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COHP (Sir Sir Peter Marshall)**SO: = Sue Onslow (Interviewer)**

PM: = Sir Peter Marshall (Respondent)

SO: This is Sue Onslow talking to Sir Peter Marshall on Monday, 18th November 2013. Sir Peter, thank you very much indeed for agreeing to take part in this oral history project. I wonder if we could discuss today your view of the Commonwealth and international economic diplomacy, beginning with the New International Economic Order. You've referred to Sir 'Sonny' Ramphal's appointment as Secretary General in 1975. This was at the point of gathering interest and momentum in the New International Economic Order, after the Algiers Summit. You yourself were at the United Nations at this time. Did the Commonwealth feature on your radar, and in your range of activities at this particular point?

PM: The answer to that question, I suppose, is not really in any formal sense. To be absolutely accurate, the first Special Sessions of the General Assembly which led to the proclamation of the New International Economic Order was in the spring of 1974. At that time, I was the Economic Under Secretary in the Foreign Office. Therefore, I was concerned with the NIEO debates at the London end and also the question of how much one went in for advanced preparation among the developed countries. The second Special Sessions of the General Assembly also on this subject didn't occur until the late summer/early autumn of 1975 by which time Sonny was *in situ*. The individual delegations of the Commonwealth countries were very much prominent in the discussion in New York, particularly Britain, Canada, Australia, India, Jamaica and other Caribbean countries. New Zealand, although they only had a small delegation, provided an extremely useful guide to what was going on in the UN. It was a really publicly spirited effort. But there was no really prominent New Zealander on economic matters. It was not a case that Australia and New Zealand took a different stance because their political economies were more closely affiliated with the Pacific region. At one time New Zealand was part of what was regarded as the Group of 77 because it was small. Eventually, Australia and New Zealand became part of what is known in UNCTAD language as Group B, the 'WEOG' countries - the Western European and Other Group. The ACP countries, Asia, Pacific and Caribbean were regarded as developing countries, while Australia and New Zealand were seen as developed countries.

Now, although we knew one another very well and we'd have the discussions outside the forum; in the formal meetings themselves, of course, it was a question of the Group of 77 versus Group A - with Group D, the Soviet-bloc, being absolutely irrelevant to the issue, but doing their best to be successful

jackals or hyenas getting something out of it. The Soviet-led bloc just joined in denouncing imperialism. Now, once I became the minister in the UK delegation to the UN, in charge of all of this side of the house, in the autumn of 1975, for the next four years I had a marvellous opportunity of talking to my fellow Commonwealth delegates. Without going into the question of a formal Commonwealth movement or a meeting, we never acted as a *bloc* because we were in negotiating terms on different sides. That didn't mean one couldn't talk very much as friends and as people who had a common approach to a lot of the problems. What I did personally was switch the debate from the New International Economic Order which was setting government against government, to an International Development Strategy [See Sir Peter Marshall. 'The North South Dialogue. Britain at Odds', in Eric Jensen & Thomas Fisher (ed) *The United Kingdom – The United Nations* (Macmillan, 1990)]. I did this to prevent others setting the agenda; the right way to deal with international organisations is to set the agenda yourself. The OECD was a factor; I used the EEC. But the idea was to get Group B mobilised around thinking in terms of a strategy, rather than the NIEO. Eventually this is what happened, and the NIEO disappeared from the scene. Once the Cold War was over, there were agreed statements at the summits in 1995 – the 50th anniversary of the UNO, the Millennium Declaration and then the 2005 60th anniversary.

With the IDS (International Development Strategy), there was no thought of a fundamental restructuring of the international economic or financial system. It was more getting people to agree what could be done to better the lot of the ordinary individual. Structural adjustment and conditionalities were the function of the World Bank and the International Monetary Fund. That didn't come into it, really. It was extraordinary how far the Bank and the Fund contrived to keep their discussions to themselves, and not to get involved in New York (discussions and debates) more than they had to; and not to let the politicians in New York come down and interfere in Washington. One of the great advantages of my being in the Secretariat was I could get into both; I had observer status with the Joint Development Committee in Washington, and of course the Secretariat had observer status at the General Assembly in New York. I was not hampered by the wall that treasury officials and ministers of finance liked to build up between what they did in Washington and what had been done in New York.

SO: Was the 1981 Berg Report then running ideologically counter to the debates on NIEO in New York?

PM: Yes, it did. It originated with the World Bank. It was a Bank initiative. I think it is quite true. The IDS really did straddle what was going on in Washington and what was going on in New York. The man who helped this was Sonny, because he was a member of the Brandt Commission. At the Commonwealth Secretariat, we therefore had a chance (to influence debate). The Brandt Commission ended up as a world summit, the World Economic Summit in Cancun. Once you get heads of government involved, you are going to straddle everything. In New York it is predominantly Ministers of Foreign Affairs - except in the cases where heads of government came to address the General Assembly and then skid-addled - whereas the treasury and development ministries focussed on Washington. One of the great achievements of the Brandt Commission was that it straddled the two. It

comprised experts on economic affairs, and foreign affairs; and Sonny was very much a member of both groups.

SO: Your comments suggest that there was enormous intellectual interest in and energy directed towards the NIEO; but then there was a critical point at the end of the '70s and the beginning of the '80s, typified by the Cancun World Economic Summit, which saw the publication of the Berg report, and initiation of the structural adjustment era. Developing countries had become increasingly indebted in the 1970s, and confronted by rising energy costs, inflation and stagnating growth rates. The prescription from the IMF and the World Bank were STAB/SAPs - stabilisation loans and structural adjustment, with the conditionalities of tariff reduction, deregulation, flexible exchange rates, liberalization of economies, and contraction of the public sector employment. Was this part of the great discussion?

PM: Absolutely. This is where the word 'governments' comes in. Sonny and the former Swedish prime minister, Ingmar Carlsson, were on the 1987 independent commission. We started to use the term 'governance', rather than 'government'. The Brundtland Commission (report) was entitled 'Our Common Future'; and then the Carlson-Ramphal Commission was 'Our Global Neighbourhood'. The origin of it all was the Pearson Commission's 'Finance For Development' in 1968. The definition of 'governance' in the Carlsson-Ramphal Commission is:

'The design of governance is the sum of the many ways in which individuals and institutions, public and private, manage their common affairs in good formal institutions and regimes empowered to enforce compliance that people have agreed, obviously, to have been in their interest.' This is the beginning of networking.

