

SPEECH BY H.E. MR GORDON BROWN
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NORTHERN IRELAND
ON THE WORLD ECONOMY
26 SEPTEMBER 2008

DEPUTY SECRETARY-GENERAL, MR PRESIDENT, EXCELLENCIES,
DISTINGUISHED DELEGATES, LADIES AND GENTLEMEN

IT IS HUMBLING TO STAND BEFORE THIS GREAT ASSEMBLY TODAY.

EVENTS OF RECENT WEEKS HAVE PROVED BEYOND DOUBT THAT WE ARE
NOW IN A NEW GLOBAL AGE, LIVING THROUGH THE FIRST FINANCIAL
CRISIS AND THE FIRST RESOURCES' CRISIS OF GLOBALISATION.

WE ARE A WORLD, NOT SIMPLY IN TRANSITION, BUT FACING
TRANSFORMATION - WITH CHANGE MORE FAR-REACHING THAN
ANYTHING WE HAVE SEEN IN OUR LIFETIMES.

AND THE CHALLENGES, THE OPPORTUNITIES FOR US AND THE RISK THAT
WE NOW FACE, THESE COME TOGETHER AT THE GLOBAL CROSSROADS OF
THE UNITED NATIONS, PROVIDING THE FOCUS FOR DEBATE AND DECISION
HERE IN THIS GENERAL ASSEMBLY HALL.

A PREDECESSOR OF MINE SAID THAT IF YOU BUILT THE PRESENT ONLY IN
THE IMAGE OF THE PAST, YOU WOULD MISS ENTIRELY ON THE
CHALLENGES OF THE FUTURE AND IT IS TO THESE CHALLENGES OF THE
FUTURE THAT I WANT TO ADDRESS MY REMARKS TODAY.

IN THE NEXT TWO DECADES OUR WORLD ECONOMY WILL DOUBLE IN
SIZE. THAT MEANS DOUBLE THE OPPORTUNITIES AND POTENTIAL FOR
MORE BUSINESSES, MORE JOBS AND MORE PROSPERITY.

EXTRAORDINARY PROMISE AND OPPORTUNITY AWAITS. BUT THERE ARE
ALSO WHOLLY NEW INSECURITIES AND PRESSURES, GLOBAL PROBLEMS
THAT WILL REQUIRE GLOBAL SOLUTIONS.

THE TWIN SHOCKS OF A GLOBAL CREDIT CRUNCH AND SOARING
COMMODITY PRICES LEAD STRAIGHT TO THE FRONT DOORS OF EVERY
FAMILY IN EVERY COUNTRY, WITH HIGHER OIL, GAS AND FOOD PRICES,
AND HIGHER COSTS FOR CREDIT.

BUT BECAUSE IT IS A GLOBAL FINANCIAL CRISIS AND A GLOBAL
SHORTAGE OF FOOD AND RESOURCES, THIS WILL NOT BE RESOLVED
SIMPLY BY INDIVIDUAL NATIONS ACTING IN ISOLATION, MUCH AS THEY

CAN DO THEMSELVES, IT WILL BE SOLVED IN THE END BY US ACTING TOGETHER.

SO I WANT TO TALK ABOUT HOW WE CAN WORK TOGETHER TO TACKLE FINANCIAL INSTABILITY AND THE INTENSE PRESSURE NOW IN OUR FINITE WORLD RESOURCES.

THE IMMEDIATE PRIORITY IS TO HELP PEOPLE EVERYWHERE COPE WITH THESE DIFFICULT TIMES AND TO DO SO FAIRLY. AND THAT IS WHY, IN BRITAIN, WE HAVE ACTED TO HELP THOSE HARDEST HIT, SUPPORTING PEOPLE WITH THE COSTS OF GAS AND ELECTRICITY, SUPPORTING HOMEOWNERS AND THE HOUSING MARKET AND HELPING PEOPLE ACQUIRE THE SKILLS TO DO THE NEW JOBS OF THE TWENTY FIRST CENTURY.

