



**THE BOLIVARIAN REPUBLIC OF
VENEZUELA**

**“The United Nations Conference on the World Financial and
Economic Crisis and Its Impact on Development”
June 24-26 2009**

Statement

**Vice-minister of Foreign Affairs for North America and
Multilateral Affairs and Permanent Representative of the
Bolivarian Republic of Venezuela to the United Nations
H. E. Jorge Valero**

Friday, June 26th 2009

**Permanent Mission of the Bolivarian Republic of Venezuela to the United Nations
335 East 46th St, New York , New York 10017**

His Excellency, Mister President of the General Assembly, Father Miguel D' Escoto.

Your Excellencies, Heads of States.

Your Excellencies, Vice Presidents.

Your Excellencies, Ministers and High Authorities from United Nation Member States.

His Excellency, Mr. Secretary General, Ban ki-moon

Distinguished Delegates:

I am honored to present before this qualified scene, in representation of the President of the Bolivarian Republic of Venezuela Hugo Chávez Frías, our vision on the current situation shaped by a crisis of systemic, planetary character, whose consequences are still impossible to predict.

Mr. President,

I cannot leave out of this speech the dramatic situation experienced by the Honduran people and its democracy. Honduras today is the scene of a cunning attempt to disregard the people's will, represented by the President of that nation, Manuel Zelaya Rosales, democratically and constitutionally elected by its people for a four year term. A plot by reactionary high ranking military and judges of the Supreme Court instigated by the Attorney General of the Republic are attempting to annul the exercise of power by President Zelaya.

The countries from ALBA, the Bolivarian ideal of the great fatherland are side by side with Honduras, with the strength of our active solidarity, the conviction that justice is on their side and the will of Latin America, the Caribbean accompanying it in its hope to advance to a participatory democracy that aspires to be settled next 28 June 2009 in order to elect a Constituent Assembly.

Mr. President,

It was precisely the leader of the Bolivarian Revolution who proposed that a discussion would take place at the United Nations, within the framework of a truly democratic debate on the Economic and Financial Crisis of Capitalism, examining the causes and consequences of that crisis and its impact on the poor and the excluded of the world.

We must make a fair recognition of the perseverance and flexibility with which Father Miguel D'Escoto has undertaken the challenge to bring forward this Conference.

We were aware that an initiative of this nature would be met with resistance by forces clinging to the past. An attempt was made to prevent the United Nations from discussing the financial and economic crisis that we are suffering today,

when it is precisely this forum –the G192- the most legitimate and representative of the world.

The Financial Times refers to D' Escoto as a "Rebellious Priest". Rebellious, yes, undoubtedly. But rebellious in front of what and in front of whom? One of the expressions used during his acceptance speech, I quote: "today's pain is not the rasping breath of the dying but the pain of birth."

Blessed be "the rebels of the world, those who preach justice, equality, freedom and solidarity among all human beings who inhabit the Earth."

Mr. President,

Today, it can be stated with eloquence: the neoliberal policies negatively impacting the relations between human beings and the relations between society and nature have failed.

The poor and vulnerable sectors are those who most suffer from the crisis of capitalism. More than 100 million starving individuals join the confines of hopelessness.

According to the International Labour Organization more than 1 million jobs are lost per month. This year unemployment could reach a total of 230 million.

Mr. President,

Financing for development in the South has been reduced. Commodity prices and remittances from abroad have significantly fallen down. This crisis is jeopardizing the fulfillment of the Millennium Development Goals and other internationally agreed development goals.

The impact of the crisis undermines the sustainability of the Earth. If the current model of irrational growth is kept, by 2030 two planet Earths would be needed to sustain it.

The climate and environmental deterioration is terrifying: thousands of people die each day from hunger; complete ethnic groups and ancient cultures are disappearing; endangering the diverse heritage of humanity. How many deaths could be avoided each year if we had a healthy environment?

Mr. President,

Unjust relationships operate in the present global structure of power through which developing countries transfer capital and skilled human resources to the centers of capitalism.

