

**SPEECH BY THE PRESIDENT OF THE DOMINICAN REPUBLIC, LEONEL FERNÁNDEZ,  
TO THE UNITED NATIONS GENERAL ASSEMBLY**

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Distinguished Mr. Nassir Abdulaziz Al-Nasser, President of the 66<sup>th</sup> Session of the General Assembly,  
Distinguished Mr. Ban Ki-Moon, Secretary General of the United Nations,  
Distinguished Heads of State and Government,  
Distinguished Ministers of Foreign Affairs,  
Distinguished Delegates,

Ladies and Gentlemen:

We extend our warmest and most effusive congratulations to the prominent diplomat from Qatar, Ambassador Nassir Abdulaziz Al-Nasser, after his recent election as the President of this Assembly and welcome his interest in addressing during the debates pressing issues such as those related to mediation and conflict resolution, reform of the United Nations system, preventing and responding to natural disasters, and sustainable development for global prosperity.

Ten years ago this dynamic and vibrant city of New York was shocked by something unconceivable until then: the terrorist attacks on the Twin Towers.

As a result, thousands of innocent people died in horrific ways leaving relatives, friends, and others in a state of helplessness and sorrow.

Echoes of this situation of terror extended throughout the planet leaving scars and a trail of pain that has not been overcome yet; and since then the world has not been the same.

In order to guarantee safety, even in the context of consolidated democracies where authentic rule of law prevails, some individual liberties, considered sacred or immutable, have been sacrificed.

When the smoke from the ashes had not yet been extinguished and the rubble from the Twin Towers had not been fully collected, the war in Afghanistan was started, which even though could have found justification as a case of legitimate defense, has already produced a larger number of victims than those produced by the terrorist attacks.

Later on, it was the Iraq occupation, which spurred controversy in various circles of international public opinion but also contributed to generating more violence, producing new victims, new waves of human suffering, and caused more destruction of wealth.

The lesson to be learned from these last ten years is that there must be a collective effort to eliminate terrorism as an inhumane practice, as well as the economic, social, political, cultural, ideological, and religious causes behind it, and promote a world that is more open, more tolerant, more respectful, more willing to engage in dialogue and in the recognition of human dignity.

Mister President, Distinguished Delegates:

Another event that has shaken the world during the last decade has been the global financial crisis produced by a lack of clear rules in the international financial system, by arrogance, by greed, and by an uncontrolled eagerness for amassing wealth.

That crisis has gone through several stages but at this moment, what is most worrisome is that it has caused a division among the most influential and powerful political and economic sectors in the world, regarding the ways in which we can implement a strategy to overcome it.

While some think that what is needed at this time is implementing stimulus policies on public spending in order to promote economic growth and job creation, others prioritize the reduction of the fiscal deficit and paying off sovereign debt.

How can now international capital markets demand states to pay a debt that was created, to a large extent, to save financial institutions from drowning in the first place?

That is incongruous and yet is effectively taking place.

The pressure currently being exercised by the markets on states for them to fulfill their payment of the sovereign debt responds, mainly, to the effort made by the states earlier on to rescue those banks that had fallen in situations of risk or were on the brink of bankruptcy.

In order to avoid having to default and seeing their economies crumble once again, governments have had to give in to the pressure of the markets by implementing severe austerity measures.

Those policies have significantly decreased citizens' quality of life leading to a social unrest manifested through protest movements that erode governments' legitimacy and support base.

Although it might seem paradoxical, in some developed countries, the loss of popular support has caused their governments to fall, which in line with remembering

coups d'état have led to a new political phenomenon that might be called, due to the lack of a better word, as "coups of market."

What is strange about this situation is that, if what we need is resources to save the international financial system, stabilize the world economy, and go back to levels of economic growth and prosperity, we know where those resources are.

For example, it is known that even though four trillion dollars circulate every day around the world in the form of financial transactions in capital markets, no tax has been established that would allow increasing fiscal resources.

How much would governments be able to collect by establishing a 5% tax on the four trillion dollars circulating daily around the world?

That would represent 20 billion dollars per day, which multiplied by five business days a week, generates a total of 100 billion dollars.