The question is how do you slide from inter-governmental economic negotiations to the sort of global *engrenage* which is set out in the 2005 World Summit Conclusions.

SO: How did the Commonwealth fit into this shift towards globalisation?

PM: Well, the answer is of course, well, with Sonny's participation out of these commissions, but also if you look at the reports of Charles Gunawardena, and indeed the communiqués that we wrote, we had this wonderful Commonwealth government and the Commonwealth group on climate change and sea level rise which we agreed that in '87 meeting in Vancouver, with that strange man from the Maldives – President Gayoom. Anyway, I think it's probably in here. I think that maybe the man who understands most of this is Richard Jolly. Do you know him?

SO: I know of him.

PM: Tell him, you want to come and see him; again, take my name in vain, but he wrote or organised a marvellous book on the history of UN ideas. You see, a lot of all this thinking came out of the UN. People of that sort, such as Barbara Ward, and Sir Robert Jackson (a.k.a 'Jacko').

SO: Was the Commonwealth - I can't say 'a nursery school' because that implies something derogatory – an intellectual forcing shop, or think tank for these ideas which then gained credibility and traction in a wider UN context? I'm just trying to situate the Commonwealth and individual people in the realm of economic and developmental ideas.

PM: No, I don't think so. People probably wouldn't associate it with the Commonwealth as an entity. They knew that so many things emerge from the Commonwealth.

SO: From the Secretariat, but also from individual Commonwealth countries?

PM: That's right. You see, this is where the networking comes in. The Commonwealth never operates or only very rarely operated as a *bloc* in the UN.

SO: It didn't operate as a bloc in GATT either.

PM: No, that's right. On the other hand, because we'd like to do these things around the edges, what goes on in the formal proceedings in any organisation matters less than what is going on in the outside.

SO: Peripheral diplomacy, yes.

PM: Once you're in somewhere and you can do something about it. That's why the French are right to say '*Les absents ont toujours tort.*' I don't know what Cameron will have done at the Sri Lanka CHOGM, or how much of a dent he's made on Rajapaksa.

SO: Sonny Ramphal's comment at the 'Ghosts of CHOGMs Past' meeting at the Institute of Commonwealth Studies last week, was 'An empty chair doesn't say anything.'

PM: That's right. That's quite right.

SO Sir Peter, you were the first British diplomat to occupy a serious niche in the Secretariat. (I understand that a top British civil servant was briefly a DSG, but quit after a few months.) Please could I ask you about the Commonwealth and HIPC: the issue of Heavily Indebted Poor Countries, and debt relief. You've commented elsewhere that Nigel Lawson as the British Chancellor had floated the idea of debt relief on heavily indebted poor countries in the 1980s when he was Chancellor, at a Commonwealth Finance Ministers Meeting.

PM: That's right. The Secretariat invented some software for debt management. This is on a technical assistance level. We had this group on debt relief and under the eccentric chairmanship of Harold Lever, described as the best Chancellor of the Exchequer Labour never had. He had this great duplex in Eaton Square; it was full of Fabergé eggs and things. He was a wonderful man, but a nightmare to work with! We did a great deal of work on the whole debt question, including the management of debt to help small, vulnerable countries. It aroused a great deal of interest in the IMF.

SO: This group was the initiator?

PM: This was all done by the technical experts in the Commonwealth Secretariat.

SO: How did you attract the IMF's interest?

PM: Well, we took it to them. Obviously, not only 'we' but the beneficiaries, as it were; but certainly it aroused a great deal of interest. Frankly, I cannot remember exactly the mechanics, but, as they say in diplomacy, 'we did not fail to bring this to the attention of the IMF.'

SO: Sir Peter, by the mid-1980s, economic problems and issues for developing countries were still very much part of the international debate; this was also when the Soviet model started to falter, with sluggish growth in the USSR and growing problems in Eastern European economies.

PM: While the New International Economic Order was holding the fort, the whole question of oil - and most of the difficulties were arising from the cost of oil - it was obvious that you were not going to solve the real problems by inter-governmental economic negotiation. The real problem was raising the living standards of people worldwide, and there was already in existence, something called the International Development Strategy. You'll find it all in here, the IDS. I took the lead on this. I persuaded the EEC that we should submit a paper saying that the most important thing to do was to concentrate on the International Development Strategy as a whole, as distinct from inter-governmental economic negotiations, because it was already clear that social questions were being neglected and at the end of the day they were more important than economic negotiation.

Now, I can't remember exactly how this worked but this was towards 1979. In UN terms, here was a concentration on the IDS, the International Development Strategy, as distinct from the NIEO. At the same time, under the auspices of the World Bank, the Brandt Commission on North-South had started, with the same very wide coverage. One of the great recommendations it made was that there should be the first ever world summit on all these problems (The World Economic Summit) which in fact took place in Cancun in October 1981 with Reagan there and Mrs. T, amongst others. Now, at that meeting which represented in effect the last occasion on which the Group of 77 had a series of economic demands on the developed countries. They put forward, again, I cannot remember exactly what happened but I think they eventually got down to the four main points. Reagan and Mrs. T and others were prepared to wear two of them, but not the other two.

Now, the Group of 77 was stupid enough to say, "No, it's got to be all four". Whereas if they'd taken the two, they would have registered a very considerable success. But they were so used to saying, 'We want it all, and we want it our way', without really understanding the significance of what they were doing. There was no particular Commonwealth developing country within the Group of 77 taking a lead on this. I don't remember who the principal operating countries were on behalf of the G-77 at Cancun: mainly

Mexico. The trouble was relations between the United States and Latin America were always much more confrontational than relations between Britain and the developing countries of the Commonwealth. I suppose it's not least because of the division of language.

After that, the heat went out of the NIEO as such and there came much more concentration on the whole problem of development and development cooperation. There were then these series of mega-UN conferences on all sorts of social issues, water, population, the role of women, and of course the environment. That went on to the '80s and '90s. You then get into '95 and 2000 and 2005, declarations from the UN which were only made possible at the end of the Cold War. Before this, the UN was so polarized by the Cold War, this was not possible. Now it was possible, covering these very wide agendas. You may remember at the Commonwealth Secretariat Witness Seminar, I circulated the Heads of Agreement on items agreed in the 2005 declaration.

