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Statement from the Anglican Archbishop of Cape Town, Archbishop Njongonkulu Ndungane

Canterbury

Statement from the Archbishop of Cape Town, Archbishop Njongonkulu Ndungane, after a meeting at Lambeth Palace on Tuesday, 28th July 1998 with representatives from the OECD countries.

"The human cost of the international debt burden is intolerable. Its effects are evil and sinful. Leaders of Western nations remain complacent in the face of the vast human tragedy generated by unpayable debts. At our meeting today, I represented to the utmost of my ability, the urgency of the debt crisis.

"The HIPC Initiative and the other measures taken, show that Western governments have not yet fully grasped the critical need for immediate action in addressing this issue. For many of the countries represented at Lambeth, servicing their debt repayment takes priority over expenditure on health, clean water, sanitation and education. In some nations 40% of government budgets are immediately appropriated by creditors.

"International debt is the new slavery of the 20th century. Bishops here speak of the new economic colonialism destroying the lives of millions in their countries.

"While the slow processes for agreeing debt relief grinds on inside the international financial institutions, bishops this week spoke of children dying for lack of basic health services. They spoke of women being exported and exploited as servants and prostitutes to raise hard currency to repay debts - in countries like the Philippines. They spoke of homeless families in their dioceses living without clean water because sanitation projects have collapsed. They spoke of the ending of free primary education in some African countries.

"As a follower of Jesus, committed to the health and salvation of every person, regardless of colour or creed, I cannot keep silent on this issue. It is a matter of life and death.

"I am constantly being told that there is a lack of political will to write off these debts. Yet in May of this year Jubilee 2000 gathered 70,000 ordinary British people in Birmingham to put pressure on the G8 leaders. Clearly the people have shown the will. We want to see their leaders follow them, and take action.

South Africa and "Odious debts"

"Today in my discussions with the British Chancellor and the German ambassador,

Gebhardt von Moltke, the Russian Ambassador Yuri Fukine and Michael Monderer, Director of International Debt policy, US Treasury - I raised the following questions.

"Why do Western creditors, from strong economies, refuse to offer immediate and substantial debt relief to the poorest countries, except on the basis of consensus from all creditors? Why in particular will they not write off odious debts?"

"South Africa did not wait for such consensus before writing off all the debt owed to her by Namibia. In doing so, the new South African government did not ask whether we could afford to offer such relief; we did not wait to reconstruct our own economy before offering debt relief; we did not ask whether the debt was payable or unpayable. Nor did we impose any conditions on our neighbour. We merely declared those debts as immoral, odious debts incurred while Namibia was occupied by the apartheid regime.

"We call upon the rich countries to follow the example of the new South African government. To write off the odious loans given to dictators like Suharto of Indonesia, Marcos of the Philippines; to Mobutu of Zaire and to the various military regimes of Brazil and Nigeria.

"Western allies did this for Germany after the Second World War. Let us do it now. To enable the impoverished people of debtor nations to have a fresh start; to give us hope for a new millennium."

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