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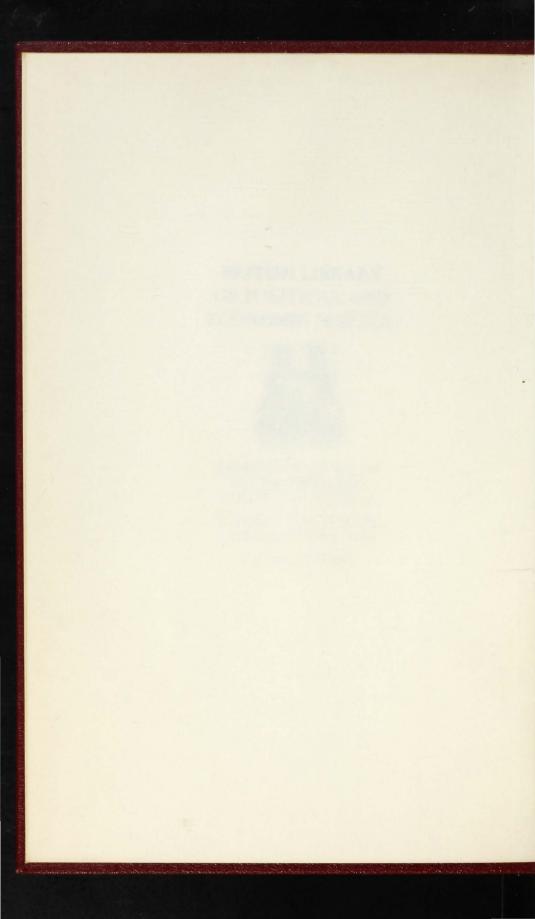


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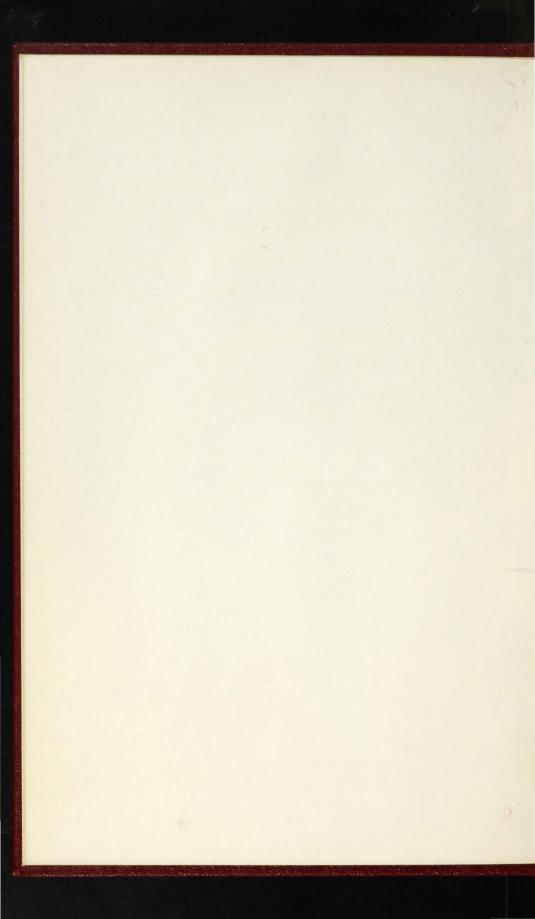
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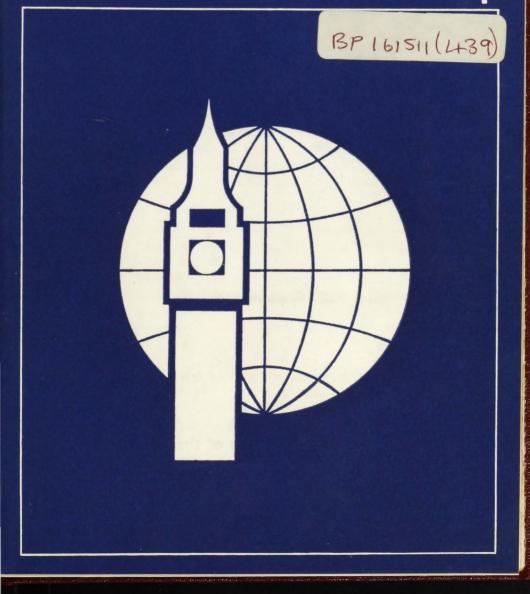








# challenges and opportunities for British foreign policy Jim Callaghan fabian tract 439 30p



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this pamphlet is based on a speech delivered to members of the Fabian Society at a meeting held in September 1975 during the Labour Party Conference in Blackpool.