That shows just how wide a degree of consensus there was on what the world's problems were, and that shows that the NIEO was dead and buried. What you're really talking about now is the world agreement on a large number of problems and what's got to be done about them.

SO: What were your own views about conditionalities and structural adjustment?

PM: The simple answer is the Bank is really a fund, and the Fund is really a bank. By that I mean, if you are giving money out for development, you have to have some rules and *quid pro quo* to justify giving money, especially at concessional rates. There is no such thing as money without strings. The trouble was the conditionality with the IMF was all too often devaluation.

SO: I also put this question to Indrajit Coomaraswamy, as a former Governor of the Central Bank of Sri Lanka, and then at the Commonwealth Secretariat. I asked him if there was a Commonwealth Secretariat in-house view of structural adjustment. His response was, 'We took the view, Sue, that yes, it was fine in principle but it should have been implemented with more of a human face.'

PM: I think that's right. There is exactly the same problem in the EU now, with the mendicant countries. It is very difficult: how to balance out the desire to help people, and 'moral hazard', and at the same time not let anyone get the idea that there is any money going for free.

I used to say to everybody who would listen, the United Nations is three communities. It is a political community in a sense that you are dealing with legitimate differences between one sovereign country and another. It is also a community of management as to what it does collectively through its various programmes. It's also a community of reflection because there's a great deal of common thinking going on, in which delegations and the Commonwealth Secretariat can take part unofficially or indeed outside the ambit of the UN. There were organisations like The Stanley Foundation and various others which encouraged the informal discussion of UN problems in private or informal circumstances. I have great respect for The Stanley Foundation and I

think it's still going strong. In other words, when you are talking about how the New International Economic Order, as adopted in General Assembly resolutions, is going to work out in practice? The answer is it works out in practice according to how the delegations cooperate with one another.

Now, at the same time Sonny's great contribution was that here was a Secretary-General who understood the nature of the North-South dialogue, and in his capacity as Secretary-General of the Commonwealth, could bring together people from both sides of the discussion and look at the problems dispassionately and more constructively. As you know, during his time, there was a very large number of expert groups on economic issues brought together in that book edited by Charles Gunawardena (*International Economic Issues: contributions by the Commonwealth 1975-1990* The Commonwealth Secretariat, 1990). No other international organisation has produced anything of that quality and indeed the Commonwealth Secretariat has not produced anything itself of this sort since then. What particularly attracted me to coming into the Commonwealth Secretariat rather indirectly was that when at the CHOGM meeting in Melbourne in 1981, the Commonwealth agreed to set up a working group on obstacles for the North-South dialogue. I immediately wrote to Sonny saying, "What a good idea this is, and if I can do anything to help, well, let me know," History will relate that he took that as a signal that he wouldn't at all mind having me in the Commonwealth Secretariat. But, in fact, I was nominated by the British government who saw the light. The British had never had a senior post to the Commonwealth Secretariat before my time. Some names had been put forward before, but in those days you had to be elected, and British nominees were not popular. Furthermore, the whole area of dealing with the Third World was unfashionable, so no one had specialised in this; therefore the number of people able and willing to do it, could be counted on the fingers of one hand. I, on the other hand, was an expert (See also See Sir Peter Marshall submission to The Think Tank Report on the Role of the Foreign Office, FCO White Paper, 1978).

SO: In that you were a remarkable diplomat as you were able to straddle the political worlds of New York, and the economic discussions in Washington, were you in any way involved in trying to moderate those who believed themselves to be 'armed with hammers'?

PM: We did it not directly, except I used to shuttle between the two and talk to delegations both in Washington and New York. But also we really did it through the whole series of reports at the Commonwealth Secretariat and that's where it began. Where Heads of the Commonwealth and ministries and ministers of finance meetings – what we said was applicable both at Washington and in New York. The whole idea was in focus. Because all the heads of government declarations were from heads of government, and therefore they were relevant in terms of New York. But also, as far as economics was concerned – and a lot of it was economic – especially in the Joint Development Committee, which was a committee of the IMF, and the World Bank combined on development; and the EEC and the Commonwealth Secretariat had observer status at these meetings. I didn't open my mouth as it was much better to listen to what they were saying: Nigel Lawson holding forth on the iniquities of the Common Agricultural Policy!

- SO: Were you ever involved in government-to-Bank negotiations, providing guidance for, say, the Kenyan government or the Zambian government when they had to go ‘cap in hand’ to the Fund or the Bank?**
- PM: No. What I did do was organise a seminar on how to borrow money from the IMF. And I got along someone from the IMF who was very helpful and his advice was, ‘Come to us early.’ In other words, don’t wait until you have to. Another dear man, Sir Geoffrey Littler from the British Treasury. When Britain borrowed a huge amount of money from the IMF in 1976. We gave potential IMF borrowers on that occasion advice. That is what the Commonwealth Secretariat could do. The UN or the EEC could not do this in a hundred years. It was the informality of (the Commonwealth’s way of working).
- SO: Vishnu Persaud added a comment in his prepared brief (for the Witness Seminar on the Commonwealth Secretariat) that the Economic Affairs Division (EAD) also prepared economic briefs for the Non Aligned Movement. Does that square with any of your recollections?**
- PM: No, but that wouldn’t surprise me. The common membership between the Non Aligned Movement and the developing country members of Commonwealth, especially India, was very close. So that wouldn’t surprise me in the least. ‘How very sensible of them!’ is all I can say. It was very good advice. Vishnu is a very sensible man. And when we had Vince Cable there too, it was an intellectual power house. People sat up and took notice of what the Commonwealth was saying in a way that they had never done before and have never done since. We were a very powerful team.
- SO: That ‘hard currency’ that you and I had discussed before.**
- PM: I had started working in the Commonwealth Secretariat in the summer of ’83. At the Delhi CHOGM in 1983, in my job as a Deputy Secretary, we produced the draft of a declaration for adoption by the Commonwealth on how to increase cooperation between North and South. It’s called the New Delhi Statement on Economic Action (1983). It was issued as a separate text during the Delhi meeting.
- SO: Looking at documents which have just been released on the [Margaret Thatcher Foundation](#) website, which are briefing papers and notes that the prime minister made in the run-up to the New Delhi meeting: Sonny was obviously communicating with her, as he did with all heads of state, saying what the agenda was going to be and to discuss the presentation of the issues. In her letter of reply, Mrs. Thatcher says quite explicitly, ‘There’s been a great deal of discussion about international economic issues in the first half of 1983. The reality of interdependence is now generally accepted. An enduring recovery of the world economy will do more than anything to alleviate the problems currently facing developing countries. We are at present started the report entitled, “Towards a new Bretton Woods,” which you sent me on the 12th September and about which we spoke when you came to see me.’ She was also in touch with Robert Muldoon of New Zealand, and they were sharing their views of the importance of economic diplomacy and economic issues in international discourse. Both premiers were determined that this should be firmly on the CHOGM agenda.**

PM: Gerry Helleiner was the Canadian economist and I think he was the chairman. Look at the edited book by Charles Gunawardena, which brings together a group of about 12 expert reports which were produced during Sonny's SG-ship. It is by far the best guide to the economic thinking of that time, the last quarter of the 20th century, that I have ever seen.