If, in turn, we multiply that number by four weeks a month we would have monthly earnings of 400 billion dollars.

But those 400 monthly billion dollars multiplied by 12 months in a year amount to 4 trillion, 800 billion dollars.

Mister President, 4 trillion, 800 billion dollars would not only solve problems related to some countries' sovereign debt but at the same time there would be enough fresh resources for investing, which would allow a rapid recovery from the current financial and economic world crisis.

Nonetheless, if a conclusion was reached that this is not an appropriate way for states to collect income, what can be said about the more than 10 trillion dollars deposited in tax havens according to several reports by international institutions?

As we know, not even a dime from those deposits, which increase in more than 600 billion dollars every year, enters the tax department of any government.

In the meantime, due to not taking measures of this nature, that is, due to not taxing international financial transactions nor the deposits in tax havens, the global financial and economic crisis continues, citizens become indignant seeing their life conditions worsen, social demonstrations multiply, governments are threatened by the lack of governance, chaos takes over societies, and uncertainty expands everywhere.

In sum, we are forced to accept an increasingly alarming situation of social injustice because of the indisputable and uncontrollable power held by a circle of the world economic elite.

Mister President, Distinguished Delegates, in spite of the diversity of problems we are facing, I would really want to refer to just one of them.

I am talking about financial speculation in the price of food and oil, a situation about which the Dominican Republic is submitting a resolution proposal before this Assembly General.

Starting in 2005 there has been an ongoing increase in the prices of food, oil and its derivatives.

From 2006 to 2008, the price of soy has increased 107%; the price of corn, 125%; rice, 127%; and wheat, 136%.

According to the Food and Agriculture Organization of the United Nations (FAO), as a result of these price increases, there was an increment of 150 million people in the number of those who literally go hungry around the world.

As a result, for the first time in the history of humankind, the total number of people without access to basic food staples went over 1 billion people, which represents almost a sixth of the world population.

With the recession that took place during the second half of 2008, food prices went down and it was thought that we would go back to a situation of accessible food prices and stability, more generally.

However, with the slight upturn and reactivation of the world economy in 2010, prices went up again and this year, the deleterious effects of an inflationary process have been felt once again in different parts of the world.

The same has happened with the price of oil. After having fallen to twelve dollars per barrel in 1998, ten years later, that is in July 2008, two months before the bankruptcy of Lehman Brothers, it was valued at 147 dollars per barrel.

Paradoxically, at the end of 2008, oil prices had fallen so spectacularly that the new price in international markets was of 37 dollars per barrel.

Who could explain this absurdity, the price going down from 147 dollars per barrel to 37 dollars per barrel in just four months?

It has been argued that both in the case of food as in the case of oil, what explains these exorbitant price increases is the growth of the world population, an increase in the demand from emergent economies, especially from China and India, the effects of climate change, and the geo-political tensions in some regions of the world affected by conflict.

Without doubt, there have been circumstances in which some of those factors have influenced prices, but there has been an effort to minimize the importance of a new

element in international markets: financial speculation in futures markets for commodities.

According to prestigious international analysts, 30 to 40% of price increases for commodities responds to the impact or influence of financial speculation on futures contracts.

Given this situation lived by our food- and oil-importing countries, the Dominican Republic has considered the need to propose regulating measures with an international scope to guarantee market transparency and price stability.

For that, it is essential to set limits on the volume of transactions to be done in futures market by those participants, such as insurance companies, investment banks, pension funds, and equity funds, among others, that are in no way involved in the physical handling of the product.

Along similar lines, it is necessary to increase the deposit guarantees supplied in futures contracts, as a way to disincentive speculative transactions that only contribute to price volatility, creating uncertainty and the lack of market predictability.

We believe, Mr. President, that by adopting this resolution we will take an important step towards solving a serious problem that is condemning an important part of humankind to living in hunger and destitution.

In sum, the objective of our initiative is something very simple, just, and of transcendental importance: getting this Assembly General of the United Nations to declare, for the sake of the human race, that food cannot be considered a financial asset.

Food must be used only to guarantee the survival of the human race on the face of the Earth. Thank you very much!