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## foreword ago bas as R(P)sda

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The basis of this pamphlet is the lecture I delivered to a Fabian Society meeting at the Labour Party Conference in Blackpool on Monday 29 September 1975.

It is in no way intended to be a detailed review of current foreign policy. I hope therefore that the critic will not comb through it for nuances of the fine print, but accept it for what it is : namely, an offering to encourage more discussion about foreign policy in this country and an indication of my own thoughts on this matter. Because it is not a comprehensive document, there is, for example, no analysis of the relations we should develop with the People's Republic of China. Nor do I discuss the essential need to involve Japan in working out any satisfactory world economic order; nor do I go into detail about the Government's attempts to develop a new relationship with the countries of Latin America. But the choice of other illustrations does not involve the downgrading of our relationships with these countries or of the challenges and opportunities they present to us.

Since the Labour Government took office I have tried to secure full and open debate about the general direction of our foreign policy. Problems such as peace and war, riches and poverty, liberty and oppression and the overhanging nuclear threat, should not, and can not be left as the sole prerogative of a few foreign policy "experts."

Foreign policy is not an idol to be hidden in the temple untouched by profane hands. Nor should the British people be satisfied with a foreign policy which sets as its objectives "damage limitation" and "low profile politics." As I have tried to illustrate in this pamphlet, many major problems are shared by groups of nations and are often beyond the powers of the individual nation state to solve, even if they be super powers. They are problems beyond the powers of even the strongest of the regional groupings. They are global problems, requiring global solutions.

The age of the multilateralist is upon us. Our present economic situation weakens but should not silence our voice on these matters, and when we overcome our economic problems, we shall speak with growing authority. But even during these present troubled times Britain has powerful assets, in her worldwide diplomatic and political experience, in her trading links with every continent, and in the worldwide impact of her language, history and culture. The world's problems will not cease to evolve whilst we are putting our own house in order. I am convinced that an active foreign policy should run parallel to domestic recovery and can aid that recovery. In so doing we can help to ensure that a Britain cured of its present ills is operating in a world where our assets and our talents are used to their fullest advantage, not only in Britain's interests, but in the interests of a more just and peaceful world.

### challenges and opportunities for British foreign policy

The nature of the Foreign Secretary's job has been steadily changing all through this century. Before the First World War, Sir Edward Grey had a special, and rather isolated, position in the Government. As Foreign Secretary he worked on his own. Of course he consulted the Prime Minister. He kept the Admiralty and the War Office informed. But he scarcely concerned himself with the Home Departments. He regarded his position as something distinct and apart from the general business of government. He dealt with mysterious matters of treaties and alliances, spheres of influence and staff talks. Even the Cabinet did not always know what he was doing.

Foreign policy was a separate branch of government and it was separately conducted. The First World War put an end to that. It brought foreign policy into politics and during the 1930s fierce arguments were conducted in public about the direction of foreign policy.

#### the economic dimension

The Second World War added a third dimension: the ever growing involvement of foreign policy in the economic problems of the country. To begin with, this was mainly seen as a constraint. Out economic problems were something that altered the pattern of our foreign policy and reduced its effectiveness. Ernie Bevin put it in a nutshell when he said: "If Great Britain now had 40 million tons of coal to export my task would be much easier in dealing with the problems of the Continent."

This negative influence of economic problems is still with us today. There are many things we cannot do because we cannot afford to : we cannot, for instance, give as much aid as we would like to the poorer countries of the world while we ourselves have to borrow from the rich. There is no doubt that our influence in international discussions would be greater if we were not beset by inflation and economic maladies.

But foreign policy is not merely subject to the constraints of the British economic predicament and of British public opinion. Nowadays it is also an integral part of the Government's entire strategy, economic cultural and social. It has become a cliché to say that we live in an interdependent world, but it is nevertheless true. The world is interdependent in the sense that every one of our countries depends for its existence on a great many other countries. We still need the oil of the Middle East to keep our transport moving and our factories at work. Our nuclear power stations rely on imported uranium. Our raw materials and about half our food come from all over the world. Without imports this country would grind to a halt. Equally, without the British market a great many foreign producers would experience hard times and a number of foreign customers would have to look for alternative suppliers.

