

Vatican calls for greater vigilance over world's financial operations

VATICAN CITY – The Vatican said the current market crisis calls for a new international agreement to effectively monitor global financial operations and give poorer countries a greater voice in economic policies.

In particular, steps are needed to curb the abuses of offshore financial institutions, which many see as one of the causes of the financial meltdown, said a statement drafted by the Pontifical Council for Justice and Peace

The statement, reported by Vatican Radio, came in preparation for the U.N.-sponsored International Conference on Financing for Development, which was to take place Nov. 29-Dec. 2 in Doha, Qatar. The conference, to be attended by representatives of developed and developing countries, was expected to propose steps to respond to the current crisis.

The Vatican statement said it was important that solutions do not favor rich countries at the continuing expense of poorer countries.

“There is a need to avoid triggering a chain of mutual protectionism. Instead, cooperation should be strengthened regarding transparency and vigilance over the financial system,” it said.

“It is important that the political examination among the richest nations, although necessary, does not lead to solutions based on exclusive agreements,” it said.

The statement said that under the present economic system, “the poor countries are financing the rich countries” through the movement of private capital and government reserves, which are invested in established markets or offshore institutions.

It said offshore institutions have been the vehicle for massive transfers of wealth, some motivated by tax evasion and some recycled from illegal activities.

The document said that in addressing the crisis, experts must not forget the economic fragility of Africa and the urgent local needs of the continent. When designing a response, it said, world leaders should follow the principles of subsidiarity and solidarity, which are key elements of the church's social teaching.