Mrs. T, when looking through the communiqué of the meeting of CHOGM, said on one occasion, "Haven't you noticed how much better drafted the economic sections are than the political sections?" When I left, she said, "I want you to know how much I admire the work you did in the Commonwealth Secretariat, and that many of the heads of government have paid tribute to what you were doing." It's the genuine stuff.

SO: Did you liaise at all with her office?

PM: Oh yes. I was in and out of No. 10, seeing Charles Powell. Mrs Thatcher knew me because she'd come to stay with me in Geneva in '82. She used to say to me, "How is all that boring work of yours?" You can just imagine at that time.

SO: Looking at the material on The Thatcher Foundation website, there are draft speaking notes for the prime minister during the discussion on the economic item of the agenda. These are extremely detailed.

PM: Yes.

SO: I just wondered if there was any collaboration between you and Charles Powell?

PM: The answer is 'of course.' I knew far more about these issues of course than the economic side of the Foreign Office did. The other thing that's very important is that Robert Armstrong, the Secretary of the Cabinet was present at that New Delhi meeting, as was Anthony Acland, the Permanent Under-Secretary in the Foreign Office. With Anthony and Robert there, if there had been any real problem, we could have sorted it out. In fact, Sonny said, "Look, I've got a problem." (This is 1983). "I come up for renewal in '85 after 10 years. Do you think Mrs. T wants me for a third term?" "I don't know but I'll find out." She said immediately, "Of course, he must have a third term".

On her relations with Ramphal, she didn't want to be lectured to. But she knew that what we were doing at the Secretariat on the economic side was valuable; there was no doubt about that. She was also a committed Commonwealth leader, because she did go to six CHOGMs in all. So she was a real expert on them. She's always very well prepared; always there at meetings promptly, when the others were late.

SO: She took extensive notes, which survive in her private papers.

PM: She was magnificently industrious, wasn't she?

SO: Yes, she was. Extremely hardworking.

PM: Absolutely.

SO: Very focused and committed, and ‘enjoyed a good argument’, I think is the phrase.

PM: Oh, yes! I think she felt she was denied if there was no punch-up – that the meeting was somehow a failure!

SO: Going back to your initial arrival at the Secretariat: as you’ve said, there was a Secretary-General who, by his own industry and initiative, gave a particular charisma and also profile to economic issues in a way that had not happened before.

PM: And hasn’t happened since.

SO: Was this a dramatic departure from the era of Arnold Smith?

PM: That’s right. Arnold was more (of a diplomat and international civil servant), almost like a Kamallesh Sharma. Of course, Arnold Smith’s problem was setting the Secretariat up, and having these bloody minded British officials to deal with. There were some of them who were extremely disobliging.

SO: Sir Peter, having devoted energy, commitment to intellectual discussion and to achieving a coherent drafting of declarations, how did you then start to put this into effect at New Delhi? Because there can be an attachment to process in the Commonwealth.

PM: We gave it straight to the Indians as host. We said, “Here you are. This is what we suggest that you issue as a declaration.” After that, the delegations negotiated among themselves. I would take the chair. I think some of the Australians thought they’d rather deal direct with Indians. It would be quite clear what it was that we’re giving away, or not giving away, as the case may be... As it said in the text, ‘look, we know we don’t agree on everything, but the question is, “What can we do where there’s a maximum benefit to people?” What we’re after is doing the people of the Commonwealth a bit of good.

SO: So it wasn’t simply in ensuring that you used your detailed experience in economic matters, and the relationship with British government and key British officials. How did you also use your connections at the United Nations?

PM: The IMF/World Bank joint annual meetings would take place in Washington 2/3. Every third year it was somewhere outside Washington, rotating by continent. In 1985 it was in Seoul, South Korea. In 1988, it was in Berlin. I attended the joint annual World Bank and International Monetary Fund meetings. I also used to attend the interim committee and the development committee in Washington. The other thing was, in Washington, for the Bank and the Fund - it was treasuries and development people and they wanted to keep foreign ministries out of it. In New York it was foreign offices who kept the development people and the treasury out of it. I could span the two. It was magnificent. I used to go there at the beginning of the General Assembly; there’s this cloister at the side where the observers were. We were a select

group: Switzerland, the Holy See, the PLO and the Commonwealth Secretariat!

In 1983 I attended the Finance Ministers Meeting, immediately before the Bank Fund meeting in Washington. I then went on to New York and the first person that I called on in New York was the Indian ambassador to the UN, who was an old friend. I said, "Here is the communiqué from the Commonwealth Finance Ministers' Meeting, because I don't imagine you've got it from your people in Washington because he said, "Of course, we bloody well haven't! I don't know." I could explain to them just what had happened in the Commonwealth Finance Ministers' Meeting. By the time I got to Delhi, in other words, I had been in contact with a large number of Indian officials around the world. Of course, I knew them anyway. They were all friends or colleagues from New York and Geneva.

SO: Did you provide other declarations or drafting material for, say, the development community of the World Bank?

PM: No, no, we didn't draft anything for the World Bank and the Fund. But on the other hand, the Development Committee would circulate a document from the Commonwealth Finance Committee communiqués.

