the world. Compare this to the US debt vs. GDP - 105% in current terms and about 700% in terms of unmet obligations (net present value of total outstanding obligations). There was absolutely no reason to call the IMF for help. The IMF, the long arm of the US Treasury - 'bought' its way into Moreno's neoliberal Ecuador, coinciding with Moreno evicting Julian Assange from the Ecuadorian Embassy in London.

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