BUT IF WE HAVE LEARNT ANYTHING IN THE LAST FEW YEARS ABOUT THE WORLD IN WHICH WE ARE NOW LIVING - IT IS THIS. THAT THE WORLD WE SHARE IS MORE INTERCONNECTED THAN EVER BEFORE. AND THE SOLUTIONS TO PROBLEMS HAVE TO BE SIMILARLY COORDINATED.

SO FIRST WE MUST DO ALL THAT IT TAKES TO STABILISE THE STILL TURBULENT FINANCIAL MARKETS AND, IN THE MONTHS AHEAD, WE MUST WORK TOGETHER TO REBUILD THE WORLD FINANCIAL SYSTEM AROUND CLEAR PRINCIPLES.

IN THE SHORT-TERM, EACH COUNTRY IS TAKING ACTION TO DEAL WITH THE FALL-OUT OF THE CREDIT CRUNCH. AND THE UNITED STATES OF AMERICA DESERVES SUPPORT FROM THE REST OF THE WORLD AS IT SEEKS TO AGREE IN DETAIL WHAT ALL PARTIES AGREE IN PRINCIPLE.

IN BRITAIN, WE HAVE TAKEN DECISIVE ACTION TO PROMOTE STABILITY IN OUR BANKING SYSTEM, PROTECTING DEPOSITORS AND INTRODUCING A TEMPORARY BAN ON SHORT-SELLING.

WE HAVE ALREADY INJECTED BILLIONS INTO THE MARKET, MAKING IN EXCESS OF £100BN AVAILABLE, AND ANNOUNCED ONLY LAST WEEK THAT OUR SPECIAL LIQUIDITY SCHEME WILL BE EXTENDED UNTIL THE END OF JANUARY NEXT YEAR.

CONFIDENCE IN THE FUTURE IS ALSO NEEDED TO BUILD CONFIDENCE TODAY. AND THAT CONFIDENCE WILL BE BUILT BY SHOWING THAT WHAT ARE GLOBAL PROBLEMS CAN BE ADDRESSED BY GLOBALLY COORDINATED SOLUTIONS.

AND I BELIEVE THERE ARE FIVE KEY PRINCIPLES WHICH ALL NATIONS SHOULD UNITE AROUND AS WE EXAMINE THE FUTURE OF OUR FINANCIAL SYSTEM:

FIRST - TRANSPARENCY.

PEOPLE MUST KNOW WHAT THEY ARE BUYING AND SELLING. THEY MUST KNOW WHAT THEY ARE DEALING WITH AND NOT FEAR WHAT MIGHT BE HIDDEN ON EACH OTHER'S BOOKS.

AND WE MUST LOOK AT THE RAPID INTRODUCTION OF IMPROVED INTERNATIONALLY ACCEPTABLE ACCOUNTING STANDARDS AND DISCLOSURE.

SECOND - THERE MUST BE SOUND BANKING PRACTICE AND MORE EFFECTIVE REGULATION THAT LOOKS NOT JUST AT SOLVENCY BUT AT LIQUIDITY. AT MANAGING AND PRICING RISKS FOR BAD TIMES AND FOR GOOD TIMES TOGETHER.

THIRDLY - THERE MUST BE RESPONSIBILITY. NO MEMBER OF SENIOR MANAGEMENT SHOULD BE ABLE TO SAY THEY DID NOT UNDERSTAND THE RISKS THEY WERE RUNNING AND WALK AWAY FROM THEIR OBLIGATIONS.

FOURTH - THERE MUST BE INTEGRITY. MOST PEOPLE AGREE THAT COMPANIES SHOULD ALIGN REWARD WITH STABILITY AND LONG-TERM GAIN. BECAUSE IT IS HARD WORK, EFFORT AND ENTERPRISE THAT MATTERS.

AND WE SHOULD ALIGN THE ADVICE OF CREDIT RATING AGENCIES WITH THE INTERESTS OF THE INVESTORS.

AND FIFTH - JUST AS BANKS ARE GLOBAL, THE FLOWS OF CAPITAL ARE GLOBAL, SO OVERSIGHT CAN NOT JUST ANY LONGER BE NATIONAL, BUT ALSO MUST INCLUDE GLOBAL SUPERVISION.

