

A higher priority for Latin America

Britain and Latin America – historic friends, future partners – an end to Britain’s retreat in Latin America. The new distinctive British foreign policy in action.

Britain’s retreat from Latin America is over, and it is now time for an advance to begin. We will seek intensified and equal partnerships with countries in Latin America and we will give much increased Ministerial attention to them.

It is an honour to be the first British Foreign Secretary to give the Canning lecture, 200 years after the dawn of Latin American independence. It is an apt moment to recall a proud chapter in the history of Britain and the Americas, and to re-launch our relations on a modern footing. I am grateful to Canning House for the invitation.

Latin America’s struggle for independence is surely one of the most remarkable and colourful episodes in history. Its leaders endured exile, hardship, betrayal, imprisonment and – in the case of Francisco de Miranda – two very close brushes with the French guillotine. They experienced stunning military victories and the frustration and reverses of nation-building. They died with their work incomplete. Yet out of a struggle that saw hundreds of thousands perish, they laid the foundation for the success of modern Latin America, even though that success took generations to come to fruition. Their charisma and bravura in the face of overwhelming odds are as captivating today as they were in the 19th century.

Britain came to be more closely associated with the independence movements than any other world power. London was a centre of activity for its leaders and supporters. Simon Bolivar travelled to and from London on a Royal Navy warship. Members of the British Legion fought and died in decisive battles, when bloodied and weary, they were thanked by Bolivar as “the saviours” of his country. We were the first country in Europe to recognise Mexico and played a key role in the establishment of an independent Uruguay. It was Britain that negotiated the terms of the independence of Brazil from Portugal. And our politics and literature were the source of ideas that helped shape Latin America after independence, while also having a personal impact on individuals. In 1822, while the military struggle was still raging and General Bolivar was criss-crossing the continent at the head of a revolutionary army of thousands, he insisted that his young nephew “learn the values and manners of a gentleman” by reading the letters of Lord Chesterfield, whose portrait by Gainsborough I regularly admire because it hangs in Chevening House, the residence of British Foreign Secretaries today.

Important battles of ideas were also being fought and won in Britain at the same time. These include the suppression of the 18th century slave trade, which Canning and colleagues after him did so much to halt in Brazil and around the world. Less well known is that while revolution was gathering pace in Venezuela, while Bolivar’s famous delegation to Britain was being conceived and while Britain was deep in the Napoleonic Wars, Canning sat at his desk in the Foreign Office one night and wrote a letter of farewell to his wife. The next day at dawn on Putney Heath he met the Secretary of State for War, Lord Castlereagh, with pistols drawn, for an extraordinary duel. Canning

took a ball through the thigh and both men had to resign from the government. We can only guess what Bolivar and his compatriots would have made of this spectacle – admittedly tame by their standards – if they had been aware of it; but no doubt they would have approved heartily of honourable sentiment taken to passionate extremes. This was the last time in British history that Ministers have sought to settle a political argument at gun point, which bodes well for our coalition. Canning’s other habit, which was to send instructions to his diplomats written in comic verse, was highly entertaining but is not one I am planning to reintroduce in the Foreign & Commonwealth Office.

Britain’s involvement with Latin American independence is not simply a mine of stirring anecdotes, but a rich part of our history. The warmth it still engenders between our peoples should be prized and encouraged. And for those in Britain who study that experience there is still much to learn from it. For history teaches us that Britain has a track record of underestimating Latin America and neglecting its opportunities. It is this neglect that the current British government is determined to address.

**We believe that now is the time
for Britain at last to think afresh
about Latin America and the
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In the eighteenth century British politicians were enticed by the wealth and natural riches of the hemisphere, but were reluctant to weigh in on the side of independence. They saw the region as a piece on a geopolitical chessboard dominated by rivalry with France and Spain, rather than on its own merits. For much of the twentieth century Latin America was considered to lie within a sphere of influence outside Britain’s traditional interests. It was thought to be predominantly a concern for the United States, and over the last twenty years there has been a steady decline in UK interest and representation.

Sandwiched between these two chapters was a period of intense engagement and remarkable trade that began in the 19th century – a time when the entire São Paulo railway was built with steel and expertise imported from Britain, and London was the dominant source of Latin American government finance. In 1808, 40 per cent of British exports were sent to Latin America. By the First World War, 50 per cent of foreign investment in Latin America came from Britain, more than 20 per cent of its trade was with Britain.