But this is only the first meaning of interdependence : the intricate network of trading and monetary and miscellaneous links that joins the nations of the world. The second kind of interdependence is the way in which the issues of trade and economic relations are intertwined with those of defence and security and ideology and political relations. Before 1914 many people regarded all these as entirely separate fields. Some of them even thought that trade and travel and the value of the gold sovereign would remain even if there was a war. Experience taught us differently. But as late as 1973 some were surprised to discover that fighting in the Middle East—fighting in which we were in no way involved—could create queues at British petrol pumps and put up oil prices to unprecedented levels.

#### end of empire

But if the nature of foreign policy is different than that of a generation and more ago, so too is Britain's position in the world. In 1945, as throughout the war, she was one of the "Big Three"—if not the equal of the United States and the Soviet Union, at least ostensibly in the same league. This was, of course, an illusion even at that time, and since then Britain's relative power has declined. The most obvious change has been the decrease in the number of overseas territories under British rule. In 1945 the number of inhabitants of the overseas British Empire was 480 million, 22 per cent of the total world population. Even in 1950, after the attainment of interdependence by the countries of the Indian sub-continent. the overseas population under British rule or protection still numbered 75.8 million. Now there are only some five million, most of them in Hong Kong. These figures are of course evidence of Britain's successful and, on the whole, peaceful transfer of imperial power. But they also mean that we bulk less large in the eyes of the world.

There have been parallel changes in military and economic power. In terms of manpower British armed forces were the fourth largest in the world in 1950, whereas we now stand fourteenth, though of course our forces are now all professional. In 1950 the United Kingdom's gross national product was the second largest in the non-Communist world after the United States, and in terms of GNP per head she ranked fifth. Now, although the economy has grown considerably in the meantime, Britain stands only sixth in terms of total GNP and eighteenth in terms of GNP per head. Britain's share of visible world trade has also declined —in 1950 it accounted for 11.12 per cent of world trade, but by 1973 the proportion was down to 5.88 per cent. It is not of course only Britain which has changed in the post-war world. A large number of new states have come into being, many

of them as a result of British policy; as a result the pattern of world relations has become much more complex. New focuses of power have come into being, the most notable recent example being that of the oil producing countries.

#### defeatism

These changes have caused some people, including some British people, to write Britain off as a force in world affairs. Some do so out of a nostalgic yearning for the old days of Empire, when a "Pax Britannica" did away with the necessity of actually having to persuade foreigners about the wisdom of our policy. Others observe the traumatic changes and our considerable economic difficulties and end up demoralised and defeatist. Such defeatism has particularly affected the socalled "establishment" and can be regularly detected in the editorial pages of our "quality" newspapers.

But this is not the whole story. Despite the postwar decline we still have considerable influence in the world and enjoy a large number of advantages, some of them tangible, some of them less so. Our democratic system and our tradition of political stability command widespread respect and are precious assets that must be preserved. Our long experience of international affairs, and the body of knowledge and expertise which we have accumulated as a result, represent an important national asset. Our financial, mercantile and administrative skills are well regarded by overseas countries and, although our economic strength is no longer adequate to enable us to compete in all areas of advanced technology, British technology still leads in many spheres.

The fact that Britain has come through a period of great change, both in our own position and in the global situation, with its national character and institutions intact is in itself no mean achievement. The transformation of Empire into Commonwealth was carried out without traumatic domestic torments or prolonged military conflicts which beset other imperial powers such as France or Portugal.

#### living standards

Equally, although the period since the end of the war has seen a relative decline in Britain's position, it has also witnessed an unparallelled expansion in real living standards for the British people. Total personal income after tax and in constant prices has doubled since 1951. Although during the present grave crisis there has to be some fall in living standards this is cushioned to some extent by a social wage which now represents an additional  $\pounds1,000$  per annum for each breadwinner. In 1961 only 3 per cent of adult male manual workers had more than 2 weeks paid annual holiday. By April 1974, 55 per cent of full time male manual workers had more than 3 weeks holiday. I quote the above in no spirit of complacency, for the British people know that a temporary fall in personal living standards is a necessary part of the strategy to cure the problem of inflation. Nor do I contemplate our present position in relation to some other countries with any satisfaction. We need a tremendous effort to restore our economy to health, and we would fail if, while doing so we tried to pull up the draw-bridge on the world's problems. Indeed, the success of our fight against inflation and unemployment will in part be made easier if the world succeeds in bringing order to some of its more difficult economic and political problems. Britain more than most nations has a vested interest in promoting a world of stability and co-operation, and she still has many assets and much experience to deploy in helping to construct such a world. It is the task of foreign policy to capitalise on our assets.

