

**Words by Guido Mantega, Finance Minister of Brazil, at the dinner hosted
by US Treasury Secretary Henry Paulson**

Washington DC – 14 November 2008

Dear Hank

Fellow Finance Ministers,

Deputies and Sherpas,

Let me start by thanking my colleague Henry Paulson for his hospitality and all his work in making this meeting happen.

As the current Chair of the G-20, Brazil welcomed the decision by President Bush to invite the leaders of our countries to Washington for this summit.

Despite the diversity of the members of this Group, in level of development and wealth, we together have significant stakes, and thus responsibilities, in the global economic and financial landscape. The G-7 can no longer be effective on its own.

We are gathered today in Washington and I would like to take this opportunity to remember a line, by one great American president.

As Abraham Lincoln once said, in one of his Annual Messages to Congress during the Civil War: "The dogmas of the quiet past, are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew".

Bold actions have been taken by many countries and some of them have already begun to generate positive results.

Despite these results, these are still times of serious and expanding crisis.

From finance, the crisis is moving deeper into the real economy.

From the countries where it began, the crisis is expanding to the whole planet.

This is not a time for business-as-usual. It is time for decisive and innovative action. It is time for change. Changes in economic policy-making as well as in the governance of global affairs.

The same daring spirit that was shown in many of the measures taken in response to the financial crises must now be applied to preventing recession, as well as new bouts of financial turmoil.

My Dear Colleagues,

For better or for worse, our economies are much more integrated now than in the past. This requires a joint strategy to fight recession and preserve employment.

The solution of this crisis calls for coordinated actions, in so far as possible, to supply liquidity to financial markets, to restore confidence in the banking system and, more importantly to avoid a deep and protracted slow-down.

I very much welcome the counter-cyclical macroeconomic policies now being adopted by some countries.

Let this crisis be an opportunity for the whole planet to embrace a pragmatic approach to economic policy. An approach that is committed to preserving both economic stability and economic growth, and that is flexible enough to be adapted to each country's characteristics.

Sustained growth is crucial for sustained economic and social development. There are still enormous income and wealth disparities between rich and developing nations, and there are still billions of people living below the poverty line.

An active role of the government is required in developing economies, particularly due to the need of massive investments in economic and social infrastructure, as well as in building a comprehensive social safety net.

This crisis is also an opportunity to face up to the democratic deficit in international governance. The G-20 should be transformed into a forum of Leaders. This step would represent the institutionalization of tomorrow's meeting.

We must also accelerate the reform and democratization of the Bretton Woods Institutions. The World Bank and the IMF should allow for a greater participation of emerging markets and developing countries in terms of voting power and representation.

My colleagues,

Let us not forget the enormous challenges faced by Humanity - such as poverty and malnutrition, inequality and climate change. We all have responsibilities in overcoming the current crisis, and in assuring a better, less unequal global economy for future generations.

Thank you.