Even Bank/Fund secretariat people didn't do that. They were much more the servants of the thing. The Commonwealth Secretariat, with the Secretary-General who had good offices and power, had a much more plenipotentiary role. This is nearer the role of the Secretary-General of the UN than the secretariats in Washington; but maybe that's because of treasury and financial ethos. I wouldn't have seen any possibility, as it were, of getting an oar in there. On the other hand, of course, they all recognise the expert quality of the reports coming out of the Secretariat. Now one of the things I organised was the seminar on how to borrow money from the IMF; and I got to take part of the people from the British Treasury. They were very good friends of mine who had themselves borrow enormous sums of money from the IMF.

SO: In 1976.

PM: That's right. I also got - which is a great advance - somebody from the IMF Secretariat. His advice was, if you want to borrow money from the IMF, come early before you're in real trouble. Because there tends to be a sort of almost an automatic recommendation of anybody with the difficulties was, of course, devalue. There was a superb man called Carl Greenidge who was the Guyana Minister of Finance and he was fished out of being a professor in a university somewhere in the United States to go back to manage Guyana's non-existent finances. He said, "When you have a hammer in your hand, everything looks like a nail". That is the IMF prescription before when anybody in difficulties. I said to him, "If you do not put that in your next speech, I'm going to put it in for you," so he duly obliged. Splendid man, he was!

SO: Sir Peter, what you're describing here then is an extraordinary network of individual diplomats, treasury officials, academics, very much the world of the cognoscenti, contacting each other in the clearing houses

of London, New York and Washington. Was this the main network of international economic diplomacy at this point?

PM: Absolutely. I would say that it's Washington, New York, London, Paris because of the OECD, Brussels and Geneva; there were six. The contact between them all is enormous. These issues chased themselves round the fora. As far as the EC was concerned, the only place outside Brussels where the Council, as distinct from the Commission, had offices was Geneva; and that's the only place where they could hold ministerial meetings with the proper support of the EC, as it was then.

SO: Does this mean that the very fact that the Secretariat was located London meant that it was part of this network, this world?

PM: No. The reason is because I was part of the network and Sonny was. My predecessor and my successor? No way were they anything like as connected with all of this. I gave the Secretariat the openings to make these contracts which they wouldn't have had otherwise. The Secretary-General is too busy with political issues to do it. I created a British niche in the Secretariat. I had three British successors but they simply hadn't got the contacts or the *chutzpah* of getting to do the job, until that tapered away to the point when Veronica did it. SG Don McKinnon said, "I'm going to abolish your job." Steven Cutts was there because he had come from OECD but I think he's gone off to the UN now. He got none of the network of contacts inside Whitehall and around everywhere else.

SO: Did Cold War ideologies intrude at all on this economic discourse & discussions - since the Cold War has been described as a 'battle of systems and ideas'?

PM: No, because the answer is we were really dealing with the principal economic variables of which nothing in the Soviet *bloc* mattered, except towards the end of the USSR, energy and the Soviet oil/gas pipeline. That did start to get complicated. But otherwise, on the whole, they were just irrelevant to debates and discussions, either among the developed countries or between the developing and developed countries.

SO: Sir Peter, did you bring a particularly UN or a particularly Geneva way of structuring decision making?

PM: The other thing is that in New York, there is the so-called Permanent Members Convention. This is the convention whereby the Permanent Members of the Security Council do not seek office than in any other of the UN bodies, which means, of course, they can't run them. Now, the Permanent Members Convention does not apply in Geneva, as a result of which, I was able to take a hand in the organisation that went on in Geneva which no British ambassador could do in New York. I was chairman of the UNCTAD, Trade and Development Board. I was chairman of the UN High Commission for Refugees. We coordinated France; either Britain and France or Britain and the United States coordinated a number of Western positions. I also invented a dreadful group with a dreadful acronym (which I invented!) of 'HULWOG' - the Humanitarian Liaison Working Group - for which I got together all the people who give the aid in Geneva. So that we could liaise with one another

and not be picked off individually by predatory heads of agencies. There were five specialised agencies from Geneva, the ILO; the ITU; the World Meteorological Organisation; the World Health Organisation; the WIPO, the World Intellectual Property Organisation; and then things like GATT, all the humanitarian stuff, human rights. It was the humanitarian capital. In fact, now, these things are so political. Geneva is more important politically, in many respects than New York. I've lost count of the number of ambassadors I knew either in Geneva or New York who subsequently became foreign minister. Also, quite a number who had been foreign ministers or other ministers parked out and in other words 'get rid of them'. The FCO were in fact totally incapable of understanding this.

SO: Because their primary focus was on political diplomacy?

PM: So oriented. I think the people didn't understand and that went on anywhere else in the UN other than New York.

SO: Now, so an excessive focus then on political diplomacy and in particular, venues for that then within a certain section of the Foreign Office, failing to appreciate the complexity of different aspects of diplomacy at this time then?

PM: No, I don't think they do; because you see, they equally made a certain mess on the economic side. The DFID became a separate department. They'll never get it back in. The Foreign Office was asked by some parliamentary committee to produce a paper on the Brandt Committee. The paper they produced was so turgid that it got denounced by absolutely everybody. The Sunday Times, I think, or somebody who was not known for being a bleeding heart, said this is one of the shoddiest documents ever produced by the British government. Peter Carrington went personally to Robert Runcie to apologise for having gotten so wrong. Well, the answer is, because the people on the economic side of the Foreign Office were useless. (One side on a bit of blue-crested paper would have given Sir Peter Carrington all he needed to know about it, but he didn't get this.) If that's what happened then, of course, how could anybody take the developing countries seriously.

I was in Geneva, again, and I had written to warn them that the British reputation on all of this was sinking rather low and that they really want to watch it. I wrote to another person at high level and the Foreign Office replied – shoot the messenger - they said, "Your message has gone down really badly. Geneva has no residence for ministers and, you know, we don't think this, that and the other," and Geneva doesn't bother. And then, of course, 10 days later, all this about the Brandt Commission blew up in their faces. But you don't go around saying 'I told you so' to your colleagues if you want to get on with them! I think half got the message but not enough.

SO: Sir Peter, during your time in '70s and the '80s, why was there such a purblind attitude towards the importance of economic diplomacy? Was it the complexity of the issues?

PM: Because of an obsession with Europe is the answer. Remember, de Gaulle vetoed us twice in the 60s, and when he disappeared at the beginning of 1969, a Labour government was still in power, but they said, 'We're going to

have another go'. It was when Heath came in in the summer of 1970, this was the absolute priority and focus. Nothing else in the FCO mattered. At the same time, what had been the separate Commonwealth Relations Office and the Foreign Office were merged in '68, with all sorts of promises as to how the Commonwealth would be preserved and all that. Of course, it completely failed in practice. For the Foreign Office, when the Commonwealth went right below the radar...