#### challenges and opportunities

A major change has overtaken world politics and power relations in recent years. The seal was set upon this change when the United States finally withdrew from Vietnam. For that marked the end of an era—an era in which the United States had been a crusading power and a period in which, since the end of the war, her power had seemed to be predominant. Her influence was all pervasive. It is still important—her power is still more potent than that of any other single nation. But the supreme predominance of the United States which lasted for two decades has gone and we now live in a multi-polar world, a world in which power is more equally shared between various groupings and individual states. I need only instance the power of OPEC or the growing power of the Soviet Union or of China, or the increasing influence of the European Community or the growing political power of the Third World to illustrate the change that is taking place in power relations.

The second factor which I have already mentioned is the changing nature of diplomacy. It is still about the traditional and all important issues of peace and war, of alliances and adversaries, but more and more, diplomacy is about such matters as energy, and economic relationships and trade. Diplomacy now has a greater impact on our domestic economy than it did even forty years ago, and its mistakes and successes have a greater impact on the daily lives of our people than in earlier decades.

These two major factors provide us with challenges and opportunities for our foreign policy; challenges because we live in a world beset by economic problems and military dangers; opportunities because Britain can now make a greater contribution to the solution of these problems than we were able to do in earlier post war days. We have the opportunity because Britain is unique in the world wide

nature of her historical links which arise from the imperialist past, and also from our position as a large importing and exporting nation with trading links all over the world.

Our experience and our knowledge of other countries throughout the world is almost unequalled whether they be the Commonwealth countries of Africa and Asia or our relationship with the United States and Canada, or our ties of history and geography with the countries of Europe and our membership of the EEC; these give the United Kingdom a perspective of world events that is shared by very few other nations. This is a great asset that we should not forego. It gives us an opportunity to influence economic solutions as well as political settlements, to a degree far greater than our present economic strength would otherwise justify.

#### multi-polar

However, I emphasise that the essential prerequisite for making our maximum contribution to the beneficial solution of world problems is the establishment here at home of a stable and healthy economy, free from inflation and unemployment, and built upon a steady rate of economic expansion. That objective is shared by the Labour Government, and by the TUC as well as by the CBI.

The multi-polar nature of world power has led to an interdependent world in which cooperation and coordination between nations on a regional, and even a global, scale are becoming more necessary for the solution of our problems. Britain has an opportunity to promote policies in this interdependent world which will make it safer and more just for its peoples. Increasingly, we must use international institutions to ensure that our initiatives are effective. I refer especially to bodies such as the United Nations, the Commonwealth, the European Community, NATO, the International Energy Agency and East/West talks on security and force reductions. This is the age of the multi-lateralists and the main thrust of our foreign policy must be to find solutions in a multilateral context. Of course this cannot be the exclusive thrust of our foreign policy. We must continue to work bilaterally in a number of fields, where international institutions are not the right forum, but it is through a multilateral approach that we can often make our voice most effective. There is every reason why democratic socialists should welcome such a development and actively seek new areas for such an approach.

#### United Nations special session

How does this concept work out in practice? Let us take as a case study the "New International Economic Order" which the 77 developing nations called

for in 1973. They demanded, rightly, better conditions for their own people. They were asking that the accident of birth-place should not determine standards of education or of housing or whether a family can even get enough food to eat. And they expressed this demand by pushing through the 6th Special Session of the United Nations in 1974, against great opposition from the West, a series of resolutions calling for a transformation of world economic relationships without regard to the possibilities of whether they could be achieved. There was a sour and bitter note of confrontation which boded ill for the developing nations and the industrialised nations alike.

That was in the Spring of 1974. What has happened to change the atmosphere? There is no doubt that the 7th Special Session, which took place in September 1975 ended on an altogether much more constructive note. That is no accident. It is the result of hard work, good will and patient diplomacy by all concerned. The British Labour Government can claim to have played an important part by taking the initiative in the various bodies to which it belongs. We did so because there is a moral imperative for democratic socialists to refuse to accept that the world can be tranquil if it is divided into islands of prosperity amid a sea of misery. We did so because we could see that a mounting conflict between the "haves" and the "have-nots" was not in Britain's interests. We found that this so-called North-South conflict had become the dominant subject at the United Nations, replacing the cold war, and even decolonisation as the main focus of attention.

