



Legislation Details (With Text)

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Title: Resolution calling upon the Bush Administration to cancel the debt in Africa.
Sponsors: Charles Barron, Helen D. Foster, Philip Reed, Larry B. Seabrook, Albert Vann
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Res. No. 981

Resolution calling upon the Bush Administration to cancel the debt in Africa.

By Council Members Barron, Foster, Reed, Seabrook and Vann

Whereas, For many poor countries, debt service has created an inescapable cycle, robbing them of growth they need to break free from foreign funds. Billions of dollars is owed to commercial banks, the International Monetary Fund and the World Bank; and

Whereas, In the 1970's, Western banks loaned large amounts of money to Third World nations, including Africa, at a rapid pace for development projects. A rise in world interest rates, global recession, and low commodity prices caused these loans to balloon; and

Whereas, By 1994, with poor advice from economists, corrupt and undemocratic governments that misdirected funds, failed infrastructure projects, economic mismanagement, and war and famine, Africa's debt had risen to \$1.77 trillion and many of its countries inevitably fell behind in their payments; and

Whereas, Sub-Saharan Africa, the poorest region in the world, is overburdened with debt. In 1996, Africa paid \$2.5 billion more in debt servicing than it got in new, long-term loans and credit; and

Whereas, Africa's external debt now tops \$300 billion, a staggering amount that

costs its governments more than \$13 billion annually in debt service payments; and

Whereas, The effect of these debts has been to prevent many African nations from channeling funds into much needs areas, such as health, education, nutrition and housing; and

Whereas, This has impacted all aspects of life in Africa, the most serious being the country's inability to fight its growing HIV/AIDS epidemic. It is estimated that 70% of the world's 35 million people living with HIV or AIDS are in Africa and are currently struggling to stay alive; and

Whereas, Africa's debt burden has led to a dramatic decline in human development indicators (such as life expectancy) and an increase in extreme poverty and has contributed to the loss of more than 16 million lives to AIDS; and

Whereas, Unless the external debts of African countries are cancelled outright this year, any overall strategy to defeat poverty and conquer the AIDS epidemic will surely fail; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Bush Administration to cancel the debt in Africa.

WA
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D-Res. #
7/18/03

[1013]

- 2 -