The concentration of wealth in a few hands has led to a global impoverished and unequal society. The majority of people in this planet do not have access to the bare essentials needed for human existence.

In the manner in which financial speculation and derivatives grew beyond their means, the real economy has lost importance. The speculative practices of capitalism became praised operations by neoliberals and their masters. Meanwhile poverty grew in the world, even sending large sectors of the middle class from developed countries into poverty.

We confront a crisis based on the structure of exploitation, which has three essential fundamentals: the exploitation of human beings, the exploitation of the environment and the exploitation of the countries of the South.

Mr. President,

We have international economic and financial power relationships through which a few countries maintain the credit monopoly by controlling the Bretton Woods Institutions. These institutions have violated the sovereignty of the countries of the South. Therefore, we must contend so our countries fully recuperate their independence and self-determination.

The dollar is the predominant currency of international reserves. This privilege allows the United States economy to be financed and maintained by the rest of the world. And this economy is the one that has maintained the least monetary and financial discipline. It is not a coincidence that the current crisis erupted in that country.

Mr. President,

South-South cooperation should be relaunched during these times of crisis. The North-South relations based on exploitation, plundering and pillage must disappear.

The monetary system that has prevailed in the world is subjected to the interests of a great power, the United States, whose economy possesses the least monetary and fiscal discipline, transferring to the rest of the world instability and crisis.

The facts are showing the way to a solution. The idea to adopt a basket of currencies, which would be an expression of the new relation of forces that is emerging in the world, as a substitute to the dollar as reserve currency is growing.

In order to provide adequate liquidity, especially for developing countries and to strengthen national and international reserves, the issuance of the Special Drawing Rights (SDR), without the monopoly of the Bretton Woods Institutions should be expanded.

We also support the initiatives of regional economic organization and reorganization, consistent with the creation of other benchmark currencies like the SUCRE within the ALBA, the ruble and the yuan, as Russia and

China's proposal, respectively, and in the BRIC group; the Khaleeji in the Arabic Community and the Chiang Mai Initiative in the ASEAN, just to name a few.

Developed countries should donate their SDR allocations to regional and international institutions working for the well-being of disadvantaged people. The UN should choose which institutions and not the IMF or let alone the G20.

With regard to our America, experiences that have already been initiated are showing a new direction to follow. ALBA and PETROCARIBE have emerged, which have enabled a number of countries to endure the severe increase of oil prices, without the enormous sacrifices they would have had to pay on terms that regularly operate in the market. At the same time, Banco del Alba is already a stimulating reality. Over 50% of its funding is allocated to the development of various economic, social and cultural projects, without the frustrating conditionalities suffered by our countries when these turned to other multilateral agencies. This bank has already devised strategies that lead to further expansion and; therefore, to an increasing role in the new systems that begin to appear in what has been proposed as a new regional and global financial architecture. And that is how an industrial conglomerate called *grannacionales* is emerging, with the participation of our countries and on equal terms.

Similarly, the Banco del Sur has successfully completed its negotiation phase and will soon be operating in an area even larger than the Banco del Alba. Both institutions, rather than compete, will be supplemented by agreements between them and with other institutions within and outside the region.

On the other hand, we are already at the final stage of establishing the Regional Clearing System (Sistema Único de Compensación Regional, SUCRE) to be launched this year with a unit of account or fiduciary money as an increasing means of payment in trade among member countries, a Compensation Chamber whose pivot will be the Banco del Alba and a Reserve Fund and Convergence Sales and a Regional Monetary Council.

It is therefore necessary to relaunch a common platform of the South, consolidate the unity of the G-77 and China. This must be a forum to coordinate strategies for cooperation between our countries. The Non-Aligned

Movement, for its part, should fully recover the validity of the principles of Bandung.

We must move forward towards the construction of a new international financial architecture that is not concentrated, legitimizing new relationships that underpin the emergence of a multipolar world. We must take off the straightjacket of unipolarity.