Yet if we fast forward to the present, UK exports to Latin America make up barely 1 per cent of all international exports to the region.

We export over three times more to Ireland than we do to the whole of Latin America – a region of 576 million people and 20 sovereign

republics. Our trade with Brazil – a country of almost 200 million people – is less than half our trade with Denmark. Chile and Argentina are only our 43rd and 49th largest export markets respectively. Germany now exports nearly four times as much to Latin America as we do. France and Italy have also left us behind in this respect over the last twenty years. Why is this so? Part of the answer lies in the difficult transition from authoritarianism to democracy, which deterred investment and close political relations. There was also higher demand for the sort of goods exported by our other competitors at different stages in the development of these economies.

But this is not the whole answer. A former British Ambassador in Brazil described the problem as follows. He said: “in all too many circles in the UK... there is small imaginative conception of the fact that.... no part of the world is developing more quickly than Latin America... Unless we are prepared in these days of rising competition to allow ourselves to be frozen out of this market by our more enterprising rivals, we must encourage in ourselves a more competitive outlook [and] adopt more positive policies”. He wrote these words over 50 years ago, yet they still ring true today. We turned away from Latin America just as the region began to forge ahead: four British Embassies in the region have been closed since 1998 alone.

We believe that now is the time for Britain at last to think afresh about Latin America and the opportunities it presents for political cooperation and trade and investment that will benefit all our citizens. We may not have done as well as we could in the recent past, but we offer many of the skills and services Latin America needs in the years ahead. We are home to the City of London, a leading provider of financial services and the expertise to help countries modernise their economies, and we are a gateway to Europe and the global economy. Some British companies have already had striking successes in the region, including HSBC, BG Group, AstraZeneca, Balfour Beatty, Rolls Royce and Anglo-American. We must build on this and rekindle more of the dynamism and spirit that we showed in our earlier engagement with the region.

Our coalition government understands that the world has changed profoundly since the end of the Cold War. International relations are no longer dominated by a handful of powerful states that can dictate terms for the rest, and never will be again in our lifetimes. That era is over. We are in a new phase in the concert of nations, in which states that have not traditionally dominated or sought dominance have an equal role to play in world affairs. The problems of our time require collaborative responses. No single country holds the answer to how we husband our planet’s resources for all, or narrow the gap between rich and poor, or create a sustainable global economy. Success does indeed have a thousand fathers – and mothers. Our challenge is to find a way to accommodate new voices within international institutions while finding coherence and shouldering equal responsibility.

In Britain our irreplaceable alliance with the United States, our membership of NATO and our ties in the European Union are essential to our security and prosperity and will remain so. But we know that we cannot protect the interests of British citizens unless we look beyond Europe and North America. As a new government we place far greater emphasis than our predecessors on building distinctive British relationships with the major emerging economies of the world including Brazil and on recasting our historic ties with the Commonwealth, with the Gulf States, with partners like Japan and with our many friends in

Latin America. Where the muscle tissues of once-vibrant relationships have been allowed to atrophy or to grow weak through lack of use, we will build them up and put them to use again.

The vital thing to understand about our approach to foreign affairs is that we are not only trying to make the right judgements now about the war in Afghanistan, the problems of Yemen, the spread of nuclear science and the conduct of EU affairs, among many other pressing issues, but we are determined to secure the long term prosperity and security of our country and the future opportunity of millions of British people.

So we have established a new National Security Council, transforming the way that international issues are scrutinised by Ministers, by bringing foreign policy into the decision-making of domestic governments, and using domestic talents – our expertise in health, science, the rule of law and education – to further support the development of stronger relationships with other countries and to enrich our diplomacy. Much of this expertise is already being shared in our relationships in Latin America. Our policing cooperation in Bolivia is exemplary. But we could do more, more widely. And we have also gone further and established a Committee of the National Security Council on our relations with the emerging powers, which I chair and which held its first meeting last week.

We are giving time to the task of mapping our economic and political relations with countries including many of in Latin America, developing plans across the whole of our Government where before there were none or very few, as part of a new commercialism led by our Prime Minister. As Latin American companies internationalise we want the UK to be the preferred choice for their overseas expansion.