#### **British initiatives**

Just after the October 1974 General Election, the Government decided that we would seek to alter the atmosphere of conflict and rancour which had led people to cast doubts about the very existence of the United Nations itself. We began work on the problem when the Prime Minister, Harold Wilson, and I met President Ford of the United States in Washington and the Prime Minister of Canada, Pierre Trudeau, in Ottawa in January of 1975 and discussed the demands of the Developing Nations. We followed up these talks and the Prime Minister sounded a new note in his speech at Leeds on 9 February 1975 when he spoke of "aiming to create a deeper and wider assurance for consuming and producing countries" and gave the first public indication of our new thinking when he said "as a Government we are going further into this question and we shall be ready to discuss this with other Governments." Throughout the early months of 1975 and well into the summer. Britain took the lead in the organisations to which we belong, namely the Common Market countries, with the OECD countries, with the Commonwealth and with the United States. Our aim then was to prepare the way for these problems to be considered in a more rational atmosphere

at the September 1975 Session of the United Nations and to put forward positive proposals aimed at helping to raise the standards of the people of the developing countries whilst safe-guarding our own long term interests.

#### the Commonwealth

At the Commonwealth Heads of Government meeting in Jamaica in May 1975 the Prime Minister put forward detailed proposals to improve "world economic inter-dependence and trade in commodities." He received widespread support for his initiative from the other Commonwealth countries, and the 34 Prime Ministers agreed to set up a Commonwealth experts group to study the matter urgently. They made their recommendations in July, well before the autumn session of the United Nations.

In another arena, through our membership of the European Community, we fed our ideas together with the Commonwealth report into the Common Market discussions in Brussels, thereby influencing our partners in the Community and particularly the Federal Republic of Germany. Thirdly, we put our proposals forward to the OECD Ministerial Council, of which I was the Chairman, in May 1975.

During the whole of this period we also carried on extensive exchanges with the United States, for it had been made clear to us at the Commonwealth Prime Ministers' Conference that only if the United States' power and weight supported the new approach, could it be brought into effect.

I do not want to claim that Britain was acting alone in these matters or that no one else had any ideas or initiatives. That would be absurd. But I do claim as a result of all those efforts, in which we played a leading role, that at the Special Session of the United Nations itself Western countries were able to convince the developing world that they were now taking the problems of narrowing the rich/poor gap seriously. Thanks to the detailed preparations in Brussels, the Common Market countries were able to speak with a single voice throughout the Session—and with a voice which reflected many of the ideas which Britain had advanced months earlier.

#### genuine dialogue

In addition, the US administration undertook an extensive review of its policies towards the Third World (during which Dr Kissinger publicly paid tribute to the new ideas put forward by the British Government on the question of trade and commodities). On 1 September 1975 the USA announced to the Special Session of the UN an impressive package to improve trade, aid and technological developments with the developing countries. The result of these Western initiatives was that a wholly new spirit prevailed at the Special Session. The extremism and acrimony of 1974 was replaced by counsels of moderation and a genuine search for consensus. Of course, many difficulties were encountered and some still remain unresolved. But the Session ended with a resolution passed by unanimity and with a feeling on all sides that as a result of compromises a genuine dialogue had begun.

I have gone into this detail because I think as a case study, Britain's initiatives during the last twelve months show that by using our membership of various multilateral bodies, and especially the Commonwealth and the European Community, and by our relationship with the United States, we have been able to have a seminal impact on an issue which is of vital importance to our national interest as well as to the peace and stability of the whole world. As a result of the consensus which emerged at the end of the day as to the way forward—the United Nations itself is in better health and spirits, and both developed and developing nations have charted the way forward for the 4th UNCTAD Conference to be held in Nairobi in May of 1976.

#### policy for the new multi-polar era

The Special Session was therefore a beginning rather than an end. The detailed work will now proceed with greater hopes in UNCTAD, the FAO, the consumer/producer talks, and in IMF World Bank meetings, as well as in New York. Now our next task to put flesh on the bones of our new understanding. We, the developed world, have a duty to make practical realities out of our New York commitments. On the other hand, the 7th Session shows that the developing world itself realises that simply forcing resolutions through does not put bread into people's mouths.

This balance of realities should not be under-estimated. As I have said, the North/South issue was shaping up to become *the* issue in the United Nations and indeed, to be frank, if the atmosphere of the 6th Session had prevailed, even the future of the world organisation itself may have been put at risk by the confrontational postures which were being assumed.

Instead, I believe the UN has demonstrated its innate usefulness. The improvement in atmosphere thus achieved undoubtedly had its impact on the political atmosphere as well as on economic problems.

It was no coincidence that the political matters discussed at the General Assembly

were also approached in an altogether more constructive way in a further demonstration of inter-relationships and interdependence.

Britain's policy for the new multi-polar era is based on multilateral interdependence, upon partnership and not domination, aimed at a new partnership between the developed and the developing world. Dean Acheson called his memoirs of his time in the State Department after the Second World War *Present at the creation* by that he meant present at the creation of a new world order based on he recovery of Western Europe as part of the Marshall Aid Programme.