The agenda of the United Nations must be transformed in accordance with the needs of developing countries.

Mr. President,

The final outcome of this conference reflects demands and approaches of developing countries. In this regard, my delegation wishes to stress the role played by the G-77 and China.

The document expresses that the principle causes of the crisis include, the systematic fragilities and imbalances; "the inadequate"- perverse in our opinion - structural reforms that have provoked unsustainable global macroeconomic results.

It calls for a more effective involvement of the State to ensure an appropriate balance between market and public interest.

Mr. President,

The final document adopted reflects some historical aspirations of developing countries. We hope that the follow-up mechanisms agreed upon are implemented without delay and, in that sense; we consider convening a follow-up conference.

Furthermore, it calls for a review of the agreements between the United Nations and, in our opinion, the obsolete Bretton Woods Institutions. This should lead to the democratization of these institutions, so they can hear the voice of the South and be accountable to the international community.

It also underscores the difficulties created by the financial and economic crisis; it should not ignore problems created by climate change and environmental degradation. And it notes the differentiated responsibilities that the countries of North and South have in this regard.

Mr. President,

It seems important to stress that the final document contains important shortcomings.

The G77 and China supported in the negotiations, the elimination of conditionalities and the reform of the paradigm of lending and financing, so that facilities be given to developing countries, to have access to credit and to face the difficulties created by these conditionalities.

The Bolivarian Government considers that the credit monopoly guarantees the imposition by the IMF of these immoral conditionalities that force developing countries to implement the so-called "structural adjustments", which devastate the peoples and multiply poverty and inequality. It is not about "streamlining the conditionalities" as the Outcome Document proposes, but rather eliminating them from the face of the earth.

We consider necessary the creation of an International Bankruptcy Court, based on principles of fairness and impartiality, to provide just treatment to debt issues. The foreign debt that undermines the development countries savings is immoral. It is a burden that should be eliminated.

Our country considers necessary that the United Nations, and by this we mean the G-192, have a central role in the design of global responses to the financial and economic crisis of capitalism.

The Socialist Government of Hugo Chavez Frías considers that a truly relevant and sufficient allocation of additional resources must be implemented to mitigate the impact of the crisis on the developing countries. According to the UNCTAD, this would require the allocation of an additional 1.3 Billion dollars. Therefore, the amounts approved by the G-20 for these countries, especially for the poorest and most vulnerable ones, are absurdly insufficient when taking into consideration the dimension of the crisis.

We call for the power centers of capitalism to fulfill their international commitments of official development assistance, regardless of extenuating circumstances. The reform of the international financial system, which is mentioned in the Outcome Document, is insufficient. What it should do, is transform the financial and economic system completely and create new types of global relationships based on international justice and fairness.

The reference made by the Outcome Document in regards to Human Security, by which countries pretend to filtrate into international doctrine and politics new means to intervene and subdue the peoples, preoccupies us. We reject any attempt to threaten the sovereignty of the peoples.

Mr. President,

Today has proposed for the construction of relations based on harmony and coexistence and not by the exploitation amongst human beings and between human beings and Mother Nature. Respect should be guaranteed not only for human rights but also for the rights of the environment.

It is imperative to develop a culture to replace the lifestyles and values oriented by individualism, selfishness, and voracious competition; a culture of peace based on social justice and not on war and violence.

We are witnessing a crisis of civilization, a crisis of basic principles. Principles founded without limits, on the exploitation and consumption of the goods of the earth.

It is also the global crisis of capitalism and of an outdated ideology that praises consumption, individualism and selfishness to an excess. With the profound failure of the neo-liberal ideas and the "Washington Consensus" that were imposed on the world, this vision of the world has lost credibility.

Nevertheless, we see today and stronger than ever, the emergence of revolutionary ideas based on transformation and change. The ideology of socialism, radiant with humanity and democracy recovers its spirit. The Bolivarian Revolution aligns itself to this perspective.

Thank you very much.