We know that effective foreign policy cannot be reduced to a matrix of regions and themes or a series of boxes to be ticked with periodic meetings and visits. It requires imaginative understanding of individual countries, complex issues, unique histories and local circumstances. We understand that opportunity and influence comes in all sizes and that countries do not need to be geographically big to be strategically important and to be important partners for Britain. If size were to be the determining factor after all, Britain would never have got involved in Latin America or anywhere else in the world in the first place; 5 per cent of all world trade would not transit Panama; Costa Rica would not have been the key mediator and beacon of democracy in Central America in the 1980s; and Uruguay would not be the tenth largest contributor in the world to UN peacekeeping operations.

By any measure Latin America matters: It matters to our ecology – as one of the lungs and aquifers of our planet. Latin American countries are the custodians of at least 40 per cent of the world’s remaining rainforest, 35 per cent of global reserves of freshwater and 25 per cent of the world’s cultivable land. Many are making a leading contribution to sustainable and renewable energy. I am delighted that through the Prince’s Foundation for the Built Environment the UK is supporting a sustainable housing development in the unique Galapagos Islands and so helping to protect their fragile eco-systems.

Latin America enriches global culture, sport and the arts – we may have introduced football into Latin America in the 1800s, but you have been teaching us how to play it ever since, and sending world-class players to play in our clubs. The Aztec, Mayan and Inca cultural heritages are among the wonders of the world. During our Middle Ages, the Incas built up to 13,000 km of paved road through the Andes – comparable in

scale to the road network built by the Roman Empire in Europe. And while we cannot hope to rival their achievements, we have left some of our marks on Latin American culture, including no less an export than the humble Cornish Pasty. Introduced to Mexico a hundred years ago by Cornish tin miners, I am reliably informed it has been incorporated into the national cuisine and is celebrated at an annual festival there. And of course I am very proud that there are still thriving Welsh-speaking communities in Patagonia today. I was particularly pleased that the UK's bicentenary gift to Chile this year also had a Welsh connection, namely the return from the parish of Oystermouth in Swansea of three historic bells originally from a church in Santiago.

We are in a new phase in the concert of nations, in which states that have not traditionally dominated or sought dominance have an equal role to play in world affairs

Latin America also matters to our security. We benefit from the valiant efforts of regional governments to grapple with organised crime and violence which mars some countries in the region today and exacts a terrible human toll. And we recognise the moral leadership that this huge regional nuclear free weapons zone gives the region.

Above all, Latin American countries are one of the undisputed engines of the international economy. The combined GDP of Latin America is over \$5 trillion and is still growing. Brazil is on track to be the fifth largest economy in the world by 2025. The combined GDP of Mexico and Argentina equals that of India. Three of the G20 economies are Latin American. Behind these figures lie individual success stories, whether it is the fiscal discipline of Peru, which has one of lowest debt to GDP ratios of any country in the world, Panama with its growth rate of more than 6 per cent, or Chile, whose robust economy has continued to grow despite having suffered a devastating earthquake this year. It is no accident that the region has weathered the financial crisis better than almost any other in the world having learnt the lessons of previous crises, and that they are making an important contribution to sustained and balanced economic growth in the world.

We should not gloss over the problems which still mark parts of the region, including poverty, inequality and the serious violence which regional governments are working hard to address. But we should celebrate achievements beyond the dreams of even Canning and Bolivar. There are several strands of common endeavour which particularly stand out in my mind.

First, the great majority of countries in Latin America are democracies. In fact it is the largest and most diverse group of democracies outside Western Europe. I am struck by commitment across Latin America to the strengthening of democratic institutions and the rule of law, to bringing to justice those responsible for human rights abuses and to processes of truth and reconciliation. This includes welcome steps to address the rights of indigenous people, who in Latin America as in other parts of the world have suffered historic wrongs. Strong democratic institutions and human rights are fundamental to

the region's global influence and to its future economic success, and where those are being undermined it is not only wrong in principle but harmful to the prosperity and liberty of those countries. For this reason the UK and EU were among the first to offer support for the democratic process in Ecuador during the recent police and military protests. The UK will continue to work closely with the Government of Colombia to encourage improved human rights in that country. We also congratulate Brazil on their recent elections. The Prime Minister and President-elect Rousseff knew each other before their election victories. We very much look forward to working with her as Brazil continues to play an increasing role on the world stage.