The success of that Programme must never be belittled. The vision of the statesmen of that time—Bevin, Marshall and the rest—gave us twenty-five years of unprecedented expansion and improvements in the world's standards of life. Now new challenges face us. It is my belief that we have decisions before us as significant as those of thirty years ago. We are once again—" present at the creation" —but this time we have the possibility of creating a truly global system of cooperation aimed at closing the gap between rich and poor.

This is both the challenge and the opportunity for Britain under a Labour Government. We have country by country connections throughout the world. We have the exeprience. In my opinion we have the policy which can enable Britain to make a contribution out of all proportion to our individual size and power to the problems facing the world. In these circumstances we may well have found the role for Britain which, to quote him again, Dean Acheson asserted that we had lost with our empire. We are the bridge builders.

In our determination to bring greater order and justice into the world economy we cannot afford to drop our guard concerning the military and political dangers. That is why at the UN General Assembly I put forward specific proposals on the spread of nuclear weapons and why the Labour Government is determined to take all possible steps to push forward the cause of disarmament.

#### nuclear

In particular, during the last year, we have devoted our attention to dangers in the increasing use of nuclear power. Amongst raw materials, those which can produce nuclear power present a special problem. In the wake of the oil crisis cheaper and more plentiful power is desperately needed throughout the world, especially in many of the developing countries. Nuclear power may do much to fulfil this need but it can also destroy mankind.

The horror and destruction of Nagasaki resulted from a bomb which contained

the equivalent of only 10 kg. of plutonium. The expanding plans for the use of nuclear power will produce within ten years a million kilograms of plutonium. This is enough to destroy the planet many times over. The problem may not become actual until the 1980s or later but by then it could be difficult to control. The remedies must be found in the 1970s. There is no time to lose.

For over a year we have been in very close and confidential touch with other countries who share our perception of the dangers ahead. I am glad to say that in doing this we have established a strong bond of common interest between east and west and we are jointly seeking a similar understanding between north and south. During our visit to Moscow in February the Prime Minister and Mr. Brezhnev signed an important declaration of common intent to prevent the proliferation of nuclear explosive devices while at the same time promoting the peaceful use of nuclear energy. This was a unique declaration and has heralded a period of particularly close Anglo-Soviet cooperation.

We followed up our words with actions. The United Kingdom took the lead in promoting the establishment of a special Advisory Group at the International Atomic Energy Agency in Vienna to consider all aspects of the problem of peaceful nuclear explosions. There was some opposition to this at first but I am glad to say that the Advisory Group was esablished in June 1975 by consensus. It had its first meeting in the following September. More than 30 countries were represented and made a good beginning on the problem of how it may be possible to use peaceful nuclear explosions for large scale engineering projects mainly in developing countries without at the same time contributing to the proliferation of nuclear weapons. There is a prospect that notable contributions will be made to this work by a wide range of developed and developing countries.

#### non-proliferation

Britain also took a leading part in the Conference which met at Geneva in May to review the operation of the Non-Proliferation Treaty after it had been in effect for five years. In particular we promoted the idea enshrined in the Final Act of the Conference that intensified efforts should be made towards the standardisation and universality of application of effective safeguards to nuclear materials applied through the international machinery of the International Atomic Energy Authority.

Having secured the endorsement of more than 50 countries who attended this Conference to the principles which should guide and improvement of the safeguards system I made specific proposals in my speech at the United Nations General Assembly in September 1975. In summary I proposed :

1 All members of the UN should solemnly affirm that they will not divert nuclear material from civil nuclear facilities to the manufacture of nuclear weapons;

2 Consequently they should also affirm that they will accept IAEA safeguards on all civil nuclear activities;

3. The IAEA should be invited to undertake the early preparation of a new safeguards agreement which would cover all civil nuclear activities;

4. The new safeguards agreement should provide for greater emphasis on safeguarding enrichment and reprocessing plants.

We are taking steps to give actuality to these proposals. By the late autumn of 1975 we had already gathered a good deal of international support for them and this encourages us to work for appropriate action to be taken in the IAEA.

Parallel with these specific steps Britain has been engaged in detailed consultations with the object of ensuring that commercial competition in the nuclear field operates on a common system of safety measures. We are engaged in the mammoth task of trying to make nuclear energy safe for the whole world. I do not under-rate the difficulties. But I know we must try.

