

**TRANSCRIPT OF SPEECH
GIVEN BY THE FOREIGN SECRETARY, MR JACK STRAW
IN LONDON ON TUESDAY, 17 JANUARY 2006**

**LAUNCH OF FOREIGN POLICY CENTRE KEY PARTNERS
MEMBERSHIP SCHEME**

Thank you very much Stephen, and you are all very welcome indeed to this, the India Office Council Chamber. It is a room which illustrates just by itself a part of our history. This building was once four government departments, not one. Where we are now was the centre of the India Office, over in the opposite corner of the main courtyard was the Colonial Office, the Home Office stuck at the front – where they could be in the front line of the brickbats from the *hoi polloi* in Whitehall, and the Foreign Office comfortably round the side.

May I particularly congratulate you, Stephen. I, like all of your parliamentary colleagues, were very sorry about the circumstances in which you became available for work, but I have to say that our loss has very much been the Foreign Policy Centre's gain; and you are following in fine footsteps taking up where Mark Leonard left off.

As we have heard from Stephen, tonight's event is about launching the centre's membership for key partners. Some of you here– the Corporation of London, GKN, Linklaters, BP and others –are already members of this organisation, and I hope that by the end of the evening others will have been persuaded.

You don't want too long a speech, but what I want to do is just to offer you my thoughts on some of the big foreign policy challenges in the year ahead, which I bring together as three regions and three themes.

First, three regions. One, the Middle East. It has dominated much of our international politics for decades, and it will continue to do so. But over the next year Israel and the Palestinian people are going to have to adjust to a political landscape no longer dominated by Ariel Sharon. And we have to maintain the momentum which has built up over the last two years towards a relative peace, however difficult. It is always difficult there, but the fact that the levels of killings on each side has gone down so dramatically is an indication that gradually, and by fits and starts, politics is taking over from violence. But all of us who know the region also know that you have got to keep working these accounts if we are to ensure that progress continues. Iran and Syria remain big challenges and they have to make up their mind whether they want to work with the international community, or against it. Other governments in the region have to decide whether they are serious about political and economic reform, an issue which was discussed yesterday at a very important conference on counter-

terrorism which RUSI ran yesterday – not tangentially but at the heart of the debate. At the conference, the Foreign Minister for Saudi Arabia and I spoke about this in the context of counter-terrorism, because (to pick up a point that Condi Rice made recently in a very important and reflective speech), if we look at the record of the West towards the Middle East and other countries, for decades the United States – for which also read Western Europe – had placed stability as a higher priority than democracy, and it ended up by getting neither. If we are now, as we are, committed to democracy as the means by which you achieve stability, rather than the reverse, we also have to be prepared where there are democratic elections, and where they are run fairly, to accept the result. That applies domestically, it also applies abroad.

The second region is Europe. We had a good Presidency. We opened talks on Turkish membership and we agreed a budget. And I may say we did much else besides that, including agreement on the Reach Chemicals Directive. We almost got political agreement on the Services Directive. Now that we are handing over to the Austrians, we can expect to see the United Kingdom pushing the modernisation agenda even harder. What we will be looking at is how the Union can concentrate on what it does well, and spend less time on those things which can be done better at a national level. At a meeting earlier today of a Cabinet Committee on Europe, which I chaired, it is called the Joint Ministerial Committee on Europe, Alan Johnson, the Secretary of State for Trade and Industry, was making the point that there was a great story about what we and the Commission

had stopped happening, partly during our Presidency. This is our work to make a reality of better regulation. We have worked very closely with Gunther Verhoigen, the excellent Vice President of the Commission who is in charge, with the Commission, of reducing the regulatory burden in Europe. I think as a result of that 68 draft directives have been stopped in their tracks and won't ever see the light of day. One of them (Alan Johnson couldn't have made this up, because none of us could have made this up) was a proposal seriously going through the machine of the European Union, which would have regulated at a European level those Two for One, or Three for Two offers that you can get in Tesco or Sainsbury's. I mean I think I probably would have been the only person in the world who would have appreciated this, because every time I go to Tesco or Sainsbury's with my son, and I think oh well I will have one of those Three for Two offers, or Three for One offers, he says: "No Dad, do you actually want more than one?" I think that explains economic theory, but aside from him everybody else thinks why don't we just make up our own mind about it, we don't actually need a European directive. That is one example of a great many. So I think we did pretty well, but we have got to carry on in that direction, and one of the other things we were looking at today was the Working Time Directive where we came within a whisker of getting political agreement on a satisfactory solution both to the directive and the opt-out, and also for those involved in the health field, a reverse of some European Court of Justice decisions in Simap and Jaeger.