SO: When it lost a place in Cabinet?

PM: ... everything was Europe, Europe, Europe. If you wanted career advancement, Europe was the way. Anything like economics and the Third World, that was sort of 'also ran'.

SO: It fell off the agenda as far as British civil servants and also British politicians were concerned? So it was a question of calibre, focus, attention. Was there also a question of the complexity of economic diplomacy, and that it follows a different sine wave? It isn't necessarily tied into crisis and controversy. It has a longer lead time, a greater degree of complexity, a different calendar of meetings?

PM: Yes, you're right. In my day, that is absolutely the case. They simply didn't get it. You see, what happened was they thought, "Well, once they put that fellow Marshall in the Secretariat, it'll be alright, and then we can carry on." In other words, they had an inter-department examination of Permanent Secretaries of what else they could do about the Commonwealth and didn't come up with anything, nothing. 'Except they'd got that fellow Marshall in the Secretariat, and he can get on with it.' (I was fairly well known in Whitehall anyway at this time.) This was what was going on. I think today, if you talk to somebody like Simon Fraser, the Permanent Under-Secretary at the moment, by this time, they'd grasped it. I will tell you where I think the sign is they'd got it. In December 2003, Jack Straw was Foreign Secretary with Michael Jay as his PUS. Simon Fraser as a sort of the 'thinking king' issued a White Paper called Britain's International Strategic Priorities or something like that. That I would say has got a wonderful grasp of Britain's problems. The only trouble was that although the Foreign Office had got the message, Blair hadn't and they still went bald-headed for Europe. They produced a successor also in Jack Straw's time. Which is *CM 6762 called Active Diplomacy for a Changing World*. Now, there you got a real understanding of Britain's position across the board.

As they say, it didn't really make a dent on the entourage of Blair and Brown where sofa diplomacy was the order of the day. They became sort of management freaks. Ivor Roberts in writing his valedictory dispatch from Rome denounced all of this. I think the word 'bullshit' came in. I can't remember exactly. Anyway, as a result of which the practice of writing valedictory dispatches was banned. I think you want to get it back in.

SO: I think so too.

PM: It would have been very funny.

SO: Sir Peter, just going back to your time at the Secretariat between '83 and '88: you've said that this was an era of a very charismatic Secretary-General who was particularly interested in, and had the intellectual grasp for big international economic issues affecting the developing world. He was assisted by key Commonwealth heads who themselves were particularly committed: Michael Manley of Jamaica, Indira Gandhi, but also the Canadians, the Australians and Britain there at the Delhi CHOGM.

PM: Also, of course, the Tanzanian and Zambian prime ministers were...

SO: Julius Nyerere and Kenneth Kaunda?

PM: Nyerere was no administrator but he was a marvellous fellow and I rather took to Kenneth Kaunda too. The point was that they understood what the Commonwealth was about. Indira Gandhi was the hostess and that wonderful woman, Eugenia Charles, from Dominica, and Pierre Trudeau, sitting around on that table: there were some really good eggs. Sonny Ramphal said to me before, "You know, I think it's going to be a rather boring meeting". Then the Americans solved the problem by invading Grenada! Mrs T., in this wonderful story, rang up Reagan and blasted him. He had his advisors in the room and he held the phone out so that everyone else could hear and he said, "Isn't she wonderful". Of course, it was Gorbachev: "a man with whom we can do business." You think how much good she did.

SO: Without a doubt, particularly, although Commonwealth devotees don't like to hear it, when she was talking to the South Africans. She found apartheid morally repugnant, but the Afrikaner leadership felt that she was a friend of South Africa, even though she didn't support the National Party. She was consistent in saying, "You have to modify your constitution. You have to make steps and modify your abhorrent political system". Former Foreign Minister Pik Botha was emphatic about her importance, as were other South Africans that I've interviewed.

PM: Yes, it's quite right. Mandela, when he came to London, realised (this). Whatever had been said in the Commonwealth and the disagreements in the Commonwealth, the first place he wanted to give a whole press conference was the Royal Commonwealth Society. The magnanimity of people like this is so wonderful.

SO: It's remarkable.

PM: Isn't it? You see, the Nehrus were the same. There was a lovely story about Nehru. His father Motilal was desperately anti-British but nonetheless he used to smoke State Express 777 cigarettes. Somebody said to him one day, "Now look here, Motilal, if you're as anti-British and all that, why do you smoke State Express 777 cigarettes?" To which he replied, "Every time I come across something British, I burn it". Isn't that lovely? You could do business with people like this.

SO: You can indeed. Sir Peter, what are your recollections of the Nassau Commonwealth Heads of Government meeting?

PM: Oh, the first thing was I persuaded my name sake, (British Airways Chairman) Colin Marshal to fly the heads of government there in Concorde. He put one special flight on. Of course, Pindling was in terrible trouble at home, because of allegations of his connections with international criminal and drug networks, but another example of what we did in Nassau was this was the 40th anniversary of the UN. There had been a committee in New York, the General Assembly, to prepare a declaration on the occasion of the 40th anniversary, and they had met for a whole year and couldn't agree. I said to Sonny, "Look, why don't we come to Nassau with a draft declaration of support for the UN, which the Commonwealth can agree on and which would reflect the opinions of the vast majority of the membership with the UN. We produced a draft which Sonny presented to the heads of government. They said, "This is marvellous. We'd like a little more economics in it. Let the foreign ministers have a look at it." They put some more economics in it and then it was then issued straight away. That's an example of operating in a way in which nobody but the Commonwealth could have done that. They wouldn't have had the speed or the quickness of movement to do it you see.

SO: Was it also because the Commonwealth wasn't affected by the Cold War dimension?

PM: Yes, exactly. It wasn't affected immediately by Arab\Israel friction. One could finesse in the Commonwealth in a way in which wasn't possible in the UN. You had to do these things by consensus because if there wasn't like consensus there's no point in it, but, it was an example. Sonny used to say, "We can't negotiate on behalf of the UN but we can help the UN to negotiate."