THAT'S WHY WE WANT TO WORK TO SUPPORT IMMEDIATELY THE ESTABLISHMENT OF INTERNATIONAL COLLEGES FOR EACH OF THE LARGEST GLOBAL FINANCIAL INSTITUTIONS - 30 OF THEM BY THE END OF THE YEAR.

BUT THE INTERNATIONAL INSTITUTIONS BUILT IN THE WAKE OF WORLD WAR II HAVE NOT KEPT PACE WITH THE CHANGING GLOBAL ECONOMY. WE NEED NATIONAL REGULATORS TO BE COOPERATIVE, RULES AND PRINCIPLES TO BE CONSISTENT, INTERNATIONAL MOVEMENTS OF CAPITAL TO BE TRANSPARENT.

THIS HAS BEEN AN ERA OF GLOBAL PROSPERITY. IT HAS BEEN AN ERA ALSO OF GLOBAL TURBULENCE. AND WHERE THERE HAS BEEN IRRESPONSIBILITY, WE MUST NOW SAY CLEARLY THAT THE AGE OF IRRESPONSIBILITY MUST BE ENDED.

AND WE MUST NOW BUILD THAT NEW GLOBAL FINANCIAL ORDER FOUNDING IT ON TRANSPARENCY NOT OPACITY, REWARDING SUCCESS NOT EXCESS, RESPONSIBILITY NOT IMPUNITY AND WHICH IS GLOBAL NOT NATIONAL.

GLOBAL ACTION CANNOT BE LIMITED TO FINANCIAL STABILITY. WE MUST ALSO ADDRESS ANOTHER PROBLEM OF GLOBALISATION - THE GLOBAL SCRAMBLE FOR RESOURCES.

SO WE NEED GLOBAL ACTION TO DEAL WITH HIGH COMMODITY PRICES AND A RISING GLOBAL POPULATION DEMANDING MORE ENERGY.

ONLY BY TAKING TOUGH DECISIONS ON ENERGY, SECURITY AND CLIMATE CHANGE - AND BY BRINGING TOGETHER A NEW GLOBAL PARTNERSHIP OF OIL PRODUCERS AND OIL CONSUMERS CAN WE BRING STABILITY TO GLOBAL ENERGY MARKETS AND SECURE THE SUSTAINABLE ENERGY SUPPLIES FOR THE LONG-TERM.

WE ARE COMMITTED TO TACKLING THE GLOBAL CHALLENGE OF CLIMATE CHANGE, OIL WILL OF COURSE CONTINUE TO MEET A LARGE PART OF GLOBAL ENERGY NEEDS FOR SOME DECADES TO COME.

BUT OVER THE LAST YEAR WE HAVE SEEN THE PRICE OF OIL RISE TO AS HIGH AS \$146 PER BARREL BEFORE FALLING AGAIN TO \$90 IN THE LAST MONTH, A FALL OF NEARLY 40%. SUCH HIGH AND VOLATILE PRICES HAVE A HARMFUL IMPACT ON THE GLOBAL ECONOMY. AND ALL COUNTRIES SURELY HAVE A SHARED INTEREST IN AVOIDING SUCH DRAMATIC SWINGS IN THE PRICE OF SCARCE RESOURCES.

AND WE MUST NOW THEREFORE CONSIDER WHETHER THE CURRENT INTERNATIONAL ARCHITECTURE CAN BRING THE MORE TRANSPARENT AND STABLE ENERGY MARKETS THIS GLOBAL ECONOMY CLEARLY NEEDS.

SO WE MUST BRING PRODUCERS AND CONSUMERS TOGETHER, BUILD COMMON UNDERSTANDING, ADDRESS THE ISSUES THROUGH MEANINGFUL AND SUSTAINED DIALOGUE.

AND AT THE END OF THIS YEAR I WILL BE HOSTING A GLOBAL ENERGY SUMMIT IN LONDON, BUILDING ON THE MOMENTUM GENERATED IN JEDDAH IN SAUDI ARABIA, TO AGREE KEY AREAS FOR FURTHER ACTION.