The third area I wanted to talk about was Asia, and particularly India and China. And it is interesting how both countries have really come up the agenda in the last few years. There are real opportunities for Britain here. For example in 2003 Chinese imports, that is into China, grew by 40%. Merrill Lynch estimates that in less than five years China itself will account for 20% of the global market in luxury goods, again an opportunity for importing and for services. Its advertising market is already worth an estimated £6.4 billion a year. But we do have to be flexible and organised if we are going to take advantage of these opportunities, and we also have to continue to encourage China and India as responsible partners on the global political stage. They will for example both be major participants in the increasingly important debate on climate change.

Now the three themes. And I move from climate change in India and China to the first of these three themes, which is energy security. Your centre, Stephen, has done a great deal of work on this, as it showed in its September report, but what happened over the New Year between Russia and Ukraine, which then had a very substantial impact on the rest of western Europe, shows how crucial it is that we develop more effective policies for ensuring energy security.

The second theme was development, and particularly in Africa. Part of this is making sure that the international community follows through on last year's promises on aid and debt relief. I am proud of much that this

government has done, and I am particularly proud of our record on development where we have said that we would increase our aid, and we have increased both the amount of the aid and the quality. Where we say that we are going to make a pledge, we then ensure that it is paid. I have to say that we are generally the exception rather than the rule in doing what we say we are going to do. The aftermath of donor conferences is usually a rather sad affair when the actual reality of whether people are going to pay up doesn't match the original promise. It leads to a very sour taste, particularly amongst those who thought they were going to be the recipients. So getting others in the donor community, not us, to do what they say they are going to do is important. But, as Hilary Benn has often made clear, in the end we are only going to make poverty history if we get the developing countries themselves to understand their clear responsibilities. And that means their general responsibility to good government and their particular responsibility in very difficult situations, for example in the Sudan or in both Eritrea and Ethiopia at the moment.

The third theme is the global terrorist threat, which was indeed the theme of yesterday's conference. This means disrupting the organisation and operation of terrorist networks, undermining their propaganda, supporting good governance and democracy, and dealing with the sources of discontent which are so skilfully exploited by the preachers of hatred and violence. And as part of that I have made a very personal commitment, which I am pleased to say got into our manifesto, which is the

establishment, which will take time but I am determined it should happen, of an international arms trade treaty at the United Nations.

Now underpinning all of these areas will be our strategic relationship with the United States and our active membership of the European Union. What I have said is in no sense the totality of our agenda, it is simply a sketch, as I say, of three key areas and of three key themes. There is a huge amount else to do.

One of the things however that we are trying to do much more within the Foreign Office is to be explicit about our strategy and sharing the way in which that strategy is developed. So three years ago I published a strategy document for foreign policy which was drawn up in consultation with the whole of Whitehall. It wasn't, therefore, just for the Foreign Office, it was a strategy for government as a whole. We are now going through the process of revising that strategy document and I aim to publish the revised version later in Spring.

Everybody here, particularly corporate members, is busy, but I hope that you will be able to see organisations like Stephen's, not least Stephen's organisation – the Foreign Policy Centre – as a means by which your ideas can filter through into our generation of this policy. The strategy was generally welcomed, but even in the last three years things have changed. There was a big chunk in the last strategy document about energy security, but it has got to be an even bigger chunk this time and a tougher chunk

this time about how we deal with the real risks that we all face. One of the most important roles of operational think tanks like the FPC is working

It was my late friend and colleague, Robin Cook, who helped to get this Centre going. He saw it as a bridge – in his own words as a “two-way think exchange” between government and society. And the success of Britain’s foreign policy is in no small part determined by how effectively this exchange works.

The FPC since its launch 8 years ago really has done great work, I know it continues to do it under Stephen’s leadership and I wish you well and wish the corporate members well. This new partnership should be a very great strength to the Centre, but also to the partners as well.

Thank you very much indeed.