

# G8

## A short guide to manipulation and corruption

US UK Russia Japan France Germany Italy Canada

The reason so many people are protesting about the 2005 G8 summit is that, based on previous experience, their decisions will be badly damaging and hugely detrimental to developing nations, world peace, fair trade, health and the environment.

### Trade and economic growth

The G8 is the world's most exclusive and powerful club. The members aim to create economic growth by breaking down barriers to trade, by privatisation and deregulation and by protecting their own trade through massive subsidies.

Because the members wield so much power, they hold majority stakes in the major financial decision-making bodies in the world. These bodies include the World Bank, the World Trade Organisation, the International Monetary Fund and the World Economic Forum. The people they choose to represent them are almost exclusively right-wing members of large multinational companies.

Strangely enough, the decisions made by these organisations benefit large multinational companies based in G8 countries.

NOTE: As this leaflet went to print, a number of proposals were tabled by the G8 leaders - so far these do not address the issues here - no matter how generous they sound, they amount to no more than tweaking the figures for propaganda purposes.

### ARMS

ARMS spending by G8 countries: \$683 billion.

AID spending by G8 countries: \$58 billion.

The G8 countries are responsible for selling almost 90% of arms bought by developing countries.

### Subsidies

Cotton:

The US spends \$3.9 billion a year paying its farmers to grow cotton. They are putting the African cotton industry out of business by selling at 40% less than it costs to grow.

Sugar:

The UK, France and Germany pay out \$1.6 billion for their farmers to grow sugar beet and dump five million tonnes of sugar on the world market at 60% cost. Both these subsidies have been declared illegal by the WTO.

Oxfam estimates total subsidy payments are \$250 billion. It says the US alone is paying out 200 times more than it declares to the WTO.

### Global warming

- ❑ G8 countries produce about 47% of all global CO2 emissions.
- ❑ the US produces 25% of these emissions and Exxon, who advised the US not to join Kyoto, is responsible for 5.5% of them.
- ❑ Most of the world's top 20 oil companies are based in G8 countries.
- ❑ The new BP oil pipeline will release ten times the amount of CO2 saved by the UK's renewables programme.
- ❑ G8 countries refuse to address aircraft pollution which is estimated to contribute up to 15% of global warming.
- ❑ The US denies that global warming is caused by humans.

G8 consists of the most powerful nations on earth. Their aim is to make money ("economic growth"). They meet in private. They have no rules. They don't invite anyone else. They control the World Bank, the IMF, the WTO and the WEF. **If you think they are a group of benevolent philanthropists, you have a problem with logic.**

### Debt cancellation?

The newly announced debt reduction - that is SOME debt owed by SOME countries, comes with conditions attached that the eligible countries must open their markets to G8 multinationals. The offer would benefit just 10% of the population of developing countries.

This proposal only offers relief from interest payments, not the actual debts, and it expires in 2015.

### What are the G8 group responsible for?

- ❑ Most of the world's arms sales.
- ❑ Third world debt (\$370 billion per year).
- ❑ Spending four times more on subsidies for their own producers than they do on aid.
- ❑ Breaking down trade unions.
- ❑ Forcing developing countries to let multinationals take their key resources.
- ❑ Huge investments in oil industry.
- ❑ Removal of legal restrictions on corporations.
- ❑ Almost half of all CO2 emissions.
- ❑ Financial backing for environmentally destructive projects.
- ❑ Refusal to provide cheap AIDS drugs to developing countries.
- ❑ Forcing GM crops on unwilling developing countries.
- ❑ Insisting developing countries privatise resources such as water and electricity supplies.

### Where the aid money goes

Although some aid money may be lost to corruption, much more of it ends up back in the donor countries through their insistence on their companies being given the contracts linked to the aid work. The US dictates that only its pharmaceutical companies are used to provide drugs in health programmes. Their drugs are, of course, much more expensive than others available.