BECAUSE IT'S ONLY BY ACTING TOGETHER THAT WE CAN MAKE THE MOST OF THE WORLD'S SCARCE RESOURCES AND HARNESS THE POWER OF OUR GREATER INTERDEPENDENCE FOR OUR COMMON GOOD.

SOME SAY IN A TIME OF DIFFICULTY WE SHOULD LOOK INWARDS AND CUT AID. THAT WE HAVE AN EXCUSE FOR WALKING BY ON THE OTHER SIDE AND BY OUR INACTION TOLERATE FAMINE.

BUT IN TODAY'S WORLD, THERE IS NO OTHER SIDE.

AFRICA IS NOT PART OF THE PROBLEM - BUT AN INDISPUTABLE PART OF THE SOLUTION. IT IS ONLY BY HELPING AFRICA TO BECOME A NET EXPORTER OF FOOD THAT THAN A NET IMPORTER THAT WE CAN HOPE TO ACHIEVE A LONG-TERM END TO SOARING FOOD PRICES.

AND ONLY BY RESTARTING AND SEEING THROUGH THE TRADE TALKS CAN WE HELP OUR ECONOMIES BENEFIT FROM THE ANNUAL BOOST OF \$150 BILLION THAT WOULD BE ACHIEVED BY REMOVING THE PROTECTIONIST TRADE BARRIERS, THE TRADE-DISTORTING SUBSIDIES, WHICH CURRENTLY COST DEVELOPING COUNTRIES MOST \$15 BILLIONS A YEAR IN THEIR AGRICULTURAL INCOMES ALONE.

NOW, AS GOVERNMENTS AND AS NATIONS WE MUST RESPOND WITH COURAGE AND VISION TO THE NEW INSECURITIES THAT FACE PEOPLE. BECAUSE WHILE THE GLOBAL CHANGES HAPPENING AROUND US ARE COMPLEX, THE INSTINCTS THEY SUMMON UP IN PEOPLE ARE NOT.

WE MUST RESIST THOSE INSTINCTS THAT ARE PROTECTIONISTS. NOW IS NOT THE TIME TO PULL UP THE DRAWBRIDGE. TO SEEK SOLACE IN ISOLATION OR REVERT TO AN OUTDATED AND FUTILE PROTECTIONISM.

IT'S ONLY BY MAINTAINING OUR OPEN, FLEXIBLE AND DYNAMIC ECONOMIES THAT WE CAN BEST SECURE PEOPLE'S JOBS, HOMES, AND STANDARDS OF LIVING IN A GLOBAL AGE.

OUR GLOBAL INSTITUTIONS HAVE ALWAYS HAD A SWEEPING AMBITION. SET UP NOT AGAINST A SINGLE ENEMY BUT AGAINST POVERTY, CONFLICT, INJUSTICE AND INTOLERANCE.

SET UP IN THE BELIEF THAT FOR PEACE TO LAST, PROSPERITY MUST BE SHARED.

AND NOW WE MUST BUILD ON THAT IDEALISM OF THE ERA THAT CREATED THESE INSTITUTIONS AND CHANGE AND EVOLVE THESE INSTITUTIONS TO MEET THE CHALLENGES OF THE GLOBAL AGE.

THIS UNITED NATIONS IS WHERE THE WORLD TURNS TO CONFRONT SOME OF ITS GREATEST CHALLENGES. IT IS WHERE INTERNATIONAL LAW IS MADE, WHERE THE MOST ACUTE POLITICAL PROBLEMS ARE ADDRESSED, WHERE THE HOPES OF THE WORLD FOR A BETTER FUTURE ULTIMATELY REST.

