

Press Release

# CADTM urges all developing countries to turn down the G8 injunctions

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The two measures that emerged from the 2005 G8 summit no longer delude anyone as they turned out to be no more than empty promises: a debt cancellation for poor countries and more aid for Africa. Actually those countries' predicament is getting worse by the day.

What emerged from the 2006 G8 summit (remembering that the G8 is a G7 that tolerates Russia and made the most of Constantine Palace in St Peterburg for this year's meeting) ? Apparently eyes were rivetted on the planet's hot spots: the Middle East and North Korea. Energy was a haunting issue, whether we think of oil (the price of which has never been so high), gas (with Russia as a major exporting country), or nuclear power (in Iran and North Korea). Infectious diseases and education were merely mentioned for the sake of the summit's public image.

In fact the G8 had to face one of the most uncomfortable situations it ever found itself in. Currency reserves in developing countries have never been so high: over USD 2,100 bn, 925 bn for China only. This far outreaches the combined reserves of the USA and EU and means that developing countries are net creditors for developed countries and could thus easily break away from the injunctions of the G8 and the international institutions that faithfully serve it. The demands for economic liberalisation, for cancelling subsidies for basic commodities, and for more privatisations only serve the interest of the powerful. But this would require a political determination among leaders of the South to oppose such demands, which is far from being the case. Only the action of citizens in the South can bring their governments round to act in the interest of their population.

CADTM claims that developing countries ought to leave the IMF, the World Bank and the World Trade Organisation, thus making these institutions invalid. They could pool half of their currency reserves to build new institutions that would actually aim at meeting fundamental human needs, which is not currently the case.

Citizens of the South have been compelled to pay back several times largely odious debts that were contracted by governments without any democratic consultation. CADTM considers that developing countries should come together in a united front determined not to pay back their debts.

CADTM also speaks up against the repression directed against the social movements that wanted to demonstrate their opposition to the recent G8 summit in Russia.

Finally CADTM regards the G8 as a thoroughly illegitimate instance. We support the Peoples' Forum that was held in Gao (Mali) at the same time as the G8 summit and we will keep fighting the logic put forward by the G8 as we launch massive actions on the dates of the IMF and WB autumn meetings on 19 and 20 September.

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