#### arms race

These nuclear questions are the most important aspects of the general disarmament problem. Disarmament is an unfashionable subject but it is too important to be neglected. The past year has seen the ratification of the Biological Weapons Convention and I hope that next year will see the negotiation of a parallel agreement on chemical weapons. We have also been engaged in confidential conversations to ban still more exotic types of weapons.

But some of the worst problems in the disarmament field lie in the enormous proliferation of simpler weapons of death and destruction.

There are at least 20 nations in the world spending more than 10 per cent of their gross national product on arms. Some of them are not at all wealthy. I have urged at the United Nations that a long step towards the better use of resources and the increase of confidence between nations could be achieved if, as a first step, every nation in the world reduced its arms bill to 5 per cent. It will obviously take a lot of effort and time to achieve even this. But if countries are serious in their support for the United Nations Charter I believe this goal is attainable.

The countries which signed the Helsinki declaration on Security and Co-operation in Europe account for 80 per cent of the world's armaments expenditure. This is a poor advertisement for countries who claim the title "developed." That is why I want us now to turn with renewed vigour to the problem of mutual and balanced force reductions. If we in Europe can lead the way in disarmament we will have strengthened authority to call on others to follow us down the same path.

#### the European Community

It is not without significance that on these two central issues—that of a new economic order and of disarmament—the United Nations should be playing a central role. It was fashionable in some quarters comparatively recently to belittle and denigrate the role of the UN. The desire of certain members to use the world body for confrontation politics only fed such disillusionment. But I believe we are now coming out of that phase and there is a greater willingness on all sides to make constructive contributions through the world body.

Parallel to this, Britain's membership of the European Community confirmed by the vote of our fellow citizens last June, also offers us challenges and opportunity. We intend genuinely to contribute to Community policy; despite our differences from time to time. We do so because we recognise that the progress of Europe is itself a British interest. I always feel uneasy about some of the rhetoric used about the future of Europe and the willingness to set objectives and adopt unrealistic target dates before anyone knows they can be reached. But there are fields in which Community countries, where their interests coincide, can—by speaking and acting together—be stronger than if they spoke and acted separately. I have seen illustrations of this during my period as Foreign Secretary. And above all, the peace which now exists in Western Europe and the lack of enmity between traditional foes can best be preserved if its unity is constantly strengthened.

In the practical field, one possibility that comes to mind is that the Soviet Union seems, now that Britain's membership of the Community has been confirmed, to be less suspicious than before, and more ready to enter into discussions with the Community. I would like to see early formal economic discussions opened between the EEC and COMECON to see how we can improve economic cooperation in Europe itself.

Another possibility is for Western Europe to construct a triangle of interests with the newly rich Arab oil countries and the Developing World. Let us try and reach agreement on how the Arab ammassed wealth can be matched with the technology and the know-how of Western Europe to meet the needs of the developing world.

The Community must continue to strengthen its relationship with the United States. And Britain too must keep her bilateral relationships with the United States in good repair. The United States is an essential part of Europe's defence effort. And in the interdependent world of economics, trade and finance, the strength and influence of the USA is so important that the well being of the world can only be achieved by close active partnership in decision-taking with North America and Japan.

The Commonwealth too is gaining in acceptance among the new members. We have always seen it as a concept that embraces North and South, rich and poor, industrialised and agricultural, white and coloured, developed and developing. There is no other grouping of nations which has so much in common or can cooperate with such ease, as the last Commonwealth Prime Ministers' Conference demonstrated at Jamaica. The Commonwealth is an important part of Britain's overseas policy, and the Labour Government will wish to strengthen its influence, under its new Secretary General, Shridath Ramphal.

#### Portugal

We face challenges and opportunities for our foreign policy in Europe itself. The affairs and future of Portugal have been of the greatest concern since she undertook the difficult transition from a fascist dictatorship to a pluralistic democracy. We remain closely in touch with the Portuguese Government and with Mario Soares, the General Secretary of the Portuguese Socialist Party. All through the summer of 1975 we watched with grave concern the struggle for power in Portugal between those who sought to give Portugal a government based on a multi-Party democracy and guaranteeing freedom of the press, the trade unions and basic political rights, and those who in various guises sought to replace one form of totalitarianism by another.

The new Portuguese Government has the advantage of reflecting in its composition the wishes of the Portuguese people, freely expressed in their elections in the spring of 1975. That government still faces many problems, notably the reestablishment of social and military discipline, but it deserves our full support. The European Community has decided to give Portugal financial aid to help her to overcome her problems and not to be deflected from the democratic and democratically chosen policies the people demonstrably want and the present government is pursuing. What Portugal most needs is encouragement and support along the road to democracy, and we shall continue to give it.