FOR THE LAST 40 YEARS IT HAS BEEN THIS UNITED NATIONS THAT HAS BEEN THE KEY FORUM WHERE THE INTERNATIONAL COMMUNITY HAS SOUGHT PEACE IN THE MIDDLE EAST. AND IT IS THE UNITED NATIONS THAT MUST HELP THE NEXT GOVERNMENT OF ISRAEL BUILD ON THE FOUNDATIONS LAID BY PRIME MINISTER OLMERT AND PRESIDENT ABBAS TO AGREE A TWO-STATE SOLUTION THAT GUARANTEES THE SECURITY OF ISRAEL AND GIVES THE PALESTINIANS A VIABLE STATE.

IN CYPRUS, WHERE THE UNITED NATIONS HAS BEEN PRESENT FOR 30 YEARS AND MORE, WE HAVE A REAL CHANCE OF A SETTLEMENT, THANKS TO NEW LEADERSHIP WHICH HAS OUR SUPPORT.

IN AFGHANISTAN, THE ISAF ARE TRAINING AFGHANS TO TAKE BACK THEIR COUNTRY AFTER TWO GENERATIONS OF ALMOST CONSTANT CONFLICT. WHEN THE AFGHAN GOVERNMENT CAN DENY THEIR LAND TO AL QAIDA AND ITS ASSOCIATES, THE INTERNATIONAL COMMUNITY WILL HAVE DONE ITS JOB. BUT THE TASK IS HARD AND LONG AND THE PROGRESS IS ENCOURAGING, BUT MUST BE CONTINUED AND STEPPED UP.

IN SUDAN, UN PEACEKEEPERS HELP KEEP THE FRAGILE NORTH-SOUTH PEACE AGREEMENT IN PLACE. BUT DARFUR REMAINS FOR ALL OF US A DISASTER. IT'S THE RESPONSIBILITY OF THE GOVERNMENT OF SUDAN TO CREATE THE CONDITIONS IN DARFUR THAT WILL ALLOW THE CONFLICT TO END AND A NEW DEAL FOR THE DARFURI PEOPLE TO BE PUT IN PLACE. JUSTICE HAS TO BE PART OF ANY SUSTAINABLE PEACE.

DIFFICULTY HAS NEVER DAUNTED THE UNITED NATIONS. WHERE WE ARE REBUFFED, WE ARE RESOLUTE. SO WE MUST ALSO SEND A POWERFUL SIGNAL OF OUR SUPPORT TO DEMOCRACY AND HUMAN RIGHTS IN ZIMBABWE. AND WE MUST STAND FIRM AGAINST OPPRESSION IN BURMA.

AND WE MUST, AS WE DID YESTERDAY, REAFFIRM THE PRACTICAL MEASURES THAT UNDERPIN OUR DETERMINATION TO DEFEAT POVERTY. NOW WOULD BE THE WORST TIME TO TURN OUR BACK ON THE MILLENNIUM DEVELOPMENT GOALS.

WE HAVE REACHED A UNIQUE POINT IN THE WORLD'S HISTORY.

FOR THE FIRST TIME IN HUMAN HISTORY, WE HAVE THE OPPORTUNITY TO COME TOGETHER AROUND A GLOBAL COVENANT, TO REFRAME THE INTERNATIONAL ARCHITECTURE TO MAKE IT FIT FOR THE CHALLENGES FACING US IN THE 21ST CENTURY AND TO BUILD THE FIRST TRULY GLOBAL SOCIETY AND GLOBAL CITIZENSHIP.

OUR HISTORY IS NOT OUR DESTINY. IT IS WHAT WE CHOOSE TO MAKE IT.

SO LET US RESOLVE TODAY TO END ANY IRRESPONSIBILITY.

TO PROTECT THE GLOBAL PUBLIC INTEREST BY CLEANING UP THE WORLD'S FINANCIAL SYSTEM.

TO REAFFIRM OUR COMMITMENT TO MEETING OUR GLOBAL RESPONSIBILITIES ON TRADE, POVERTY AND ON ENERGY AND CLIMATE CHANGE.

AND LET US ACT UPON THIS.

AS PEOPLE, AS GOVERNMENTS, AS NATIONS UNITED.

AND LET HISTORY RECORD - OURS WAS A TRULY GLOBAL RESPONSE TO THE FIRST TRULY GLOBAL CRISIS.

THANK YOU.