SO: In the run-up to Nassau, had you already put together a draft for Commonwealth sanctions against South Africa? Because by 1985, this was when the pressure was starting to build up.

PM: I used to deal on the economic side, and so that was on the political side.

SO: I just wondered if EAD had any input in terms of drafting on sanctions. I know, Vishnu made reference to S. K. Rao drawing up guidelines on economic sanctions in his written summary for the project.

PM: The other thing was that, of course, the South Africans obviously, felt they'd get to me: I was the soft underbelly at the Secretariat. That was really fairly clear that I was to have nothing, whatever, to do with South Africa. In fact, with the whole thing.

SO: Why were you considered 'the soft underbelly' of the Secretariat?

PM: Well, because of being the only Brit anywhere near the top of the Secretariat. Now, the South African ambassador, one or two people tried to get a hold on me. Especially, of course, during the 1986 London mini-summit.

SO: How did this happen? I want to ask you very much about London, but how did the South African ambassador tried to get hold of you?

- PM: He really was a very good South African diplomat. He studied at Ibadan University in Nigeria, and he was an all-African long-distance runner champion. My deputy in Geneva knew him from some other diplomatic appointment. We had dinner together at Christopher Long's house.
- SO: He was trying to lobby you quietly?**
- PM: The answer was they thought if I was involved in the thing, I'd be easier to get at. Equally, Sonny was very clear that he didn't want me involved and I much preferred not to be involved because I could keep the rest of the show on the road while everyone else was doing South Africa.
- SO: What was your take on the Nassau meeting in terms of the dynamic between the heads on the South African issue?**
- PM: I think they basically agreed to disagree. I can't remember, was this the one where Mrs. T did that? (gesture of small measurement). Well, that was a little bit naughty of her because I think they thought they had agreed on what the line was, you see, and she had agreed on that line and at the same time did this. I think she did the same thing in 1989, Kuala Lumpur. There was the rather brutish fellow, Bernard Ingham, her press secretary. A rough diamond. Charles Powell was the one I talked to. I never talk to Bernard Ingham very much. I don't remember having done so.
- SO: After the Nassau meeting, the Eminent Persons Group was sent out to South Africa. Mrs. Thatcher was, in fact, very largely instrumental in making sure that they were accepted in the first place, through her bombardment of letters to President PW Botha.**
- PM: She wanted Geoffrey Howe to be the British member of the group and Sonny said, "Look, you can't have the Foreign Secretary or the others," I had to go to a meeting in the FCO. I sorted this out and I said, "Okay, I'll get Sonny back from Toronto or wherever he was, so that they can discuss and agree on it." Eventually, the man who they put in the group was Tony Barber. They simply don't know how to keep their feet dry. Denis Greenhill who was the Permanent Under-Secretary told me that Tony Barber felt put on a bit, but the answer is it's good UN tactics. I met another man, a British diplomat and a saintly fellow, who was head of British Red Cross having had all sorts of diplomatic posts. He came to a meeting the international committee of the Red Cross movement as a whole. As chairman of the British Red Cross we came and had lunch with him. He explained all the skulduggery going on. Then he related it all to me, and then suddenly the penny dropped and he said, "I suppose all of this is familiar to you as daylight, isn't it?" I said, yes. He then realised that he should have been thinking in rather a different dimension. He's a splendid fellow.
- SO: Sir Peter, the EPG mission was aborted because the South African Air Forces bombed the three Commonwealth capitals of Lusaka, Harare and Gaborone at dawn on 19th May. After the EPG report had been written and published, then of course was the 1986 London review meeting.**
- PM: Yes.

SO: You were intimately involved in the arrangements for that London mini-CHOGM?

PM: That's right. It was a three-a-side, so the Commonwealth team was Sonny and Emeka and me. In 1986, the Commonwealth Games were also the subject of a wholesale boycott of the Africans. This is the only time in my life when media have really taken any interest in me. One morning, I had to go on some breakfast TV programme and I cannot remember what it was. Anyway, I went along there to explain what was going on. As I came out, into the green room, there was Robert Maxwell with one huge foot in plaster sitting up on a table, so I said, "I'm Sir Peter Marshall". He said, "Yes, I know who you are and I'm going to go in there and say that Sonny isn't doing anything to stop these Games from being boycotted." He allegedly was putting up some money to support the Commonwealth Games in Edinburgh. If it was, it was out of his employees' pension fund!

Anyway, so I said, "Just a minute," I said, "To ask what Sonny is doing? That's a perfectly reasonable thing to do, and as it happens he's making a speech later on this morning and when I go from here" - this is the day before mobile telephones - "If you give me a telephone number, I'll talk to him and I'll ring you and tell you what he's going to say. In the meantime, surely, the right thing to do is to say, not that Sonny is doing nothing, but what is Sonny going to do," and to his credit that's what he did. When I rang Maxwell up and I gave him all the spiel. He said, "You noted, didn't you, that I followed your advice?" I said, "Yes, I'm very grateful." He said, "I am much obliged to you." Those were the last words I've ever heard him say. Anyway, the atmosphere was really febrile and I remember some Scottish Sunday newspaper ringing me up and saying, "Would you mind telling me what the hell is going on down there?" I said, "You've heard the phrase little Englander, haven't you? You've never heard of the phrase, 'Little Scotlander.'" He had agreed with how he hadn't. I said, "The thing is that a lot of people in this country just don't want to know about the Commonwealth, and a lot of other people are coming here determined to get Britain to see the South African problems the same way they do and they won't."

For the London mini-summit, Mrs. T occupied my office and installed a hotline and stocked it with her favourite brand of whisky and I forget now what it was. Anyway, it only lasted a day I think. Perhaps it was two days, anyway. Then, I said to her, "Would you like to leave the hotline in my office?" She said, "Certainly not, I might use it," she said. *[laughter]* I don't know why. For the meeting itself, we got the Queen down from Balmoral to give the delegates a dinner early before the meeting started, to help cool the atmosphere down rather than during it. One of the things I did, was I went out to meet Mugabe when he arrived at Gatwick with a letter from Sonny saying, "Keep your trap shut in advance of the meeting. The less anybody says about this meeting in advance the better."