Second, there is much to admire from the innovation in social policy taking place in many countries, in particular to tackle the problems of urbanisation and inequality. Venezuela's El Sistema music initiative with disadvantaged youth is being copied in several UK cities, Brazil's Bolsa Familia is a model for developing countries in other continents, and we admire Uruguay's achievement of giving every primary school pupil access to a laptop. It is also impressive that innovative skills and entrepreneurship training programmes developed by Fundacion Paraguay are being exported to other developing countries. Over the last decade 40 million people in Latin America have been lifted out of poverty, 72 million jobs have been created, and 17 million people have overcome illiteracy. The pace of this change is set to grow. It took 38 years for 50 million people in the region to get access to the radio. By comparison it took 4 years for the same number to be connected to the internet, and just 5 months for the same number to be on Facebook. In a networked world, Latin America's growing middle class and links to the outside will only reinforce its impact on world affairs.

And third, countries like Mexico, Peru, Bolivia and Costa Rica are playing an important role in tackling climate change. Latin American countries are among the most affected by this irreversible problem and a key part of the answer, preserving threatened resources and helping to build the international consensus and agreement which is urgently needed.

For these reasons and more, Latin America must be a key focus of our foreign policy, that seeks to build up new and strengthened relations in the world in pursuit of prosperity and security. We will halt the decline in Britain's diplomatic presence in Latin America. And I say to you very clearly as Foreign Secretary, Britain's retreat from the region is over, and it is now time for an advance to begin. We will seek intensified and equal partnerships with countries in Latin America and we will give much increased Ministerial attention to them.

We will look for new economic opportunities, encouraging investment in the UK, working to raise the profile of the region with British business, and helping British business access markets in the region. We will look for every opportunity to deepen our own links, and lower the regulatory barriers to business that prevent us from doing more together. In the past three years UK Trade and Investment has seen a 500 per cent increase in the number of British companies looking for help with the Brazilian market. It shows there is huge scope for Britain and Brazil to cooperate on the 2012 and 2016 Olympic Games. And let us not forget the World Cup, which Brazil has earned in 2014, and which Britain deserves four years later.

We will be a strong voice against protectionism and in support of free trade. We will relentlessly work to ensure that the global conditions for

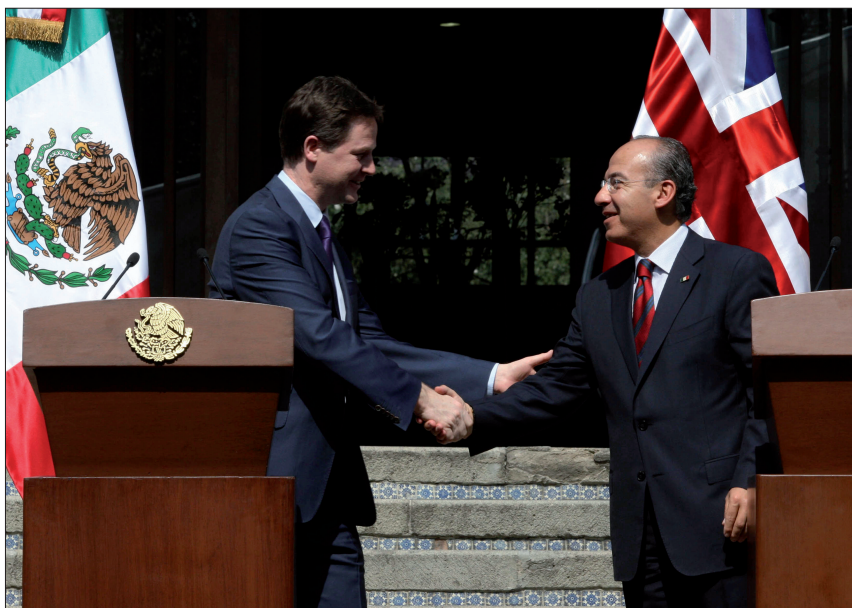
your integration into the world economy are improved. We will support ambitious European Commercial Agreements with Mercosur, the Andean region and Central America, in our role as undoubtedly the strongest and most persistent advocate of free trade in the European Union. We say to our partners in Latin America, we want to work closely with you to tackle drugs and violence, support sustainable development and address energy security. And we are keen to help broker a strategic alliance between Latin America and Europe on climate change. As modernised economies we have it within our grasp to make a concerted shift towards the low carbon, climate resilient growth which is the key to the future.