#### Spain

The same is true of Portugal's neighbour, Spain. In October 1975 the Labour Party Conference condemned the executions carried out by the Franco Government. But in so doing I emphasised that the Labour Movement's long continued opposition to the Franco regime involved no hostility towards the Spanish people themselves.

We condemn violence of any kind; we condemn terrorism, but we felt it right to speak out when human rights and proper judicial processes were being ignored. I believe that our concern over the processes of Spanish justice has not gone unheeded. But our wider concern is for the future of a great country and a great people who should be playing, and are surely destined to play a full part in the affairs of Western Europe. We hope Spain will develop calmly and quickly towards the kind of progressive and just democratic society which will be welcome in our councils. The Spanish people and all those working for such a society in Spain have our friendship, our support and our encouragement. I cannot assert that the future of Spain can be clearly foreseen ; there are those, on the Right and on the Left, who want to prevent her taking the place among us which her geographical position, her past greatness, and her present potential deserve. Our Government will do all it can to help those who are looking for peaceful reform in Spain. We will keep contact with all who can make a positive contribution to Spain's future.

#### experience and influence

The list of challenges and opportunities is far greater than those I have mentioned so far. We continue to work to resolve the outstanding problem of Cyprus, both bilaterally and through the Community. We are playing an active part in the problems of the Middle East; our responsibility for the future of Rhodesia remains, and we intend to discharge our debt of honour by continuing to involve ourselves closely with all those in southern Africa who are trying to find an acceptable solution in Rhodesia, based on majority rule.

The EEC gives us a firm base from which to work; the Commonwealth offers a unique bridge across the divisions of mankind; the United Nations offers an instrument for global cooperation, providing we have the will to use it. It is how we use, both for our own and for the world's well-being, these various multilateral organisations, which is the challenge for British foreign policy. The opportunity is to use our experience and influence to promote through these bodies greater equality, justice and peace.

The age of multilateralism does not preclude the traditional bilateral relationship we have long established. Indeed, the deepening and improvement of such contacts is often a necessary prerequisite to multilateral agreements. I have already referred to the great importance of our alliance with the United States. Likewise, in an era of détente the successful efforts we have made to improve Anglo-Soviet relations enable us to play a more constructive part in those multilateral negotiations in which we and the Soviet Union are involved.

#### successful

The purposes of our foreign policy are twofold. One purpose is to use our external relationships in this difficult period through which Britain is passing to support and bolster our own efforts to rebuild our economic strength. A successful foreign policy can have favourable reactions on the domestic scene, while conversely a confident, democratic, progressive and well run society at home will certainly increase our stature overseas.

The second purpose is to use our influence, our experience and world wide relationships to help to solve the political and economic problems of the world, and especially to redress the current imbalance between rich and poor nations.

Britain is a trading nation, and to live we must trade with the world. But economic considerations must never silence us on the great issues of human rights and human dignity. A Labour Government will always speak out on these issues, whether it be for the freer movement of ideas and people on our own continent, or in demanding an end to racial discrimination in Southern Africa. A world where tortures, racial discrimination and the religious fanatic goes uncondemned and unchallenged is a poorer world for us all, and no Labour Government can or will remain silent while these evils are abroad.

As Labour's programme 1973 reminded us, a Labour Foreign Secretary cannot be a Don Quixote tilting at every windmill. But neither can he be an ostrich—hearing and seeing no evil. There are limitations on our power to influence events—as the Party is coming to recognise.

But, by seeking to advance interdependence and international cooperation, whilst espousing the causes of social justice and respect of human rights, the Government is working for the safer world in which Britain can prosper. In so doing we remain true to the ideals of the Labour Movement and represent the deep seated feelings of the great majority of the British people.

# fabian society the author

The Fabian Society exists to further socialist education and research. It is affiliated to the Labour Party, both nationally and locally, and embraces all shades of Socialist opinion within its ranks—left, right and centre.

Since 1884 the Fabian Society has enrolled thoughtful socialists who are prepared to discuss the essential questions of democratic socialism and relate them to practical plans for building socialism in a changing world.

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Enquiries about membership should be sent to the General Secretary, Fabian Society, 11 Dartmouth Street, London, SW1H 9BN; telephone 01-930 3077. Jim Callaghan has been Secretary of State for Foreign and Commonwealth Affairs since February 1974. During the 1964-70 Labour Government he was Chancellor of the Exchequer (1964-67) and Home Secretary (1967-70). He has been a member of the Fabian Society for over 30 years.

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