That was the way we played it, and that is another absolutely fascinating point. Before the Games, Sonny rang me up on Saturday morning saying, "Look, Brian Mulroney has rang me saying he's wondering if, with the support of Rajiv Gandhi and Bob Hawke, he approached Mrs. T in saying, 'Can we all agree that we leave the whole thing in abeyance so that everybody can come to the Commonwealth Games and it won't be boycotted?'" He said, "I'd be

quite willing to do that if I know in advance that I won't have my head bitten off." Sonny said, "Well, what do you do about this?" I rang the duty clerk at Number 10. He wasn't a Foreign Office man but he was very sensible. We had as a form of words, and I said, "This is what they're wondering about." Now, do you think there's any point in trying this on Mrs. T?" He said, "Well, I'd ask her." She was sitting in the garden at Chequers. She said...and I think that you know. She has the same form of words but if you have a lot of...there's plenty of room to play around with. He said, 'Well, her view is this; that the line they're going to take at the meeting has been agreed in Cabinet and you just want to unscramble the whole thing. She would better let it go as it is."

I said to him, "Well, speaking personally, I think that's exactly the right thing to do. I think it's too late to try. We were discussing all of it. This had taken a period of several hours. Of course, it was Mulroney's (idea) this time and Rajiv and Bob Hawke couldn't have come into it because it was in the middle of the night where they were. Anyway, just as we thought the whole thing was put to bed, there broke this extraordinary story about the Queen and Mrs. T being absolutely at odds. Do you remember - Michael Shea?

SO: I do remember indeed.

PM: I said to Sonny, "Look, I think, what we've been talking about is going to be slightly overtaken by this." [*chuckles*] There was, of course, the most colossal hoo-ha. Eventually, poor Michael Shea, was the fall guy; I didn't know what he did but he clearly did step over the mark. He should have been experienced enough not to have done that, but anyway. It was the most extraordinary time - that I was sitting peacefully in the house in London and Sonny at home too, and this report [*laughter*]. Being shown to be completely overcome and overshadowed, media wise by this story that broke in *The Sunday Times*.

At the London meeting itself, at one stage it was down to two, so that I dropped out and the UK team was Mrs. T, Geoffrey Howe and Robert Armstrong. Robert and I dropped out. We had plenty of time talking about all this, because by this time, the disagreement between Mrs. T and Geoffrey Howe was open. She hadn't got around, at the stage, to firing him, but, she had thought about giving him the dressing down in public. He was such a mild man. The other thing we did was we arranged the agenda so that Geoffrey Howe, who had made a separate visit to Southern Africa where he got bawled out in public by Kenneth Kaunda, spoke first. So, with the Queen giving a dinner beforehand - ie. very early on - then, the first item on the agenda was the report by Geoffrey Howe, that he would have his say.

SO: So 'the voice of reason' could be heard?

PM: That's right. The organisation of the agenda is the most important part of these things.

SO: Absolutely. After the meeting was over, what was your debrief with Sonny on the relative success or management of this review meeting?

PM: The meeting broke up in disorder and then Rajiv said, "Well, the UK has just sacrificed the moral leadership of the Commonwealth," to which the reply was, "Well, have we had it anyway?" My own impression on it was there was something slightly synthetic about the degree of disagreement. As the Caribbeans and other people said, "Why do we spend all this time on South Africa rather than real economic problems?" You see, there would be no Caribbean if Pindling hadn't been in the chair. It was Pindling, Sonny, Hawke, Kaunda, Mugabe, Mulroney, Mrs. T, and Rajiv Gandhi.

SO: Sir Peter, in your view as an economist, where was the Secretariat's greatest strength? Was it under Sonny Ramphal's leadership of the Secretariat, precisely because of its political diplomacy? Was it matched by the equally heavy weight economic diplomacy?

PM: A good question. I'm not sure, paradoxically, that they are absolutely connected. In the sense that, Sonny's validity in economic matters was of course, in the eyes of developing countries, was obviously validated by his known stance on South Africa. That didn't make him all that popular, though, with the IMF and the World Bank, in which I had a somewhat soothing, emollient role. I can remember one of the IMF people saying in my presence, about something Sonny had said that it was '*peu gentil*'. On the other hand, there must be a certain interconnection between the two. Although, and I think the weight certainly on the economic side was a function of expertise and commitment. In Sonny's case, a certain charisma and prestige. I have to say to you, the fact that I was very well known in the UN system, wasn't exactly a hindrance to the situation.

SO: Far from it! Because it gave the Secretariat 'hard currency'.

PM: Certainly, certainly. They knew we had a very good Economic Affairs Division, and I could represent them. The quality of the economic side of the office was superb. I don't know what it's like now and of course I feel inhibited from trying to find out. I was there at a particular juncture of international affairs; of the stand-off between North and the South, South Africa and the Cold War. Once you remove those three, you have a different ball game.

SO: Sir Peter, in what ways do you feel that the Cold War affected or influenced the Commonwealth and its activities and the Secretariat? Or in fact did this paradigm of international relations really not impinge upon the Commonwealth's area of activities?

PM: Well, in one very practical way we organised a seminar on the experience the developing countries had in dealing with the Iron Curtain countries. Comparing the techniques adopted by the Iron Curtain countries in Asia, Africa and the Caribbean. Of course, it all came out, the tactics were the same, and the value they offered in exchange for the raw materials they were so anxious to get, was contemptible. In other words, as an exercise in opening the eyes of the developing countries, which is the fact that these chaps behind the Iron Curtain were not the cat's whiskers - it had some value. They said okay, 'the Commonwealth Secretariat understands what's going on.' Similarly, we had this office in Geneva while one of those innumerable rounds of trade negotiations are going on; the idea was to hold a watching brief for the countries which were not present. But it very soon came to be the

place to which those who were present came to see, find out what was going on. Then other people said, "Would you tell us what the situation was", with which we also said, "Not unless you join the Commonwealth." Now, what sort of impression that would have made on others, I don't know, because you're subject to a great many impressions if you work in the sort of higher pressure international. Geneva, of course, was full of various stimulating characters. You've got to know what you are talking about if you are going to make any dent on it. A very good number of people who held that post didn't know what they were talking about and therefore made no dent.

A US official who was tasked with reform of the UNO came to ComSec (in the 1980s). His view was 'You keep doing what you are doing. You are the only ones doing it.' The US view was also that the Commonwealth was an English speaking non-aligned movement.

SO: Sir Peter, thank you very much indeed for giving me so much time. It has been a pleasure to talk to you.

[END OF AUDIO RECORDING]