Through the work of the British Council, we want Latin America to see the UK as the partner of choice in education and culture, offering new English language skills to a wider audience and fostering knowledge sharing and creativity in arts and science.

And we will continue to call for reform of the UN, including an expanded Security Council with Brazil as a permanent member. It is entirely fitting that a region that provided nearly half of the founding members of the United Nations is represented fully in international institutions. We have worked closely with Mexico and Brazil on the Council this year, and look forward to doing the same with Colombia when it takes up its seat next year. As Chair of the G77, Argentina will also be playing a key role in the UN system over the coming year. I know that UNASUR is developing as a key forum for high level political debate and coordination across the Southern region. And while Latin America already has numerous regional groupings, I am in no doubt whatever that if this important region could come together as a whole they would have an even more significant contribution to make to world affairs.

We will look to our partners to suggest new ideas on top of all these about how and where we can best work together. We may not always agree, but I am confident that more often than not we will share the same objectives and have much to learn from each other. It is our intention not to let differences come in the way of closer cooperation. There will be no change to Britain's longstanding position on the Falkland Islands. But this should not be an obstacle to the positive relations we seek.

Deputy Prime Minister Nick Clegg and President Felipe Calderon of Mexico



In 1839 a former Foreign Office official told a Commons Select Committee that "in Mr Canning's time, the whole of South America was thrown open...which almost doubled the business of the Foreign Office". I am not intending to double the business of the Foreign Office again, but I hope that some of the Latin American countries represented in the room will have already noticed the difference. In our five months in office Vince Cable, Secretary of State for Business led a trade delegation to Brazil in August where he agreed a high level forum of CEOs from both countries. Gerald Howarth, Minister for International Security Strategy, signed a new Defence Agreement with Brazil on board HMS Ocean in September, and we are putting government weight behind a bid by BAE Systems for a contract to modernise the Brazilian navy. Home Office Minister James Brokenshire visited Colombia, Peru and Venezuela to strengthen our excellent counter-narcotics cooperation. And Minister of State Jeremy Browne, who is leading much of our thinking in this area across government, has visited Chile and Colombia, will travel to Mexico, Guatemala and Panama very soon. The Deputy Prime Minister will also lead a ministerial and trade delegation to the region next year, and I look forward to visiting as many of its countries as possible during my tenure as Foreign Secretary starting in the early months of next year.

In 1822 Bolivar presciently wrote that "neither our generation nor the generation to follow ours will see the brilliance of what we have founded. I see America in chrysalis". 188 years later there can be no doubt that Latin America is emerging in its full colours. Nowhere has this been more vividly illustrated in recent times than in the Chilean people's successful rescue of the 33 miners, which showed an indomitable spirit and a technical ingenuity that inspired the world and had a remarkable unifying effect. Their triumph made other solutions seem possible and reminded us of how closely our lives are linked to those of people in other countries.

One of the enduring images of Canning came from his own pen. He wrote "I did, while I lay in my bed at the FO with the gout gnawing my great toe, draw up the Instructions for our Agents in Mexico and

Columbia which are to raise those States to the rank of Nations... The thing is done... an act which will make a change in the face of the World almost as great as the discovery of the Continent now set free". The histories of Britain and the great Latin American region are interwoven. And our destinies are linked far more than has been appreciated in recent years, and will grow only more so over time. We cannot find answers to global problems without each other. And our closer cooperation can only be to the benefit of all our people. This government looks forward to playing its part to help bring that about. Canning famously said that he "called the New World into existence, to redress the balance of the Old". Now as his heirs a new British government will once again refresh and intensify our relationships with a transformed New World, this time to broaden the horizons and the prosperity of the Old. **F**

Speech delivered on 9th November 2010, Canning House, London